



Board Caucus Meeting

Tuesday, August 17, 2021, 10:00am

This meeting was held via web conference

Meeting Minutes

CAUCUS ATTENDEES

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

GUESTS

Nicola Reid, Compliance and Adjudications Manager
Kathy Hoffman, Policy and Rules Manager
Audrey Vasek, Policy and Rules Coordinator
Jeff Kildahl, Policy and Rules Coordinator

APPROVAL OF MEETING MINUTES

MOTION: Member Hauge moved to approve the August 3, 2021, Board caucus minutes

SECOND: Member Garrett seconded.

ACTION: Chair Postman approved the motion.

BOARD MEETING PREP AND RULES UPDATE

Kathy gave a brief update on THC compound rules, including:

- Draft conceptual rules ready for internal review next Monday
- “Listen and learn” information will be sent out next week

Jeff gave a brief update on cannabis related rulemaking, including:

- Quality Control Rules
 - Contact finalized for small business economic impact statement review
 - First meeting with vendor on August 19, 2021
- Criminal History Background Check
 - No comments received to date on the CR 102
 - Public hearing scheduled for August 18, 2021

Audrey gave a brief update on alcohol related rulemaking, including:

- Implementation of House Bill 1480 Related to Extending COVID-19 Allowances
 - “Listen and learn” was held on August 5, 2021 on alcohol to-go
 - Recording is available online
 - Internal rule drafting group scheduled to meet next week to review feedback
 - “Listen and learn” for outdoor service areas tentatively scheduled for early September

- CR 102 should be ready for consideration in late September
- Axe Throwing
 - Applications were received as early as 2018
 - In April 2021 the Board approved a settlement agreement allowing a specific axe throwing business to have a liquor license for one year with certain parameters in place
 - Rulemaking needed to mitigate public safety concerns
 - Preliminary meeting with Licensing held last week to begin planning the rules project
 - Next meeting in early September to determine scope and timelines
 - CR 101 tentatively scheduled for consideration in late September or early October

Chair Postman: On the outdoor service piece, have you heard anything or had any engagement with local officials – cities – whether they want to continue or not or if they have any concerns?

Ms. Vasek: We've had informal discussions with City of Seattle and some industry groups. We're hoping that with the "listen and learn" we can draw in more broadly anyone that is interested in the subject.

Chair Postman: Good, I'd be interested to hear where they are on that.

And then on axe throwing, when we did the settlement in April, it was my understanding that if others wanted to try and do the same thing they could, if they met all the requirements that have been laid out – was there something that spurred the formal rulemaking? Was there a petition or other requests that we are responding to?

Ms. Vasek: There has been no rulemaking petition, this has been an internal request from the Licensing Division to start looking at rulemaking beyond the one business that was approved through the settlement.

Chair Postman: Thank you. I'll be curious to learn more. We appreciate your reports today.

BOARD INTERIM POLICY REVISION – FROZEN ALCOHOL

Nicola reminded of the original Board Interim Policy (BIP) 01-2020 and highlighted the changes ([HANDOUT 1](#)). Highlights included:

- Changes made to support free expression and to provide clarity
- Added a rule requiring Board approval to sell products in Washington
- Struck two bullet points regarding packaging

Member Hauge: I wanted to make sure I understand this. What we're doing here is part of a trend -- that might be too strong of a word – this is rationalizing and liberalizing this rule to allow more discretion to approve?

Ms. Reid: No product can be especially appealing to youth. One of the statements on there is that we would review to ensure that the product did not allude to "fun". That's a really hard statement to interpret. So, even with the striking of that language and the other bullet point, we still will get to the same place on whether it is especially appealing to youth or not. Having that language in there ("fun") became complicated, so these changes provide more clarity moving forward.

Member Hauge: What I note in the supporting documents you talk about how 44 other states were a little more liberal in what they would approve in this field, and I want to make sure – my impression is that this

is to get us a little more in line with the general trend and to not be so doctrinarian in our approval process.

Ms. Reid: We have many types of the product now in the market, all the big retail chains are selling them, so we've definitely got a wide variety of products that are sold in other states. There were only a couple that had to make revisions. I think the BIP overall now gives us to review the product in its entirety and not just consider the product type. We have quite a few licensees that now sell these products in our state. So, yes, we are more aligned with other states that way.

Member Hauge: Thank you.

Chair Postman: That note raises a question for me. I think that removing things like requiring Licensing to define what "fun" is. I read this as just a way to get rid of the complications around analyzing what this BIP was meant to be. I don't get the sense that we are expecting to see more labeling with cartoons or anything like that, right? This is not a move to liberalize that part, it is to make it an easier to understand policy and a consistency that licensees will see. Is that fair?

Ms. Reid: It is. Maybe I misspoke. The initial policy really did give us that freedom to review the packaging in its entirety and not just consider that it is a popsicle. We have been able to get quite a few products out in the market. But, you are correct, the revision is really to take away some of the language that is pretty arbitrary and hard to determine, but also some language that may be infringing on the expression of packaging. You still can't have cartoons or different things that may be appealing or look similar to other products that are generally marketed to youth, so there's still a lot of guidelines in there that help us have the product in the market safely.

Chair Postman: Some of the things we removed were in addition to the one alluding to "fun" – the part that says:

Does not include sayings, terms, or slogans that are commonly used to market products or might be appealing to persons under the age of twenty-one;

That portion is removed from the new policy, but we still have enough around there where it says no cartoons or bubble-type font, so we're not tying our hands too much, here.

Ms. Reid: No, we're definitely not. We were able to keep the language:

- *Does not contain a design, brand, or name that resembles a non-alcohol consumer product that is marketed to persons under the age of twenty-one;*
- *No cartoons or cartoon-like drawings;*
- *No bubble-type...*

So we feel like, with what is left, it is really what we were utilizing in our review process. Hopefully this will simplify it and make it more clear for stakeholders and licensees.

Chair Postman: Thank you.

MOTION: Member Garrett moved to approve the revised Board Interim Policy as described.

SECOND: Member Hauge seconded.

ACTION: Chair Postman approved the motion.

Chair Postman: Thank you Ms. Reid for the presentation.

BOARD MEMBER AND EXECUTIVE ASSISTANT REPORTS

Dustin Dickson: I'd like to give a reminder that as we progress in the virtual environment that we are posting all of these meeting recordings on our website. They are also located on YouTube at youtube.com/wslcb under the tab "playlists". Brian Smith and the Communications Department have done a good job of aligning and organizing the videos. Audrey's "listen and learn" on House Bill 1480 is also listed there under "Rulemaking Activity". Enforcement also had some videos already listed, they are now under the "Enforcement" tab. All Caucus, Board meetings, and Executive Management Team meetings will be found under "LCB Board Activity". This is just another place to find the work we are doing; we've been posting them now since early July.

Chair Postman: Thank you, it seems to be going well.

Thank you all for the work today. We'll see many of you tomorrow for the Board meeting. Our Board Caucus for the 17th is now adjourned, have a great day.

Meeting adjourned at 10:17am.

Minutes approved this 31st day of August, 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