



## CR 101 Memorandum

### Regarding WAC 314-02-1071 — What is “trade area”?

Date: May 24, 2023  
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#### Background

In November 2011, Initiative Measure No. 1183 created a statutory framework privatizing liquor sales in the state of Washington. This framework included the creation of several new statutes, including RCW 66.24.630 establishing a spirits retail license allowing spirits sales in original containers for off-premise consumption under specific conditions and to specific entities. The statute also provided that a spirits retail license could be issued for premises comprising at least ten thousand square feet of fully enclosed retail space within a single structure, unless there was no spirits retail license holder in the trade area that the applicant proposed to serve. The term “trade area” was not defined in statute and this specific section of statute has remained unchanged since enactment.

In 2013, the Board adopted WAC 314-02-1071 that among other things, defined the term “trade area” as “an area where there is no spirits retail license within a twenty-mile travel distance at the time of license application.” The rule provided an exception for a spirits retail license applicant seeking licensure for a location where the significant mode of travel is other than by automobile. This exception contemplated premises located in Washington island communities that may only be accessible by boat.

#### Reasons Why Rules May Be Needed

WAC 314-02-1071 has not been revised since its original promulgation in 2013. The Board seeks to explore whether rule revision is needed in response to statewide demographic shifts and current socioeconomic factors.

#### Process

The rulemaking process begins by announcing the Board’s intent to consider changes to existing rules, adding new rule sections, or both, by filing a preproposal statement of inquiry (CR 101) form with the Office of the Code Reviser. This allows staff, stakeholders, industry partners, and all members of the authorizing environment to begin discussing proposed rule changes.

At this stage of the rulemaking process, no proposed language is offered. Any interested party may comment on the subject of this possible rulemaking during the designated comment period. Notice will be sent to all who have indicated that they want to receive notice of rule activity related to this preproposal statement of inquiry. The notice will identify the public comment period and where comments can be sent.