



Washington State
Liquor and Cannabis Board

Date: July 29, 2015

To: Jane Rushford, Board Chair
 Ruthann Kurose, Board Member
 Russ Hauge, Board Member

From: Karen McCall, Agency Rules Coordinator

Copy: Rick Garza, Agency Director
 Randy Simmons, Deputy Director
 Justin Nordhorn, Chief of Enforcement
 Becky Smith, Licensing Director

Subject: Approval of final rulemaking (CR 103) for revisions to WAC 314-28-030 What does a distillery license allow? and WAC 314-28-050 What does a craft distillery license allow?

At the Board meeting on July 29, 2015, the rules coordinator requests that the Liquor and Cannabis Board approve the final rulemaking (CR 103) for revisions to WAC 314-28-030 What does a distillery license allow? and WAC 314-28-050 What does a craft distillery license allow?

The Board was briefed on the rule making background and public comment for this rule making. An issue paper and text of the rules is attached.

If approved, the Rules Coordinator will send an explanation of the rule making to all persons who submitted comments.

After sending this explanation, the Rules Coordinator will file the rules with the Office of the Code Reviser. The effective date of the rules will be 31 days after filing.

<input type="checkbox"/> Approve	<input type="checkbox"/> Disapprove	_____	_____
		Jane Rushford, Chairman	Date
<input type="checkbox"/> Approve	<input type="checkbox"/> Disapprove	_____	_____
		Ruthann Kurose, Board Member	Date
<input type="checkbox"/> Approve	<input type="checkbox"/> Disapprove	_____	_____
		Russ Hauge, Board Member	Date

Washington State Liquor & Cannabis Board

Issue Paper

Revisions to rules for sampling by distillery licensees

Date: July 29, 2015

Presented by: Karen McCall, Agency Rules Coordinator

Description of the Issue

The purpose of this issue paper is to recommend that the Washington State Liquor and Cannabis Board (WSLCB) proceed with final rule making and adopt the revisions **to WAC 314-28-030 What does a distillery license allow? and WAC 314-28-050 What does a craft distillery license allow?**

Why is rule making necessary?

A petition for rulemaking was submitted by Stephanie J. Meier on behalf of Blue Spirits Distributing, LLC, a licensed craft distiller in the state of Washington. The request is to allow licensed distillers and craft distillers to use mixers in addition to ice and/or water when providing samples to their customers at their licensed premises. This allowance would be consistent with sampling activities by spirits retail licensees.

Public Comment

No comments were received at the public hearing held on July 15, 2015. No written comments were received.

What changes are being proposed?

Amended Section. WAC 314-28-030 What does a distillery license allow? Added language to allow spirits samples to be altered with mixers, water, and/or ice.

Amended Section. WAC 314-28-050 What does a craft distillery license allow? Added language to allow spirits samples to be altered with mixers, water, and/or ice.

Attachment: Proposed Rules

WAC 314-28-050 What does a craft distillery license allow? (1)

A craft distillery license allows a licensee to:

(a) Produce one hundred fifty thousand proof gallons or less of spirits per calendar year. A "proof gallon" is one liquid gallon of spirits that is fifty percent alcohol at sixty degrees Fahrenheit;

(b) Sell spirits of its own production directly to a customer for off-premises consumption, provided that the sale occurs when the customer is physically present on the licensed premises. A craft distiller may not sell liquor products of someone else's production;

(c) Sell spirits of its own production to a licensed spirits distributor;

(d) Sell spirits of its own production to a licensed spirits retailer in the state of Washington;

(e) Sell to out-of-state entities;

(f) Provide, free or for a charge, samples of spirits of its own production to persons on the distillery premises.

(i) Each sample must be one-half ounce or less, with no more than two ounces of samples provided per person per day.

(ii) Samples may be altered with mixers, ice, and/or water ((en-ly)).

(iii) Anyone involved in the serving of such samples must have a valid Class 12 alcohol server permit.

(iv) Samples must be in compliance with RCW 66.28.040;

(g) Provide samples of spirits of its own production to retailers. Samples must be unaltered, and in compliance with RCW 66.28.040, 66.24.310 and WAC 314-64-08001. Samples are considered sales and are subject to taxes;

(h) Contract produce spirits for holders of a distiller or manufacturer license.

(2) A craft distillery licensee may add a spirits, beer, and wine restaurant license at the craft distillery premises. The licensee must complete an application and submit the application and applicable fees to the board for processing.