



## **Notice of Permanent Rules to Implement I-1183 – Revisions to Current WACs Explanatory Statement**

This explanatory statement concerns the **Washington State Liquor Control Board's adoption of rules to implement Initiative 1183 – revisions to current WACs.**

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. This statement must be provided to anyone who gave comment about the proposed rule making.

Once persons who gave comment during this rule making have had a chance to receive this document, the Liquor Control Board will file the amended rules with the Office of the Code Reviser. These rule changes will become effective 31 days after filing (approximately September 1, 2012).

The Liquor Control Board appreciates your involvement in this rule making process. If you have any questions, please contact Karen McCall, Rules Coordinator, at (360) 664-1631 or e-mail at [rules@liq.wa.gov](mailto:rules@liq.wa.gov).

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### **What are the agency's reasons for adopting these rules?**

Initiative 1183 was passed by the voters on November 8, 2011. Many sections of the initiative have affected current WACs. There are thirteen WAC chapters that need revisions and two chapters that need to be repealed based on the changes in the initiative. The following chapters in WAC 314 will be addressed in this rulemaking:

- WAC 314-05 Special Occasion Licenses
- WAC 314-11 General requirements for licensees
- WAC 314-13 Retail licensees purchasing beer, wine, and spirits
- WAC 314-24 Domestic wineries and domestic wine distributors
- WAC 314-27 Interstate Commercial Common Passenger Carriers
- WAC 314-30 Manufacturers
- WAC 314-36 Importers, Public Storage Warehouses and Importation of Liquor
- WAC 314-37 Non-state liquor stores
- WAC 314-38 Permits
- WAC 314-42 Liquor Control Board operations

- WAC 314-44 Licensed Agents
- WAC 314-45 Serving and donating liquor by suppliers at trade conventions of licensees
- WAC 314-64 Liquor samples
- WAC 314-76 Special orders

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## **Summary of all public comments received on this rule proposal.**

The Liquor Control Board received eight comments on the proposed permanent rules at the public hearings held on June 27, 2012, and July 25, 2012, and received forty written comments during the comment period that ended July 25, 2012.

### **Comments from Public Hearing:**

**WAC 314-52-110 (3)(d): The following people commented on the repeal of the exception to the prohibition on sales below acquisition cost in an endeavor to meet the price of a competitor selling the same article or product in the same locality or trade area and in the ordinary channels of trade.**

- Cindy Zender – Total Wine & More (oppose)
- Jan Gee – Washington Food Industry (oppose)
- Joe Gilliam and Holly Chisa – Northwest Grocery Association (oppose)
- Eric Lendt – Ste. Michelle Wine Estates Ltd. (support)
- Anne Anderson –m Walter Dacon Wine (support)
- Jean Leonard – Washington Wine Institute (support)
- Mary Munger – Employee of a former state liquor store (support)

**LCB response:** The board decided to leave WAC 314-52-110 (3)(d) as it is currently written. No changes will be made to this WAC in this rulemaking.