

**OFFICE OF THE
WASHINGTON STATE LIQUOR CONTROL BOARD
Work/Review Session/ May 30, 2006**

The regular meeting of the Washington State Liquor Control Board was called to order at 10:00 a.m., on Tuesday, May 30, 2006 in the Board conference room, 3000 Pacific Avenue S.E., Olympia, Washington, by Chairman Merritt D. Long. Member Roger Hoen was present. Tony Kim, Administrative Assistant to the Board summarized the minutes.

Policy, Legislative & Media Relations Division: 10:00 – 10:15 a.m.

Staff Present: Pam Madson, Rules Coordinator

Topic discussed:

Ms. Madson updated the Board on the schedule of rule making activities for the next quarter. Discussion followed. No decisions were made at this meeting.

Completed Rules

The following rules have been completed since the last update on February 14, 2006:

Rules	Effective Date
Establishing the fee for a wine shipper permit and repealing the reciprocal wine shipping program	June 11, 2006
Establishing the fee for an endorsement to the certificate of approval (COA) allowing self-distribution of beer and wine by U.S. breweries and wineries to Washington retailers.	June 11, 2006

RULES IN REVIEW PROCESS

Businesses and the general public should expect clear rules and regulations and user-friendly processes from state agencies. The Liquor Control Board continues to review existing rules for timeliness, clarity, and necessity. This review assists in compliance with Executive Order 06-02 issued by Governor Gregoire. The LCB has indicated by filing a CR 101 form that the following rules may be developed or modified as part of an on-going review of agency rules.

Rule Making Topic	Stage of Rule Making		
	101	102	103
Advertising Rules about alcohol advertising and promotions by manufacturers, distributors, and retailers (related to tied house and public safety).	X (Hold pending Three-Tier Review)		

Label approval Process and guidelines for approval of beer and wine labels, and guidelines for spirit labels.	X (Hold pending Three-Tier Review)		
Licensee/supplier relationships (Tied house) Topic is introduced in the discussion on advertising. Other areas must be identified and prioritized.	X (Hold pending Three-Tier Review)		
Requirements for non-retail liquor licenses Rules that govern manufacturers and distributors. <i>Staff will need to separate this general subject into topics and prioritize.</i>	X (Hold pending Three-Tier Review)		
Cleanup of hearings/model rules of procedure rules General cleanup of rules that outline what happens in an administrative hearing and other rules that implement the Administrative Procedure Act.	X	Reconvene work group	

Rule making resulting from recent legislative changes

Bills enacted during the 2005/06 legislative sessions require amendment or repeal of existing WACs because of conflicts between existing WACs and the new law. New rules may also be required.

New Law	Affected WACs	Stage of Rule Making		
		CR 101	CR 102	CR 103
SHB 3128 – Tied house exceptions: Allowing winery licensees to sit on the board of a non-profit organization that constructs or operates the Clore Center; Allows winery licensees to sit on boards of charitable nonprofit	314-12-140 – Prohibited practices 314-050-020 – What is a special occasion license?	X		

New Law	Affected WACs	Stage of Rule Making		
		CR 101	CR 102	CR 103
organizations that hold retail licenses, typically special occasion licenses.				
HB 3154 - Allows a domestic brewery or microbrewery holding a spirits, beer, and wine restaurant license to sell kegs “to go” of its own production and to sell its beer in small containers from the tap in the restaurant “to go”.	314-20-015 - Licensed brewers -- Retail sales of beer on brewery premises -- Spirit, beer and wine restaurant operation.	X		
ESB 6537 – Direct shipment of wine to consumers by in-state and other U.S. wineries.	314-24-040 – Wine labels 314-24-240 – Delivery conditions 314-19 – Chapter on beer and wine reporting and tax payments	X		
SSB 6540 – Processing liquor licenses.	314-07-010 – Definition (Public institution) 314-07-020 – Liquor license qualifications and application process. 314-07-055 – Temporary retail license	X		
2SSB 6823 – Self-distribution of beer and wine directly to licensed liquor retailers.	314-24-150 – Wine records 314-24-190 – Wine supplier and distributor price postings 314-24-240 – Conditions on delivery 314-20-100 – Beer supplier and distributor price posting 314-19-015 – What are the monthly reporting and tax payment requirements 314-19-020 – What if a licensee doesn’t report or pay the taxes due, or reports or pays late?	X		

New Law	Affected WACs	Stage of Rule Making		
		CR 101	CR 102	CR 103
SHB 1496/05 – Use of Tribal enrollment cards as official identification to prove age when purchasing alcohol or tobacco	314-01-050 – Definitions 314-11-025 – What are the forms of acceptable identification	File CR 101		
ESB 5048 – Prohibiting tobacco sampling	314-10-090 – Tobacco sampling – Licenses 314-10-100 – Samplers license – Distribution of tobacco products 314-10-110 - Penalties, suspension notices, posting or advertising of -- Other closing notices prohibited.	Possible expedited rule making (CR 105)		

The meeting was adjourned at 10:15 a.m.

Merritt D. Long
Chairman

Vera Ing
Board Member

Roger Hoen
Board Member