WSR 22-10-035 PREPROPOSAL STATEMENT OF INQUIRY LIQUOR AND CANNABIS BOARD [Filed April 27, 2022, 10:36 a.m.]

Subject of Possible Rule Making: New WAC 314-XX-XXX Contract packaging services endorsement for domestic alcohol manufacturer licensees (breweries, wineries, and distilleries). The Washington state liquor and cannabis board (WSLCB) is considering creating new rule sections and amending or repealing existing rule sections in Title 314 WAC as necessary to implement SB 5940 (chapter 64, Laws of 2022; effective June 9, 2022).

Statutes Authorizing the Agency to Adopt Rules on this Subject: SB 5940 (chapter 64, Laws of 2022); RCW 66.08.030.

Reasons Why Rules on this Subject may be Needed and What They Might Accomplish: Rules are needed to implement SB 5940, which created a new endorsement available to domestic alcohol manufacturer licensees (i.e. breweries, wineries, and distilleries) beginning June 9, 2022. The new endorsement allows domestic alcohol manufacturer licensees to contract with each other, and with other nonliquor licensed businesses if the contract does not include alcohol products, to provide certain packaging services including, but not limited to, canning, bottling, bagging, mixing, and repacking. Current WSLCB rules do not reflect the contract packaging services endorsement created by SB 5940. Creation of a new rule and amendments to existing rules are needed to ensure that WSLCB rules are aligned with the provisions in SB 5940, and to help inform licensees about the availability of the endorsement and its requirements.

Other Federal and State Agencies that Regulate this Subject and the Process Coordinating the Rule with These Agencies: WSLCB will consult and coordinate with the United States Department of the Treasury, Alcohol and Tobacco Tax and Trade Bureau regarding alignment of state and federal regulations.

Process for Developing New Rule: Collaborative rule making.

Interested parties can participate in the decision to adopt the new rule and formulation of the proposed rule before publication by contacting Audrey Vasek, Policy and Rules Coordinator, P.O. Box 43080, Olympia, WA 98504, phone 360-664-1758, fax 360-704-5027, email rules@lcb.wa.gov, website lcb.wa.gov.

Additional comments: Interested persons can participate in the rule process through open public meetings and by submitting written comments, and are encouraged to sign up for the interested parties list (GovDelivery) at https://public.govdelivery.com/accounts/WALCB/ subscriber/new. Rule-making notices and stakeholder engagement opportunities will be emailed via GovDelivery and posted to WSLCB website at lcb.wa.gov.

> April 27, 2022 David Postman Chair