Indoor Marijuana Producers – Regulatory/Permitting Guidance

In addition to the requirements of the Washington State Liquor and Cannabis Board (LCB), marijuana producers applying for licenses under Initiative 502 (I-502) may be subject to additional local, state and regional regulations.

This fact sheet is intended to help indoor marijuana producers be aware of local, state and/or regional requirements they may need to meet. Additional regulatory requirements can include environmental permitting¹, land-use regulations (zoning), business licensing, and building/fire codes and have separate timelines and costs from the LCB process.

Important Note: The LCB grants marijuana license endorsements to specific physical locations. If you change your address or move your business, please contact the LCB.

Local Government Permits and Regulations

Local governments are responsible for determining how land is used and where businesses can locate in their jurisdictions. Typical land-use designations include residential, commercial, industrial, manufacturing and agricultural although local authorities may develop marijuana-specific zoning. Make sure local zoning allows your proposed use before committing to a location.

Local governments may also have their own business licensing requirements. They also administer building, fire, electrical, mechanical, energy, plumbing and sign codes. If you plan to make any changes to a structure or use of a location, you may need a permit.

Tip: Many local governments offer a "pre-application" meeting where you can learn what local permits you will need and the time/cost it will take to obtain them. Call your local permitting agency, often the planning and development department and ask for their help. It could save you time and money. Contact information for cities can be found <u>here</u>². Contact information for counties can be found <u>here</u>³.

<u>State Environmental Policy Act (SEPA)</u> – SEPA is not a permit; it is an environmental review process which helps governments make decisions about permits and other actions. The LCB completed a SEPA review for the rules governing marijuana licensing. Individual producer operations may also have to undertake SEPA reviews. Local permitting agencies will determine if it is necessary.

If SEPA is required, project applicants must complete a checklist describing the possible environmental impacts of their project. Processes such as wastewater and solid waste disposal, CO₂ use in the growing cycle, odors, etc. may be included. Additional guidance about SEPA can be found at: <u>http://www.ecy.wa.gov/programs/sea/sepa/agenciesApplicantsGuidance.html</u>.

State and Regional Environmental Permits and Other Regulations

There are a number of environmental permits and other regulations that may apply to indoor growing operations. These permits are generally administered by state or regional agencies unless a local jurisdiction has been delegated by the state to issue the permit.

<u>Water Quality Permits</u> – Water quality permits address wastewater or stormwater discharged from a facility or leaving facility grounds. Indoor marijuana producers may need water quality permits if they discharge wastewater from their growing operations, such as water containing excess fertilizers, or if they construct a new facility.

Wastewater discharge permits is issued by the state Department of Ecology (ECY). For more information see:

- https://fortress.wa.gov/ecy/publications/documents/ecy070533.pdf
- http://apps.oria.wa.gov/permithandbook/permitdetail/20

Tip: Contact your local ECY office to schedule a meeting to discuss your plans. Come prepared to describe the amount of water you will need to operate your business, how much wastewater you will discharge, the wastewater composition and where the discharge will go. This will help regulators decide if you need a waste water discharge permit, an authorization or your discharge is exempt.

<u>Construction Stormwater Permits</u> - Construction stormwater permits are issued by ECY and might be needed for construction of a new facility. They are required for land-disturbing activities that disturb one or more acres of land and that discharge stormwater into surface waters of the state. Smaller sites may also need a permit if they are part of a larger development that will disturb one acre or more. For more information see:

- <u>https://fortress.wa.gov/ecy/publications/publications/1010077.pdf</u>
- http://apps.oria.wa.gov/permithandbook/permitdetail/16

<u>Chemigation and Fertigation Regulations</u> – Chemigation or fertigation refers to the application of fertilizers and/or pesticides to crops through an irrigation water system, commonly called a "drip system". Fertilizers includes water reclaimed from food processing or wastewater treatment facilities.

Chemigation and fertigation systems must be installed according to state regulations, WAC 16-202-1001 and WAC 16-202-2002. The Washington State Department of Agriculture (WSDA) has a technical assistance program to assist individuals installing these systems to protect human health and the environment from improper fertilizer and pesticide use. For more information see:

- <u>http://agr.wa.gov/PestFert/ChemFert/</u>
- http://apps.leg.wa.gov/WAC/default.aspx?cite=16-202

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<u>Air Quality Permits</u> – <u>Clean air agencies and Ecology</u> have regulating authority to issue air quality permits to industries whose emissions could increase air pollution. Air quality permits could be required for the use of solvents in boilers or manufacturing operations.

The agency that issues a permit is determined by the location of your business. Find out which agency has regulating authority in your region by visiting Ecology's Clean Air Agency web page. You also can learn about air quality General Order Permits by visiting our Regulatory Handbook web page.

<u>Odor Complaints</u> - Clean air agencies also regulate odors that "may unreasonably interfere with another property owner's use or enjoyment of his property" (WAC 173-400-040(5)). Marijuana processor facilities, and facilities that receive odor complaints, can be subject to fines or be required to add air filtration equipment.

Tip: Before beginning operations for extraction processes, contact your regulating authority to determine if an air quality permit is required. Consider adding odor control technology to your heating, ventilation, and air conditioning system to help prevent odor complaints.

<u>Solid Waste Handling</u> – The marijuana licensing rules require that marijuana wastes from growing operations be rendered unusable by mixing with 50% other materials and ground before disposal or composting. These ground and mixed materials are considered "solid waste" by state regulations and must be handled according to the state Solid Waste Handling Standards (WAC 173-350) *and* the requirements of the marijuana licensing rules.

Solid waste regulatory oversight is the responsibility of local health districts (sometimes called "environmental health"). Producers should work with their health district to determine proper disposal of solid wastes.

Tip: Determine how you propose to handle your solid waste before beginning operations. Be prepared to discuss the following with your local health district (be as specific as possible):

- How much waste will you have?
- What will the marijuana waste be mixed with to render it unusable?
- If waste material is held before it is disposed of, how, where and for how long will marijuana waste be stored?
- Do you plan to ship marijuana waste off site? If so, who will be hauling it and where will it go?
- Do you plan to compost marijuana waste on-site?

Local health districts can be found <u>here</u>⁴.

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<u>Hazardous Waste Management</u> – Waste pesticides and used mercury-containing bulbs, including high-intensity discharge bulbs (HID), may require special disposal.

- Mercury-containing bulbs: As of January 1, 2013, all mercury-containing lights must be recycled (RCW 70.275.080). For information see: <u>http://www.ecy.wa.gov/mercury/mercury_light_bulbs.html</u>
- Waste pesticides: The Washington State Department of Agriculture (WSDA) operates a waste pesticide collection program; see: <u>http://agr.wa.gov/PestFert/Pesticides/WastePesticide.aspx</u>

Tip: Waste pesticides may be accepted at your local hazardous waste collection facility. A list of commercial lamp recyclers can be found at: <u>http://www.lamprecycle.org/commercial-lighting-lamp-recyclers/</u> by searching under "Fluorescent Light and Ballast Management."

<u>Labor and Industry Regulations</u> – Businesses in the marijuana industry need to comply with workers' compensation laws as well as safety and health laws, just like all other businesses operating in Washington State. Workers' compensation insurance coverage is required for employees and other eligible workers. Workers cannot waive their rights to this coverage (RCW 51.04.060). Workers' compensation requirements for the marijuana industry can be found here⁵. Safety and health requirements can be found <u>here⁶</u>.

Do You Need Environmental Permits?

For assistance with understanding environmental permits and other regulatory questions, contact the Governor's Office for Regulatory Innovation and Assistance (ORIA) at 1-800-917-0043 or <u>help@oria.wa.gov</u>. ORIA can:

- Guide you through the environmental permitting process
- Save you time and money by clarifying requirements up front
- Provide one-on-one consultation and research on project-specific requirements.
- Provide online information and tools to help you start and operate your business

Notes

- ¹ The term 'permit' is a synonym for process, permit, authorization, license, regulation, certificate and approval.
- ² City contact information: <u>http://mrsc.org/Home/Research-Tools/Washington-City-and-Town-Profiles.aspx</u>
- ³ **County contact information:** <u>http://mrsc.org/Home/Research-Tools/Washington-County-</u> <u>Profiles.aspx</u>
- ⁴ Local health district: <u>http://www.doh.wa.gov/AboutUs/PublicHealthSystem/LocalHealthJurisdictions.aspx</u>
- ⁵ Clean air agencies: <u>http://www.ecy.wa.gov/programs/air/local.html</u>
- ⁶ General Order Permits: <u>http://apps.oria.wa.gov/permithandbook/permitdetail/108</u>
- ⁷ Workers compensation requirements: <u>http://www.lni.wa.gov/FormPub/Detail.asp?DocID=2742</u>
- ⁸ Safety and health requirements: <u>http://www.lni.wa.gov/Safety/Topics/Industries/Marijuana/</u>