



Washington State
Liquor and Cannabis Board

To: David Postman, Board Chair
Ollie Garrett, Board Member
Russ Hauge, Board Member

From: Kathy Hoffman, Policy and Rules Manager

Date: December 8, 2021

Copy: Rick Garza, Agency Director
Toni Hood, Deputy Director
Justin Nordhorn, Policy and External Affairs Director
Becky Smith, Licensing and Regulation Director
Chandra Brady, Director of Enforcement and Education

Subject: Request for approval to rescind Board Interim Policy (BIP) 01-2012 regarding contract liquor stores.

On March 14, 2012, the Board approved an interim policy that “memorialized the direction the board is taking in implementation of I-1183” regarding contract liquor store relocation.

Part of Initiative Measure 1183 (Chapter 2, Laws of 2012, §102), codified in RCW 66.24.620(4)(c) required the LCB to “...sell by auction open to the public the right at each state-owned store location of a spirits retail license to operate a liquor store upon the premise.” RCW 66.24.620(4)(c) further provides that, “Acquisition of the operating rights must be a precondition to, but does not establish eligibility for, a spirits retail license at the location of a state store and does not confer any privilege conferred by a spirits retail license.” The WSLCB refers to the holder of the right to operate a liquor licensed business as a title owner.

RCW 66.24.630(3)(c) provides that a current contract liquor store manager may obtain a spirits retail license without meeting the minimum ten thousand square foot requirement described in RCW 66.24.630(3)(a).

As a result, BIP 01-2012 provided:

If a contract liquor store manager is considering relocating in their same town or community they must obtain board approval and complete their relocation prior to June 1, 2012, in order to receive the exception to the 10,000 square foot requirement for a spirits retail liquor license. All other requirements for a spirits retail liquor license must be met before a license is issued.

Since the relocations described in this subsection of BIP 01-2012 have already occurred, that provision of the BIP is no longer necessary. However, the remaining two provisions in the BIP, concerning relocation after June 1, 2012, and exceptions to the ten thousand square foot requirement should be extended by way of Policy Statement PS21-08.




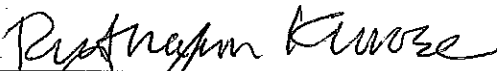
Washington State
Liquor Control Board


Liquor Control Board Interim Policy BIP-01-2012

Subject: Contract Liquor Stores
Effective Date: March 14, 2012
Ending Date: Upon adoption of rules to implement this policy.

Approved:



Sharon Foster, Chairman


Ruthann Kurose, Board Member


Chris Marr, Board Member

Purpose:

Initiative 1183 passed November 8, 2011, privatizing liquor sales and distribution in the state of Washington. There are currently 162 contract liquor stores owned and operated by nonemployee liquor store operators (contract liquor store managers). The initiative directs the board to complete an orderly transition from the current state-controlled system to the private license system of spirits retailing and distribution by June 1, 2012. The initiative also allows a current contract liquor store manager to obtain a spirits retail license without meeting the minimum 10,000 square foot size requirement.

Policy Statement:

This policy memorializes the direction the board is taking in implementation of I-1183. These issues have been discussed with the contract liquor store managers:

- If a contract liquor store manager is considering relocating in their same town or community they must obtain board approval and complete their relocation prior to June 1, 2012, in order to receive the exception to the minimum 10,000 square foot requirement for a spirits retail liquor license. All other requirements for a spirits retail liquor license must be met before a license is issued.
- A former contract liquor store manager or new owner of the "right" may relocate their business after June 1, 2012, in their existing "market area".

"Market area" will be defined in permanent rules at the same time "trade area" is defined.

- The board has determined that current contract liquor store managers have the right to transfer or sell their business to a qualified liquor applicant. The buyer of the current contract liquor store would be granted the exception to the minimum 10,000 square foot requirement. The buyer must obtain a spirits retail liquor license from the board prior to any spirits sales.