Lessons Learned on Road to Legal Marijuana
Sharon Foster, Chair, Washington State Liquor Control Board (WSLCB)

Future of Western Legislatures Forum
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Overview

Washington’s Legalization at Glance

- Established by Initiative 502 on Nov. 6, 2012
- I-502 drafted by ACLU Drug Policy Director Alison Holcomb
- WSLCB charged with:
  - Drafting rules governing the new system
  - Licensing applicants
  - Enforcing the law at licensed locations
- 30-day window application period drew 7,000+ applications
  - No limit on producers and processors
  - Retail stores limited to 334 statewide
  - Retail lottery held in April to identify 334 “winners” out of 2,100 applicants
<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
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<tbody>
<tr>
<td>December 2012</td>
<td>I-502 effective date</td>
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<tr>
<td>October 2013</td>
<td>Rules effective</td>
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<tr>
<td>March 2014</td>
<td>First producer licenses</td>
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<td>April 2014</td>
<td>Retail lottery</td>
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<td>July 7, 2014</td>
<td>First retail licenses issued</td>
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<td>July 8, 2014</td>
<td>First retail stores open</td>
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Goals of Developing Washington’s System

• Public safety is top priority
• Protecting children is focus
• Open and transparent system of rule-making and implementation
• Tightly regulated controlled marketplace
• Collect revenue for state of Washington
Top 10 Lessons Learned*

The following slides depict my personal reflections on lessons learned.

– Includes actions that resulted in positive outcomes
– Includes actions that I may choose to do differently if we had to do it all over again.

*The list is in no particular order.
Lesson 1

There are many challenges of implementing a state law that is illegal federally.
Lesson 2

It is important to be realistic about the time it takes to set up a comprehensive system of growing, processing, and retailing recreational marijuana.
Lesson 3

The impact on agency and state resources is heavy. This is not normal business.
Lesson 4

It helps to know your license applicant base.

- Most marijuana license applicants are not used to operating under any regulation.
Lesson 5

Limit each applicant to a single license per license category to get the system started

– WSLCB rules allowed up to 3 licenses per category
– WSLCB had to later limit applicants to single license and refund fee or hold application.
Lesson 6

Lab testing is important to help further public and consumer safety

Sample Label

- Business/trade name, UBI
- Lot number
- Batch number
- Manufacture date
- Best by date
- Recommended serving size
- Servings per unit
- Total milligrams of active THC
- Net weight
- All ingredients (incl. allergens)
- Warnings and cautions
- Identifier, “Product contains marijuana”
- All marijuana-infused products must be approved by the WSLCB
Lesson 7
Product and label approval on edible marijuana products protects kids and consumers.

4 mil plastic minimum
Sealed packaging
No easy-open devices
Poison Prevention Act compliant

Cartoons
Depictions of Kids
Toys
Lesson 8

Serving sizes and scoring promote consumer and public safety.

Serving = 10 mgs THC
Maximum of 10 servings per unit
Maximum 100mgs THC per unit
Servings must be physically indicated
All products must be tested
Lesson 9

Having a public education campaign in place is critical.

Consumer Education

• Consumer safety
  – Potency
  – Edibles
  – Driving/DUI
• Basic law facts
• Resource referral
• 40,000 copies, also available on-line

Parent Education

• Health risks and laws
• Nine languages
• 55,000 copies printed
Lesson 10

Expect the unexpected

– Circumstances outside your control will impact the best laid plans.

– Remain flexible to adjust as needed.
Current Status of WA Marijuana System

Licenses Issued/Applied

– 155 producer/processors
– Total producer canopy: 1.5 million square feet (About 26 football fields)
– 38 of 334 retailer licenses issued.

Sales $3.6 million (29 days of sales)
Expected Excise tax $899,000 (29 days of sales)

Revenue Forecast (begins July 1, 2015)

– 2015-17 Biennium $122,459,893
– 2017-19 Biennium $336,898,396