



Washington State  
**Liquor and Cannabis Board**

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**Date:** July 25, 2018

**To:** Jane Rushford, Board Chair  
 Ollie Garrett, Board Member  
 Russ Hauge, Board Member

**From:** Janette Benham, Policy and Rules Coordinator

**Copy:** Rick Garza, Agency Director  
 Pat Kohler, Deputy Director  
 Justin Nordhorn, Chief of Enforcement  
 Becky Smith, Licensing Director

**Subject: Approval for filing revised proposed rules (Supplemental CR 102) regarding the placement and storage of mini spirit bottles**

The proposed rules address concerns regarding the placement and storage of mini spirit bottles in stores frequented by minors. The supplemental CR 102 is necessary due to changes in the originally proposed rules. The changes are based on comments received from stakeholders.

**Process**

The Rules Coordinator requests approval to file revised proposed rules (CR 102) for the rule making described above. An issue paper on this rule was presented at the board meeting on July 25, 2018, and is attached to this order.

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

July 25, 2018	Board is asked to approve filing the revised proposed rules (Supplemental CR 102 filing)
August 15, 2018	Code Reviser publishes notice, LCB sends notice to rules distribution list
September 5, 2018	Public Hearing held
September 5, 2018	End of written comment period
September 19, 2018	Board is asked to adopt rules
September 19, 2018	Agency sends notice to those who commented both at the public hearing and in writing.
September 19, 2018	Agency files adopted rules with the Code Reviser (CR 103)
October 20, 2018	Rules are effective (31 days after filing)

\_\_\_\_\_ Approve      \_\_\_\_\_ Disapprove      \_\_\_\_\_  
Jane Rushford, Chair      \_\_\_\_\_  
Date

\_\_\_\_\_ Approve      \_\_\_\_\_ Disapprove      \_\_\_\_\_  
Ollie Garrett, Board Member      \_\_\_\_\_  
Date

\_\_\_\_\_ Approve      \_\_\_\_\_ Disapprove      \_\_\_\_\_  
Russ Hauge, Board Member      \_\_\_\_\_  
Date

Attachment: Issue Paper

## **Issue Paper**

### **Mini Spirit Bottles**

Date: July 25, 2018

Presented by: Janette Benham, Policy and Rules Coordinator

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#### **Description of the Issue**

The purpose of this Issue Paper is to request approval from the Board to file revised proposed rules (Supplemental CR 102) to address the placement and storage of mini spirit bottles in stores frequented by minors.

#### **Why is rule making necessary?**

The board received comments regarding placement of and access to mini spirit bottles in stores that minors frequent (grocery stores or specialty shops, for example). This rulemaking addresses those concerns by requiring grocery stores or specialty shops with less than fifty percent of their sales from alcohol to display mini spirit bottles securely. The revision to the originally proposed rule is based on comments received from stakeholders.

#### **What changes are being made?**

**Amended Section. WAC 314-02-107 What are the requirements for a spirits retail license?** The proposed rule adds language to clarify requirements for placement and storage of mini spirit bottles in stores frequented by minors. The revision to the originally proposed rule removes the exemption for former state and contract liquor stores.

**WAC 314-02-107 What are the requirements for a spirits retail license?** (1) The requirements for a spirits retail license are as follows:

(a) Submit a signed acknowledgment form indicating the square footage of the premises. The premises must be at least ten thousand square feet of fully enclosed retail space within a single structure, including store rooms and other interior areas. This does not include any area encumbered by a lease or rental agreement (floor plans one-eighth inch to one foot scale may be required by the board); and

(b) Submit a signed acknowledgment form indicating the licensee has a security plan which addresses:

(i) Inventory management;

(ii) Employee training and supervision; and

(iii) Physical security of spirits product with respect to preventing sales to underage or apparently intoxicated persons and theft of product.

(2)(a) A grocery store licensee or a specialty shop licensee may add a spirits retail liquor license to their current license if they meet the requirements for the spirits retail license.

(b) A grocery store or a specialty shop licensee that adds a spirits retail liquor license must display bottled spirits fifty milliliters or less in size offered to customers for off-premises consumption in a secure manner so a licensee or employee of the licensee must unlock or otherwise access the spirits for a customer before the customer purchases the spirits.

(i) The display of bottled spirits fifty milliliters or less in size applies whether a bottle is displayed or sold individually or in a package with other bottled spirits fifty milliliters or less in size.

(ii) Spirits retail licensees with more than fifty percent of their sales in alcohol do not need to secure bottled spirits fifty milliliters or less.

(3) The board may not deny a spirits retail license to qualified applicants where the premises is less than ten thousand square feet if:

(a) The application is for a former contract liquor store location;

(b) The application is for the holder of a former state liquor store operating rights sold at auction; or

(c) There is no spirits retail license holder in the trade area that the applicant proposes to serve; and

(i) The applicant meets the operational requirements in WAC 314-02-107 (1)(b); and

(ii) If a current liquor licensee, has not committed more than one public safety violation within the last three years.