

RULE MAKING

Proposed rule making (CR-102)

- Marijuana Consultation and Education Program (*formerly Voluntary Compliance Program*)
- Quality Control Testing and Products Requirements

Upcoming Rule Making on:

- Implementation of 2020 Legislation—E2SSB 5549 Distilleries Marketing and Sales
- Implementation of Alcohol-related 2020 Legislation – HB 2412, ESSB 5006, ESSB 6095, and SSB 6392
- Marijuana Business Premise Certificate of Compliance
- Marijuana Vapor Products
- Marijuana Quality Assurance Testing
- Student Tasting and Permits

See more at: <https://lcb.wa.gov/rules/proposed-rules>

EMERGENCY RULES EXTENSION

Prohibition—Vitamin E acetate.

- **Emergency Rules (WAC 314-55-1055)** – Marijuana Vapor Product Disclosure Form September 16, 2020 by WSR 20-19-083)
- **Emergency Rules (WAC 314-55-077)** – Marijuana Processor License – Privileges, Requirements and Fees (Updated September 16, 2020 by WSR 20-19-081)
- **Emergency Rules (WAC 314-55-079)** – Marijuana Retailer License – Privileges, Requirements and Fees (Updated September 16, 2020 by WSR 20-19-082)
- **Emergency Rules (WAC 314-55-1065)** – LCB Vitamin E Acetate Prohibition (*formerly LCB Vitamin E Acetate Ban*) (Updated September 16, 2020 by WSR 20-19-080)

WAC 314-55-1055 Ingredient disclosure. (1) All licensed marijuana processors and producers must disclose all ingredients used in the production of marijuana concentrates for inhalation and marijuana infused extracts for inhalation.

COVID ALLOWANCES

- **Curbside Service and Delivery (Alcohol)**
 - Concerns on increased access
 - Unintentional injury and death, accidents, and intimate partner and child abuse
 - Lack of fidelity of ID checks
 - Change in norms for alcohol and provides further exposure to products for youth
- **Pre-Mixed Cocktails Allowance for Curbside Pick-Up/Delivery**
 - How can we additionally ensure age compliance checks for offsite deliveries?
- **Minors being present in restricted areas of licensed restaurants in limited circumstances**
 - Prevention is concerned about the change in norms, being exposed to alcohol advertising, and the norm of acceptance of youth present in a licensed business serving alcohol as this provides further exposure to products for youth.
- **Minors Present on Premises of Licensed Marijuana Producer/Processors**
 - Normalizing marijuana use
 - Some producer/processors are in remote locations with no local enforcement supervision to ensure compliance
- **MJ Curbside Service**
 - Concerns with increased access, the more availability/exposure to substances in a community may increase normalization of substance use and a higher the risk that young people will use

**The expiration for each allowance will be set by the LCB when the county where the LCB-licensed business is located enters Phase 4. The allowance will expire within 30 days following the county's entrance into Phase 4.*



FY 2021 REVENUE COLLECTED

	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	TOTAL
SPIRIT FEES	38,969,901	8,372,203											47,342,104
BEER TAX	2,500,558	2,719,335											5,219,893
WINE TAX	2,263,138	2,613,029											4,876,167
LIQUOR LICENSE FEES	1,523,039	1,100,441											2,623,480
LIQUOR TOTAL	45,256,636	14,805,008											60,061,644
MARIJUANA LICENSE FEES	419,649	200,489											620,138
MARIJUANA EXCISE TAX	45,967,712	50,262,806											96,230,517
MARIJUANA TOTAL	46,387,361	50,463,295											96,850,656
MONTHLY TOTAL	91,643,997	65,268,303											156,912,300
% CHANGE FROM PRIOR YEAR	38%	28%											

FISCAL YTD TOTAL	91,643,997	156,912,300
% CHANGE FROM PRIOR YEAR	38%	34%

*July spirit fees had an erroneous \$12,827,766.50 payment that was reversed in August. An adjustment was made to both months removing the effect of this payment.

*August marijuana excise tax was increased by \$2,446,413.46 to account for 8/27 cash log timing issue (will be reversed in September)



FY 2020 REVENUE COLLECTED

	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	TOTAL
SPIRIT FEES	24,335,503	8,955,590	2,504,959	31,031,198	3,937,714	3,555,653	38,954,701	2,947,576	2,438,990	16,332,059	21,225,688	2,841,255	159,060,886
BEER TAX	3,047,579	3,049,999	2,746,868	2,467,970	2,030,055	2,296,677	2,400,597	2,342,648	487,461	4,251,516	2,738,056	2,503,412	30,362,837
WINE TAX	2,236,813	1,853,206	2,518,386	2,344,321	2,068,692	2,525,881	2,519,951	1,698,829	1,502,921	1,515,096	3,279,270	1,916,242	25,979,609
LIQUOR LICENSE FEES	1,376,965	1,397,901	1,197,784	1,386,524	964,140	1,667,091	1,442,000	1,186,663	1,493,200	874,878	1,008,096	1,314,519	15,309,761
LIQUOR TOTAL	30,996,860	15,256,696	8,967,998	37,230,012	9,000,600	10,045,301	45,317,249	8,175,717	5,922,572	22,973,550	28,251,109	8,575,429	230,713,093
MARIJUANA LICENSE FEES	374,716	296,634	350,135	588,138	470,264	775,353	625,939	277,123	324,515	204,380	251,389	230,837	4,769,422
MARIJUANA EXCISE TAX	34,801,751	35,617,301	36,268,258	35,882,305	36,244,481	35,542,632	38,243,047	34,333,983	34,376,476	41,146,515	47,386,182	44,318,545	454,161,475
MARIJUANA TOTAL	35,176,466	35,913,934	36,618,393	36,470,443	36,714,745	36,317,985	38,868,986	34,611,105	34,700,991	41,350,895	47,637,571	44,549,382	458,930,898
MONTHLY TOTAL	66,173,326	51,170,630	45,586,391	73,700,455	45,715,345	46,363,286	84,186,235	42,786,822	40,623,563	64,324,445	75,888,681	53,124,811	689,643,991
% CHANGE FROM PRIOR YEAR	2%	12%	2%	25%	-12%	17%	18%	-5%	4%	20%	32%	21%	12%

FISCAL YTD TOTAL	66,173,326	117,343,957	162,930,348	236,630,803	282,346,149	328,709,435	412,895,669	455,682,492	496,306,054	560,630,499	636,519,180	689,643,991	
% CHANGE FROM PRIOR YEAR	2%	6%	5%	10%	6%	7%	9%	8%	7%	9%	11%	12%	

*March's marijuana excise tax processed numbers were lower due to a lag in cash collections at the end of March, which artificially inflated April's numbers. A \$4,429,763 adjustment was made to both months.



Washington State Liquor and Cannabis Board

Estimated Net to Distribute		\$352,319,189	\$368,096,730
Agency	For	FY 18	FY 19
Dept. of Social and Health Svcs.	Prevention and reduction of substance abuse	\$27,786,000	Shifted to HCA
Dept. of Health	Marijuana education and public health program	\$9,761,000	\$9,764,000
University of Washington	Research on short- and long-term effects	\$227,000	\$227,000
Washington State University	Research on short- and long-term effects	\$138,000	\$138,000
WA Health Care Authority	Basic Health Trust Fund Account	\$216,160,000	\$194,000,000
	Contracts with community health centers	\$17,616,000	\$46,191,000
Supt. of Public Instruction	Drop-out prevention	\$513,000	\$515,000
General Fund		\$80,118,189	\$117,261,730



COMPLIANCE CHECKS

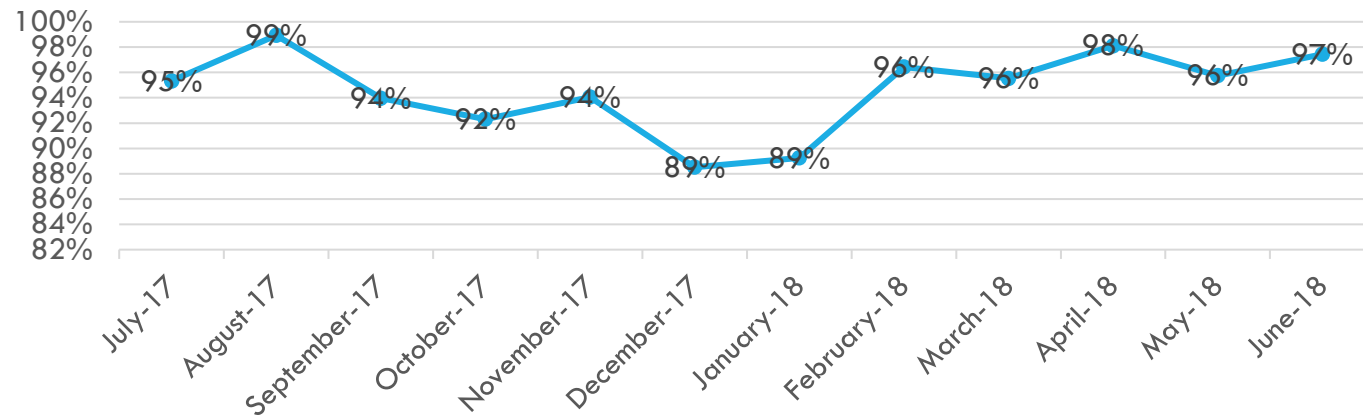
The WSLCB regularly conducts compliance checks of retailers licensed to sell cannabis.

Compliance checks are proven tools to reduce the sale of cannabis to minors.

Investigative aides assist officers with compliance checks. These individuals are from 18 to 20 years old. They must either present their true identification or none at all if asked by a clerk.

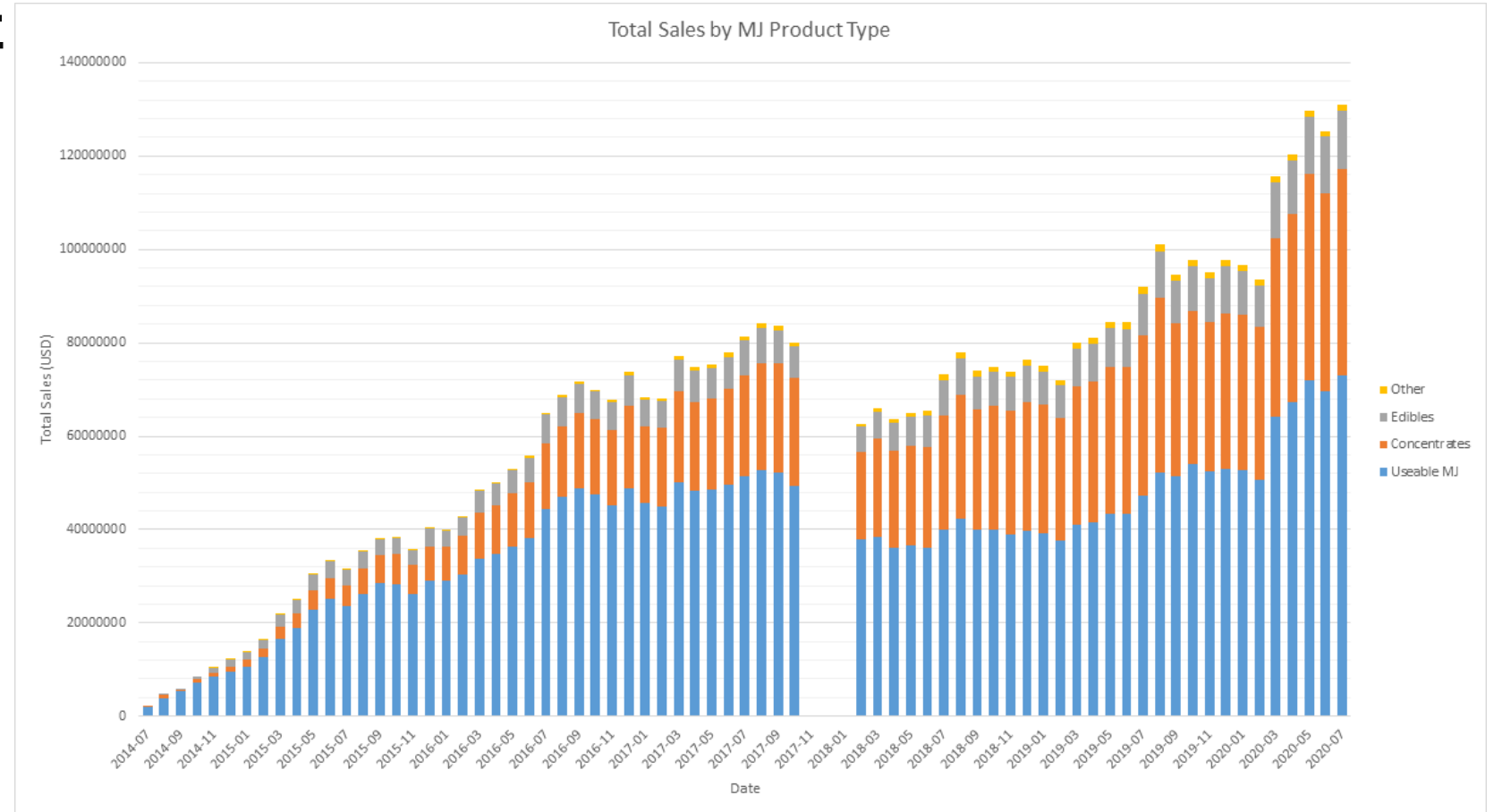
Marijuana retailers have a 94 percent compliance rate of refusing sales to minors, which compares favorably to the 83 percent compliance rate in the alcohol industry.

Cannabis Compliance Rates FY18



SALES VOLUME

- July 2020 up 42% Year Over Year to 2019
- COVID-19 has markedly increased sales





**THANK YOU FOR BEARING WITH ME. SARA WILL
BE BACK SOON, I PROMISE!**