



WASHINGTON STATE LIQUOR CONTROL BOARD
Board Meeting Minutes – October 10, 2012

Board Chair Sharon Foster called the regular meeting of the Washington State Liquor Control Board (WSLCB) to order at 10:00 a.m., on Wednesday, October 10, 2012 in the Boardroom at 3000 Pacific Avenue S.E., Olympia, Washington. Board Members Ruthann Kurose and Chris Marr were present.

Approval of Minutes

Minutes from the October 3, 2012 meeting were approved.

Board Adoption of Rules CR 103 for \$150 Million Assessment for Spirits Distributor Licensees

Agency Rules Coordinator Karen McCall presented the Board with a CR 103 on the rules for the \$150 million assessment to be paid by persons holding a spirits distributor license. Permanent rulemaking is required to clarify the assessment, which was created in Initiative 1183. Per Karen, two stakeholder comments were received via email, and two were given at the public hearing on October 3, 2012. Karen noted that the 10% distributor fee is paid only on the first sale by the first distributor, clarifying a comment made at the hearing. If adopted, the rules become effective 31 days from the date of the meeting. Member Kurose made a motion to approve the CR 103. Member Marr seconded. All were in favor.

Board Approval to File CR 101 to Amend WAC 314-02-015 and WAC 314-02-045

Karen requested Board approval of a CR 101 to amend WAC 314-02-015 and WAC 314-02-045, regarding the required hours of operation for a restaurant licensee. The Board was petitioned by the Washington Restaurant Association (WRA) to amend the required hours of operation of five hours a day, five days a week for a restaurant license, with exceptions granted for demonstrated hardship. WRA provided proposed language changing the requirement to five hours a day, three days a week, and removed the exception for demonstrated hardship. Stakeholders may provide written comment on this rulemaking until December 1, 2012 (to rules@liq.wa.gov). The public hearing is scheduled for January 23, 2013. Member Kurose made a motion to approve the CR 101. Member Marr seconded. All were in favor.

Board Approval to File CR 101 to Amend WAC 314-02-105

Karen brought a CR 101 to amend WAC 314-02-105 to the Board for approval. This rulemaking resulted from changes to beer/wine specialty store licenses when they are combined with a spirits retail license. The current rule must be amended so that beer/wine specialty store licensees may continue to provide beer and/or wine tastings. Edits to the current WAC language will require over 50% of gross sales to be alcohol (as opposed to beer/wine only). Stakeholders may provide written comment until December 1, 2012. Member Kurose made a motion to approve the CR 101. Member Marr seconded. All were in favor.

Board Approval to File CR 102 to Implement 2012 Legislation

Karen asked for Board approval to file a CR 102 to implement 2012 legislation regarding annual reporting for small wineries. Per SB 5259, which passed during the 2012 legislative session, small wineries and wine certificate of approval (COA) holders may file their tax reports annually if they have total taxable sales of wine in the state of 6,000 gallons or less during the calendar year preceding the date the report would otherwise be due. Karen noted that permanent rules were required to allow annual reporting for these entities. Member Kurose made a motion to approve the CR 102. Member Marr seconded. All were in favor.



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Board Approval of Interim Policy BIP-05-2012 for Beer/Wine Tastings in Beer/Wine Specialty Shops

Board Interim Policy (BIP) 05-2012 amends language in WAC 314-02-105, what is a beer and/or wine specialty shop. As noted in the CR 101 to amend WAC 314-02-105 (see above), the language in WAC 314-02-105 (4) (a) will be amended to read: "(a) A licensee's annual gross retail sales of ~~beer and/or wine alcohol~~ exceeds fifty percent of all annual gross sales for the entire business." This interim policy is effective as of the date of Board approval, and will end upon adoption of the amended rule WAC 314-02-105. Member Kurose made a motion to approve the BIP. Member Marr seconded. All were in favor.

Presentation of Green Belts

Administrative Director Pat Kohler presented green belts to the first class to complete the Lean Six Sigma training offered by Key Bank Professional Development/UW-Tacoma. The class consisted of 22 LCB employees, with 3 employees selected to undertake training for black belt certification: Edmon Lee, Smriti Batra, and Jim Goodman. The Board congratulated all participants on their completion of the course.

New Business

There was no new business.

Old Business:

There was no old business.

The Board Meeting was adjourned at 10:29 a.m.

Agilent

Sharon Foster,
Board Chair

Approved via Telephone

Ruthann Kurose,
Board Member

Chris Marr

Chris Marr,
Board Member