



Washington State Liquor and Cannabis Board Meeting

Wednesday, March 31, 2021, 10:00am
This Meeting was Convened Via Conference Call

Meeting Minutes

1. CALL TO ORDER

Chair David Postman called the regular meeting of the Washington State Liquor and Cannabis Board to order at 10:00 am on Wednesday, March 31, 2021. Member Ollie Garrett and Member Russ Hauge were also present.

2. APPROVAL OF MEETING MINUTES

MOTION: Member Garrett moved to approve the March 17, 2021, Board meeting minutes.

SECOND: Member Hauge seconded.

ACTION: Chair Postman approved the motion.

3. ALCOHOL RELATED RULEMAKING TIMELINES

Audrey Vasek, Policy and Rule Coordinator provided an overview of alcohol related rulemaking, including:

- Distillery Reporting and Payment Rules
 - Conceptual draft rules shared for feedback on March 1, 2021
 - Comment period ends today, March 31, 2021
 - CR 102 tentatively planned for late April
- Supplemental CR 102 for 2020 Legislation – E2SSB 5549 Related to Distilleries
 - Approved at March 17 Board meeting
 - Public hearing scheduled for April 28, 2021

4. CANNABIS RELATED RULEMAKING AND TIMELINES

TIMELINES

Kathy Hoffman, Policy and Rules Manger provided an overview of cannabis related rulemaking, including:

- Quality Control Rules
 - Completed review of all comments received at the public hearing last November
 - Continuing to explore where rule revision can align with statute
- Tier I Expansion
 - Survey results should be ready for release next week
 - Continuing internal discussion on proposed rule language
- Criminal History Background Check Redesign
 - Four internal drafting sessions complete
 - Project team will meet to review conceptual rule language
 - Tentatively scheduling a “listen and learn” in late April or early May
 - Proposed rule language tentatively scheduled for mid to late June
 - Finalization tentatively scheduled for early to mid-August

Chair Postman asked who was surveyed for the Tier I Expansion rules. Kathy clarified that Tier I licensees were surveyed following two “listen and learn” sessions.

ACTION ITEM (A)

ACTION ITEM 4A - Board Rescission of Board Interim Policy 03-2018 for 24-Hour Quarantine Requirement

Kathy Hoffman, Policy and Rules Manager, began the briefing with materials (HANDOUT 4A).

Ms. Hoffman: I would like to ask for your approval to rescind Board Interim Policy (BIP) 03-2018. This policy was approved in April, 2018, to temporarily lift the requirement that marijuana licensees observe a 24-hour quarantine period prior to transfers of products to other licensees. It was designed to address challenges licensees encountered when transferring product while the then new Leaf traceability system was being implemented. The policy referred specifically to WAC 314-55-083(4)(g) and (h). This policy was designed to be rescinded upon adoption of rules to implement the policy.

In late October of 2018, the Board adopted several revisions to chapter 314-55 in whole, including revisions WAC 314-55-083. Specifically, WAC 314-55-083(4)(g) and (h) were completely removed from the subsection, as was any reference to a 24-hour quarantine period. The rules then became effective in late 2018. As a result, BIP 03-2018 is no longer necessary.

If approved today, this BIP will be rescinded and notice will be sent to stakeholders through our general GovDelivery system. May I answer any questions.

Chair Postman: No questions. You briefed us well at yesterday’s caucus.

Member Hauge: No questions.

Member Garrett: No questions.

MOTION: Member Hauge moved to Rescind Board Interim Policy 03-2018 for 24-Hour Quarantine Requirement

SECOND: Member Garrett seconded.

ACTION: Chair Postman approved the motion.

5. GENERAL RULEMAKING AND TIMELINES

ACTION ITEM (A)

ACTION ITEM 4A - Board Approval of CR 101 for Enforcement of State Board of Health Prohibition of Vitamin E Acetate in WAC 314-55-077 and 079

Kathy Hoffman, Policy and Rules Manager, began the briefing with materials (HANDOUT 5A).

Ms. Hoffman: I'd like to request your approval to file a CR 101 that would add a permanent cross reference in our cannabis processor and retailer rules to the State Board of Health permanent prohibition of vitamin E acetate.

By way of background, the LCB Board prohibited use of vitamin E acetate by any person licensed under chapter 69.50 RCW – also known as the Controlled Substances Act – by emergency rule last September. The LCB prohibition applied to cannabis processors and retailers, and emergency amendments were added to WAC 314-55-077 and 079 that would allow the Board to take disciplinary action if a licensee failed to comply with the LCB prohibition. At the same time, the Washington State Board of Health (SBOH), was working on a permanent prohibition of vitamin E acetate that would also apply to any person licensed under the Controlled Substances Act. That rule became permanent last November. As a result, and as intended, when we began this emergency rulemaking WAC 314-55-077 and 079 can be updated to reference the permanent SBOH vitamin E acetate prohibition. Once these rules are updated with the appropriate references, the LCB prohibition can be rescinded.

Timeline

March 31, 2021	CR 101 filed with the Office of the Code Reviser. LCB webpage updated and notice circulated by rules distribution list. Informal comment period begins.
April 21, 2021	Notice published in the Washington State Register under WSR #21-08
May 21, 2021	End of informal comment period.
May 26, 2021	Board is asked to approve filing proposed rules (CR 102). CR 102 filed with the Office of the Code Reviser. LCB webpage updated and notice circulated by rules distribution list. Formal comment period begins.
June 16, 2021	Notice published in the Washington State Register.
July 7, 2021	Public hearing held and formal comment period ends.
July 21, 2021	Board is asked to adopt rules if no substantive changes are made (CR 103). Concise Explanatory Statement provided to individuals offering written and oral comment at the public hearing, and during the formal comment period, consistent with RCW 34.05.325. CR 103 and adopted rules are filed with the Office of the Code Reviser.

	LCB webpage updated and notice circulated by rules distribution list.
August 21, 2021	Rules are effective 31 days after filing (unless otherwise specified).

Chair Postman: For clarification, because of the timing of the rulemaking, there will be one more extension of the emergency rules, correct?

Ms. Hoffman: That is correct.

Chair Postman: To echo what you said, this was the intent from the start and is clearly the right move.

MOTION: Member Garrett moved to Approve the CR 101 for Enforcement of State Board of Health Prohibition of Vitamin E Acetate in WAC 314-55-077 and 079.

SECOND: Member Hauge seconded.

ACTION: Chair Postman approved the motion.

Ms. Hoffman: Thank you, Board.

Chair Postman: Thank you both for your great presentations, as always, and the work that you do before these come to us is much appreciated.

6. GENERAL PUBLIC COMMENT

Chair Postman: We move now to the General Public Comments. Everyone will have four minutes. We ask that you state your name and affiliation for the record. You will be notified by staff when you have 30 seconds remaining. Shawn DiSilva, please.

Dustin Dickson: Shawn DiSilva registered to speak but is not online with us today.

Chair Postman: Thank you. That completes the orders of the day. Thank you all for participating. Enjoy the beautiful day, we'll see you in two weeks.

ADJOURN

Chair Postman adjourned the meeting at 10:15am.

Minutes approved this 14th day of April, 2021.



David Postman
Board Chair



Ollie Garrett
Board Member

Not Present

Russ Hauge
Board Member

Minutes prepared by: Dustin Dickson, Executive Assistant to the Board

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

Complete meeting packets are available online: http://lcb.wa.gov/boardmeetings/board_meetings
For questions about agendas or meeting materials you may email dustin.dickson@lcb.wa.gov or call 360.664.1717