

Washington State Liquor Control Board

Issue Paper

Rule Making to Implement Legislation for Manufacturers, Distributors, Importers, and Retailers

Date: June 3, 2009

Presented by: Karen McCall, Agency Rules Coordinator

Description of the Issue

The purpose of this issue paper is to request approval from the Board to file the first stage of rule making (CR 101) for rule changes implementing **EHB 2040**, **SHB 1812**, **ESHB 1441**, and **SSB 5834**.

Why is rule making necessary?

The following bills were passed during the 2009 legislative sessions that require changes in existing administrative rules (WAC) or the development of new rules:

- **EHB 2040 – changes in beer and wine regulation including financial ownership or interest, money’s worth – advertising, price post and hold, and minimum markup**
- **SHB 1812 – requirements for wine labels**
- **ESHB 1441 – process for terminating or cancelling agreements between distributors and producers of malt beverages**
- **SSB 5834 – addresses authorized representatives, creates a winery warehouse, provides new exceptions to tied house**

Process

The rule making process begins by announcing Liquor Control Board’s intent to change existing rules and propose new rules by filing a CR 101 form. This allows staff and stakeholders to begin discussing necessary changes and new rules. No proposed language is offered at this stage. The public may comment during the designated comment period. Notice will be sent to all who have indicated that they want to receive notice of rule changes. The notice will identify the public comment period and where comments can be sent. Based on public input received, staff will draft proposed changes for presentation to the Board at the next phase of the rule making process. A tentative timeline for the rule making process is outlined below:

June 3, 2009	Board is asked to approve filing the pre-proposal statement of inquiry (CR 101)
June 17, 2009	Code Reviser publishes notice, LCB sends notice to rules distribution list
July 20, 2009	End of written comment period
July 22, 2009	Board is asked to approve proposed rule making (CR 102 filing). LCB sends notice to rules distribution list.
August 5, 2009	Code Reviser publishes notice.
August 26, 2009	Public hearing held.

September 4, 2009	End of written comment period
September 9, 2009	Board is asked to adopt rules (CR 103).
September 9, 2009	Agency sends notice to those who commented both at the public hearing and in writing.
September 9, 2009	Agency files adopted rules with the Code Reviser
October 10, 2009	Rules are effective (31 days after filing)