



Board Caucus Meeting

Tuesday, March 23, 2021, 10:00am
This meeting was held via conference call

Meeting Minutes

CAUCUS ATTENDEES

Chair David Postman
Member Ollie Garrett (excused)
Member Russ Hauge
Dustin Dickson, Executive Assistant

GUESTS

Kathy Hoffman, Policy and Rules Manager
Audrey Vasek, Policy and Rules Coordinator

AMENDMENT TO THE AGENDA

Chair Postman announced an amendment to the rules update portion of the agenda. He informed that Kathy would be presenting a rules petition for consideration. The petition was submitted by Duane Dunn, requesting retail cannabis licensees to move a store from one city to another. This item was scheduled for consideration today, but was inadvertently omitted from the agenda.

APPROVAL OF MEETING MINUTES

MOTION: Member Hauge moved to approve the May 4, 2021, Board caucus minutes.

SECOND: Chair Postman seconded.

ACTION: Chair Postman approved the motion.

BOARD MEETING PREP AND RULES UPDATE

Audrey first gave a brief review of pending alcohol related rulemaking, including:

- Distillery Reporting and Payment (314-28 WAC)
 - CR 102 approved on April 14, 2021
 - Public hearing scheduled for May 26
 - Public comment period is open, one comment received so far
 - Project team will meet after the hearing to review additional comments received
 - CR 103 tentatively scheduled for June 9, 2021
- Summary Suspension and Stay Provisions to Enforce Governor's Proclamations
 - CR 101 approved on April 14, 2021
 - Two comments received so far

- Project team is developing conceptual draft rules
- “Listen and learn” session in possibly late June or early July
- CR 102 tentatively planned for August or September

Audrey then moved into preparation for the Board meeting tomorrow, including:

- CR 101 for 2021 Legislation Implementation – E2SHB 1480 (COVID-19 Alcohol Allowances)
 - Bill extends certain privileges granted to liquor licensees to mitigate the impact of the pandemic
 - This bill took effect on April 14, 2021
 - Allows privileges or allowances to continue until June 30, 2023
 - If approved:
 - Notice will be filed with the Code Reviser
 - “Listen and learns” will be scheduled in July or August
 - CR 102 tentatively scheduled for September
- CR 103 for 2020 Legislation Implementation – E2SSB 5549 (Distilleries)
 - Bill modifies privileges and requirements for distillery and craft distillery licenses and established a new off-site tasting room license
 - Bill took effect on January 21, 2021
 - CR 101 was filed in August, 2020
 - CR 102 was filed in December, 2020 after “listen and learn”
 - Public hearing held February 3, 2021
 - One person provided oral testimony, two written comments submitted
 - Substantive change made
 - Supplemental CR 102 filed on March 17, 2021
 - Second hearing held April 28, 2021
 - No testimony given, no comments received
 - If approved, rules will be filed with the Code Reviser and memos will be sent to all that provided comment
 - Rules will be effective June 12, 2021

Audrey asked if there were any questions. David encouraged anyone interested in the CR 101 for alcohol allowances to review the memo. He reminded this included cocktails to go and other alcohol products sold for take-out. David and Russ thanked Audrey for the update.

Kathy provided a brief cannabis related rulemaking update, including:

- Cannabis Quality Control Rules
 - Will compose the timeline once fully staffed
 - Convenience contract seeking an economist to assist with Regulatory Fairness Act analysis has been finalized, bidding process should commence in the coming weeks
- Criminal History Background Check Redesign
 - “Listen and learn” session scheduled for Thursday, May 13
 - Registration has been low, hoping others will join the day of the session
 - Proposal should be ready in mid to late-June
 - Finalization tentative for early to mid-August
- Permanent Rules Referencing the State Board of Health (SBOH) Vitamin E Acetate Prohibition
 - No comments received to date on the CR 101
 - Formal comment ends on May 21
 - CR 102 should be ready for consideration on May 26

- Tier I Expansion
 - CR 101 approved at the April 28 Board meeting
 - No comments received to date

Kathy asked if there were any questions. David noted that no comments had been submitted regarding the Tier I expansion and asked when that comment period closed. Kathy informed the comment period would close at 5pm on the day of the public hearing. She indicated that most comments are usually received closer to the date of the hearing, when the comment period closes. Audrey confirmed the date of the Tier I public hearing is June 9, 2021. David thanked them both for the information.

Kathy moved the conversation to Board meeting preparation.

- CR 101 Regarding THC Compounds Other Than Delta-9
 - Policy statement filed with the Code Reviser on April 28, 2021, signaling the agency's position at this time
 - Timeline listed in the CR 101 is tentative allowing for a considerable amount of stakeholder engagement, including many other agencies
 - "Deliberative dialogue" will be announced should the CR 101 be approved, tentatively scheduled for June 3

Kathy asked if there were any questions. David offered his appreciation for these developments happening so quickly.

RULES PETITION REVIEW AND CONSIDERATION

Kathy began the briefing with the petition materials (HANDOUTS 1-3). She said the petition had been filed on May 15, 2021. Kathy reviewed the petition request which asked for revisions to be made allowing cannabis licenses to relocate from one jurisdiction to another. She indicated that consistent with statute and the work of the Social Equity in Cannabis Task Force (SECTF), the recommendation is to deny the petition.

Kathy offered to answer any questions. Russ had none and thanked Kathy for the briefing leading up to this presentation. David asked to clarify whether or not Mr. Dunn could submit a new petition should the state legislature or the SECTF provided new allowances. Kathy confirmed that he could.

MOTION: Member Hauge moved to deny the petition as described based on staff recommendations.

DISCUSSION: Due to audio difficulty, Chair Postman asked for clarification on the motion. Dustin Dickson confirmed that Member Hauge made a motion to deny the petition.

SECOND: Chair Postman seconded.

ACTION: Chair Postman approved the motion to deny the petition.

BOARD MEMBER AND EXECUTIVE ASSISTANT REPORTS

Russ informed that he had begun a series of meetings with stakeholders regarding hemp-based synthetic THC / Delta-9. He said the conversations had been very fruitful, and expected to be working on the issue for the next few weeks. Russ added that he and Kathy were meeting a stakeholder in the afternoon as well and would brief the Board on their findings. David thanked Russ for taking the lead on the subject.

Meeting adjourned at 10:24am.

Minutes approved this 25th day of May, 2021.



David Postman
Board Chair

Not Present

Ollie Garrett
Board Member



Russ Hauge
Board Member

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