



Washington State Liquor Control Board

Washington State Liquor Control Board Meeting

Wednesday, February 12, 2014, 10:00 a.m.
LCB Headquarters Building
3000 Pacific Avenue SE, Olympia WA 98501

Meeting Minutes

1. CALL TO ORDER

Chair Sharon Foster called the regular meeting of the Washington State Liquor Control Board to order at 10:00 a.m. on Wednesday, February 12, 2014. Member Ruthann Kurose and Member Chris Marr were also present.

2. APPROVAL OF MEETING MINUTES

MOTION: Member Kurose moved to approve the January 29, 2014, meeting minutes.

SECOND: Member Marr seconded.

ACTION: Motion passed unanimously.

3. ACTION ITEM or ITEMS (A-D)

ACTION ITEM 3A - Board Approval to File (CR 101) for Penalty Assessments on Late Payments

Karen McCall, Agency Rules Coordinator, began the briefing with a packet of materials (HANDOUTS 1-2). She provided a brief background noting Postmarks are often absent on mail. Bar codes have replaced postmarks in most cases. Current rules on how penalties will be assessed on late payments revolve on the postmark on the envelope. Language is needed in our rules to explain to licensees how penalties will be assessed on late payments when there is no postmark on the envelope. She added that this first stage of the rule making (CR 101) to revise the following rules:

- 314-02-109: What are the quarterly reporting and payment requirements for a spirits retailer license?
- 314-19-015: What are the reporting and tax payment requirements? (for wine and beer)
- 314-23-020: What are the reporting and tax payment requirements for a spirits distributor licensee?

- 314-23-041: What are the monthly reporting and payment requirements for a spirits certificate of approval licensee?
- 314-28-080: What if a distillery or craft distillery licensee fails to report or pay, or reports or pays late?

Timeline

Feb 12, 2014 Board is asked to approve filing the pre-proposal statement of inquiry (CR 101)
 March 5, 2014 Code Reviser publishes notice - LCB sends notice to rules distribution list
 March 31, 2014 End of written comment period
 April 9, 2014 Board is asked to approve filing the proposed rules (CR 102 filing)
 May 7, 2014 Code Reviser publishes notice - LCB sends notice to rules distribution list
 May 28, 2014 Public Hearing held
 May 28, 2014 End of writing comment period
 June 4, 2014 Board is asked to adopt rules
 June 4, 2014 Agency sends notice to those who commented
 June 4, 2014 Agency files adopted rules with the Code Reviser
 July 5, 2014 Rules are effective (31 days after filing)

Ms. McCall requested approval from the Board to file the CR 101.

MOTION: Member Kurose moved to approve filing (CR 101) for Penalty Assessments on Late Payments.

SECOND: Member Marr seconded.

ACTION: Motion passed unanimously.

ACTION ITEM 3B - Board Approval of Interim Policy (#01-2014) Penalty Assessments on Late Payments

Karen McCall, Agency Rules Coordinator, began the briefing with (HANDOUT 1). She stated that the purpose of this interim policy is to clarify how the Board will assess a late payment when there is no postmark on the envelope containing the payment to the Board.

She provided an overview of the language then Ms. McCall requested approval from the Board to implement the interim policy.

MOTION: Member Kurose moved to approve Interim Policy (#01-2014) Penalty Assessments on Late Payments.

SECOND: Member Marr seconded.

ACTION: Motion passed unanimously.

ACTION ITEM 3C - Board Approval to File (CR 101) to Revise Brief Adjudicative Proceedings (BAP) Rules

Karen McCall, Agency Rules Coordinator, began the briefing with a packet of materials (HANDOUTS 1-2). She provided a brief background noting that this request is to file the pre-proposal statement of inquiry (CR 101) to revise the current Brief Adjudicative Proceeding (BAP) rules. The Administrative Procedures Act (RCW 34.05.482) gives agencies the ability to utilize an abbreviated administrative hearing process, the Brief Adjudicative Proceeding (BAP), where the issues or interests involved do not warrant use of full adjudicative procedure. The Board adopted rules for Brief Adjudicative Proceedings in November 2012. Revisions to the rules are needed to include marijuana application denials and suspensions in the BAP.

Timeline

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Ms. McCall requested approval from the Board to file the CR 101.

MOTION: Member Kurose moved to approval filing (CR 101) to Revise Brief Adjudicative Proceedings (BAP) Rules.

SECOND: Member Marr seconded.

ACTION: Motion passed unanimously.

ACTION ITEM 3D - Board Adoption of Delegation of Threshold Decision Authority Relative to Marijuana Applications

Director Rick Garza brought forward, for the Board's consideration, a delegation of authority for making threshold decisions on marijuana producer, processor and retail applications as well renewal objections. He noted that this delegated authority is not a final decision as the Board is the final decision maker. This is designed as a transparent process where the initial decision will be made by staff, thereby, protecting the Board from any appearance of fairness concerns because they will not be involved in initial decisions. This approval includes specific delegation of decisions to the Licensing Director along with permission for the Licensing Director to delegate some of these decisions to either the Compliance and Policy Manager or the Marijuana Manager.

Director Garza then requested approval from the Board to adopt the Delegation of Threshold Decision Authority Relative to Marijuana Applications.

Each Board member expressed confidence in the process.

MOTION: Member Marr moved to adoption the Delegation of Threshold Decision Authority Relative to Marijuana Applications.

SECOND: Member Kurose seconded.

ACTION: Motion passed unanimously.

4. EMPLOYEE ANNOUNCEMENTS

New Employee Introductions - By Chief Justin Nordhorn

Chief Nordhorn introduced Janis Terwilliger and welcomed her back to Washington State from Montana. She spent 20 years as a business manager for the Cosmopolis School District and worked at a hospital for their foundation. Ms. Terwilliger is a Secretary Senior for the the statewide Federal Drug Administrations (FDA). Ms. Terwilliger has a daughter and a son as well as a granddaughter. She enjoys walking her two dogs and running marathons. She also hopes to tour Europe someday.

The Board welcomed Ms. Terwilliger to the LCB team.

New Employee Introductions - By Chief Justin Nordhorn

Chief Nordhorn introduced Inspector Patrick Robert Sam has 9 years of law enforcement experience through the US Coast Guard and Homeland Security. He also worked for the Illinois Department of Corrections and as diver conducting underwater inspections. These experiences have given him key perspectives on safety hazards. He has a wife recently relocated from Chicago to Gig Harbor. He joins the FDA Tobacco Inspection Team

The Board members were impressed with Mr. Sam's experiences and welcomed him to the team.

New Employee Introductions - By Chief Justin Nordhorn

Chief Nordhorn introduced Belinda Verona who has been in state service for 21 years. Eight of those years were spent as an Administrative Assistant for the LCB Southwest Washington Region of the Enforcement Division. She also worked for the Department of Early Learning for the last year. Ms. Verona returned to the LCB in the Non-Retail Marijuana Unit on February 1, as an Administrative Assistant and brings a wealth of experience to her new role. Belinda enjoys spending time with her family and friends visiting art shows and seeing movies.

The Board welcomed Ms. Verona back to the LCB.

Swearing In of New Officer - By Chief Justin Nordhorn

Chief Nordhorn introduced Mr. Jim Martinez, who has worked for the LCB for 14 years working in the field of enforcement. Mr. Martinez holds two Bachelor degrees from Central Washington University. Mr. Martinez started his position for the Enforcement and Education Division on December 1, 2013, and oversees the Retail Unit. He and his wife have two sons and one daughter as well as a granddaughter.

They enjoy hiking and skiing. Chief Nordhorn added that Mr. Martinez is a very dedicated employee looked forward to him joining the team. He then performed the swearing in of Mr. Martinez.

The Board congratulated Commander Martinez on his promotion and welcomed him to his new role.

5. NEW BUSINESS/OLD BUSINESS

No new or old business reported.

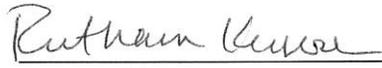
ADJOURN

Chair Foster adjourned the meeting at 10:30.

Minutes approved this 19th day of February, 2014



Sharon Foster
Board Chair



Ruthann Kurose
Board Member



Chris Marr
Board Member

LCB Mission

Promote public safety by consistent and fair administration of liquor and cannabis laws through education, voluntary compliance, responsible sales and preventing the misuse of alcohol, cannabis and tobacco.

Complete meeting packets will be available online following each meeting: <http://www.liq.wa.gov/board/board-information>