



## Washington State Liquor Control Board Meeting

Wednesday, October 7, 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, October 7, 2015. Member Ruthann Kurose and Member Russell Hauge were also present. Chair Rushford introduced the new Executive Assistant, Lisa Faker, and thanked Cindy Doughty and Gary Hacker for their extra support to the board the past few months.

#### 2. APPROVAL OF MEETING MINUTES

MOTION: Member Ruthann Kurose moved to approve the September 23, 2015, meeting minutes.

SECOND: Member Russell Hauge seconded.

ACTION: Motion passed unanimously.

#### 3. STAKEHOLDER PRESENTATION (30 minutes)

##### Preventing Youth Use – Overview and Update (HANDOUTS 3A 1-2)

A PowerPoint presentation was given by:

- Mike Graham-Squire, Neighborhood House, Seattle
- Liz Wilhelm, NE Seattle Prevention WINS Coalition
- Ramona Leber, WA Association for Substance Abuse and Violence Prevention (WASAVP)
- Joy Lyons, ESD 112 and PREVENT Coalition
- Elaine Ishihara, Asian Pacific Islander Coalition Advocating Together (APICAT)

Member Russell Hauge requested data on geographic breakdown on PowerPoint slide 7 regarding increase in youth alcohol theft. Ms. Lyon's said this is antidotal and there has been some work to try and capture this data.

Mike Graham-Squire provided a list of the edible marijuana products and highlighted those that he was concerned would be appealing to youths. He also provided a copy of over 1,500 signatures on a petition to ban marijuana edible products that appeal to youth. (HANDOUT 3A – 3)

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

##### A. ACTION ITEM 4A - Board Adoption of Interim Policy for Beer/Wine Gift Delivery Internet Sales

Karen McCall, Agency Rules Coordinator, began the briefing with materials (HANDOUTS 4A 1-2). She provided a brief background noting that this rulemaking is the result of ...

Purpose:

The Beer/Wine Gift Delivery license allows a business that is primarily engaged in the retail sale of gifts or flowers to deliver beer and/or wine in bottles or original packages. The beer or wine must be delivered in conjunction with the gifts or flowers. Many of the orders are placed via the internet. The board has in the past allowed internet sales for holders of this license but there are currently no rules that outline the requirements for this practice. Becky Smith, Licensing Director, has asked for an interim policy and rules to outline the requirements for internet sales and delivery of beer and wine.

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

MOTION: Member Russell Hauge moved to approve the filing of proposed rules (CR 102) for...

SECOND: Member Ruthann Kurose seconded.

DISCUSSION: If any

ACTION: Motion passed unanimously.

##### A. ACTION ITEM 4B - Board Approval to file CR 101 for Beer/Wine Gift Delivery Internet Sales

Karen McCall, Agency Rules Coordinator, began the briefing with materials (HANDOUT(S) 4B 1-2).

Timeline:

October 7, 2015	Board is asked to approve filing the pre-proposal statement of inquiry (CR 101)
October 21, 2015	Code Reviser publishes notice and LCB sends notice to rules distribution list
December 2, 2015	End of written comment period
December 2, 2015	Board is asked to approve filing the proposed rules
December 16, 2015	Code Reviser publishes notice and LCB sends notice to rules distribution list
January 6, 2016	Public Hearing held
January 20, 2016	Board is asked to adopt rules
March 3, 2016	Rules are effective

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

MOTION: Member Russell Hauge moved to approve the filing of the first state of rulemaking (CR 101) to create a new section in WAC 314-03.

SECOND: Member Ruthann Kurose seconded.

DISCUSSION: If any

ACTION: Motion passed unanimously.

## **5. PUBLIC HEARING (A)**

### **A. PUBLIC HEARING 5A - Public Hearing for Internet Sales & Delivery for on-premises licensees.**

Karen McCall, Agency Rules Coordinator, began the briefing with materials (HANDOUT(S) 5A 1-2).

A petition for rulemaking was 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.

Karen McCall received two letters in support of the rule and one letter of opposition.

- WA Restaurant Association (WRA) and a licensee sent in a letter of support.
- Association of Washington Spirits and Wine Distributors (AWSWD) sent a letter in opposition.

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

Testimony received from:

- Liz Wilhelm would like to include a 24 hour wait period from the time of an online purchase so to allow time for age verification of the purchaser and recipient. Would also like to scale down of the hours of availability to 6 a.m. to 11 p.m.
- Mike Graham Squire would like quantity limits included and not allow for instant delivery.
- Rosio Martinez also expressed support of limiting hours and quantity.

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

## **6. ADDITIONAL BUSINESS**

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

### Ezra Eidemeyer – Cannabis Retailers for Smart Regulation

Mr. Eidemeyer would like to request that we limit the number to 40 new marijuana retailers in Seattle. They are concerned with their profit margin and saturating the market.

### Michelle Rowe – Law Office of Michelle Rowe

Ms. Rowe wanted clarification on the application process and concerns with collective gardens. She wanted to know if the board would consider opening the application process to those that have established themselves in the market but have not opened a store front. Karen McCall clarified that currently we are only opening application window for retailers. We still have almost 600 applications for producer and processor licenses that have not been processed yet. There are no plans at this time to open the application process until we receive thereport regarding how much product will be needed for the state of WA.

Ramona Leber – WASAVP HANDOUT 6A-1

Ms. Leber provided a copy of ***Know When to Say When: Recommended Criteria in Deciding Whether to Introduce, Co-Sponsor, Hear or Otherwise Support Alcohol Promotion Legislation*** for the board to review.

Janelle Okorogu – Center for Multicultural Health

Ms. Okorogu expressed concerns with e-cigarette use by youth.

Brad Tower - Northwest Producers and Processors and Retailers Association

Mr. Tower expressed concern about licensing the retailerst before producers given. seed to sale requirements.

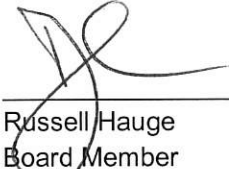
**ADJOURN**

Chair Rushford adjourned the meeting at 11:05 a.m.

Minutes approved this 21<sup>st</sup> day of October, 2015

  
\_\_\_\_\_  
Jane Rushford  
Board Chair

NOT Present  
\_\_\_\_\_  
Ruthann Kurose  
Board Member

  
\_\_\_\_\_  
Russell Hauge  
Board Member

Minutes prepared by: Lisa Faker, Executive 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 [lisa.faker@lcb.wa.gov](mailto:lisa.faker@lcb.wa.gov) or call 360.664.1717