



relates to grocery store self-checkout of spirits. There are several proposals that would amend sections of I-1183 that the agency is watching. There is also a proposal that would allow sampling of beer and wine at farmer's markets.

Board Chair Sharon Foster commented on HB 1404 related to alcohol poisoning deaths. This bill would give limited immunity from prosecution for people under age 21 who seek medical assistance in alcohol poisoning situations. It looks like the bill will pass.

Representative Hurst has been working on a proposal to amend I-502 (HB2000). This bill would change the distance from 1000 to 500 feet from schools, playgrounds recreation centers, etc., that do not restrict persons under 21 years of age, and designates how those distances would be measured. The bill would also give the LCB authority to set fees.

Senator Rivers has submitted a bill (SB 5887) that would regulate medical marijuana which has the LCB regulating it much like recreational use of marijuana.

Q: Cindy Zehnder asked if regulating medical marijuana would require a two-thirds vote.

A: No, because the legislation would not be amending I-502.

### **I-502 Update**

Randy Simmons highlighted recent activity related to the implementation of I-502. The agency received 98 bids in response to the RFP for the marijuana consultant. Some of them were deemed non-responsive leaving 52 to be scored. All eight individuals on the panel scored the apparent successful vendor #1 in all four areas. Botec Analysis Corporation was the successful bidder. Botec is headed by Dr. Mark Kleiman, who is one of four authors of the book "Marijuana Legalization: What Everyone Needs to Know." In addition to Kleiman, the other three authors are on the team. Rand Corporation will be doing some of the research. Currently, the LCB and Botec are working on the deliverables. Randy said that Botec is not going to tell the agency what to do, but rather they will offer options.

Q: What kind of interaction will Botec have with stakeholders?

A: That is one of the items to be determined. They want to hear from stakeholders and have plans for some focus groups, but the details still need to be worked out.

Q: Is the timeline from earlier this year still realistic?

A: The LCB is determining what adjustments might need to be made to the timeline, with input from the consultant. The LCB originally had separate timeframes for issuing producer, processor and retail licenses, but now realize they are going to have to look at that differently.

## **Current Rulemaking**

Karen McCall, LCB Rules Coordinator, highlighted the agency's current rulemaking activity. Rules for Trade Area Definition will be adopted in May 2013. They are working on rules for marijuana producer licenses and taking comments. Fair trade practices for spirits will be adopted in July 2013. CR 101s for marijuana processor and retailer were filed March 13, 2013.

Several in the audience asked the filing related to fair trade practices, indicating that many do not understand what it means. The outcome could have an impact on restaurants. Staff reported that this was opened on a stakeholder request because of some discrepancies. The LCB must ensure that distributors are treating everyone the same.

## **LEAN Process Problem-solving: Special Occasion Permits**

Patrick Woods, LCB Education and Outreach Manager, provided a briefing on a project that redesigned process for special occasion permits. The process started with a stakeholder meeting in December 2012. A second meeting was held in January to strategize on key areas to focus on. The result of these efforts will be training in early May focusing on special occasion permits. Invitees will include non-profits, restaurants, wineries, breweries, local governments and distributors. Staff sees this as an opportunity for stakeholders to understand each other's role in the system.

Steve Lynn, who is a tavern owner, indicated that his business does not qualify for a catering license or a special occasion license. He indicated that he has this type of license because it is what the city of Gig Harbor would allow them. Chris suggested that he send his inquiry to the LCB and staff will contact him.

## **Roundtable**

- Charlie Brown – Diageo. They are watching the bill that would allow spirits sampling. They extend thanks to the LCB for assistance.
- Stephenie Shah – Diageo. She echoed Charlie's appreciation that everyone working on the spirits sampling bill has done a great job.
- Holly Chisa – Northwest Grocery Association. She is interested in fair trade practices. She's been invited to participate on a group put together by Representatives Hurst and Condotta to talk about issues related to retail sales. Retail theft is one area this group will be discussing.
- Julia Clarke - Washington Restaurant Association. Interested in the trade area rulemaking. They are also interested in credit terms or use of credit cards as point of delivery.
- Paul Beveridge – Family Wines of Washington. His group is supportive of the bill related to beer and wine sampling at farmer's markets.

- Susan Danby – Former contract store owner. She is interested in the fair trade practices.
- Theresa Hancock – Former contract store owner. She believes the 17% exemption would be win/win for smaller businesses.
- Chris Masse – Miller Nash LLP. The Tribes are paying attention the trade area issue.
- Jas Sangha – Washington Liquor Store Association. Relating to the trade area, he asked if there is an idle license (of a former state or contract store), could that be the starting point of the 20 miles? He expressed disappointment in the 17% and asked if the LCB would consider exempting the first \$50,000 income from the 17%. He asked for help for businesses that are struggling, adding that if they don't get some relief, many of them won't survive. He also asked if these owners could get some preferential treatment related to I-502. Chris asked Jas to put his comments/requests in writing and the agency will have staff analyze and provide feedback.
- Cindy Zehnder – Gordon Thomas Honeywell. The spirit sampling has been the top priority. Also watching the cider growler bill.
- Ron Main – Association of Washington Spirits and Wine. HB 2019 is up for hearing next week. If passed, this bill would exempt former state-owned and contract stores from the 17% spirits tax.
- John Guadnola – Association of Washington Spirits and Wine. They are watching HB 1161 and HB 2019.
- Jan Gee – Washington Food Industry Association. Watching for outcome of Trade Area designations.
- Lynn Omelie (participating by phone) thanked LCB for providing open transparent conversations.

### **Adjournment**

Having no further business, the meeting was adjourned.