# **Policy Statement**

Title: Legislative implementation 2SHB 1515 Number: PS25-01

Fees and application information

References: Chapter 361, laws of 2025

RCW 66.08.030 RCW 66.24.380 RCW 66.24.690 RCW 66.24.710 RCW 66.44.100

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## RCW 34.05.230 – Interpretive and policy statements

(1) An agency is encouraged to advise the public of its current opinions, approaches, and likely courses of action by means of interpretive or policy statements. Current interpretive and policy statements are advisory only. To better inform the public, an agency is encouraged to convert long-standing interpretive and policy statements into rules.

#### INTRODUCTION

Second Substitute House Bill 1515 (2SHB 1515) was passed by the Washington State Legislature during the 2025 session. This bill expands outdoor and extended indoor alcohol service in public spaces, to include civic campus authorizations for shared space, and fan zones for the 2026 FIFA World Cup. The new law requires the Liquor and Cannabis Board (LCB) to set fees for license and local authority applications.

The law went into effect July 27, 2025. Rulemaking for legislative implementation has begun but will not be completed until several months after the effective date of the law. This policy statement is to ensure applications for activities identified in Chapter 361, laws of 2025, can be submitted concurrently with rulemaking development.

This policy statement is intended to cover portions of the legislative implementation which will be happening during the rulemaking process.

#### **BACKGROUND**

Prior to the passage of 2SHB 1515, generally liquor licensees could only serve liquor at their licensed location. Separation of the licensed alcohol sales, service, and consumption space from non-licensed public spaces typically required 42-inch-high barriers or ground demarcations to ensure alcohol consumption only occurs on the licensed premises. Demarcation options do not apply to beer gardens, standing room only venues, and permitted special events. Openings into and out of the alcohol service area may not exceed 10 feet and, if there is more than one opening along one side, the total combined opening may not exceed 10 feet. An alcohol service area must have an attendant, waitstaff, or server dedicated to the area when patrons are present. State laws prohibit opening or consuming alcohol in a public place, and regulations prevent allowing alcohol to be removed from licensed premises where beverages are intended for on-premises consumption. Except under some limited approved circumstances, liquor licensees may not share alcohol service space with other liquor licensed locations.

2SHB 1515 modified several provisions and restrictions for several license types and event locations. The following background includes excerpts from the <u>final bill report</u>. Statutory changes under Chapter 361, laws of 2025, include:

## **Expanded Outdoor Alcohol Service in Public Spaces**

Through December 31, 2027, a city, town, county, or port authority may request, and the LCB may approve, expanded outdoor alcohol service for liquor licensees within the whole jurisdiction or within a specific area or areas of the jurisdiction. If requested by a county, the approval may only be for unincorporated areas of the county.

For authorized licensees who have requested approval from, and been authorized by, the LCB's licensing division to conduct outdoor alcohol service, and who are located within an area of a city, town, county, or port authority that has been approved by the LCB for expanded outdoor alcohol service, the following authorizations and requirements apply:

- All outdoor alcohol service areas may be enclosed, at the licensee's discretion, by means of a permanent or movable barrier or by means of a permanent fence-free demarcation.
- For an outdoor alcohol service area enclosed by means of a permanent or movable barrier of a minimum height specified by the LCB, the permanent or movable barrier is not required to meet minimum height requirements on sloped site conditions.
- The openings into and out of an outdoor alcohol service area may be up to a maximum distance apart as determined appropriate by the applicable local jurisdiction.

- Licensees may share use of an outdoor alcohol service area with other licensees, and licensees may share use of an outdoor alcohol service area with businesses that do not engage in the sale or service of alcohol, subject to requirements.
- An employee of the licensee must be assigned to, but is not required to be in, the outdoor alcohol service area at all times patrons are present.
- A direct line of sight is not required from inside the licensed premises to the outdoor alcohol service area.

The authorization is available to the following liquor licensees: beer and wine restaurants; spirits, beer, and wine restaurants; taverns; domestic wineries; domestic breweries and microbreweries; distilleries; and snack bars.

A city, town, county, or port authority that requests and is approved for this type of expanded outdoor alcohol service must provide, and document the provision of:

- Adequate local resources, including law enforcement patrols in the area to ensure safe operations of activities and the safety of the community; and
- Services to keep the area of the jurisdiction in which the activities occur clean and free
  of litter or other remnants of the use of public spaces for expanded outdoor alcohol
  service.

## **Events on a Publicly Owned Civic Campus in Qualifying Cities**

A city with a population of more than 220,000 may request, and the LCB may approve, expanded alcohol service during events on a publicly owned civic campus in the city, subject to requirements. No more than 25 events per year, up to seven of which may be multiday events, may be authorized for each individual local government jurisdiction.

## Expanded Alcohol Service Areas

Multiple licensees located on the publicly owned civic campus may share an alcohol service area encompassing the entire publicly owned civic campus or part of the publicly owned civic campus, as long as:

- The LCB approves of the event perimeter enclosing the alcohol service area;
- Security and physical barriers are provided at all entry points to the event; the campus operator notifies the LCB within the minimum time required by the LCB before the event begins;
- Signage is conspicuously posted during the event notifying the public that the area is in
  use as an expanded alcohol service area and public notice of the upcoming use of the
  area as an expanded alcohol service area was conspicuously posted at least seven days
  in advance of the event; and
- All participating licensees submit a joint operating plan to the LCB for approval.

At the LCB's discretion, violations of the notice requirements can be cause for denial of approval of events, and violations of the signage requirements can also be cause for denial of a license of the participating licensees or denial of participation in future events.

#### Shared Indoor Alcohol Service Area

Multiple licensees located on a publicly owned civic campus that has been approved by LCB may share an indoor alcohol service area at certain times authorized by the campus operator, as long as:

- The campus operator notifies the LCB at least seven days in advance of the date licensees intend to begin operating the shared indoor alcohol service area;
- The campus operator ensures security and physical barriers are provided at all entry points to the indoor alcohol service area; and
- The licensees submit a joint operating plan to the LCB for approval.

If multiple licensees share an alcohol service area, all participating licensees are jointly responsible for any violation or enforcement issues unless it can be demonstrated that the violation or enforcement issue was due to one or more licensee's specific conduct or action, in which case the violation or enforcement applies only to those identified licensees.

During the times a licensee is operating at an event, the licensee may:

- Operate without a permit from their local jurisdiction that may otherwise be required to allow the business to use the public space as an alcohol service area;
- Share an alcohol service area with another licensee without individually requesting approval from the LCB's licensing division, regardless of whether the licensees' property parcels or buildings are located in direct physical proximity to one another; and
- Sell and serve alcohol to customers from an alcohol service area without offering food service menu options, except that any required food service must still be provided within the licensed premises, and in any preexisting alcohol service area operated by the licensee under the LCB's rules that does not rely on the new authorization, if the preexisting alcohol service area remains in place during an event.

The authorization is available to: beer and wine restaurants; spirits, beer, and wine restaurants; taverns; domestic wineries; domestic breweries and microbreweries; distilleries; snack bars; and special occasion licensees. For special occasion licensees participating in the events, participation is not counted toward the licensees' limit of 12 calendar days per year and the LCB may establish an additional daily fee for participation in the authorized events pursuant to chapter 361, Laws of 2025.

The authorization is also available to a caterer's license for an eligible applicant for an event open to the public and held on a publicly owned civic campus in a city with a population of more than 220,000, even if the sponsor of the event for which catering services are being provided is not a society or organization as defined in RCW 66.24.375, if license and regulatory requirements are otherwise met.

### **Single Multiday Event in Certain Jurisdictions**

A city, town, county, or port authority that has been designated as a fan zone or host city from an international self-regulatory governing body of a sports association, or a nonprofit organization authorized by such an entity, may request, and the LCB may approve, expanded outdoor and indoor alcohol service for liquor licensees within an area or areas of the jurisdiction. The authorization may be used to allow expanded alcohol sales and service only during one single multiday event in each approved jurisdiction in either the months of June or July of 2026.

The activity of expanded outdoor and indoor alcohol service may be conducted by the same licensees and under the same authorizations and requirements as for events on a publicly owned civic campus in a city with a population of more than 220,000.

The local jurisdiction through a designated official must provide notice of the event to the LCB. All event locations will require security and physical barriers at all entry points to the event.

## **Liquor and Cannabis Board Rules and Fees**

The LCB must adopt or revise rules to allow for outdoor service of alcohol by certain licensees to be consistent with the new authorizations. The LCB's rule-making authority is extended to include imposing reasonable requirements on licensees' operations of alcohol service areas and the sale, service, and consumption of alcohol.

The LCB must impose a fee on licensees seeking to operate under the authorization for expanded alcohol service, or local governments applying for the authorization, to cover but not exceed the LCB's administrative and enforcement costs.

#### **Opening or Consuming Liquor in Public**

An exclusion to the prohibition on opening a package containing liquor or consuming liquor in a public place is added for the new authorized activities.

The act expires December 31, 2027.

#### STATUTORY AUTHORITY

**RCW 66.08.030(22)** provides the LCB the authority to adopt rules to impose reasonable requirements on licensees' operations of alcohol service areas and the sale, service, and consumption of alcohol, consistent with RCW 66.24.710 and section 2 of Chapter 361, laws of 2025.

**RCW 66.24.710** provides an allowance for the LCB to adopt requirements providing for clear accountability at locations where multiple licensees use a shared space for serving customers, and at locations where a licensee or licensees use a shared space with another business or businesses that do not engage in the sale or service of alcohol under section 2 of Chapter 361, laws of 2025.

**RCW 69.24.380** provides the LCB may establish an additional daily fee for special occasion licenses for each day of operation at an event conducted under section 2 (2) or (4) of the act.

**Section 2 of Chapter 361, Laws of 2025**,(5) establishes the board must impose a fee on any or all licensees and local governments in order to cover but not exceed the board's administrative and enforcement costs related to activities authorized under this section:

- (a) A licensee seeking to operate under the authorization in this section, as a condition to exercising privileges in this section;
- (b) A city, town, county, or port authority applying for expanded outdoor alcohol service privileges for licensees under subsection (1) of this section;
- (c) A city with a population of more than 220,000 applying for expanded alcohol service privileges for licensees during events on a publicly owned civic campus under subsection (2) of this section;

## **POLICY STATEMENT**

To cover but not exceed LCB's administrative and enforcement costs related to activities authorized under section 2 of Chapter 361, laws of 2025, the licensing division of the LCB will set fees for applications and events. The following fees have been projected by the Board:

Local Government (requests for expanded alcohol outdoor service areas)	
\$1,700.00	per approved authorization
2SHB 1515 Special Occasion Licenses	
\$185.00	per day
Civic Campus Events	
\$1,500.00	per event
Fan Zones	
\$3,900.00	per event

All fees should be submitted at the time of application for the authorization request to be processed.

Prior to completion of rules to implement 2SHB 1515, the LCB will request the following information in applications for activities authorized under section 2 of Chapter 361, laws of 2025:

#### **Local Government**

- All applications for expanded outdoor service areas by the appropriate local government should specify a plan of operations describing adequate local resources, including law enforcement patrols in the area to ensure safe operations of activities and the safety of the community; and
- All applications for expanded outdoor service areas by the appropriate local government should include a description of services the local government will use to keep the area of the jurisdiction in which the activities occur clean and free of litter or other remnants of the use of public spaces for expanded outdoor alcohol service.
- All requests must be submitted through the LCB online Portal to be processed.

#### **Liquor Licensee**

- All outdoor alcohol service areas must use either barriers or demarcations to indicate the space licensed for alcohol consumption.
- All outdoor alcohol service areas must have an employee assigned to the area.
- Licensees will be responsible for compliance with youth access and overservice laws and rules even if an assigned employee is not present in the alcohol service area at all times.
- Only participating licensees listed in the application, by trade name and license number, will be eligible to participate in activities authorized under section 2 of Chapter 361, laws of 2025.

## **Special Occasion Licenses for Civic Campus Events**

Pursuant to RCW 66.24.380(1): Special occasion licensees may have no more than 12 days of events per calendar year.

Chapter 361, Laws of 2025, created an exception to the limit of 12 calendar days pursuant to RCW 66.24.380. Events conducted under Chapter 361, Laws of 2025 will not count towards the general 12 calendar-day limit.

Events conducted under Chapter 361, Laws of 2025:

- Will not count towards the 12 calendar-day limitation in RCW 66.24.380.
- Prohibit sales of wine by the bottle or in original, unopened containers for on-premises consumption.
- Waives the restriction for sale, service, and consumption to be in confined to specified premises only, when events are conducted as authorized in section 2 (2) and (4) of the act.

There will be an additional daily fee established by the licensing division of the LCB per day, and per event, for events included in chapter 361, Laws of 2025.

# **Publicly Owned Civic Campus**

Cities with a population of more than 220,000 may get approval from the LCB to expand alcohol service during events on a publicly owned civic campus in the city, subject to the following requirements:

- A city may be authorized for no more than 25 events per year.
- Seven of the 25 events may be multiday events.
- Multiday events may be approved consecutively.

Multiple licensees located on a publicly owned civic campus in a city that has been approved for the civic campus authorization may share an alcohol service area encompassing the entire civic campus, or part of the civic campus, subject to the following requirements:

- The LCB approves of the perimeter enclosing the alcohol service area;
- Security and physical barriers are provided at all entry points to the event;
- The campus operator notifies the LCB at least 60 days before the event begins;
- Signage providing notice to the public that the civic campus will be used for expanded alcohol service is posted at least seven days prior to an event.
- During an event, signage must be conspicuously posted notifying the public that the area is in use as an expanded alcohol service area.

All participating licensees sharing an alcohol service area are jointly responsible for any violation or enforcement issues unless it can be demonstrated that the violation or enforcement issue was due to one or more licensee's specific conduct or action, in which case the violation or enforcement applies only to those identified licensees.

While a licensee is operating under the publicly owned civic campus authorization, they may engage in the following:

- Operate without a permit from their local jurisdiction that may otherwise be required to allow the business to use the public space as an alcohol service area;
- Share an alcohol service area with another licensee:
  - Without individually requesting approval from the LCB; and
  - Regardless of whether the licensees' property parcels or buildings are in direct physical proximity to one another; and
- Sell and serve alcohol to customers from an alcohol service area without offering food service menu options, except that any required food service must still be provided

within the licensed premises, and in any preexisting alcohol service area operated by the licensee under Title 314 WAC that does not rely on chapter 361, Laws of 2025, if the preexisting alcohol service areas remains in place during an event.