



Washington State Liquor Control Board

Value Stream As Is

Determining a Liquor License Applicant's Proximity to Churches, Schools and Public Institutions - CURRENT PROCESS



Annual Report Fiscal Year 2013

Value Stream Future



**We value continuous process improvement.
We use performance measures and organizational
performance methods to track our progress.
We strive to be the best at what we do.**

- WSLCB Culture Document

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WSLCB Board Chair Sharon Foster, Human Resources Director Claris Nnanubu, Governor Jay Inslee, Communications Director Brian Smith, and Agency Director Rick Garza.

Nnanubu and Smith were 2013 recipients of the Governor's Award for Leadership in Management.

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Message from the Board

Dear Citizens of Washington,

It is our pleasure to present the Washington State Liquor Control Board (WSLCB) Fiscal Year (FY) 2013 Annual Report. This report details the agency's key activities, performance and accomplishments between July 1, 2012 and June 30, 2013.

Results Washington - Lean Six Sigma

Highlighted on this year's annual report cover is the agency's commitment to continuous improvement. The agency applies Lean and performance management principles such as: including accurate and timely data, success targets, root-cause analysis and regular reporting sessions at both the agency and division level. The WSLCB is also a contributor to Gov. Inslee's performance management system, Results Washington. You can learn more about the agency's efforts in the "performance" section on page 12.

Implementing Initiative 502

While, the FY 2012 Annual Report detailed the transition of liquor sales from a state-run system to the private sector, this year's report highlights the agency's historic work to be among the first two states in the nation to implement a comprehensive system of growing, processing and retailing recreational marijuana. While this work continues beyond the end of FY 2013, the agency made significant strides forward during the first seven months including holding eight public forums statewide, engaging 11 internal implementation teams, performing extensive research, creating and training a marijuana licensing unit, and drafting the framework of what would soon be the final rules.

Ongoing Issues Related to Liquor Privatization

While the transfer of liquor sales from a state-run system to the private sector began June 1, 2012, the work of closing down the business enterprise carried well into FY2013. Some examples of efforts during this time included: administrating inventory returns to suppliers, preparing for and selling the distribution center as well as final audits of all stores to close the financial records. In addition, Human Resource staff had the difficult job of carrying out the Reduction in Force (RIF) process for over 900 full-time employees.

Thank you for your interest in the Washington State Liquor Control Board. We look forward to the interesting times promised in the coming year.

Sincerely,



Sharon Foster
Board Chair



Ruthann Kurose
Board Member



Chris Marr
Board Member

Board/Agency Director Biographies

The Board is composed of three members appointed by the Governor to six-year terms. Board members are responsible for hiring the agency's director, who manages day-to-day operations. The Board holds regular public meetings and work sessions with stakeholders, makes policy and budget decisions, and adjudicates contested liquor license applications and enforcement actions on licensees.

Sharon Foster

– Board Chair

Sharon Foster, of Olympia, was appointed in August 2009. She is a retired self-employed contract lobbyist. Among her clients were the YMCA, the Washington Restaurant Association, the Council of Youth Agencies, and the California Wine Institute. She was the Washington YMCA Youth and Government Program Director for 10 years and served on the Heritage Park Board, overseers of the Capitol Lake park area. She has been involved with non-profit charitable organizations for over 30 years and stays involved with local and state politics.



Ruthann Kurose

– Board Member

Ruthann Kurose, of Mercer Island, was appointed in January 2007. She has previously served on the KCTS Public Television Advisory Board, Seattle Center Commissioner and the founding Chair of the Arts and Science Academy. In addition she served on the Bellevue College Board of Trustees for 12 years. She currently serves on the Seattle Art Museum Community Advisory Board, and the Children's Campaign Fund Board. Kurose has a long history of public service and has worked on congressional legislative policy in Washington, D.C., and on international economic development policy in the cities of Seattle and Tacoma.



Chris Marr

– Board Member

Chris Marr, of Spokane, was appointed in February 2011. Marr served as a State Senator for the 6th District in Spokane from 2006 to 2010. Marr has also served on the Board of Regents of Washington State University (WSU) and the Board of Governors of the WSU Foundation. He formerly chaired the Board of Empire Health Services and Inland Northwest Health Services, the Spokane Regional Chamber of Commerce, and the Washington State Transportation Commission. He has a 20-year history of civic involvement in public policy and state and local politics.



Rick Garza

– Agency Director

Rick Garza has been with the Liquor Control Board since 1997. Prior to joining the Liquor Control Board, Rick served 13 years as a staff member for the Washington State Legislature, including five years with the Washington State Senate and eight years with the state House. His legislative assignments included Policy Analyst in the state Senate, House of Representatives Staff Director, and adviser to House and Senate leadership.



Vision, Mission, Goals and Values

Vision

Improving public safety for Washington communities.

Mission

Promote public safety by consistent and fair administration of liquor and cannabis laws through education, voluntary compliance, responsible sales and preventing the misuse of alcohol, cannabis and tobacco.

Goals

Provide the highest level of public safety by continually assessing, analyzing, improving and enforcing laws, regulations and policies as well as ensuring they are easy to understand, effective and reflect today's dynamic environment.

Educate and engage licensees, the public and other stakeholders in addressing issues related to alcohol, cannabis and tobacco.

Recruit, develop, retain and value a highly competent and diverse workforce capable of responding quickly and effectively to challenges in the regulatory and business environment.

Create a culture that fosters excellent customer service, open communication, transparency, accountability, data driven decisions, and business initiated process improvement including the use of integrated technology.

Promote a workplace that keeps employees safe and reduces agency liability through an integrated program of risk management, safety and wellness.

Values

Respect and courtesy

Professionalism and integrity

Open communication

Internal and external accountability

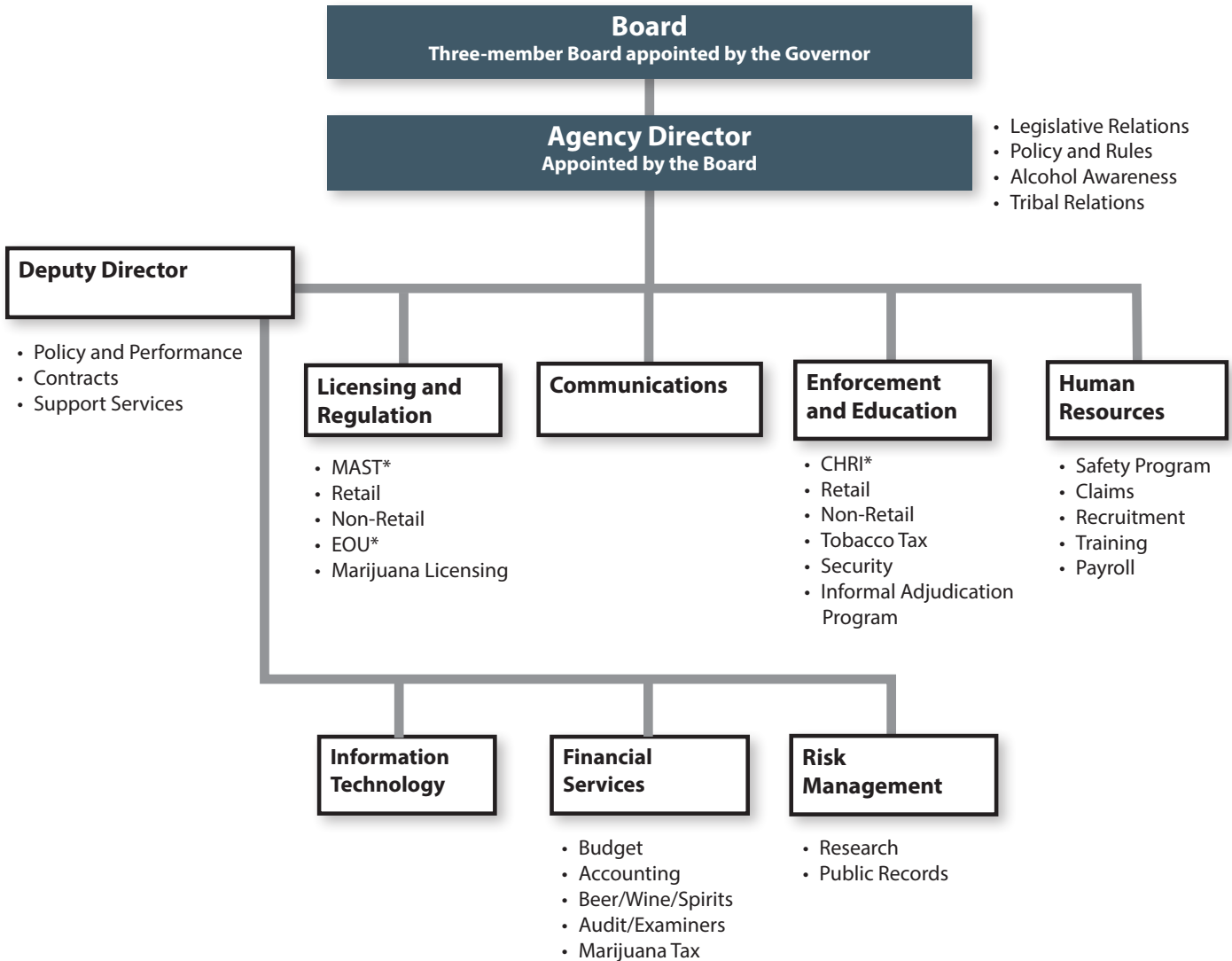
Measurable and meaningful results

Public trust and stakeholder involvement

Continuous improvement



Organizational Structure



*MAST: Mandatory Alcohol Server Training
 *CHRI: Criminal History Records
 *EOU: Education and Outreach Unit



Enforcement and Education

Enforcement and Education Division

The Enforcement and Education Division is responsible for enforcing state liquor and tobacco laws and regulations. Officers also provide education to licensees, communities and local law enforcement agencies.

Regional Retail Enforcement Offices

Region 1 – Southwest Washington
Regional Office: Tacoma
4,683 Licensees / 15 Enforcement Officers
Region 2 – King County
Regional Office: Tukwila
4,419 Licensees / 13 Enforcement Officers
Region 3 – Northwest Washington
Regional Office: Mount Vernon
3,766 Licensees / 12 Enforcement Officers
Region 4 – Central and Eastern Washington
Regional Office: Spokane
3,778 Licensees / 16 Enforcement Officers

FY 2013 Key Enforcement Activities

106,636 officer contacts
29,292 liquor premises checks
9,206 tobacco premises checks
1,594 complaints
3,119 licensee support visits
3,463 liquor compliance checks
2,173 tobacco compliance checks
3,676 enforcement actions
235 responsible sales training classes
509 online responsible sales classes

Retail Enforcement

Retail Enforcement strives to protect and serve the public by ensuring the legal and responsible sale of alcohol and tobacco at retail businesses. Officers have arrest powers and carry out enforcement operations such as compliance

checks, complaint investigations, technical assistance visits, premises checks and undercover operations to ensure licensees are complying with state liquor and tobacco laws.

When a business violates a law, officers consider the totality of the circumstances and are empowered to determine an appropriate course of action to correct non-compliance. Those courses include issuing administrative violation notices, warning notices, and/or criminal arrests and citations. Administrative violation notices can result in a fine, temporary license suspension, or both.

In cases of repeat violations, a license can be revoked by action of the Board. The Board may also impose an emergency suspension for significant public safety issues, resulting in a liquor license suspension of up to 180 days.

Tobacco Tax

Tobacco Tax responsibility is assigned to all officers. The primary focus is to inspect cigarette and other tobacco product retailers, wholesalers and distributors, leading to the identification of contraband cigarettes and unpaid taxes on other tobacco products. Additionally, these officers continue to conduct investigations to halt illegal acquisition, shipments and possession of cigarettes and other tobacco products by persons and businesses not licensed to sell them.



WSLCB Lieutenant Woodrow Perkins and Enforcement Officer Judy Lewis (right) conducting licensee education.

The officers also maintain state and federal partnerships; educate wholesalers, distributors and retail licensees on tobacco laws, and work with Native American tribes on areas of mutual concern.

Top Three Violation Types in FY 2013

Violations can result in Administrative Violation Notices (AVNs) or warnings. There were 854 violations in the top three categories, with 985 AVNs issued resulting in fines or liquor license suspensions.

Sales or service to minors

- 596 violations
- 517 AVNs issued
- 79 warnings issued

Sales to apparently intoxicated persons

- 261 violations
- 67 AVNs issued
- 194 warnings issued

Disorderly conduct

- 128 violations
- 37 AVNs issued
- 91 warnings issued

Areas of Focus in FY 2013

Liquor Compliance Efforts

With the implementation of Initiative 1183, the division's priority was to visit all spirit retailers in their first year of spirits sales. To ensure compliance and prevent sales of spirits to persons under 21 years of age, officers conducted compliance checks at all spirits retailers licenses (off-premise sales). They conducted premises checks and formal classes at many locations to support new spirit retailer licensees with education to ensure compliance.

Partnering with licensees and local law enforcement, compliance checks were conducted at all spirits retailers in the state during FY13. At the end of FY 2013, the spirit compliance check rate was 91.8%.

Tobacco Compliance Checks

In partnership with the Washington State Department of Health's Tobacco Prevention and Control Program, the WSLCB conducted both the state statistical sample and random tobacco compliance checks to prevent youth access to tobacco.

Food and Drug Administration (FDA) Tobacco Inspections

The FDA re-awarded the WSLCB a tobacco inspection contract that had been originally adopted in 2009. Under federal authority, the WSLCB continued to conduct tobacco inspections aimed at federal regulation of the manufacture, distribution and marketing of tobacco products to protect public health.

The FDA Tobacco Inspection Program is comprised of seven staff that maintain FDA-commission credentials and conduct tobacco inspections on a portion of the tobacco retailers registered in Washington State.

From July 1, 2012 to June 30, 2013, FDA Inspectors conducted 6,863 inspections aimed at undercover tobacco buys as well as advertising and labeling premises inspections. These inspections generated a 1:4 ratio for follow up contact stemming from violations.

FY 2013 Staffing Chart

99	Staff
1	Chief
1	Deputy Chief
4	Captains
14	Lieutenants
56	Officers
1	Hearing Officer
1	Business Management Analyst
1	Program Manager
1	Criminal Records Coordinator
8	Support Staff
3	Investigative Aides
2	Tobacco Inspectors
1	FDA Program Specialist
5	FDA Inspectors

Licensing and Regulation

Licensing and Regulation Division

The Licensing and Regulation Division issues liquor licenses and permits for 21,019 qualified businesses. The division has 78 employees who:

- Determine if new and current businesses are qualified to hold a liquor license;
- Regulate the production, importation, distribution and sale of spirits, beer and wine products;
- Provide oversight for the Mandatory Alcohol Server Training (MAST) program for workers who serve alcohol. In FY 2013, 35,573 MAST permits were issued to liquor servers;
- Processed special occasion license applications for 5,413 nonprofit organization events;
- Processed 5,795 license applications in FY 2013.



WSLCB Licensing and Regulation Division.

Fiscal Year	2007	2008	2009	2010	2011	2012	2013
Licensees (total)	15,477	15,444	15,838	16,501	16,872	19,980	21,019
Retail Licensees	13,006	12,925	13,040	13,450	13,628	15,064	15,655
Grocery Stores	4,957	5,026	5,041	5,275	5,397	5,424	5,534
Nightclubs, Spirits/Beer/Wine Restaurants, Clubs, Sports/ Entertainment Facilities	4,617	4,683	4,676	4,745	4,888	4,953	5,029
Beer & Wine Restaurants	2,859	2,764	2,726	2,825	2,676	2,891	2,938
Taverns	300	243	225	219	214	223	209
Bed & Breakfast, Serve Employees & Guests, Non-Profit Arts Organization, Hotels, Motels	273	209	372	386	453	517	530
Spirits Off Premise	N/A	N/A	N/A	N/A	N/A	1,056	1,415
Non-Retail Licensees	2,471	2,519	2,798	3,051	3,244	4,916	5,364
Wineries	515	562	620	686	739	751	794
Breweries	100	102	115	127	151	168	223
Distributors and Importers	204	183	205	224	219	429	504
Certificate of Approval, Out-of-State Breweries and Wineries	1,339	1,230	1,305	1,388	1,422	2,776	2,990
Bonded Wine Warehouses, Distilleries, Craft Distilleries, Liquor Manufacturers, Wine Growers, Interstate Common Carrier, Ships Chandler, Wine Shippers	313	442	553	626	713	792	853
Applications Processed	5,038	4,907	5,054	4,513	4,266	7,237	5,795

Select Liquor License Types by Fiscal Year

License Type	2011	2012	2013
Grocery Store	4,835	4,822	5,534
Snack Bar	165	203	203
Nightclub	44	77	100
Spirits/Beer/Wine Restaurant	4,810	4,486	4,929
Hotel	125	138	139
Sports/Entertainment Facility	34	37	49
Wine/Beer Restaurant	2,676	2,570	2,938
Tavern	214	223	209
Winery	739	751	794
Brewery	151	168	223
Distributor and Importer	219	429	502
Craft Distillery	35	49	64

LEAN Projects

Licensing implemented several key LEAN initiatives to streamline processes and improve customer satisfaction.

Temporary Pre-Approval Permit /Floor Plan Inspection

A one-year pilot started in February 2013 to streamline the issuance of liquor licenses. This improvement was comprised of two components:

- The requirement that license applicants have a floor plan inspection before issuance of a Temporary Pre-Approval Permit was eliminated for all license types
- Eliminated the requirement to have a floor plan inspection for eight license types, it is not required for a TPP or for issuance of a license

Reduction in Phone Calls

To improve communication with applicants, Licensing Customer Service began sending status e-mails to applicants at different steps in the licensing process. Messages are now sent at key milestones in the process and a universal script was developed to ensure the accuracy of responses.

These changes have substantially reduced the average number of application status calls that Customer Service receives in a day and increased customer satisfaction.

Posting Notice Project

Posting Notices are documents that are posted (placed on a door or window) at the premises of the applicant's business to notify the public of a pending liquor license application. The public has 14 days to contact the LCB with comments.

In January 2013 the Licensing Division began using a template that allowed investigators to create and e-mail Posting Notices. Applicants now post their own notices and send in confirmation of the posting to the WSLCB. At times, our limited resources' hindered our ability to get the posting done in a timely manner. This often resulted in a substantial delay in the licensing process.

Since there is no need to generate and mail the orange posting notice the associated time delays and costs of physically mailing notices are reduced.

Impact of Initiative 502

Marijuana Licensing Unit

In November 2012 the citizens of Washington State passed Initiative 502 (I-502) which legalized the recreational use of marijuana. I-502 authorized the WSLCB to develop new license types for the production, processing and retail sale of marijuana. The Marijuana Licensing Unit (MLU) of the Licensing and Regulation Division was formed to carry out this task.

Recruitment

In April 2013 the agency brought on its first Marijuana Licensing manager who assembled a new team consisting of licensing specialists, supervisors and an administrative assistant to handle the processing of marijuana licenses.

Training

Licensing Specialists each completed a comprehensive three week training program. They participated in ride-alongs with Enforcement Officers and gained licensing experience by assisting liquor license investigators with processing liquor applications.

Licensing and Regulation/I-1183

Application Process

Using liquor licensing as a model the unit developed its own process for reviewing marijuana license applications. MLU also created the forms necessary to collect all pertinent applicant information.

Technology

In collaboration with the WSLCB Information Technology Division, Licensing Customer Service and external contractors the MLU developed technology solutions to streamline the application process. The unit's primary contribution involved providing business requirements, developing forms for online use and testing the system.

Local Authorities

The MLU surveyed local authorities (cities, ports, counties, etc.) to identify the point of contact for marijuana related local authority notices. In addition the MLU used the survey to assess cities' and counties' plans regarding issuing moratoria and/or other restrictions on marijuana business locations.

Applicant Education

Developed a seminar to educate potential applicants on the application process. The seminar was presented in seven cities around the state with approximately 2,200 potential applicants in attendance.

Education and Outreach Unit

Established in 2012, the Education and Outreach Unit (EOU) undertook an array of activities to educate licensees and stakeholders. EOU promotes voluntary compliance and supports the responsible sale of alcohol across the state. EOU activities include:

On-Site Visits

The Field Licensing Team (FLT) provided on-site visits to liquor license applicants who need floor plan inspections. This in-person visit by our field team members provides license applicants the opportunity to ask questions and have them answered on the spot. FLT uses these opportunities to educate applicants on ways to remain compliant with regulatory requirements and promote voluntary compliance.

Responsible Vendor Program Expansion

The Responsible Vendor Program (RVP), which rewards retail licensees who take positive steps to prevent the sale of spirits to minors and apparently intoxicated persons, saw significant growth in 2013. The EOU proactively informs spirits retailers about the requirements and benefits of the program. Presently the RVP has over 800 spirits retailers participating. Data indicates that RVP members are less likely to sell to minors than non-RVP members.

Partnered Education Events

The EOU partnered with LCB Enforcement and the City of Seattle to hold a public forum regarding the proper way to manage special events that serve alcohol and require a license. The forum was well attended, 78 individuals and companies, and received positive feedback. As a result the EOU will continue to conduct similar types of events and provide education to interested parties.

Licensee Advisory Listserv

To keep licensees informed about changes to rules and regulations the EOU created an Advisory listserv which allows licensees to sign up for email notifications. The advisories are a direct line of communication that keeps licensees and stakeholders up to date on current regulatory issues (such as what type of practices are allowed, and what types are prohibited).

Post Initiative 1183 Cleanup Efforts

Although privatization officially began on June 1, 2012 the work of the Liquor Control Board staff was just beginning. Closing down the entire business enterprise was a major undertaking that included: administration of inventory returns to suppliers, order and invoice reconciling, collecting and re-palletizing unsold inventory, cleaning and sale of the Distribution Center and final audits of all stores to close the financial records. Human Resource staff was also impacted with administering the Reduction in Force (RIF) process for over 900 FTEs.

The work of closing down the business enterprise carried well into Fiscal Year 2013 with identified costs of \$9.5M.

Alcohol Awareness and Education

The Alcohol Awareness and Education program supports the public safety mission of the agency through its primary focus on the reduction of underage drinking. The agency, together with other agencies and statewide organizations, educates and engages communities and individuals to address this issue. Building healthy and safe communities by reducing underage drinking and promoting the responsible use of alcohol benefits all of Washington's citizens.

With the passage of Initiative 502 in November 2012, education efforts began to include public safety messages related to marijuana use, and, in particular, the prevention of underage use. The Education and Awareness manager participated in the development of rules, produced educational materials and gave informational presentations to groups across the state.

Educating and Engaging

Communities and individuals are provided information and resources regarding underage drinking through social and traditional media, parent-centered workshops, presentations to groups and responses to individual requests.

During the 2012-2013 year:

- 14 presentations were provided across the state and 3 in Utah and Iowa.
- MADD's Power of Parents® workshop was presented to over 200 parents.
- Radio ads focused on the prevention of underage drinking were aired in areas of Eastern Washington.
- The agency's Alcohol Education web page continued to offer practical information for parents, teens and communities about alcohol use, laws and policies, and available resources.
- The brochure, "Mixing Alcohol with Energy Drinks," continued to be distributed to college campuses.

Strengthening Collaborative Efforts

To effectively address underage drinking, multiple sectors of government and communities must be involved. The WA State Coalition to Reduce Underage Drinking (RUaD) engages representatives from public health, law enforcement, education, behavioral health, treatment, prevention-based coalitions, and others in order to coordinate efforts, maximize resources, and avoid duplication of efforts. The chair of the Liquor Control Board serves as co-chair of RUaD.

Other collaborative efforts include participation in the implementation of the 2012 Healthy Youth Survey, the Strategic Prevention Enhancement Consortium, the Washington Impaired Driving Advisory Council, and the WA Prevention Research Sub-committee. Results included the development of a five-year strategic plan for Substance Abuse Prevention and Mental Health Promotion in Washington State, a successful WA State Prevention Summit and participation by 36 groups across 20 counties in Let's Draw the Line Between Youth and Alcohol activities.



WSLCB produced brochure about the dangers of mixing energy drinks and alcohol.

Agency Performance

Agency Performance

Lean Six Sigma

As part of our goal to improve the quality of services to our customers the agency continued with plans to further implement a process improvement culture into the organization. In partnership with the Key Bank Professional Development Center/University of Washington-Tacoma, 50 agency leaders, mid-managers and key staff completed Lean Six Sigma certification training. The training was done to prepare them to lead and participate in agency improvement activities geared to remove waste as well as reduce errors and re-work.

A structure was created to encourage employees to generate improvement ideas, participate in events, provide further training and track the progress and results of key activities and efforts. Nearly 70 percent of agency staff received some form of Lean process improvement training and over 20 improvement efforts and activities were completed.

Some key results include:

- Reduced the average number of customer calls regarding their license application status from 55 to 4 daily (92 percent). The time savings of 1320 hours annually has helped to reduce the overall time required to issue licenses.
- Increased the accuracy rate of the 5,000+ special occasions license applications received annually from less than 50 percent to 94 percent. Simplifying the forms led to substantial reductions in application errors reducing the overall process time by more than 50 percent.
- Streamlined Enforcement evidence procedures which reduced costs for materials from \$500 to \$25 a year. It also reduced the time for logging evidence from 4 minutes to 15 seconds per piece. Necessary storage space was reduced from 4 units to 0.5 units.

Lean process improvement is an integral part of state government's Efficiency and Effectiveness Goal under Results Washington and remains a key element of our agency's culture.



Agency personnel take part in an open house to learn more about Lean principles.

Performance Assessment

The agency identified 16 areas of improvement resulting from a quality self assessment conducted in late 2011. The assessment is based on the nationally recognized Malcolm Baldrige Criteria for Performance Excellence. These criteria include feedback in several categories on agency performance in the following areas: Leadership, Strategic Planning, Customer Focus, Measurement and Analysis, Human Resource Focus, Process Management and key Business Results.

Of the 16 improvement areas, 12 were either completed or near-completion by the end of the fiscal year reporting period.



Chief of Enforcement Justin Nordhorn participates in a Lean value stream mapping exercise.

Income and Expenses FY 2013*

*Figures rounded to the nearest thousand

Income

Beer Taxes	\$ 77.33 million
Wine Taxes	\$ 23.92 million
License Fees	\$ 257.60 million
Other*	\$ (2.27) million

Total Income	\$356.58 million
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* Includes auction proceeds, tobacco seizures, penalties and other income

Expenses/Distributions

Product Expenses

Cost of Goods Sold	\$ (1.64) million
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Total Product Expenses	\$ (1.64) million
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Operating Expenses

Retail/Purchasing/DC	\$ 11.42 million
Licensing/Enforcement	\$ 11.70 million
General	\$ 32.94 million
Operating Reserve	\$ (16.16) million

Total Operating Expenses	\$ 39.90 million
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Distributions

Returned to the State/Local Government	\$ 318.32 million
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Total Expenses/Distributions	\$356.58 million
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Revenue Distribution

Revenue Distribution Chart

*Figures rounded to the nearest thousand

General Fund	\$259.0 Million	81.4%
Cities / Counties	\$49.5 Million	15.5%
Education / Prevention	\$8.2 Million	2.6%
Research	\$1.6 Million	0.5%

\$318.3 Million Returned in FY 2013



Washington State Liquor Control Board Headquarters located in Olympia Washington.

Revenue Distribution

General Fund | 81.4% | \$259.0 Million

Revenue sent to the state General Fund is used to provide much-needed additional resources for education and other critical state services.



Cities, Counties | 15.5% | \$49.5 Million

Revenue sent to cities, counties and border areas provides increased flexibility for local government to meet community needs. Revenues are redistributed by statute to communities according to their population.

Each local government entity is required to use a portion of the money for alcohol prevention and education. Money is also used to support local law enforcement and other programs.



Education, Prevention | 2.6% | \$8.2 Million

Education and prevention funds pay for the Department of Social and Health Services alcohol and substance abuse programs administered by the Division of Behavioral Health and Recovery. Among these programs are community-based initiatives to reduce underage drinking.



Research | 0.5% | \$1.6 Million

Revenue from beer and wine taxes supports research on alcohol abuse and addiction at the University of Washington (UW) and Washington State University (WSU), and on wine and grape development at WSU.

Money also is assigned to support the Washington Wine Commission, which is organized to promote and develop the state's wine industry. In FY 2013, 794 wineries were licensed in Washington State.

Research Distributions In Detail - \$1.61 Million

Washington Wine Commission	\$ 254,800
UW Alcohol and Drug Abuse Institute	\$ 525,563
WSU Alcohol and Drug Abuse Research	\$ 350,375
WSU Wine and Grape Research	\$ 265,793
Washington State Patrol State Toxicology Program	\$ 150,000
Youth Tobacco Prevention	\$ 65,691

2013 Enacted Liquor-Related Legislation

SHB 1001 Beer and Wine Theater License

Creates a theater license that allows the sale and consumption of beer and wine. It also defines "theater" as a place of business where motion pictures or other primarily non-participatory entertainment is shown and includes only those theaters with no more than four screens.

ESSB 5607 Spirits, Beer and Wine Theater License

The legislation permits a theater to sell beer, wine and spirits to be consumed on theater premises. It differs from SHB1001 in that it includes spirits.

In order to obtain a theater beer, wine and spirits license, a theater must have no more than 120 seats per screen, provide tabletop accommodations for in-theater dining, and comply with the same meal preparation and service requirements as restaurant licensees.

SHB 1009 Liquor Self-Checkout

Authorizes a retailer to sell liquor through the use of self-checkout registers provided specified requirements are met, including:

- those requirements relating to automated monitoring of attempted liquor purchases; and
- mandatory intervention in the transaction by an employee in order to verify identification.

HB 1124 Spirits and Fee Reporting

Requires the Liquor Control Board and the Department of Revenue to make recommendations to the legislature detailing the statutory changes necessary to:

- streamline the collection of liquor taxes, fees and reports;
- require a single state agency to be responsible for the collection of such revenue and information.

HB 1149 Craft Distilleries Selling to Consumers

Authorizes a craft distillery to sell spirits of its own production for consumption off the premises in an amount up to three liters per person per day.

HB 1351 Breweries and Microbreweries on Private Labels

Allows wineries, breweries, microbreweries, certificate of approval holders and retail licensees to create private labels for restaurants, private clubs, grocery stores and specialty shops.

HB 1404 Alcohol Poisoning Deaths

Establishes limited immunity from prosecution for people under the age of 21 who seek medical assistance in alcohol poisoning situations.

SB 5396 Spirits Sampling by Spirits Retail Licensees

Allows the holder of a spirits retail license that is also a participant in the Responsible Vendor Program to provide customers with single-serving samples of one-half ounce or less of spirits for the purpose of sales promotion. Sampling must be conducted in accordance with the same rules established by the LCB for sampling activities in beer and wine specialty shops and grocery stores.

SSB 5517 Changing Criteria for Beer/Wine Tasting Endorsement for Grocery Stores

Removes the requirement that a specified percent of a grocery store's retail sales be dedicated to grocery products.

SB 5674 Beer and Wine Sampling at Farmer's Markets

Allows a qualifying farmer's market to apply for an endorsement to allow sampling of beer and/or wine. This bill requires a winery or brewery offering samples at a farmer's market to have an endorsement from the board to sell wine or beer of its own production at a qualifying farmer's market.

Winery and microbrewery licensees or employees involved in sampling must hold a class 12 or 13 alcohol server permit.

SSB 5774 Permit for Alcohol Tasting for 18 to 20 Year Olds Enrolled in a Culinary or Alcohol Program

This bill creates a new liquor permit which allows a university or postsecondary school to obtain a permit to allow 18, 19 and 20 year olds to taste but not ingest alcohol as part of a culinary, wine technology, beer technology, or spirituous technology related degree program.

- The alcohol may be tasted but not consumed for the purposes of education.
- The service and tasting of alcohol is supervised by a faculty or staff member of the educational provider who is 21 years of age or older.
- The supervising staff must possess a class 12 or 13 alcohol server permit.
- The enrolled student permitted to taste the alcohol can not purchase the alcoholic beverage.

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Washington State Liquor Control Board

Mission

Promote public safety by consistent and fair administration of liquor and cannabis laws through education, voluntary compliance, responsible sales and preventing the misuse of alcohol, cannabis and tobacco.

www.liq.wa.gov