



## Washington State Liquor Control Board Meeting

Wednesday, August 26, 2015, 10:00 a.m.  
LCB Headquarters - Boardroom  
3000 Pacific Avenue SE, Olympia WA 98501

### Meeting Minutes

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#### 1. CALL TO ORDER

Chair Jane Rushford called the regular meeting of the Washington State Liquor Control Board to order at 10:00 a.m. on Wednesday, August 26, 2015. Member Ruthann Kurose and Member Russell Hauge were also present. Chair Rushford first acknowledged her fellow Board members and thanked the staff for their efforts in preparing for the Board meeting.

#### 2. APPROVAL OF MEETING MINUTES

MOTION: Member Kurose moved to approve the August 11, 2015, meeting minutes.

SECOND: Member Hauge seconded.

ACTION: Motion passed unanimously.

#### 3. STAKEHOLDER PRESENTATION

**Presenter - Dr. Alexander Garrard, Clinical Managing Director, Washington Poison Center**  
**Also present was Carrie Ulvestad, Executive Director and Whitney Pennington, Education & Communications Specialist.**

A PowerPoint presentation was given by Dr. Garrard (HANDOUT 1)

- Background on the WA Poison Center
- Current state of affairs in WA
  - Marijuana – number of calls
  - GIS mapping of Marijuana Exposure

#### 4. ACTION ITEMS (A-C)

##### **ACTION ITEM 4A - Board Adoption of CR 103 – Sports Entertainment Facility Licenses**

At the Board meeting on August 26, 2015, the rules coordinator requested that the Liquor and Cannabis Board approve the final rulemaking (CR 103) for revisions to rules for **Sports Entertainment Facility Licenses - WAC 314-02-057 and WAC 314-02-058.**

Karen McCall, Agency Rules Coordinator, began the briefing with materials (HANDOUTS 4A 1-3). She provided a brief background noting that the rule making is a result of a petition for rulemaking submitted by stakeholders to broaden the alcohol service area within a sport's entertainment facility venue. Two written comments were received on the proposed rules. One comment was received at the public hearing held August 12, 2015.

If approved, the Rules Coordinator will send an explanation of the rule making to all persons who submitted comments. After sending this explanation, the Rules Coordinator will file the rules with the Office of the Code Reviser. The effective date of the rules will be 31 days after filing.

The proposed changes are:

**WAC 314-02-057 Definitions.** Clarified event categories.

**WAC 314-02-058 Sports/entertainment facility licenses –Operating plans.** Clarified what is required in an operating plan, updated the operating plan matrix and clarified the types of events in each category. Repealed language requiring a licensee's hawking authorization to be reviewed after the first year and then every two years.

Ms. McCall then requested the approval from the Board to adopt the final rulemaking (CR 103) for revisions to rules for Sports Entertainment Facility Licenses - WAC 314-02-057 and WAC 314-02-058.

**MOTION:** Member Hauge moved to approve the Board's Adoption of CR 103 – Sports Entertainment Facility Licenses

**SECOND:** Member Kurose seconded.

**ACTION:** Motion passed unanimously.

##### **ACTION ITEM 4B - Board Approval for filing proposed rules (CR 102) a new rule in chapter 314-03 WAC Allowed Activities**

Karen McCall, Agency Rules Coordinator, began the briefing with materials (HANDOUTS 4B 1-3). She provided a brief background noting that rulemaking is a result of a petition for rulemaking submitted by Doug Engler, the licensee of Malt & Vine. Mr. Engler holds a beer/wine tavern license with an off-premises endorsement. The petition requests the board adopt a rule to allow a beer/wine on-premises licensee holding an off-premises endorsement to sell beer and wine over the internet and deliver the product to their customers.

There are no current rules that allow a beer/wine on-premises licensee holding an off-premises endorsement to sell beer and wine over the internet and deliver the beer and wine to their customers. There are rules that allow grocery stores and beer/wine specialty shops to sell beer and wine over the internet and deliver to their customers.

The Rules Coordinator requests approval to file the proposed rules (CR 102) for the rule making described above.

If approved for filing, the tentative timeline for the rule making process is outlined below:

Timeline

August 26, 2015	Board is asked to approve filing the proposed rules (CR 102 filing)
Sept. 16, 2015	Code Reviser publishes notice, LCB sends notice to rules distribution list
Oct 7, 2015	Public hearing held
Oct 7, 2015	End of written comment period
Oct 21, 015	Board is asked to adopt rules
Oct 21, 2015	Agency sends notice to those who commented both at the public hearing and in writing.
Oct 21, 2015	Agency files adopted rules with the Code Reviser (CR 103)
Nov 21, 2105	Rules are effective (31 days after filing)

Ms. McCall then requested approval from the Board to file the proposed rules.

MOTION: Member Kurose moved to approve the filing of proposed rules (CR 102) New rule in chapter 314-03 WAC Allowed Activities  
SECOND: Member Hauge seconded.  
ACTION: Motion passed unanimously.

**ACTION ITEM 4C - Board Approval of Revised Interim Policy BIP-06-2015 – Beer and Cider Growler Sales in Grocery Stores**

Karen McCall, Agency Rules Coordinator, began the briefing with materials (HANDOUT4C 1). She provided a brief background noting that this interim policy is the result of passing of SSB 5280 which created an endorsement for grocery store licensees to allow the sale of beer and cider growlers for off-premises consumption. The bill became effective July 24, 2015. This interim policy will provide assistance and clarity to persons applying for the endorsement until permanent rules can be adopted by the board.

The revision to this interim policy is based on comments from stakeholders. The proposed change is stated in policy statement number four:

(4) The taps must be located behind a counter where only employees have access or the taps must have locks preventing use unless unlocked and operated by an employee.

Ms. McCall then requested approval from the Board for Revised Interim Policy BIP-06-2015 – Beer and Cider Growler Sales in Grocery Stores

MOTION: Member Hauge moved to approve Revised Interim Policy BIP-06-2015 – Beer and Cider Growler Sales in Grocery Stores  
SECOND: Member Kurose seconded.  
ACTION: Motion passed unanimously.

## 5. PUBLIC HEARINGS

### **PUBLIC HEARING 5A - Public Hearing on AIA Petition for Mandatory Alcohol Impact Area – City of Tacoma West End**

Karen McCall, Agency Rules Coordinator, began the briefing with materials (HANDOUTS 5A 1-2). She provided a brief background noting that the city of Tacoma has two Board approved Alcohol Impact Areas including the Downtown/Hill Top districts that was approved in 2002 and the Lincoln district approved in 2008. The city has stated that alcohol related incidents involving police calls for service have decreased since the AIAs have been established in the Downtown and Lincoln districts.

The city of Tacoma is currently requesting the approval of a third AIA for the West End of the city.

Ms McCall stated that this was the 2<sup>nd</sup> public hearing. The City of Tacoma submitted a revised banned products list. Due to that fact we opened up another 30 day comment period.

Ms McCall received 16 letters of support and 2 petitions with 62 signatures in support.

Chair Rushford opened the public hearing and invited the first citizen to the podium to provide testimony.

John Stodola - Tacoma Police-Community Liaison spoke in support of the Tacoma West End AIA.

Chair Rushford closed the public hearing and thanked everyone for their input.

### **PUBLIC HEARING 5B - Public Hearing on Fair Trade Practices**

Karen McCall, Agency Rules Coordinator, began the briefing with materials (HANDOUTS 5B 1-2). She provided a brief background noting she is requesting approval from the Board to file revised proposed permanent new rules (Supplemental CR 102) in Chapter 314-23 WAC to clarify RCW 66.28.170 Discrimination in price to purchaser for resale prohibited—Price differentials.

Proposed changes:

- **New Section. WAC 314-23-060 What are "volume discounts"?** Defines "volume discounts".
- **New Section. WAC 314-23-065 What are "unfair trade practices"?** Defines "unfair trade practices".
- **New Section. WAC 314-23-070 What is "local market"?** Defines "local market".
- **New Section. WAC 314-23-075 Are licensed distributors or other suppliers of spirits and wine allowed to provide discounts to on-premises or off-premises retail licensees based on a commitment from the retailer to purchase a particular percentage of the spirits back-bar, well-drinks, wine by the glass, or any combination of these?** Addresses exclusivity.
- **New Section. WAC 314-23-080 Are licensed distributors or other licensed suppliers of spirits and wine allowed to provide volume discounts to on-premises or off-premises retail licensees?** Explains what is allowed under "volume discounts".

- **New Section. WAC 314-23-085 What type of discounts are not allowed?** Explains what practices are not allowed under “volume discounts”:

Ms. McCall stated she received 34 letters in support and six letters in opposition.

Chair Rushford opened the public hearing and invited the first citizen to the podium to provide testimony.

Testimony was heard from:

John Guadnola, Executive Director of the Association Washington Spirit and Wine Distributors (AWSWD)

Julia Gorton, Washington Restaurant Association (WRA)

Katie Jacoy, Western Council for Wine Institute

David Cho, Washington State Liquor Store Association (WLSA)

Chair Rushford closed the public hearing and thanked everyone for their input.

## 6. ADDITIONAL BUSINESS

Chair Rushford invited citizens to address the Board regarding any issue(s) related to LCB business.

Michelle Reeves, Washington Food Industry (WFI) – Thanked the Board for their hard work and adopting the change to the interim policy. They expressed their appreciation on behalf of the independent grocery industry.

Michelle Rowe, Law Office of Michelle Rowe – Stated that she is working with clients who are trying to open their I-502 stores within the Tacoma city limits. They are working with the city of Tacoma to obtain their occupancy permits. Tacoma’s planning and development is one year behind issuing occupancy permits. This is a huge concern to applicants. She wanted to bring this to the Board attention.

Chair Rushford adjourned the meeting at 10:55

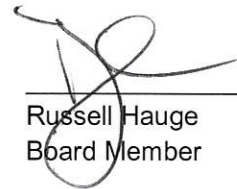
Minutes approved this 9 day of September, 2015



Jane Rushford  
Board Chair



Ruthann Kurose  
Board Member



Russell Hauge  
Board Member

Minutes prepared by: Cindy Doughty, Board Administrative Assistant

**LCB Mission** - Promote public safety and trust through fair administration and enforcement of liquor, tobacco and marijuana laws.

Complete meeting packets are available online: [http://lcb.wa.gov/boardmeetings/board\\_meetings](http://lcb.wa.gov/boardmeetings/board_meetings)  
For questions about agendas or meeting materials you may email [cindy.doughty@lcb.wa.gov](mailto:cindy.doughty@lcb.wa.gov) or call 360.664.1656