



WASHINGTON STATE LIQUOR CONTROL BOARD
Board Meeting Minutes – December 5, 2012

Board Member Chris Marr called the regular meeting of the Washington State Liquor Control Board (WSLCB) to order at 10:00 a.m., on Wednesday, December 5, 2012 in the Boardroom at 3000 Pacific Avenue S.E., Olympia, Washington. Board Member Ruthann Kurose participated by phone. Board Chair Sharon Foster was absent.

Approval of Minutes

Minutes from the November 28, 2012 meeting were deferred for approval until the December 19, 2012 meeting.

Board Approval to File CR 101 to Begin Implementation of I-502

Rules Coordinator Karen McCall presented the Board with a CR 101 to begin implementation of I-502, beginning with the producer license and requirements. New license types with specific requirements were created by the initiative. Additional rulemaking will be filed at a later date to address the other new licenses. Karen noted that hearings to obtain public input regarding overall implementation of I-502 will likely be scheduled in the coming months. Member Kurose made a motion to approve. Member Marr seconded. All were in favor.

Board Approval to File CR 101 for Revisions to WAC 314-02-107

Karen requested Board approval to file a CR 101 for revisions to WAC 314-02-107. The Board received a petition for rulemaking from Chief Ed Holmes, President of the Washington Association of Sheriffs and Police Chiefs (WASPC), requesting that the Board adopt a rule requiring reporting from Spirits Retail licensees regarding theft and internal shrinkage of spirits product. This CR 101 is a result of that petition for rulemaking. Member Kurose made a motion to approve. Member Marr seconded. All were in favor.

Board Adoption of CR 103 to Implement 2012 Legislation

Karen presented the Board with a CR 103 to implement 2012 legislation, specific to small wineries annual reporting. Senate Bill 5259 was passed during the 2012 legislative session, allowing wineries or wine certificate of approval holders to report annually if they had total taxable sales of wine in Washington State of 6,000 gallons or less during the calendar year preceding the date the report would otherwise be due. Rules are required to implement this legislation. Karen noted that no stakeholders provided verbal testimony at the public hearing on the rulemaking, and she had received one written comment, which was in favor. Member Kurose made a motion to approve. Member Marr seconded. All were in favor.

New Business

Member Marr opened the meeting up for new business. Two stakeholders provided verbal testimony:

- Holly Chisa, Northwest Grocers Association (NWGA)
 - Holly told the Board that the NWGA had been working with local law enforcement for years regarding retail theft. She expressed interest in working with the WSLCB moving forward, using the knowledge gained over years of collaboration with law enforcement.



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Liquor Control Board

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- Darren Smith, Washington Liquor Store Association (WaLSA)
 - Darren expressed concern with the rulemaking requiring reporting on theft and internal shrinkage of Spirits products from Spirits Retail licensees. He stated that smaller licensees may struggle with allocating their limited resources to the calculation and report of theft/internal shrinkage, and that only retailers experiencing an issue should be required to participate.

Old Business:

There was no old business.

The Board Meeting was adjourned at 10:26 a.m.

ABSENT

Sharon Foster,
Board Chair

Ruthann Kurose

Ruthann Kurose,
Board Member

Chris Marr

Chris Marr,
Board Member