



## Washington State Liquor Control Board

---

### Washington State Liquor Control Board Meeting

Wednesday, August 21, 2013, 10:00 a.m.

Headquarters Building

3000 Pacific Avenue SE, Olympia WA 98501

### Meeting Minutes

---

#### CALL TO ORDER

Member Marr called the regular meeting of the Washington State Liquor Control Board to order at 10:00 a.m. on Wednesday, August 21, 2013. Member Ruthann Kurose was also present. Chair Foster was absent.

#### APPROVAL OF MINUTES

MOTION: Member Kurose moved to approve the August 14, 2013, meeting minutes as presented.

SECOND: Member Marr seconded.

ACTION: Motion passed unanimously.

#### I - 502 UPDATE

Deputy Director, Randy Simmons, provided an I-502 update. He began by noting that staff is busy rewriting the Rules scheduled to come back to the Board on September 4, for approval. Once approved, another 30 day comment period will begin. After the 30 day comment period a public hearing will be scheduled. He indicated that the Rules will be ready on September 4.

Member Marr asked how confident staff is that the rules will not need to be changed again noting that the LCB has held 13 public meetings as well as receiving enormous amounts of correspondence and he wanted to remind people that the rules can always be revised so we will not need to continue delaying the schedule. He also suggested that as we prepare for the next public hearing it would be helpful to draft an FAQ noting next steps and options.

Randy responded that the rules will continue changing over time and added that the rules *will* be approved by December 1, as scheduled. He also noted that the new licensing staff members are all onboard and training in almost complete.

Member Marr asked for an update on the traceability RFP including the timeline.

Randy said the responding vendors have a little over a week to introduce their bids. The top scored vendors will be invited to provide a demonstration. Then the successful vendor will be selected.

Member Kurose asked how many vendors registered. Randy said 18.

## **ACTION ITEM:**

### **Approval to File a Supplemental CR 102 for "Trade Area" Definition**

Karen McCall, Agency Rules Coordinator, provided the Board with a brief background as well as a briefing paper on this issue.

#### Why is rule making necessary?

Permanent rules are needed to define "trade area" in RCW 66.24.630 which was created with the passing of Initiative 1183. A definition is needed to determine if a location for a spirits retail license in a premises with less than 10,000 square feet of retail space meets the requirements for the license.

On March 13, 2013 the Board approved filing proposed rules (CR 102) to define "trade area" as created in Initiative 1183. At the public hearing held on April 24, 2013, stakeholders requested the Board change the proposed rules. Changes in the proposed rules required the Board to file a supplemental CR 102 with the Code Reviser's Office. On May 8, 2013, the Board filed a supplemental CR 102 with the Code Reviser's office reflecting those changes. Additional changes are required to the proposed rules so a second supplemental CR 102 is required. After consideration, the board has decided that the exception for "A spirits retail application from a tribal entity located on tribal land" is not warranted.

During the implementation of I-1183, tribes that had vendor agreements with the board were given the opportunity to request additional retail stores that they may decide to open in the future. Some tribes requested and were granted additional stores. Based on the action taken by the board at that time there is no basis for granting an exception to the 10,000 square foot requirement for any additional retail stores to a tribe. Proposed locations seeking a spirits retail license with at least 10,000 square feet of retail space will be evaluated on the basis of statute and criteria in existing rules.

#### What changes are being proposed?

New Section - WAC 314-02-1071 - What is "trade area"? A new section was created in WAC 314-02 to define trade area. "Trade area" as used in 66.24.630 RCW means an area where there is no spirits retail license or auction title holder within a twenty mile travel time at the time of licensure. An exception has been included for a location where the significant mode of travel is other than by automobile.

Ms. McCall continued with the timeline:

August 21, 2013	Ask Board to approve filing second supplemental proposed rules (CR 102 filing)
September 4, 2013	Code Reviser publishes notice - LCB sends notice to rules distribution list
September 25, 2013	Public hearing held
September 25, 2013	End of written comment period
October 2, 2013	Board is asked to adopt rules
October 2, 2013	Agency sends notice to those who commented at public hearing or in writing
October 2, 2013	Agency files adopted rules with the Code Reviser (CR 103)
November 2, 2013	Rules are effective (31 days after filing)

Ms. McCall then requested Board approval to file the supplemental proposed rules (CR 102) for the rule making described above.

Member Kurose expressed concern that this may conflict with tribal sovereign rights but understands the need to define "trade area" and she respects the majority Board opinion.

Member Marr clarified that this will have a limited impact on the tribes.

Ms. McCall added that she has not heard from any of the tribes other than the ones that attended the hearings.

MOTION: Member Marr moved to approve to file the Supplemental CR 102 for "Trade Area" definition.

SECOND: Member Kurose seconded.

ACTION: Motion passed unanimously.

### NEW BUSINESS

No new business reported.

### OLD BUSINESS

No old business reported.

### ADJOURN

Member Marr adjourned the meeting at 10:15.

Minutes approved this 4 day of September, 2013

Not Present

Sharon Foster  
Board Chair

Ruthann Kurose

Ruthann Kurose  
Board Member

Chris Marr

Chris Marr  
Board Member