

**OFFICE OF THE
WASHINGTON STATE LIQUOR CONTROL BOARD
Board Meeting Minutes – December 7, 2011**

Board Chair Sharon Foster called the regular meeting of the Washington State Liquor Control Board to order at 10:00 a.m., on Wednesday, December 7, 2011 in the Boardroom at 3000 Pacific Avenue SE in Olympia, Washington Board Members Ruthann Kurose and Chris Marr were present.

Approval of Minutes

The minutes from the November 30, 2011 meeting were approved.

Board Adoption of CR 103 on Licensed Agents – Chapter 314-44 WAC to implement 2011 legislation

Karen McCall, Agency Rules Coordinator, presented a request for the Board to approve the final rulemaking for Chapter 314-44 WAC, which makes a change in a law that gives an exemption to domestic wineries and their employees from the requirement to hold a Representative's License if they canvas for, solicit, receive or take orders for the purchase or sale of wine, or contact any licensees of the board in goodwill activities. Those changes were made in 314-005. No comments were made at the public hearing. There had been a typo in the CR102 that was corrected. Member Kurose made a motion to approve the CR103 on Chapter 314-44 WAC. Member Marr seconded the motion. All were in favor.

Board Adoption of Emergency Rules to Implement Central Warehousing, Spirits Distributor Licenses, Spirits Retailer Licenses, Wine Retailer Reseller Endorsement, and Spirits Certificate of Approval (COA) Licenses for I-1183

Board Chair, Sharon Foster stated that the Board has received many letters stating concerns around the emergency rule making going into effect today. Due to the short timeline, under RCW 34.05.350, the Board has the ability to implement emergency rules without public notice. The public will have ample opportunity to comment or amend in the next 120 days. Karen McCall, Agency Rules Coordinator, presented a request for the Board to approve the final rulemaking on the Emergency Rules to implement the Initiative 1183. The rules will become effective December 8, 2011 and will expire April 7, 2012. Karen read the new sections. See attachments: WAC 314-02-103, WAC 314-02-104, WAC 314-02-106, and WAC 314-02-107. Karen made a clarification regarding WAC 314-02-107 due to questions presented. A grocery store that may be leasing space to another entity such as a bank, will not count that leased space toward the 10,000 square feet requirement. Karen reviewed new chapters of 314-23 WAC (see attachment 314-23 WAC- Spirits Distributors and Spirits Certificate of Approval Licenses). She reviewed WAC 314-23-001, 314-23-005, 314-23-020, 314-23-030, and 314-23-040. Karen also read through the amendatory section WAC 314-28-010, 314-28-050, 314-28-060, 314-28-070, 314-28-080, 314-28-090 and the new section WA 314-28-030. Member Marr made a motion to approve the filing of the emergency rules to implement Initiative 1183. Member Kurose seconded the motion. All were in favor.

Board Adoption of CR 101 to Implement I-1183

Karen McCall, Agency Rules Coordinator, presented a request for the Board to approve the CR 101 to implement sections of Initiative 1183, which covers the same areas of the emergency rules. If filed today, they will be published on December 21st, comment can be taken until January 21st, and hopefully brought back to the board on February 21st with CR102. Member Kurose made a

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motion to approve the CR101 to implement I-1183. Member Marr seconded the motion. All were in favor.

Years of Service Recognition

Chris Liu, Director of Retail Services, presented a 20-year service award to Dave Wilson, District 11 Manager of District 11.

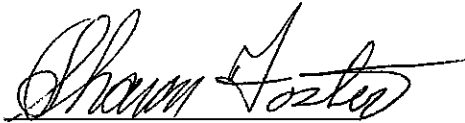
New Business

Doug Rolstone (from Contract Liquor Store 627 in Clearview) is requesting approval for offsite storage to facilitate the transition of additional class H licensees to contract liquor stores. Contract liquor stores are often small and lack space for inventory for licensees. Doug stated that he has received dozens of requests for licensees to switch over to contract liquor stores. Per request of Board Chair Sharon Foster, Pat Kohler, Administrative Director explained that the Board has seen a variety of requests for amendments from contract liquor stores managers that are being considered by the executive management team. One of the issues being discussed is off-site storage. The main concern is ownership of inventory and security issues. A new contract cannot be entered upon after December 8, 2011; however, contracts may be amended. Contract stores have the ability to move locations if possible. Pat stated that another amendment in review is the solicitation from contract liquor stores to licensees.

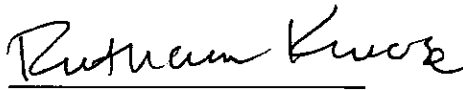
Old Business:

There was no old business.

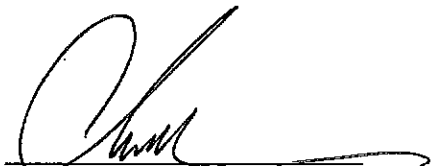
The Board Meeting was adjourned at 10:48 a.m.



Sharon Foster,
Board Chair



Ruthann Kurose,
Board Member



Chris Marr,
Board Member