



CR 103 Memorandum

Regarding Implementing 2023 Liquor Legislation

Date: September 27, 2023
Presented by: Daniel Jacobs, Rules Coordinator

Background

During the 2023 legislative session, three specific pieces of alcohol-related legislation were voted into law and were the subject of rulemaking started with a filing of a CR 101 on May 24, 2023: House Bill (HB) 1730 (codified as [RCW 66.44.316\(1\)\(e\)](#)), ESHB 1731 (codified as [RCW 66.20.010\(18\)](#)) and HB 1772 (codified as [RCW 66.28.380](#) and [RCW 69.50.3271](#)). During the collaborative rulemaking process, the rules team comprised of internal Liquor & Cannabis Board (LCB) stakeholders determined that only one of the three (ESHB 1731) required rulemaking.

Draft rules were distributed to stakeholders via email messaging on July 3, 2023 and two weeks were provided for stakeholder feedback. One comment was submitted prior to the filing of the CR 102 on August 2, 2023, asking for a name and signature log for renters over 21 years of age who received complimentary bottles of wine under this permit, or an annual report of the number of wine bottles obtained by permit holders. The signature log suggestion was not incorporated into rule because such a log may be subject to unredacted public disclosure. The annual report requirement was not included because it was deemed unnecessary at this time.

Some discussion occurred via email between the Rules Coordinator and stakeholders, and that email chain is documented verbatim in the Concise Explanatory Statement during the time leading up to the public hearing.

The public hearing was held on September 13, 2023, during which no public comment was received or submitted. Based on this, no changes were made between the proposed draft rules circulated in July 2023 and the rules requested for final approval and filing today.

Rule Necessity

The adopted rule amendments to WAC 314-24-180 and WAC 314-24-190 are necessary to make the rule language consistent with the new language of RCW 66.20.010(18) and RCW 66.24.200, as amended by ESHB 1731.

Description of Rule Changes

Amended section 314-24-180 related to certain rights granted to wine distributors and wine importers. The adopted rule revision provides that wine distributors can sell directly to holders of special permits for short term rental operators as stated in RCW 66.20.010(18).

Amended section 314-24-190 related to wine suppliers and distributors. The adopted rule revision amends the definition of a wine distributor to specify that wine distributors are permitted to sell directly to holders of special permits for short term rental operators as stated in RCW 66.20.010(18).

Variance between proposed rule (CR 102) and final rule:

There is no variance between the proposed and final rules.

Rule Implementation (RCW 34.05.328(3)(a))

Informing and Educating Persons Impacted by the Rule (RCW 34.05.328(3)(b))

To help inform and educate persons impacted by the rule, the LCB will:

- Email notice with the adoption materials to persons who commented on the rules, the rule making and licensee distribution lists, and the general LCB GovDelivery list;
- Post rule adoption materials, including final rule language, response to comments, final analysis (Concise Explanatory Statement), and any other relevant documents on the rulemaking webpage for public access.

Promoting and Assisting Voluntary Compliance (RCW 34.05.328(3)(c))

LCB will promote and assist voluntary compliance through technical assistance.

- LCB staff are available to respond to phone and email inquiries about the rules.
- Agency leadership and staff have actively participated in rule development and revisions and are familiar with the final product. Internal and external education efforts to share knowledge and assure consistent application of rule will be supported.
- Rule and guidance documents will be available on the LCB website.
- LCB will use available and customary resources to disseminate materials and information to all persons impacted by the rules.

These actions are designed to inform and educate all persons impacted by the rules to support and promote voluntary compliance.

Training and Informing LCB Staff

Several LCB staff responsible for implementing these adopted rules work directly with impacted parties and are already familiar with the nuances of the rule changes. Additional internal guidance documents may be prepared as necessary. The LCB will also consider:

- Provision of internal and external training and education, as needed. potentially including webinars, training, and videos if appropriate;
- Coordinating and centrally locating decisions to assure consistency between agency, staff, and industry.

Rule Effectiveness Evaluation (RCW 34.05.328(3)(d))

After the rule becomes effective, the LCB will evaluate the effectiveness of this rule in the following ways, including but not limited to:

- Monitoring questions received after the effective date of this rule, and adjusting training and guidance accordingly;
- Monitoring the number of enforcement actions, including type, resolution, and the outcome;
- Monitoring the number of requests for rule language revisions or changes;
- Monitoring the number of requests for rule interpretation;
- Monitoring licensee feedback including, but not limited to, the number of requests for assistance.