



Notice of Permanent Rules

Regarding the Contract Packaging Services Endorsement for Breweries, Wineries, and Distilleries (Implementing SB 5940).

This concise explanatory statement concerns the Washington State Liquor and Cannabis Board's adoption of new rule sections WAC 314-20-350, 314-24-350, and 314-28-350—Contract Packaging Services Endorsement for Breweries, Wineries, and Distilleries, and amendments to existing rule section WAC 314-11-065—Types of liquor allowed on a licensed premises.

The Administrative Procedure Act (RCW 34.05.325(6)) requires agencies to complete a concise explanatory statement before filing adopted rules with the Office of the Code Reviser. The concise explanatory statement must be provided to any person upon request, or from whom the Board received comment.

The Board appreciates and encourages your involvement in the rule making process. If you have questions, please contact Audrey Vasek, Policy and Rules Coordinator, at (360) 664-1758 or by email at rules@lcb.wa.gov.

Background and reasons for adopting these rules:

On April 27, 2022, the Board filed a CR 101 preproposal statement of inquiry (WSR# 22-10-035) to consider creating new rule sections and amending or repealing existing rule sections as necessary to implement Senate Bill (SB) 5940 (chapter 64, Laws of 2022; codified as RCW 66.24.248).¹ SB 5940 created a new packaging services endorsement allowing breweries, wineries, and distilleries to contract with each other, and with other non-liquor licensed businesses if the contract does not include alcohol products. The endorsement covers certain packaging services, such as canning, bottling, bagging, mixing, and repacking.

To develop the CR 102 rule proposal, the agency engaged in a collaborative rule development process. Conceptual draft rule language was developed through a series of internal project team meetings including WSLCB staff from the Licensing Division, Enforcement and Education Division, and Finance Division. The conceptual draft rules were shared publicly through GovDelivery with feedback requested between June 9 and June 24, 2022. The five public comments received in response (included as Attachment

¹ SB 5940 was passed by the Legislature during the 2022 regular session and approved by the Governor on March 11, 2022, with an effective date of June 9, 2022.

B to the CR 102 memo) were taken into consideration as the rule proposal was developed.

On July 20, 2022, the Board filed a CR 102 rule proposal (WSR# 22-15-121) based on the conceptual draft rules. The public hearing was held on August 31, 2022. No oral testimony was provided at the public hearing. During the CR 102 public comment period from July 20, 2022, to August 31, 2022, no public comments were received.

The final rules are needed to implement SB 5940, align agency rules with the law, and inform licensees about the availability of the endorsement and its requirements.

Rulemaking history for this adopted rule:

CR 101 – filed as WSR # 22-10-035 on April 27, 2022.

CR 102 – filed as WSR # 22-15-121 on July 20, 2022.

Public hearing held August 31, 2022. No oral testimony was provided during the public hearing.

Public comments received on the rule proposal:

No comments were received during the CR 102 public comment period from July 20, 2022, to August 31, 2022. No oral testimony was provided during the public hearing on August 31, 2022.

Changes from Proposed Rules (CR102) to the Final Rules as Adopted:

There are no changes from the proposed rules to the final rules as adopted.