

Washington State Liquor Control Board

Issue Paper

Revisions to Current Rules on Penalty Assessments on Late payments to the Board

Date: February 12, 2014

Presented by: Karen McCall, Agency Rules Coordinator

Description of the Issue

The purpose of this Issue Paper is to request approval from the Board to file the first stage of rule making (CR 101) to revise the current rules on the following:

- 314-02-109 - What are the quarterly reporting and payment requirements for a spirits retailer license?
- 314-19-015 - What are the reporting and tax payment requirements? (for wine and beer)
- 314-23-020 - What are the reporting and tax payment requirements for a spirits distributor licensee?
- 314-23-041 - What are the monthly reporting and payment requirements for a spirits certificate of approval licensee?
- 314-28-080 - What if a distillery or craft distillery licensee fails to report or pay, or reports or pays late?

Why is rule making necessary?

Postmarks are often absent on mail. Bar codes have replaced postmarks in most cases. Current rules on how penalties will be assessed on late payments revolve on the postmark on the envelope. Language is needed in our rules to explain to licensees how penalties will be assessed on late payments when there is no postmark on the envelope.

Process

The rule making process begins by announcing LCB's intent to change the existing rule by filing a CR 101 form. This allows staff and stakeholders to begin discussing necessary rule changes. At the CR 101 stage of the process no proposed language is offered. The public may comment on the subject of this rulemaking during the designated comment period. Notice will be sent to all who have indicated that they want to receive notice of rule changes. The notice will identify the public comment period and where comments can be sent. Based on public input received, staff will draft proposed changes for presentation to the Board at the next phase of the rule making process.



Washington State Liquor Control Board

Date: February 12, 2014

To: Sharon Foster, Board Chair
Ruthann Kurose, Board Member
Chris Marr, Board Member

From: Karen McCall, Agency Rules Coordinator

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

Subject: **Approval for filing a pre-proposal statement of inquiry (CR 101) to revise the rules for Penalty Assessments on Late Payments to the Board**

Postmarks are often absent on mail. Bar codes have replaced postmarks in most cases. Current rules on how penalties will be assessed on late payments revolve on the postmark on the envelope. Language is needed in our rules to explain to licensees how penalties will be assessed on late payments when there is no postmark on the envelope. The following rules need to be revised:

- 314-02-109 - What are the quarterly reporting and payment requirements for a spirits retailer license?
- 314-19-015 - What are the reporting and tax payment requirements? (for wine and beer)
- 314-23-020 - What are the reporting and tax payment requirements for a spirits distributor licensee?
- 314-23-041 - What are the monthly reporting and payment requirements for a spirits certificate of approval licensee?
- 314-28-080 - What if a distillery or craft distillery licensee fails to report or pay, or reports or pays late?

Process

The Rules Coordinator requests approval to file the pre-proposal statement of inquiry (CR 101) for the rule making described above. An issue paper on this rule was presented at the Board meeting on February 12, 2014, and is attached to this order.

If approved for filing, the tentative timeline for the rule making process is outlined below:

February 12, 2014	Board is asked to approve filing the pre-proposal statement of inquiry (CR 101)
March 5, 2014	Code Reviser publishes notice, LCB sends notice to rules distribution list
March 31, 2014	End of written comment period
April 9, 2014	Board is asked to approve filing the proposed rules (CR 102 filing)
May 7, 2014	Code Reviser publishes notice, LCB sends notice to rules distribution list
May 28, 2014	Public hearing held
May 28, 2014	End of written comment period
June 4, 2014	Board is asked to adopt rules
June 4, 2014	Agency sends notice to those who commented both at the public hearing and in writing.
June 4, 2014	Agency files adopted rules with the Code Reviser (CR 103)
July 5, 2014	Rules are effective (31 days after filing)

_____ Approve _____ Disapprove _____ Sharon Foster, Chairman _____ Date

_____ Approve _____ Disapprove _____ Ruthann Kurose, Board Member _____ Date

_____ Approve _____ Disapprove _____ Chris Marr, Board Member _____ Date

Attachment: Issue Paper



Washington State
Liquor Control Board

Liquor Control Board Interim Policy #BIP 01-2014

Subject: Assessing Penalties for Late Payments to the Board

Effective Date: February 12, 2014

Ending Date: Upon adoption of rules to implement this policy.

Approved:

Sharon Foster, Chairman

Ruthann Kurose, Board Member

Chris Marr, Board Member

Purpose:

The purpose of Liquor Control Board Interim Policy #BIP 01.2014 is to clarify how the board will assess a late payment when there is no postmark on the envelope containing the payment due to the Board. Current WAC language reads:

- “A penalty of two percent per month will be assessed on any payments postmarked after the twenty-fifth day quarterly report is due. When the twenty-fifth day of the month falls on a Saturday, Sunday, or a legal holiday, the filing must be postmarked by the U.S. Postal Service no later than the next postal business day.”
- “A penalty of two percent per month will be assessed on any payments postmarked after the twentieth day of the month following the month of sale. When the twentieth day of the month falls on a Saturday, Sunday, or a legal holiday, the filing must be postmarked by the U.S. Postal Service no later than the next postal business day.”

The following WACs need to be revised to address no postmark on the envelope:

- 314-02-109 - What are the quarterly reporting and payment requirements for a spirits retailer license?
- 314-19-015 - What are the reporting and tax payment requirements? (for wine and beer)
- 314-23-020 - What are the reporting and tax payment requirements for a spirits distributor licensee?

- 314-23-041 - What are the monthly reporting and payment requirements for a spirits certificate of approval licensee?
- 314-28-080 - What if a distillery or craft distillery licensee fails to report or pay, or reports or pays late?

Background:

Postmarks are often absent on mail. Bar codes have replaced postmarks in most cases. Current rules on how penalties will be assessed on late payments revolve on the postmark on the envelope. Language is needed in our rules to explain to licensees how penalties will be assessed on late payments when there is no postmark on the envelope.

Policy Statement:

Absent a postmark, the date received at the Washington State Liquor Control Board, or authorized designee, will be used to assess the penalty of two percent per month on payments received after the twentieth day of the month following the month of sale.

Washington State Liquor Control Board

Issue Paper

Revisions to the Brief Adjudicative Proceedings (BAP) Rules

Date: February 12, 2014

Presented by: Karen McCall, Agency Rules Coordinator

Description of the Issue

The purpose of this Issue Paper is to request approval from the Board to file the first stage of rule making (CR 101) to revise the current Brief Adjudicative Proceeding (BAP) rules.

Why is rule making necessary?

The Administrative Procedures Act (RCW 34.05.482) gives agencies the ability to utilize an abbreviated administrative hearing process, the Brief Adjudicative Proceeding (BAP), where the issues or interests involved do not warrant use of full adjudicative procedure. The board adopted rules for Brief Adjudicative Proceedings in November 2012. Revisions to the rules are needed to include marijuana application denials and suspensions in the BAP.

Process

The rule making process begins by announcing LCB's intent to change the existing rule by filing a CR 101 form. This allows staff and stakeholders to begin discussing necessary rule changes. At the CR 101 stage of the process no proposed language is offered. The public may comment on the subject of this rulemaking during the designated comment period. Notice will be sent to all who have indicated that they want to receive notice of rule changes. The notice will identify the public comment period and where comments can be sent. Based on public input received, staff will draft proposed changes for presentation to the Board at the next phase of the rule making process.



Washington State Liquor Control Board

Date: February 12, 2014

To: Sharon Foster, Board Chair
Ruthann Kurose, Board Member
Chris Marr, Board Member

From: Karen McCall, Agency Rules Coordinator

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

Subject: **Approval for filing a pre-proposal statement of inquiry (CR 101) to revise the rules for Brief Adjudicative Proceedings (BAPs) rules**

The Administrative Procedures Act (RCW 34.05.482) gives agencies the ability to utilize an abbreviated administrative hearing process, the Brief Adjudicative Proceeding (BAP), where the issues or interests involved do not warrant use of full adjudicative procedure. The board adopted rules for Brief Adjudicative Proceedings in November 2012. Revisions to the rules are needed to include marijuana application denials and suspensions in the BAP.

Process

The Rules Coordinator requests approval to file the pre-proposal statement of inquiry (CR 101) for the rule making described above. An issue paper on this rule was presented at the Board meeting on February 12, 2014, and is attached to this order.

If approved for filing, the tentative timeline for the rule making process is outlined below:

February 12, 2014	Board is asked to approve filing the pre-proposal statement of inquiry (CR 101)
March 5, 2014	Code Reviser publishes notice, LCB sends notice to rules distribution list
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April 9, 2014	Board is asked to approve filing the proposed rules (CR 102 filing)
May 7, 2014	Code Reviser publishes notice, LCB sends notice to rules distribution list

May 28, 2014	Public hearing held
May 28, 2014	End of written comment period
June 4, 2014	Board is asked to adopt rules
June 4, 2014	Agency sends notice to those who commented both at the public hearing and in writing.
June 4, 2014	Agency files adopted rules with the Code Reviser (CR 103)
July 5, 2014	Rules are effective (31 days after filing)

Approve Disapprove _____
 Sharon Foster, Chairman Date

Approve Disapprove _____
 Ruthann Kurose, Board Member Date

Approve Disapprove _____
 Chris Marr, Board Member Date

Attachment: Issue Paper