



PROPOSED RULE MAKING

CR-102 (December 2017) (Implements RCW 34.05.320)

Do NOT use for expedited rule making

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STATE OF WASHINGTON
FILED

DATE: July 25, 2018

TIME: 11:13 AM

WSR 18-16-040

Agency: Washington State Liquor & Cannabis Board

Original Notice

Supplemental Notice to WSR 18-08-090

Continuance of WSR _____

Preproposal Statement of Inquiry was filed as WSR 18-01-057 ; or

Expedited Rule Making--Proposed notice was filed as WSR _____; or

Proposal is exempt under RCW 34.05.310(4) or 34.05.330(1); or

Proposal is exempt under RCW _____.

Title of rule and other identifying information: (describe subject) Proposed rules to address the placement and storage of mini spirits bottles by spirits retail licensees:

WAC 314-02-107 What are the requirements for a spirits retail license?

Hearing location(s):

Date:	Time:	Location: (be specific)	Comment:
September 5, 2018	10:00 am	3000 Pacific Ave SE, Olympia, WA 98504	

Date of intended adoption: On or after September 19, 2018 (Note: This is **NOT** the **effective** date)

Submit written comments to:

Name: Janette Benham

Address: PO Box 43080, Olympia, WA 98504

Email: rules@lcb.wa.gov

Fax: 360-664-9689

Other:

By (date) September 5, 2018

Assistance for persons with disabilities:

Contact Claris Nnanabu, ADA Coordinator, Human Resources

Phone: 360-664-1642

Fax: 360-664-9689

TTY: 7-1-1 or 1-800-833-6388

Email: Claris.Nnanabu@lcb.wa.gov

Other:

By (date) August 31, 2018

Purpose of the proposal and its anticipated effects, including any changes in existing rules: Rules are needed to address the placement and storage of mini spirits bottles for sale in a spirits retailer's premises.

Reasons supporting proposal: The placement and storage of mini spirits bottles is a public safety issue. The proposed rules will ensure mini spirits bottles are secured in stores frequented by minors.

Statutory authority for adoption: RCW 66.08.030

Statute being implemented: RCW 66.24.630

Is rule necessary because of a:

Federal Law?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Federal Court Decision?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
State Court Decision?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

If yes, CITATION:

Agency comments or recommendations, if any, as to statutory language, implementation, enforcement, and fiscal matters: None

Name of proponent: (person or organization) Washington State Liquor & Cannabis Board

<input type="checkbox"/> Private
<input type="checkbox"/> Public
<input checked="" type="checkbox"/> Governmental

Name of agency personnel responsible for:

	Name	Office Location	Phone
Drafting: Coordinator	Janette Benham, Rules	3000 Pacific Ave SE, Olympia, WA	360-664-1760
Implementation: Director	Becky Smith, Licensing	3000 Pacific Ave SE, Olympia, WA	360-664-1615
Enforcement: Chief	Justin Nordhorn, Enforcement	3000 Pacific Ave SE, Olympia, WA	360-664-1726

Is a school district fiscal impact statement required under RCW 28A.305.135? Yes No

If yes, insert statement here:

The public may obtain a copy of the school district fiscal impact statement by contacting:

Name:
Address:
Phone:
Fax:
TTY:
Email:
Other:

Is a cost-benefit analysis required under RCW 34.05.328?

Yes: A preliminary cost-benefit analysis may be obtained by contacting:

Name:
Address:
Phone:
Fax:
TTY:
Email:
Other:

No: Please explain: A cost benefit analysis is not required because the subject of proposed rulemaking does not qualify as a significant legislative rule or other rule requiring a cost benefit analysis under RCW 34.05.328(5).

Regulatory Fairness Act Cost Considerations for a Small Business Economic Impact Statement:

This rule proposal, or portions of the proposal, **may be exempt** from requirements of the Regulatory Fairness Act (see chapter 19.85 RCW). Please check the box for any applicable exemption(s):

This rule proposal, or portions of the proposal, is exempt under RCW 19.85.061 because this rule making is being adopted solely to conform and/or comply with federal statute or regulations. Please cite the specific federal statute or regulation this rule is being adopted to conform or comply with, and describe the consequences to the state if the rule is not adopted.

Citation and description:

This rule proposal, or portions of the proposal, is exempt because the agency has completed the pilot rule process defined by RCW 34.05.313 before filing the notice of this proposed rule.

This rule proposal, or portions of the proposal, is exempt under the provisions of RCW 15.65.570(2) because it was adopted by a referendum.

This rule proposal, or portions of the proposal, is exempt under RCW 19.85.025(3). Check all that apply:

- RCW 34.05.310 (4)(b) (Internal government operations)
- RCW 34.05.310 (4)(c) (Incorporation by reference)
- RCW 34.05.310 (4)(d) (Correct or clarify language)
- RCW 34.05.310 (4)(e) (Dictated by statute)
- RCW 34.05.310 (4)(f) (Set or adjust fees)
- RCW 34.05.310 (4)(g) ((i) Relating to agency hearings; or (ii) process requirements for applying to an agency for a license or permit)

This rule proposal, or portions of the proposal, is exempt under RCW _____.

Explanation of exemptions, if necessary:

COMPLETE THIS SECTION ONLY IF NO EXEMPTION APPLIES

If the proposed rule is **not exempt**, does it impose more-than-minor costs (as defined by RCW 19.85.020(2)) on businesses?

No Briefly summarize the agency's analysis showing how costs were calculated. There are no reporting requirements. Locking or otherwise securing mini spirits bottles would not impose more than minor costs on businesses in the industry.

Yes Calculations show the rule proposal likely imposes more-than-minor cost to businesses, and a small business economic impact statement is required. Insert statement here:

The public may obtain a copy of the small business economic impact statement or the detailed cost calculations by contacting:


- Name:
- Address:
- Phone:
- Fax:
- TTY:
- Email:
- Other:

Date: July 25, 2018

Name: Jane Rushford

Title: Chair

Signature:



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.