



## Tribal Advisory Council

### Meeting Minutes

January 31, 2013, 10:00 a.m. – 12:00 p.m.

Liquor Control Board

3000 Pacific Ave SE

Olympia, WA 98501

#### Attendees:

<p><b>Council Members:</b> (Please refer to sign-in sheet)</p> <p><b>Attorney General’s Office (AGO):</b> Fronda Woods, AAG</p> <p><b>Department of Revenue (DOR):</b> Vicki Smith, Deputy Director Shana Barehand Tim Jennrich</p>	<p><b>Liquor Control Board (LCB):</b> Sharon Foster, Board Chair Ruthann Kurose, Board Member Chris Marr, Board Member Pat Kohler, Administrative Director Rick Garza, Deputy Administrative Director Karen McCall, Rules Coordinator Randy Simmons, Finance and Admin Director Alan Rathbun, Licensing Director Justin Nordhorn, Chief of Enforcement Steven Johnson, Deputy Chief of Enforcement Samantha Trotter, Board Office</p>
---	---

#### *Welcome and Introductions*

**Ron Allen, Tribal Chair/CEO Jamestown S’Klallam Tribe, TAC Co-Chair**

**Ruthann Kurose, LCB Board Member, TAC Co-Chair**

Ron Allen, Tribal Chair/CEO of the Jamestown S’Klallam Tribe and TAC Co-Chair welcomed TAC members and other guests along with TAC Co-Chair and LCB Board Member Ruthann Kurose. Approximately six attendees participated via conference call.

#### *I-502 Update*

**Pat Kohler, LCB Administrative Director**

**Rick Garza, LCB Deputy Administrative Director**

Pat and Rick presented attendees with a PowerPoint presentation on Initiative 502 (see attached). The Liquor Board has been tasked with creating a three-tiered regulatory system for cannabis, creating licenses, enforcing laws and rules pertaining to licensees and collecting and distributing taxes/fees. Rick touched on some of the potential issues and challenges associated with implementation of the initiative, such as federal uncertainty, baking, and taxation and pricing. Per Pat, eleven internal teams have been created to handle various aspects of implementation. Other state agencies playing a role in the process include the Attorney

General's Office, Department of Agriculture, Washington State Patrol, Department of Revenue, Department of Health and the Department of Social and Health Services.

The Board will be hosting forums throughout the state, where the public may provide input on the process. Those interested in receiving updates on the LCB's implementation process are encouraged to visit the 502 webpage: <http://www.liq.wa.gov/marijuana/I-502>. Email updates are provided via listserv: <http://www.liq.wa.gov/marijuana/email-notifications>.

#### *Legislative Update*

##### **Rick Garza, LCB Deputy Administrative Director**

Rick provided the group with a handout detailing the 2013 Legislative session and current bills of interest (see attached). The session, which started January 14<sup>th</sup>, has a policy committee cutoff date of February 22<sup>nd</sup>, and is scheduled to end on April 28<sup>th</sup>. Rick gave a brief overview and the Board's position (if available) on twenty-one pieces of legislation, including Beer and Wine Theater License (HB1001/SB5111), Spirits Taxes and Fee Reporting (HB1124/SB5238), and Eliminating the Spirits Retail License Fee (HB1282).

#### *Rules Update*

##### **Karen McCall, LCB Rules Coordinator**

Karen reviewed the LCB rulemaking agenda for January 1-June 30, 2013 (see attached). She noted that trade area definition rulemaking, as required by the implementation of Initiative 1183, had been delayed. Proposed rulemaking (CR 102) for trade area definition would be presented to the Board for adoption sometime after mid-February. Thus far, the only rulemaking started as part of I-502 implementation was for the Marijuana Producer license and its associated requirements. The preproposal (CR 101) for the Marijuana Producer license was filed on December 5, 2012. Persons interested in rulemaking updates are encouraged to visit the Rules page on the LCB website: <http://www.liq.wa.gov/laws/laws-and-rules>.

#### *Enforcement of Liquor Taxes*

##### **Ron Allen, Tribal Chair/CEO Jamestown S'Klallam Tribe, TAC Co-Chair**

Ron recommended that DOR use a similar structure to the Tribal Advisory Council for vetting issues, such as enforcement of liquor taxes. Per HB2758, passed through the Legislature during the 2012 session, DOR may request that the LCB suspend a liquor license for non-payment of taxes. Vikki Smith, Deputy Director of DOR, stated that the intention was for DOR to work collaboratively with Tribes. After discussion, it was determined that DOR would reach out to Tribes within the next few weeks to schedule a meeting.

#### *Refund Requests*

##### **Ron Allen, Tribal Chair/CEO Jamestown S'Klallam Tribe, TAC Co-Chair**

Various Tribes have asked the LCB for a refund of taxes paid. Assistant Attorney General Fronda Woods was in the process of reviewing these requests as of the date of this meeting. Pat Kohler noted that the LCB owed a response to the Tribes regarding their requests for the timeframe prior to June 1, 2012, but that requests for payments made after that date should be referred to DOR. Pat committed to providing a status update to Tribes within the next few weeks.

*Roundtable*

**All Attendees**

No roundtable items were presented.

*Closing Comments*

**Ron Allen, Tribal Chair/CEO Jamestown S’Klallam Tribe, TAC Co-Chair**

**Ruthann Kurose, LCB Board Member, TAC Co-Chair**

TAC Co-Chairs Allen and Kurose thanked attendees for their participation and adjourned the meeting.

*Please note:* As of the circulation date of these minutes, the next TAC meeting date has not been confirmed.

**Meeting adjourned at 11:54 a.m.**

**Handouts:**

1. Update on Implementation of Initiative 502 (PowerPoint)
2. Legislative Update, January 30, 2013
3. Semi-Annual Rule-Making Agenda, January 1-June 30, 2013