



## Washington State Liquor and Cannabis Board Meeting

Wednesday, March 23, 2016, 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 and Cannabis Board to order at 10:00 a.m. on Wednesday, March 23, 2016. Member Ruthann Kurose was also present.

#### 2. APPROVAL OF MEETING MINUTES

MOTION: Member Kurose moved to approve the March 9, 2016, meeting minutes.

SECOND: Chair Rushford seconded.

ACTION: Motion passed unanimously.

#### 3. ACTION ITEMS (A-D)

##### **ACTION ITEM 3A - Board Approval to file proposed rules (2nd Supplemental CR 102) to implement 2015 marijuana legislation.**

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

A CR 102 with proposed rules was originally filed with the Code Reviser's Office on September 23, 2015. Six public hearings were held around the state to obtain input from stakeholders on the proposed rules. Based on comments from stakeholders a Supplemental CR 102 with proposed rules was filed with the code Reviser's Office on January 6, 2016. A public hearing was held on February 10, 2016. The board received many thoughtful comments from our stakeholders. After reviewing the comments, revisions to the supplemental proposed rules were needed based on the comments received at the public hearings. The revisions to the proposed rules based on stakeholder comments are as follows:

- WAC 314-55-010 – Revised the definition of "licensed premises".
- WAC 314-55-077 – Removed the requirement that "Mr. Yuk" stickers be placed on all marijuana infused edible products.

- WAC 314-55-079 – Allows marijuana retailers to accept any marijuana product return if the customer has the original packaging.
- WAC 314-55-083 – removed the requirement for the employees' birthdate on their ID badges. Require the employee to have their state issued identification available to verify the information on their ID badge.
- WAC 314-55-520 through 314-55-535 – Removed inventory destruction as a penalty for producers and processors. Made all penalties for producers and processors monetary penalties.

Additional changes to the following rules were also added:

- WAC 314-55-084 Added language that marijuana and marijuana products exposed to unauthorized soil amendments or fertilizers, or marijuana with detectable levels of unauthorized pesticides or plant growth regulators are subject to seizure and destruction.
- WAC 314-55-086 – Added mandatory signs at the point of sale on a retail licensed premises.
- WAC 314-55-135 – Added language that persons operating without a WSLCB approved marijuana licensed location will be discontinued.
- WAC 314-55-410 – Added language that if a person seeking to register a cooperative fails to meet the requirements the WSLCB will deny the cooperative registration. If a registered cooperative violates the requirements of a cooperative the WSLCB will revoke the cooperative's registration. An administrative hearing may be requested in either case.
- WAC 314-55-510 – Added language that failure to address monetary penalties for two or more violation notices in a three year period will result in license cancellation. Licensees failing to respond to a violation or have outstanding fines shall not be eligible to renew.

Timeline

March 23, 2016	Board is asked to approve filing the proposed rules (Supplemental CR 102 filing)
April 6, 2016	Code Reviser publishes notice, LCB sends notice to rules distribution list
May 4, 2016	Public Hearing held
May 4, 2016	End of written comment period
May 18, 2016	Board is asked to adopt rules
May 18, 2016	Agency sends notice to those who commented both at the public hearing and in writing.
May 18, 2016	Agency files adopted rules with the Code Reviser (CR 103)
June 18, 2016	Rules are effective (31 days after filing)

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

**MOTION:** Member Kurose moved to approve filing proposed rules (2nd Supplemental CR 102) to implement 2015 marijuana legislation.

**SECOND:** Chair Rushford seconded.

**ACTION:** Motion passed unanimously.

**ACTION ITEM 3B - Board approval for filing proposed rules (CR 102) to revise WAC 314-12-215 Alcohol Impact Areas.**

Karen McCall, Sr. Policy/Rules Coordinator, began the briefing with materials (HANDOUTS 3B 1-3). She provided background noting that this rulemaking is the result of a stakeholder request. The Washington Beer & Wine Distributors Association (WBWDA) submitted a petition for rulemaking to revise WAC 314-12-215 Alcohol Impact Areas.

What changes are being proposed?

WAC 314-12-155 Alcohol impact areas-Definitions-Guidelines.

- Clarification of minimum requirements for an alcohol impact area recognition packet;
- Clarification on conditions or restrictions the board may recognize for an alcohol impact area;
- Removal of a minimum alcohol content on restricted products;
- Revisions to the reporting requirements for a local jurisdiction on recognized alcohol impact areas; and
- Clarification of information required in reports to the board from local authorities on recognized alcohol impact areas.

Timeline

March 23, 2016	Board is asked to approve filing the pre-proposal statement of inquiry (CR 102)
April 6, 2016	Code Reviser publishes notice, LCB sends notice to rules distribution list
May 4, 2016	End of written comment period
May 4, 2016	Public Hearing held
May 18, 2016	Board is asked to adopt rules
May 18, 2016	Agency sends notice to those who commented both at the public hearing and in writing.
May 18, 2016	Agency files adopted rules with the Code Reviser (CR 103)
June 18, 2016	Rules are effective (31 days after filing)

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

**MOTION:** Member Kurose moved to approve filing proposed rules (CR 102) to revise WAC 314-12-215 Alcohol Impact Areas.

**SECOND:** Chair Rushford seconded.

**ACTION:** Motion passed unanimously.

**ACTION ITEM 3C - Board approval to file emergency rules to implement a marijuana recall process and requirement.**

Joanna Eide, Rules and Legislative Coordinator, began the briefing with a PowerPoint presentation and materials (HANDOUTS 3C 1-3). She provided background noting that emergency rules are needed to

create a recall process for marijuana and marijuana products that pose a risk to public health and safety. Marijuana and marijuana products sold in WSLCB licensed retail stores are a consumable product and it is important that they are safe for human consumption. In the event that product posing a risk to public health is discovered, regulations and a process need to be in place to allow for affected product to be identified and removed from the marketplace in a fast and efficient manner.

New Section. WAC 314-55-225 Marijuana recalls.

The emergency rule creates a process for marijuana recalls. Staff drafted this process to mirror the process WSDA uses for food product recalls and used information compiled from researching how WSDA, Dept. of Health, and the FDA conduct recalls. The rule outlines:

- When licensees may conduct a market withdrawal in cases where they wish to pull pack products that does not involve a risk to public health and safety;
- When a recall is required and the steps a licensee must take to recall and destroy affected products; and
- When the WSLCB may seek a Board-directed recall and an order for destruction of products.

Ms. Eide then requested approval from the Board to file emergency rules.

**MOTION:** Member Kurose moved to approve the filing Emergency Rules to implement a marijuana recall process and requirement.

**SECOND:** Chair Rushford seconded.

**ACTION:** Motion passed unanimously.

**ACTION ITEM 3D - Board approval for filing a pre-proposal statement of inquiry (CR 101) to create a new section in Chapter 314-55 Marijuana Licenses, Application Process, Requirements, and Reporting.**

Joanna Eide, Rules and Legislative Coordinator, began the briefing with materials (HANDOUT(S) 3D 1-3). She provided background noting that new rules are needed to establish a marijuana and marijuana product recall process and requirement. In the event that product posing a risk to public health is discovered, regulations and a process need to be in place to allow for affected product to be identified and removed from the marketplace in a fast and efficient manner. The WSLCB will propose permanent rules to establish a recall process similar to those food recall processes of other state and federal agencies. These rules will protect the health and welfare of marijuana consumers in the state of Washington.

Timeline

March 23, 2016	Board is asked to approve filing the pre-proposal statement of inquiry (CR 101)
April 6, 2016	Code Reviser publishes notice, LCB sends notice to rules distribution list
May 18, 2016	End of written comment period
May 18, 2016	Board is asked to approve filing the proposed rules (CR 102 filing)
June 1, 2016	Code Reviser publishes notice, LCB sends notice to rules distribution list

June 29, 2016	Public Hearing held
June 29, 2016	End of written comment period
July 13, 2016	Board is asked to adopt rules
July 13, 2016	Agency sends notice to those who commented both at the public hearing and in writing.
July 13, 2016	Agency files adopted rules with the Code Reviser (CR 103)
August 13, 2016	Rules are effective (31 days after filing)

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

**MOTION:** Member Kurose moved to approve filing a pre-proposal statement of inquiry (CR 101) to create a new section in Chapter 314-55 Marijuana Licenses, Application Process, Requirements, and Reporting.

**SECOND:** Chair Rushford seconded.

**ACTION:** Motion passed unanimously.

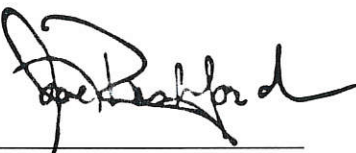
**4. ADDITIONAL BUSINESS**

Chair Rushford then invited citizens to address the Board regarding any issues related to LCB business. There were no comments.

**ADJOURN**

Chair Rushford adjourned the meeting at 10:32.

Minutes approved this 6 day of April, 2016

  
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 Jane Rushford  
 Board Chair

  
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 Ruthann Kurose  
 Board Member

Minutes prepared by: Lisa Faker, Executive Assistant to the Board

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

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