



Washington State Liquor and Cannabis Board Meeting

Wednesday, September 23, 2015, 10:00 a.m.
LCB Headquarters - Boardroom
3000 Pacific Avenue SE, Olympia WA 98501

Meeting Minutes

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, September 23, 2015. Member Ruthann Kurose and Member Russell Hauge were also present.

Chair Rushford welcomed our Squaxin Island Tribal guests and thanked them for being here on this important day.

2. APPROVAL OF SQUAXIN ISLAND TRIBE MARIJUANA COMPACT

Chair Rushford recognized our tribal guests: Council Treasurer Vicki Kruger, Councilmember Jim Peters and Tribal Attorney Nathan Schreiner.

Chair Rushford stated that it's an honor to be here today to approve this significant compact. The content mirrors that of the one previously approved for the Suquamish Tribe. As with it, the commitment and wise considerations of a lot of people here today are reflected. We at the LCB are especially appreciative of the government to government relationships this represents. On behalf of the Board, she recognized the contributions of the Squaxin Island Tribe, LCB staff and Assistant Attorneys General and thanked them for their collaboration.

Member Kurose remarked that she was honored to be here and thanked the tribe for their patience and perseverance. It was a collaborative process. The efforts to engage the legislature, the Governor's office and LCB have resulted in a compact model that will serve other states and tribes in the future.

Member Hauge mentioned one of the pleasures of this position is to engage in negotiations with the sovereign nations. He thanked Mr. Schreiner for his contribution with the negotiations and noted that he was with us every step of the way as we created the original agreement. The Squaxin Island Tribe was there every step of the way. He would like everyone to know of Mr. Schreiner's invaluable contribution to this agreement.

Chair Rushford asked for a motion to approve the agreement as negotiated.

MOTION: Member Kurose moved to approve the Squaxin Island Tribe Marijuana Compact
SECOND: Member Hauge seconded.
ACTION: Motion passed unanimously.

Board Members and Director Garza proceeded to sign the compact.

Councilmember Jim Peters thanked everyone and stated this is a good example of government to government working together. He acknowledged that it was a tough decision for the Squaxin Island Tribe to go forward. They felt that by not making this step along with the state there could be difficulties with jurisdictional boundaries. He also felt this would be an economic advantage and would continue the boost of economy in Mason County. Providing for the county is very important not only for the tribal members, but for the county citizens as well.

3. ACTION ITEMS 3A-C

ACTION ITEM 3A - Board Adoption of Emergency Rules to Implement 2015 Marijuana Legislation.

Karen McCall, Agency Rules Coordinator, began the briefing with materials (HANDOUTS 3A 1-3). She provided an overview noting that this rulemaking is the result of 2015 legislation. E2SHB 2136, 2SSB 5052, were passed during the legislative session. New emergency rules and emergency revisions to current rules are needed to implement sections of these bills to ensure that medical marijuana will be available to patients by the date that collective gardens are mandated to be closed down, July 1, 2016. These rules will protect the health and welfare of medical marijuana patients in the state of Washington.

The emergency rules are necessary for the preservation of the public health, safety and general welfare. The rule becomes effective upon filing with the Code Reviser's Office and will expire January 21, 2016, 120 days after filing.

The emergency rules will become part of the permanent rulemaking the board opened on July 15, 2015, which also includes revisions to additional marijuana rules in chapter 314-55 WAC.

Timeline

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

September 23, 2015	Board is asked to approve filing the Emergency Rules.
September 23, 2015	The Emergency Rules become effective.
January 21, 2016	The Emergency Rules expire.

Ms. McCall then requested the Board adopt the Emergency Rules to Implement 2015 Marijuana Legislation. Chair Rushford called for a motion.

MOTION: Member Hauge moved to adopt the Emergency Rules to Implement 2015 Marijuana Legislation
SECOND: Member Kurose seconded.
ACTION: Motion passed unanimously.

ACTION ITEM 3B - Board Approval to file CR 102 for Proposed Rules to Implement 2015 Marijuana Legislation.

Karen McCall, Agency Rules Coordinator, began the briefing with materials (HANDOUTS 3B 1-4). She provided an overview noting that this rulemaking is the result of 2015 legislation. E2SHB 2136, 2SSB 5052 and SB 5121 were passed during the legislative session. New rules and revisions to current rules are needed to implement these bills.

The Rules Coordinator requests approval to file the proposed rules (CR 102) for the rule making described above. An issue paper on this rule was presented at the Board meeting on September 23, 2015.

- Ms. McCall read through the proposed rules and noted all the changes that were made.
- The schedule for the public hearings was announced.
- Ms. McCall brought to the Board's attention the attached Small Business Economic Impact Statement (SBEIS). She outlined the content of the SBEIS.

Timeline

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

September 23, 2015	Board is asked to approve filing the proposed rules (CR 102 filing).
October 7, 2015	Code Reviser publishes notice; LCB sends notice to rules distribution list.
November 3, 2015	First of six public hearings held.
November 19, 2015	End of written comment period.
December 2, 2015	Board is asked to adopt rules.
December 2, 2015	Agency sends notice to those who commented both at the public hearing and in writing.
December 2, 2015	Agency files adopted rules with the Code Reviser (CR 103).
January 2, 2016	Rules are effective (31 days after filing).

Ms. McCall then requested approval from the Board to file CR 102 for Proposed Rules to Implement 2015 Marijuana Legislation. Chair Rushford called for a motion.

- MOTION: Member Hauge moved to approve the filing of proposed rules CR 102 for Proposed Rules to Implement 2015 Marijuana Legislation.
- SECOND: Member Kurose seconded.
- ACTION: Motion passed unanimously.

ACTION ITEM 3C - Board Approval to file CR 102 for Proposed Rules to revise WAC 314-02-090 for Non-Profit Arts Organization Licenses

Karen McCall, Agency Rules Coordinator, began the briefing with materials (HANDOUTS 3C 1-3). She provided an overview noting that this rulemaking is due to a petition for rulemaking submitted by Carol Miller, Attorney, representing licensees who hold the nonprofit arts organization license. The board approved moving forward with rulemaking at an earlier board meeting. The licensees would like to allow alcohol consumption in the seating area of the theater during performances. The law does not specifically prohibit alcohol consumption in the seating area. The prohibition is in rule and can be revised.

The Rules Coordinator requests approval to file the proposed rule (CR 102) for the rule making described above. An issue paper on this rule was presented at the Board meeting on September 23, 2015.

Timeline

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

September 23, 2015	Board is asked to approve filing the proposed rules (CR 102 filing).
October 7, 2015	Code Reviser publishes notice; LCB sends notice to rules distribution list.
November 4, 2015	Public hearing held.
November 4, 2015	End of written comment period.
November 18, 2015	Board is asked to adopt rules.
November 18, 2015	Agency sends notice to those who commented both at the public hearing and in writing.
November 18, 2015	Agency files adopted rules with the Code Reviser (CR 103).
December 19, 2016	Rules are effective (31 days after filing).

Ms. McCall then requested approval from the Board to file CR 102 for Proposed Rules for Non-Profit Arts Organization Licenses. Chair Rushford called for a motion.

- MOTION: Member Kurose moved to approve the filing of proposed rules CR 102 for Proposed Rules for Non-Profit Arts Organization Licenses.
- SECOND: Member Hauge seconded.
- ACTION: Motion passed unanimously.

4. MARIJUANA UPDATE

Becky Smith, Director Licensing & Regulations gave a brief update.

Ms. Smith brought to the attention of the Board some key dates regarding the application process.

- LCB will begin accepting applications for retailers on October 12, 2015. This will be an open application. There will be priorities one, two and three. It will be important for applicants take a look at those priorities before they apply.
- For producers, we will be add a processors license. We will begin accepting those applications as of tomorrow, September 24, 2015. Letters will be sent out today to all producers that want to add a processor license. The letter will outline the process.
- Letters will be sent to local authorities alerting them that the retail cap will be lifted.
- We will be increasing plant canopy to all licensed producers. In 2014 production was limited to 70%. As of September 24, 2015 we will be increasing the plant canopy. A letter will be sent to licensees requesting some information.

5. EMPLOYEE ANNOUNCEMENTS

Mike Kashmar, Chief Financial Officer recognized Diana Deshayee, Fiscal Analyst in the Financial Division for 20 years of public service. He provided a brief background on Dian noting that all her service has been with the LCB.

6. ADDITIONAL BUSINESS

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


Tim Nogler – Manager of WA State Building Code Council, Department of Enterprise Services.
Mr. Nogler stated he was here today to give a brief status report on rulemaking and request coordination from the Board and LCB staff on regulations around marijuana.
Chair Rushford asked Mr. Nogler to stay after the meeting and she would connect him with appropriate staff to continue the discussion.

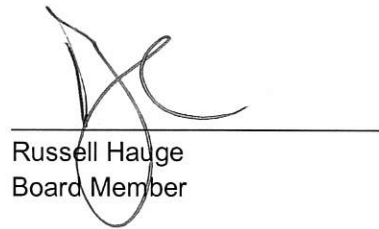
7. ADJOURN

Chair Rushford adjourned the meeting at 10:58.

Minutes approved this 7 day of October, 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