



PREPROPOSAL STATEMENT OF INQUIRY

**CR-101 (October 2017)
(Implements RCW 34.05.310)**

Do **NOT** use for expedited rule making

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STATE OF WASHINGTON
FILED

DATE: May 24, 2023

TIME: 10:30 AM

WSR 23-11-160

Agency: Washington State Liquor and Cannabis Board

Subject of possible rule making: WAC 314-02-1071 – What is “trade area”? The Washington State Liquor and Cannabis Board (Board) is considering amending, adding new sections, or repealing existing rule related to trade area exceptions.

Statutes authorizing the agency to adopt rules on this subject: RCW 66.08.030; RCW 66.24.630.

Reasons why rules on this subject may be needed and what they might accomplish: 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 proposes 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.

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.

Identify other federal and state agencies that regulate this subject and the process coordinating the rule with these agencies: None.

Process for developing new rule (check all that apply):

- Negotiated rule making
- Pilot rule making
- Agency study
- Other (describe) Collaborative rule making

Interested parties can participate in the decision to adopt the new rule and formulation of the proposed rule before publication by contacting:

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Web site:

Other:

Additional comments: Interested persons can participate in the rule process through open public meetings and by submitting written comments, and are encouraged to sign up for the interested parties list (GovDelivery) at <https://public.govdelivery.com/accounts/WALCB/subscriber/new>. Rule-making notices and stakeholder engagement opportunities will be emailed via GovDelivery and posted to the WSLCB website at lcb.wa.gov.

Date: May 24, 2023

Name: David Postman

Title: Chair

Signature:

