



**Washington State Liquor Control Board  
Spokane Special Meeting w Spokesman Review**

August 8, 2013, 11:00 to 12:00  
The Spokesman-Review Building (Room 176)  
999 W. Riverside, Spokane, WA 99201

**Meeting Minutes**

---

**IN ATTENDANCE**

LCB Staff: Member Chris Marr, Member Ruthann Kurose, Rick Garza, Karen McCall, Maureen Malahovsky. Spokesman Review staff were also present including Bert Caldwell.

**CALL TO ORDER**

Member Chris Marr called the special meeting to order at 11:05.

**BOARD INTRODUCTIONS**

Everyone present introduced themselves and noted their roles.

**I - 502 PRESENTATION**

Rick Garza provided an overview of the proposed rules, agency objectives for implementing I-502, and timelines.

LCB Agency Objectives:

- Creating a tightly controlled and regulated marijuana market
- Including strict controls to prevent diversion, illegal sales and sale to minors
- Providing reasonable access to products to mitigate the illicit market

LCB Role & Responsibilities:

- Ensuring public safety is the top priority
- Creating an three-tier regulatory system for marijuana
- Creating licenses for producers, processors and retailers
- Enforcing laws and rules pertaining to licensees
- Collecting and distributing taxes

Timeline:

- December 6, 2012 Effective date of new law
- May 16, 2013 Draft rules sent to stakeholders for input and vetting
- July 03 2013 Proposed rules filed with Code Reviser (CR 102)
- August 6-8, 2013 Public hearings on proposed rules
- August 14, 2013 Rules adopted
- September 16, 2013 Rules become effective
- September 16, 2013 Begin accepting applications for all three licenses (30-day window)
- December 1, 2013 Rules are complete (as mandated by law)
- Dec. 2013 / Jan. 2014 Begin issuing producer, processor and retailer licenses

**Q&A**

The group had a brief discussion regarding taxes for medical marijuana versus recreational marijuana. The Budget Proviso asks the LCB to work with Department of Revenue.

Q: Are retail sales going to be confined to Washington State residents or can other state residents come here to purchase marijuana?

A: In-state consumption needs to be met but difficult to calculate. The number of licenses will be limited until it is determined how much is enough or how much is too little. Currently, out of state residents are allowed to cross the border to purchase marijuana.

Q: Will the LCB control how much cannabis is produced?

A: There is a struggle emerging. There are currently imposed moratoriums across the state as production and zoning solutions are identified. The LCB will issue the licenses but zoning will need to be managed locally. The law requires the LCB to issue a certain number of licenses in each county.

Q: Is there an expectation that the Federal Government will bring forward something unexpected?

A: Unknown at this time.

The group had a brief discussion regarding the banking issue and how cash will be transferred until a banking system is established. The banking issue has not been addressed. Chris did note that in other states with regulated medical marijuana systems in place the banks accept funds. The group also discussed the concern about money laundering.

Q: Does Colorado have a crop limit?

A: Yes.

Q: Are medical marijuana businesses lobbying for their own rules?

A: There is a group of people adamantly opposed to any regulation.

The group had a brief discussion about federal government's potential involvement. Much concern has been raised about becoming a producer and investing in a business just to have the federal government close them down.

Q: How many medical dispensaries are in Seattle?

A: About 240.

Q: Are there medium restrictions on advertising?

A: Yes - The Initiative notes the 1000' rule. Rules also address signage and social media.

Q: Have you heard from the tribes on this issue?

A: Yakima has been very vocal with their lack of interest but other tribes have not been as vocal.

### **ADJOURN**

Member Marr adjourned the meeting at 12:05.

---

Sharon Foster  
Board Chair

---

Ruthann Kurose  
Board Member

---

Chris Marr  
Board Member