



Washington State Liquor and Cannabis Board Meeting

Wednesday, March 9, 2016, 10:00 a.m.
LCB Headquarters - Boardroom
3000 Pacific Avenue SE, Olympia WA 98501

Meeting Minutes

1. CALL TO ORDER

Chair Jane Rushford called the regular meeting of the Washington State Liquor and Cannabis Board to order at 10:00 a.m. on Wednesday, March 9, 2016. Member Ruthann Kurose was present and Member Russell Hauge joined the meeting by phone.

Chair Rushford announced that this is the last board meeting for Board Member Hauge. He has accepted a position with the Justice Center of the Council of State Governments. She wanted to take a moment and recognize the sterling contributions, commitments, and influence he has brought to our work here in the past year. We have appreciated his expertise, talent, and insights -- we have not had someone with the breadth and depth of law enforcement experience in the past and it has been extremely meaningful. It has given us the chance to do an even better job. From all of us here at the WA State Liquor and Cannabis Board, we will miss you and our good fortune now belongs to someone else. We wish you the best.

Member Kurose wanted to echo what Jane said. Russ' clarity of mission, depth and breadth of law enforcement and prosecutorial experience have really informed the Board and agency in ways that moved us forward significantly. He has been a positive change agent and the seeds that he planted here are going to continue to grow long after your departure. The Council of State Governments is lucky to gain your leadership. We want to thank you and wish you the best.

2. APPROVAL OF MEETING MINUTES

MOTION: Member Kurose moved to approve the February 10, 2016, meeting minutes.

SECOND: Member Hauge seconded.

ACTION: Motion passed unanimously.

3. ACTION ITEMS (A-C)

ACTION ITEM 3A - Board Approval of (CR 103) for Beer/Wine Gift Delivery License

Karen McCall, Agency Rules Coordinator, began the briefing with materials (HANDOUT(S) 3A 1-3). She provided background noting that this is to create a new rule that clarifies requirements for a beer and/or wine gift delivery licensee to sell over the internet and deliver beer and wine to their customers. She received no comments on this rule.

Ms. McCall then requested approval from the Board of final rules (CR 103) to creating a new section in Chapter 314-03 WAC Allowed Activities

MOTION: Member Kurose moved to approve the CR 103 for Beer/Wine Gift Delivery Internet Sales.

SECOND: Member Hauge seconded.

ACTION: Motion passed unanimously.

ACTION ITEM 3B – Board Approval (CR 101) WAC 314-02-130 What type of changes to a licensed premises require board approval?

Karen McCall, Agency Rules Coordinator, began the briefing with materials (HANDOUT(S) 3B 1-2). She provided background noting that this rulemaking is the result of the outside service requirements in the current rule need to be revised for clarity. Some stakeholders have commented that the outside service rules need to allow for different types of businesses and business locations an exception from current requirements on a case by case basis.

In March 2015, the board adopted rules that created an exception to allow sidewalk café outside service in conjunction with a sidewalk café permit from the local jurisdiction.

Ms. McCall then requested approval from the Board for filing a pre-proposal statement of inquiry (CR 101) for WAC 314-02-130 What types of changes to a licensed premises require board approval?

MOTION: Member Kurose moved approval for filing a pre-proposal statement of inquiry (CR 101) for WAC 314-02-130: What types of changes to a licensed premises require board approval?

SECOND: Member Hauge seconded.

ACTION: Motion passed unanimously.

ACTION ITEM 3C - Board Adoption of (CR 101) WAC 314-23-085 What type of discounts are not allowed?

Karen McCall, Agency Rules Coordinator, began the briefing with materials (HANDOUT(S) 3C 1-2). She provided background noting on September 9, 2015, the board adopted new rules regarding fair trade practices. WAC 314-23-085 in particular addresses what type of discounts are not allowed between a distributor and retailer. An exception was written into the rule that allows a distributor to combine orders for multiple locations when determining a volume discount and deliver the product to multiple liquor licensed locations owned and operated by the same liquor licensed entity.

The exception is strongly opposed by the distributors because it would essentially require them to completely change the way they do business.

The board notified stakeholders after the rule was adopted that the board would not be enforcing this rule until the board could re-evaluate the circumstances surrounding the rule and the effect on our stakeholders.

Ms. McCall then requested approval from the Board for filing a pre-proposal statement of inquiry (CR 101) for WAC 314-23-085: What type of discounts are not allowed?

MOTION: Member Kurose moved approval for filing a pre-proposal statement of inquiry (CR 101) for WAC 314-23-085: What type of discounts are not allowed?

SECOND: Member Hauge seconded.

ACTION: Motion passed unanimously.

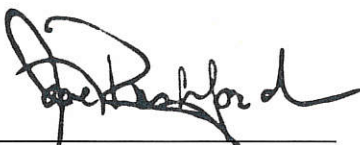
4. ADDITIONAL BUSINESS

Chair Rushford then invited citizens to address the Board regarding any issues related to LCB business. There were no comments.


ADJOURN

Chair Rushford adjourned the meeting at 10:10.


Minutes approved this 23rd day of March 2016



Jane Rushford
Board Chair



Ruthann Kurose
Board Member



Russell Hauge
Board Member

Minutes prepared by: Lisa Faker, Executive Assistant to the Board

LCB Mission - Promote public safety and trust through fair administration and enforcement of liquor, tobacco and marijuana laws.

Complete meeting packets are available online: http://lcb.wa.gov/boardmeetings/board_meetings
For questions about agendas or meeting materials you may email lisa.faker@lcb.wa.gov or call 360.664.1717