



Washington State Liquor and Cannabis Board Meeting

Wednesday, March 1, 2023, 10:00 am

This meeting was held in a hybrid environment

Meeting Minutes

1. CALL TO ORDER

Chair David Postman called the regular meeting of the Washington State Liquor and Cannabis Board to order at 10:00 am on Wednesday, March 1, 2023. Member Ollie Garrett and Member Jim Vollendroff were also present.

*The Board stood at ease to work out technical difficulties.
Chair Postman called the meeting back to order at 10:04*

2. RULEMAKING TIMELINES – ALL INDUSTRIES Kathy Hoffman, PhD, Policy and Rules Manager

Kathy Hoffman: Good morning. Chair Postman and Board Members Garrett and Vollendroff. Brief rules update for March, starting with cannabis. Cannabis Advertising project is coming along nicely. Cassidy is doing some additional internal work creating conceptual draft rules and those are being reviewed by our project team. We do anticipate still bringing the CR 102 to you in early June with finalization hopefully by early to late August. So that project is coming along nicely. She is also working on the Minors Under 16 on Production Facility rule petition, creating a CR 101 for that, should be bringing to that bringing that to you in late April of this year. And so that would have a 102 in mid-August with finalization sometime in November. And then Jeff will be presenting on the CR 101 concerning cannabis samples here as the next agenda item, so I'll let him fill you in on that. And then with respect to canopy, internal discussions continue. I will be bringing the outcome of those discussions to the Board at caucus next Tuesday, and I can provide a more robust update at that time. Moving on to alcohol, Daniel will be bringing the MAST13 Privilege review. So that was triggered by a rule petition we received late last year. He'll bring that 101 to you at the next Board meeting on March 15. So under that timeline, we could have a 102 tentatively done by late June, with a 103 in early August. So we think we can move that project along pretty quickly. We also approved a private club membership petition in August, and we put that project on hold. Jeff will be resuming that project and bringing a 101 package to you in the next, I don't know, probably late March, early April. So we're still working on the timeline for that. And then with respect to general rulemaking projects, Daniel continues to work on the cloud storage project. Under the timeline that he's got going right now we should see a 102 in early May. And then finalization sometime in middle of July. Just want to reiterate, we are sort of at the midpoint of the legislative session. This could all change on April 23, depending on what kind of legislation moves forward that's going to require rulemaking. So that's my update for today. Any questions?

David Postman: Does legislation trump our schedule like if the timelines are different, right? So these could slip if we get forward pieces of legislation that we need to implement?

Kathy Hoffman: Yes, especially if there are deadlines on any of the rulemaking activities that are required, and sometimes there are. And so yeah, some of these projects might be paused, based on legislative activity.

David Postman: Yep. Thanks.

3. CANNABIS RELATED RULEMAKING

ACTION ITEM 3A – Board Approval of CR 101 for Cannabis Samples

Jeff Kildahl, Policy and Rules Coordinator

Jeff Kildahl: Good morning, Chair Postman and good morning, Member Garrett and Member Vollendroff. This morning I am presenting for your approval, the CR 101 preproposal package to provide public notice for possible rulemaking that could update WAC 314-55-096, which is a rule section concerning cannabis product samples that licensed cannabis producers, processors, and retailers use for educational purposes (HANDOUT 3A). And this rulemaking could also allow for possible amendment, repeal or the creation of new sections in title 314 WAC that could be needed to align potential revisions of WAC 314-55-096 with the other LCB rules. So, for a brief background on the CR 101 package, the Board accepted a rulemaking petition on August 31, 2022, which asked the agency to consider rulemaking to explore possible updates to this WAC section. The petition stated that the current rule on cannabis samples is cumbersome and costly to licensees. And three possible areas of change were suggested in the petition, including allowing the producer processors to use larger retail sized packages of cannabis products as samples between licensees instead of the small sample size units which require unique packaging, labeling and product tracking. Another suggested change would be to place monthly limits on the number of educational product samples provided by processors to retailers so that retail stores don't end up being in the situation where they receive too many product samples, more than are needed for their employee's education. And the third suggested change for consideration was updating the internal sampling restrictions in WAC 314-55-096, subsection 4 that currently applied to the cannabis producers and cannabis processors. Although there could be potential risks with changing cannabis sample rules, it is appropriate to explore how changes to these rules could streamline business practices for the cannabis industry. And so if approved for filing today with the Office of the Code Revisor, notice of this CR 101 will be published in The Washington State Register on March 15, 2023. This would begin an informal comment period for comments on the CR 101 that would end on April 14, 2023. Under this timeline, we tentatively expect that we could bring a CR 102 with proposed rule language for the Board's approval on May 24, 2023. And if that was approved, notice of that would be published on June 7, and a public hearing could be held on July 19, 2023. And on that day, the public comment period would end. And then finally, under this timeline, we anticipate that this CR 103 package would be filed on August 16, 2023. And any rules resulting from this possible rulemaking would be effective 31 days later, on September 16, 2023. So this concludes my presentation on the Cannabis Sample CR 101. And I would be happy to answer any questions you have.

David Postman: Just one thing, you refer to the, you know, these samples are used for educational purposes, which could mean different things to different people. So if we could just clarify that what we're talking about here, right, this is for producers or processors to educate retailers on their products?

Jeff Kildahl: Right, right, it's a way that they provide a limited number of small samples to retail stores, so that the retail employees have some exposure to the products and some familiarity with them. Currently under the rule, the store is limited to the number of samples that they can accept each month. So sometimes they find themselves in this situation that they receive more samples than they are permitted to accept, so then they can be in a position of having to find a way to return them to the producer processor. So this rule change would allow those educational samples to be received by the retailer, but it would be up to the producer processor to limit the number that they would distribute. It would relieve the retailer of having that worry of accepting too many samples into their premises.

David Postman: Right. Yeah. Which makes sense to me. My only thought, we could, it probably isn't worth worrying about, but I would refer to it as marketing purposes, not educational purposes. I don't want to mislead anybody what we're doing with this. But anyhow, that word jumped out at me. Okay, any other questions for Jeff on this 101? Okay. Then we'll entertain a motion to approve the CR 101 for Cannabis Samples.

Member Garrett moved to approve the CR 101 for Cannabis Samples. Member Vollendroff seconded. The motion was approved unanimously.

4. GENERAL PUBLIC COMMENT

Chair Postman invited citizens to address the Board regarding any issues related to LCB business.

Bailey Hirschburg: Morning, Board, Chair Postman, Bailey Hirschburg, Washington NORML. I really appreciated the shout out to education because that's what I'd like to talk about briefly, I see that the agency educational page is currently labeled "coming back soon". And I know that you guys and staff are working internally on updates to that. And I just wanted to encourage you guys to really try to center consumer focused resources as you update this. The majority of the educational offerings in Washington State from LCB, and other agencies, like DOH, are focused on youth prevention and health consequences. This should continue. However, while consumer focus is part of the agency's identified values, adult consumer resources have been kind of sparse, and there's information about product types. But there's not a lot of advice to consumers beyond start low and go slow. It's been a long time coming getting anything else there. Public health and youth prevention are key goals of LCB. But while there are a lot of other state agencies that contribute to that mission and offer those educational resources, the LCB is the only one that focuses primarily on the people who are buying these products. So I would like to see a little more educational stuff geared towards them, and the assumption that people who are seeking educational resources from that are adults who want to know both about these products and the laws. But also approaches for how they should be used, how they should be used in moderation, and articulating responsible use, which is something I know I've talked about with you guys before. So I would encourage a few topics for you guys to keep in mind to add, and that would be resources on understanding how to read various cannabis product labels. You guys have a packaging guide, but it really seems to be geared towards the businesses and less for just a person to find and understand and know the differences between an edible versus a preroll joint or something. A little talk about the healthiest or rather the least healthy forms of consumption. Rather than just saying these are the different product types, explaining that some of them may involve impacting, you know, an aerosol vapor product versus a combusted smoke and the various health consequences that might be related to that. Tips for having cannabis in social settings which the LCB has for having alcohol at parties and functions. But they've never done anything like that for cannabis. Strategies on moderation and titration of use by regular consumers, benefits and reasons to have safe storage of cannabis, and then approaches for

mitigating odors and addressing concerns of secondhand smoke for consumers, families and neighbors. I'll just take a quick moment to shout out. After 10 years, there's no place in Washington State that's adults only to consume cannabis. The only places we have are all-ages access, we've kept it out of sight and in a way out of mind. But I do not believe this is the most healthy form to handle that. So that's just a quick aside. But I believe that adding some of the topics that I've discussed really only increases the educational value of what you guys can offer consumers and the public. And it also helps set civic standards and expectations for cannabis use that go beyond just what we have in statute. So I really hope you guys will keep that in mind to try to center consumers in your work. And I think I got everything in under time. Thank you so much.

Peter Manning: Good morning, Chair Postman, Ollie Garrett and Vollendroff, Board Members. I am happy to say that we are one step closer to seeing equity work out for us in Washington State. It has been a long 10 years. I have some reservations about the rubric. I have to make note of that here at the Board today, I looked at the rubric last night. In our community we have issues with some of the indicators indicate that you are in a DIA for 1980 to 1990, then from 1990 to 2000, you're not, but then back in 2010, the DIA comes back. This is like conflicting, because of a lot of our people, we are moving around, gentrification, we don't understand how a DIA becomes not a DIA for 10 years and then reinvents itself as a DIA, we are unable to gather the 10 years plus, to qualify for those 80 points. I think that rubric, probably the map, the DIA map needs some adjustment to reflect what I'm saying or the LCB should look into that and see what that's about. I will say that I see the work that the LCB is doing in Olympia through the legislative session. I know how sincere they are, under this leadership to make equity part of the LCB. We see that, and we want to commend all of you guys for a great job you're doing, and we get a lot of flak from different people, other constituents in our community and whatnot about us aligning ourselves with the LCB. And it's not that we're aligning ourselves with the LCB, what we do is we recognize as an organization, Black Excellence in Cannabis, if you're making a change to do something, and that change can be seen and it's effective, you have to acknowledge that, you have just got to acknowledge it. And that's what we're doing here at Black Excellence Cannabis, this rumor going around saying that we are just buddy-buddy with LCB, we're getting payoffs or whatever that may be, wherever that is emanating from. If the agency is making a change to benefits our community, and we can see that change, we have to acknowledge that as people. As human beings what's right is right. And we at Black Excellence in Cannabis, we are coming forward today to tell you guys, you guys are doing a great job. Do not let negative output from the community, or some community members, reflect that of all of us because we all don't feel that way. Thank you very much.

Mike Asai: Good morning. Good morning. Chair Postman, Board Member Garrett, Board Member Vollendroff, Mike Asai with Emerald City Collective, as a lot of people already know, Vice President of Black Excellence in Cannabis. First, I would just like to give a shout out to Ollie. She's been obviously very instrumental in this. In starting the social equity a few years back before you, Postman and Vollendroff came on board. She's gotten a lot of flak for unnecessary reasons. I truly do believe Ollie is doing the right thing, she's done a lot. And she's gotten a lot of flak for no reasons. She's definitely not just helped people in the community just as far as cannabis, but I know she helps people in the community just in general, and doing what she does with Tabor 100. So I just want to let her know that even though at times, I may disagree with her. But that doesn't mean I dislike her at all. So just wanted to let you know that Ollie, that you are truly loved by myself, by Peter, Black Excellence in Cannabis, and a lot of the community members. And so today's March 1, today it went live. You know, I'm happy, but I'm also upset. You know, obviously, it's been a seven-year ordeal for me, for a lot of former pioneers. I don't know if I did something wrong, but I did my application. So, but I didn't upload anything. So I'm not sure if I did something wrong. I need some clarification because there was nothing that I needed to upload when I did it, so I definitely need to know what the deal is on that. There was no option to upload any documents

whatsoever. So I paid my fee. And that was that. So I just wanted to let that be known. If I did something wrong. Somebody please tell me so I can upload my documents right now today.

David Postman: I'm sure somebody's listening who's going to be able to get that answer. I haven't gone to try it myself.

Mike Asai: Yeah, I did it at midnight, it was you know, kind of late, so I kind of got here a little bit tardy, but I wanted to make sure that I did it. Because for me, there was definitely a rush to apply, even though I know it is a 30-day window. For me. Hey, I'm not going to be waiting any longer than a few minutes after midnight. So, you know, with that being said, we do see the LCB, you know, obviously things changing. But you know, one thing I have to say is, you know, to Rick Garza. We shouldn't have had to get to this point. Prior to you three Board Members coming aboard, Rick's been here a while. And you know, Rick, if he's listening, you had an opportunity to really do something the right way years ago, and I just want to let that be known. And how disappointing that is. And I just hope that Rick, he says he's supportive of Senate Bill 5080. I'd just like to see a little bit more, maybe he can be a little bit more outspoken. It's going to be on the way out the door here soon. You know, so just want to say that to Rick, and everybody else, you know at the LCB, Kathy Hoffman, thank you for your work. Becky, you know, I'm not the angry black man that people might think. But I'm just somebody that's just real passionate and wants things to be done right. So that's all I have got to say. Thank you.

Jim MacRae: Oh, wonderful. Thank you very much. Just very briefly, I won't take four minutes. Two things. First of all, congratulations on getting to the point of actually the implementation of the social equity activity, it's been multiple years, lots of very good work went into it. Two thumbs up, I would like to make one constructive criticism. And it's a small thing. But it's a small thing that potentially has tremendous ramifications to the original principles of the effort. And that was the decision presumably by staff, I would assume, approved by the Board in late January, early February, to alter the definition of the inclusion of census tracts in the disproportionately impacted areas. Effectively, a whole lot of work was done, independent work, UW, people, work groups, stakeholders, all kinds of stuff. And you came to the 20% threshold, which, you know, led to something on the order of, depending on how you look at the data, 297 census tracts, that's over the four decades. But in the most recent decade, the 2010 stuff, there would have been 70 census tracts that popped. By changing it to the 30th percentile, you double that number, almost, you know, it's give or take, it was a 1.3 fold increase. What that does, yes, it makes it more inclusive for people. But what it does is it reduces the focus on those most impacted as per the definition of the disproportionately impacted areas. So by releasing the maps in mid-January, and giving people an opportunity for about two weeks to look at them and to say, okay, how did I do, and then to have them presumably be differentially the stakeholders that contacted the agency and say, Hey, this is no good, you got to change things, I can pretty much assure you that that stakeholder input was motivated by a geography that they have an interest in or somebody that they represent has an interest in, not making it in there and/or an individual that they or the entity that they represent, who's going to utilize this to try to get another retail license or to get a retail license, suddenly found that plan is not going to work. Fred's not going to do it, that that property I hold down there isn't going to do it. So they made a lot of noise, and they got it changed. So just from a governance perspective, I used to do similar stuff in setting sales geographies for a very large sales team that spanned the country. And we would always come to an agreement in advance of what the rules were because there was such a ramification on their ability to make money out the other end. So to change, to then show them the geography and allow the change of the rules favors those that are most prepared to take advantage of that brief window, to put their thumb on the scales of equity. And I think the thumb that was put on the scales of equity by the stakeholder input you all listened to and accepted, was a very prepared thumb, generally a very well capitalized thumb. So I think it was a big it was a, my mind was blown when that was done. And I will go

to the second thing on governance. So please, I'll talk to you offline if you want. I mean, it's really much more impactful than anything. On governance, I sent you guys a note recently, which summarized a note I had sent almost a year and a half ago, regarding an instance of what I believed was corruption in the organization at the directorial level. And I never even had the courtesy of a response, let alone any indication that any action was taken. So if I was mistaken, I'm a little disappointed in that. Who does governance of the agency if I'm going to you in error, please correct me and I'll go elsewhere. Thank you.

Christopher King: Great morning. Okay. Just, to the first speaker. Well, actually, let's talk about opening the door. This is called opening the door. It's a legal term. Ollie Garrett told me never to mention Tabor 100 in regards to cannabis stuff, so I quit. But Mike Asai just today opened the door to it, so I'm going to walk right in that door and explain a few more things. About the fact that I have emails from several people who are involved with her organizations and Tabor 100 claiming that she's an abusive person and unprofessional. It's a fact. I have the emails. There was litigation involved with her and other people. It's a fact. That's what I have got to say about that. And anybody who doesn't like it, I don't care. That's a fact. Next, let me educate this guy, this is going to be an educational session. Let me educate the first speaker up there. As to LCB, and the education that's not happening in terms of use and all that, sir, the LCB has never been about cannabis for the people. It was created in the wake of the mortgage crisis and the WAMU collapse, and the sale of the liquor stores. The state had no more incremental income and had no residual income, and it needed money. That's what happened. Okay. And I know all about the WAMU thing, because remember, I ran a title company, and I wrote for Chicago Title and WAMU. Next, educating to you now about this issue. Well, before we get to that, let's go to Mike Asai and Peter Manning and all this stuff about how they don't take down Black people and all this stuff. Okay, I just finally got an apology from Peter Manning for claiming I was disbarred. And that's something wrong in New Hampshire. When as we know, for the umpteenth time, I was never disbarred. I just chose not to go back to law after a one-year suspension 22 years ago. And I got awards in New Hampshire from the Mayor, the Aldermanic Chamber, City Council, the city attorney agreed with me on a free speech issue with the school board where I changed First Amendment law. Those are the facts, facts, facts, facts next. Help me God, Jesus, next, okay. Now, the other fact that's going on now, is that these acts you're trying to get subpoena power to go through the back door and make these agents deputized basically as law enforcement as LEOs, okay, that should be stricken. I think it's 5045, and the other one now, in my video that I made, House Bill 1132, Roger Goodman, Rick Garza, Jay Inslee, deputized Kingcast as a WLCB fake cop. Okay. Well, the point there is all right, in 1132 They're retroactively making these guys LEOs, and my point is, as I clearly show, I put a light bar on my BMW from the 90s. You can't just, I was a law enforcement attorney, but I was never a LEO, you got to be what you are. And you are what you be. If you ain't a cop, you can't be a cop. All right. I don't care who finds me angry in saying that, it's just the truth. That anytime you have somebody masquerading as a cop, and out there acting in that capacity under state authority, without clear authority, that's a potential civil rights violation. The federal court threw out Novack in my case, but it's still viable in state court over that issue. And Roger Goodman was trying to go behind our back, he was working with Agent John Geong, told them he was going to fix the LCB and this is what we come up with? This retroactive trash. Are you kidding me? All right now, and the problem with that again, Peter Manning said that we have these agents intentionally putting us out of business. We have documentation of them doing that. We have LCB officers who came forth, and affidavits of their plan and their goal, we have that they paid an individual 192,000 R at West to keep the secret that they had met with the police officers at the Westin at Seattle, Black areas to do harm. Okay, so that's your boy. That's what he said. Peter, did you say that or not?

5. ADJOURN

David Postman: Okay. That brings us the end of the agenda, anything to add from Board Members today? I just want to say it was mentioned that the application window opens today for the social equity program. If anybody wants information on that go to lcb.wa.gov. It's right at the top, you can click on it there, there's a place to see what questions have been asked, frequently asked question page. On that page is also a form you can submit your questions. There's an email address there to submit questions,

which is licensing socialequity@lcb.wa.gov. Licensing social equity, all one word @lcb.wa.gov. So ask those questions, the window is 30 days, and encourage people to read that and submit any questions and we'll try to get a response back. It has been a long time coming. We spoke about this a little bit yesterday as well, when Becky Smith was here. I think her and her staff have done a great job. I think we all owe Member Garrett a lot of thanks for her leadership on this which has gone on for years. For those that say it's taken too long. Yep. Would have been great. But this is a long, slow process for good reasons. And some not, you know, it's just the fight that this is. But the agency is fully on board with this from the director on down, the board sets the policy for the LCB. The LCB came forward with legislation in 2020 before I got here, or Jim Vollendroff got here to say we need to do more on this. And it's just, it takes a while to do this. So I think the agency from the top on down has been committed to this and worked with the board without really reluctance or friction or anything like that. I think we have a strong group of advocates for the best possible work. All under the leadership of Member Garrett. So those are my thoughts today. I just encourage people to go to that website if they're interested in the program and dig in and ask those questions. There's also, just keep reading, keep going there. There's lots of information as the process goes on. There'll be more information there, timelines, all that will be there. So I encourage everybody to go do that. And with that, we will adjourn today's March 1 board meeting of the LCB. Thanks, everybody.

Chair Postman adjourned the meeting at 10:39 am

Minutes approved this 26th day of February 2025.



Jim Vollendroff
Board Chair



Ollie Garrett
Board Member



Peter Holmes
Board Member

Minutes prepared by: Deborah Soper, Administrative Assistant to the Board

LCB Mission - Promote public safety, public health, and trust through fair administration, education, and enforcement of liquor, cannabis, tobacco, and vapor laws.