

SENATE BILL REPORT

SB 6341

As Reported by Senate Committee On:
Labor & Commerce, February 6, 2020

Title: An act relating to requiring the liquor and cannabis board to provide written interpretations of liquor statutes and rules.

Brief Description: Requiring the liquor and cannabis board to provide written interpretations of liquor statutes and rules.

Sponsors: Senators Stanford and King.

Brief History:

Committee Activity: Labor & Commerce: 2/03/20, 2/06/20 [DP-WM].

Brief Summary of Bill

- Allows liquor licensees to request a written interpretation of liquor laws and rules from the Liquor and Cannabis Board (LCB).
- Requires the LCB to make the interpretations, or a summary of it, available for the public and posted on its website.
- Requires enforcement actions of the LCB to be consistent with its published written interpretations.
- Specifies a process for the LCB to withdraw an interpretation.

SENATE COMMITTEE ON LABOR & COMMERCE

Majority Report: Do pass and be referred to Committee on Ways & Means.

Signed by Senators Keiser, Chair; Conway, Vice Chair; King, Ranking Member; Braun, Saldaña, Schoesler, Stanford, Walsh and Wellman.

Staff: Richard Rodger (786-7461)

Background: The LCB regulates the importation, manufacture, distribution or sale of alcohol and regulates the licensing of all marijuana businesses in the state. LCB has both broad and specific authority to adopt administrative rules, necessary to implement the liquor and marijuana laws. The agency's enforcement officers enforce the state's liquor and

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marijuana laws and agency's administrative rules. LCB issues liquor licenses to both retail and non-retail businesses, and issues special licenses and permits to nonprofit organizations and to the public.

LCB is not specifically authorized to issue written interpretations of the agency's laws and administrative rules.

Summary of Bill: LCB must adopt rules to allow persons or organizations representing liquor licensees to request a written interpretation of the liquor laws and administrative rules. The process of requesting a written interpretation must be described on the LCB's public website. LCB must provide a written interpretation to the requester within 60 days and may request additional information from the requester. Written interpretations, or a summary of the interpretations, must be made available for public inspection within 30 days of issuing the interpretation, and must be published on LCB's website. The interpretations must be organized by topic and readily searchable.

Before making a written interpretation available for public inspection, LCB must:

- remove the name, address, and other identifying details of the person or organization requesting the interpretation;
- if possible, make the interpretation generally applicable to all licensees by removing the name, address, and other identifying details of a specific licensee;
- remove information, the disclosure of which is expressly prohibited by statute or rule; and
- upon request, prepare a summary of the interpretation and post the summary instead of the interpretation to avoid information uniquely identifying the requester.

All enforcement actions must be consistent with its published written interpretations, unless the interpretation is withdrawn. LCB may withdraw a written interpretation at any time and for any reason, provided it identifies justification for the withdrawal on its public website. Upon request of a liquor licensee or organization liquor licensees, LCB must provide notice of the publication or withdrawal of any interpretation.

LCB may provide confidential interpretations to individual licensees, if the confidential interpretation is not in conflict with a published interpretation.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony: PRO: We want to follow the law and want to be able to ask for the LCB's interpretation of the agency's laws and regulations. The LCB has had a lot of retirements recently and have lost a lot of institutional knowledge. This process is similar to the process used at both the Department of Revenue and the Department of Labor

and Industries. The bill will provide a method for the LCB to provide consistent answers to questions and more consistency in its enforcement actions.

OTHER: The LCB is not opposed to this legislation, but believe it is not necessary given the new ongoing work within the agency. If the proposal moves forward we would ask for some flexibility around the 60-day time limit, as we do not know how many requests will be filed when the bill takes effect. The limited scope of the bill doesn't make sense as it only allows liquor licensees to file a request, but does not include the licensees in other areas covered by the LCB, such as cannabis, vapor, and tobacco.

Persons Testifying: PRO: Senator Derek Stanford, Prime Sponsor; Amy Brackenbury, Washington Beer and Wine Distributors Association; Carolyn Logue, Washington Food Industry Association.

OTHER: Chris Thompson, Liquor and Cannabis Board.

Persons Signed In To Testify But Not Testifying: No one.