



Washington State
Liquor and Cannabis Board

Date: September 30, 2020

To: Jane Rushford, Board Chair
 Ollie Garrett, Board Member
 Russ Hauge, Board Member

From: Audrey Vasek, Policy and Rules Coordinator

Copy: Rick Garza, Agency Director
 Megan Duffy, Deputy Director
 Justin Nordhorn, Chief of Enforcement
 Becky Smith, Licensing Director
 Kathy Hoffman, Policy and Rules Manager

Subject: **CR 102 for 2019 Legislation Implementation and Rules Review for Chapter 314-38 WAC (Student Tastings/Permits)**

The Policy and Rules Coordinator requests approval to file a rule proposal (CR 102) for the rule making described in the CR 102 Memorandum attached to this order and presented at the Board meeting on September 30, 2020.

If approved for filing, the tentative timeline for this rule proposal is as follows:

September 30, 2020	Board is asked to approve filing the proposed rules (CR 102 filing).
October 21, 2020	Code Reviser publishes notice.
November 18, 2020	End of formal comment period.
November 18, 2020	Public hearing held.
December 9, 2020	Board is asked to adopt rules.
December 9, 2020	Agency sends notice to those who commented both at the public hearing and in writing.
December 9, 2020	Agency files adopted rules with the Code Reviser (CR 103)
January 9, 2021	Rules are effective consistent with RCW 34.05.380(2)

_____ Approve _____ Disapprove _____
Jane Rushford, Chair _____
Date

_____ Approve _____ Disapprove _____
Ollie Garrett, Board Member _____
Date

_____ Approve _____ Disapprove _____
Russ Hauge, Board Member _____
Date

Attachments: CR 102 Memorandum



CR 102 Memorandum

Regarding 2019 Legislation Implementation and Rules Review for Chapter 314-38 WAC (Student Tastings/Permits)

Date: September 30, 2020
Presented by: Audrey Vasek, Policy and Rules Coordinator

Background

The Washington State Liquor and Cannabis Board (WSLCB) began to consider revisions to implement Engrossed House Bill (EHB) 1563 (Chapter 112, Laws of 2019; effective July 28, 2019) and to update, modernize, and clarify existing language in the permits chapter 314-38 WAC by initiating a formal rule inquiry under WSR # 19-12-037 on May 29, 2019.

Under chapter 314-38 WAC, the WSLCB may issue permits to certain entities to purchase, use, donate, or undertake other activities involving liquor, consistent with RCW 66.20.010 and 66.20.400. EHB 1563 amended the special permit for student tastings under RCW 66.20.010(12) to allow an enrolled student who is at least eighteen years of age to taste alcoholic beverages while on the premises of the college or university at which the student is enrolled, or while on a field trip to a grape-growing area or production facility, as long as the enrolled student is accompanied and supervised by a faculty or staff member with a mandatory alcohol server permit.

The proposed rule revisions amend, reorganize, clarify, and modernize the existing requirements related to permits. Specifically, the proposal consolidates and reorganizes existing sections related to the same permit types (e.g., by repealing WAC 314-38-010 and adding the repealed language to WAC 314-38-050); modernizes and clarifies language (e.g. by removing references to “class” titles and updating section captions); and adds references to authorizing statutes as appropriate. The proposal also revises WAC 314-38-060 to align existing rules with and implement the law as established by EHB 1563. These proposed revisions more clearly describe existing processes, and are anticipated to result in consistent rule application, interpretation, and guidance to support permit applicants.

The WSLCB estimates that these rules will not result in any new or additional costs of compliance or regulatory burden for permit applicants. There are no costs associated with this rule. No new permit fees or requirements are created,

and existing permit fees and requirements remain unchanged. Consistent with RCW 66.20.010(12), there is no fee for the special permit for student tastings.

Rule Necessity

The proposed rules are needed to support WSLCB permit applicants by confirming existing standards through language clarification and modernization. The proposed rules are also needed to align existing rules with and implement the law as established by EHB 1563 concerning special permits for student tastings of alcohol. Revisions also include additional technical and clarifying updates.

Description of Rule Changes

Amended Section. WAC 314-38-020. This amended section reaffirms, streamlines, and updates existing rule language related to the fees for permits authorized under RCW 66.20.010 and 66.20.400. Revisions include adding subsections (12) and (18). Section (12) clarifies that there is no fee for the special permit for student tastings and incorporates RCW 66.20.010(12) by reference. Subsection (18) clarifies that the fee for the day spa permit is established in a different rule section and incorporates the appropriate state statute and rule by reference. Revisions also include non-substantive technical and clarifying changes, such as rearranging the sentence structure from “The fee of X dollars is established for Y permit” to “The fee for Y permit is X dollars,” and modernizing the style.

Amended Section. WAC 314-38-030. This amended section reaffirms, streamlines, and updates existing rule language related to the fee for replacement of a lost or destroyed license or permit. Revisions include replacing the term “agent’s license” with “representative’s license” in subsection (1) to align with the language in the referenced statute. Revisions also include non-substantive technical and clarifying changes, such as rearranging the sentence structure from “The fee of X dollars is established for Y ” to “The fee for Y is X dollars,” and modernizing the style.

Amended Section. WAC 314-38-040. This amended section reaffirms, streamlines, and updates existing rule language related to the alcohol raffle permit. Revisions include non-substantive technical and clarifying changes, such as revising the section caption from “Beverage alcohol raffle permit—Fee to “Alcohol raffle permit—Fee,” streamlining the phrase “beverage alcohol” to “alcohol” throughout, correcting the term “organization officer” to “organization’s officer,” and modernizing the style.

Amended Section. WAC 314-38-050. This amended section reaffirms, streamlines, and updates existing rule language related to the special permit to serve employees and guests. Revisions include non-substantive technical and clarifying changes, such as revising the section caption from “Serve employees

and guests permit—Purpose—Use” to “Special permit to serve employees and guests—Purpose—Use—Fee” and modernizing the style. Language from WAC 314-38-010 (related to this same permit type and repealed by this rule proposal), including the fee, is rearranged and consolidated with the language in this section. Subsection (15) regarding suspension or cancelation of the permit is streamlined and revised to incorporate a reference to RCW 66.20.070.

Amended Section. WAC 314-38-060. This amended section related to the special permit for student tastings of alcohol aligns the existing rule language with the law as established and dictated by Engrossed House Bill 1563, and reaffirms, streamlines, and updates the rule language. Revisions include non-substantive technical and clarifying changes, such as revising the section caption from “Special permit for technical or community colleges, regional university, or state university as authorized by RCW 66.20.010(12) shall be called a class 15 permit” to “Special permit for community or technical colleges, regional universities, or state universities.” The language in this section is rearranged, the style is modernized, and references to “class” titles of special permits are removed to better align the language with statute.

Amended Section. WAC 314-38-070. This amended section reaffirms, streamlines, and updates existing rule language related to the day spa permit. Revisions include non-substantive technical and clarifying changes, such as revising the section caption from “Class 16 day spa permit” to “Day spa permit—Fee.” The language in this section is rearranged and references to “class” titles of special permits are removed to better align the language with statute. Subsection (5) regarding suspension or cancelation of the permit is streamlined and revised to incorporate a reference to RCW 66.20.070.

Amended Section. WAC 314-38-080. This amended section reaffirms, streamlines, and updates existing rule language related to the special winery permit. Revisions include non-substantive technical and clarifying changes, such as revising the section caption from “Class 18 special winery permit” to “Special winery permit.” Subsection (1) is streamlined and revised to incorporate a reference to the authorizing statute, RCW 66.20.010(14). Subsection (2) is revised to include “on-premises” and off-premises consumption, which is consistent with the statute. The language in this section is rearranged, the style is modernized, and references to “class” titles of special permits are removed to better align the language with statute.

Amended Section. WAC 314-38-090. This amended section reaffirms, streamlines, and updates existing rule language related to the special distillery permit. Revisions include non-substantive technical and clarifying changes, such as revising the section caption from “Class 19 special distillery permit” to “Special distillery permit.” Subsection (1) is streamlined and revised to incorporate a reference to the authorizing statute, RCW 66.20.010(13). Subsection (2) is revised to include “on-premises” and off-premises consumption,

which is consistent with the statute. The language in this section is rearranged, the style is modernized, and references to “class” titles of special permits are removed to better align the language with statute.

Amended Section. WAC 314-38-095. This amended section reaffirms, streamlines, and updates existing rule language related to the special brewery permit. Revisions include non-substantive technical and clarifying changes, such as revising the section caption from “Class 20 special brewery permit” to “Special brewery permit.” Subsection (1) is streamlined and revised to incorporate a reference to the authorizing statute, RCW 66.20.010(15), and the phrase “Washington breweries” is replaced with the term “Domestic breweries,” which is defined in RCW 66.04.010. Subsection (2) is revised to include “on-premises” and off-premises consumption, which is consistent with the statute. The language in this section is rearranged, the style is modernized, and references to “class” titles of special permits are removed to better align the language with statute.

Amended Section. WAC 314-38-100. This amended section reaffirms, streamlines, and updates existing rule language related to the accommodation sale permit. Revisions include non-substantive technical and clarifying changes, such as revising “WSLCB” to “board,” as well as other stylistic and grammatical revisions. Subsection (1) is revised to incorporate a reference to the authorizing statute, RCW 66.20.010(16).

Amended Section. WAC 314-38-110. This amended section reaffirms, streamlines, and updates existing rule language related to the nonprofit wine auction permit. Revisions include non-substantive technical and clarifying changes, such as revising the section caption and language in subsection (1) from “Nonprofit wine auction permit” to “Nonprofit private wine auction permit.” Subsection (1) is also revised to incorporate a reference to the authorizing statute, RCW 66.20.010(17).

Repealed Section. WAC 314-38-010. This section related to the “serve employees and guests permit” is repealed in order to streamline the permits chapter 314-38 WAC by consolidating this section with WAC 314-28-050, the other section in this chapter related to the serve employees and guests permit. Repealed language from this section is updated, rearranged, and consolidated with the language in amended section WAC 314-38-050.

Attachments: Attachment A. (Summary of comments received during the virtual Listen and Learn session on September 03, 2020.)

PROPOSED RULE MAKING
CR-102 (December 2017)
(Implements RCW 34.05.320)

 Do **NOT** use for expedited rule making

Agency: Washington State Liquor and Cannabis Board

 Original Notice
 Supplemental Notice to WSR _____
 Continuance of WSR _____
 Preproposal Statement of Inquiry was filed as WSR 19-12-037 ; or
 Expedited Rule Making--Proposed notice was filed as WSR _____; or
 Proposal is exempt under RCW 34.05.310(4) or 34.05.330(1); or
 Proposal is exempt under RCW _____.

Title of rule and other identifying information: (describe subject) Chapter 314-38 WAC – Permits. The Washington State Liquor and Cannabis Board (WSLCB) proposes amendments and revisions to current permit rules by updating, modernizing, and clarifying existing language. The WSLCB also proposes amendments and revisions to WAC 314-38-060 to align existing rules with and implement the law as established by Engrossed House Bill (EHB) 1563 (Chapter 112, Laws of 2019), concerning special permits for alcohol tastings by students at least eighteen years of age enrolled in certain degree-related programs at community or technical colleges, regional universities, or state universities.

Hearing location(s):

Date:	Time:	Location: (be specific)	Comment:
November 18, 2020	10:00 am	In response to the coronavirus disease 2019 (COVID-19) public health emergency, the Board will not provide a physical location for this hearing to promote social distancing and the safety of the citizens of Washington state. A virtual public hearing, without a physical meeting space, will be held instead. Board members, presenters, and staff will all participate remotely. The public may login using a computer or device, or call-in using a phone, to listen to the meeting through the WebEx application. The public may provide verbal comments during the specified public comment and rules hearing segments.	For more information about board meetings, please visit https://lcb.wa.gov/boardmeetings/board_meetings .

Date of intended adoption: On or after December 9, 2020 (Note: This is **NOT** the **effective** date)

Submit written comments to:

Name: Audrey Vasek

Address: 1025 Union Avenue, Olympia, WA 98501

 Email: rules@lcb.wa.gov

Fax: 360-664-9689

Other:

By (date) November 18, 2020

Assistance for persons with disabilities:

Contact Claris Nhanabu, ADA Coordinator, Human Resources

Phone: 360-664-1642

Fax: 360-664-9689
TTY: 7-1-1 or 1-800-833-6388
Email: Claris.Nhanabu@lcb.wa.gov
Other:
By (date) November 11, 2020

Purpose of the proposal and its anticipated effects, including any changes in existing rules: The proposed rule revisions amend, reorganize, clarify, and modernize the existing requirements related to permits. Specifically, the proposal consolidates and reorganizes existing sections related to the same permit types (e.g., by repealing WAC 314-38-010 and adding the repealed language to WAC 314-38-050); modernizes and clarifies language (e.g. by removing references to "class" titles); and adds references to authorizing statutes as appropriate. The proposal also revises WAC 314-38-060 to align existing rules with and implement the law as established by EHB 1563 concerning special permits for alcohol tastings by students at least eighteen years of age enrolled in certain degree-related programs at community or technical colleges, regional universities, or state universities. These proposed revisions more clearly describe existing processes, and are anticipated to result in increased access to and use of licensing resources by permit applicants, as well as consistent rule application, interpretation, and guidance to support permit applicant success.

Reasons supporting proposal: The proposed rules are needed to support WSLCB permit applicants by confirming existing standards through language clarification and modernization. The proposed rules are also needed to align existing rules with and implement the law as established by EHB 1563 concerning special permits for alcohol tastings by students at least eighteen years of age enrolled in certain degree-related programs at community or technical colleges, regional universities, or state universities. Revisions also include additional technical and clarifying updates.

Statutory authority for adoption: RCW 66.08.030.

Statute being implemented: RCW 66.20.010, RCW 66.20.400, EHB 1563 (Chapter 112, Laws of 2019).

Is rule necessary because of a:

- Federal Law? Yes No
Federal Court Decision? Yes No
State Court Decision? Yes No

If yes, CITATION:

Agency comments or recommendations, if any, as to statutory language, implementation, enforcement, and fiscal matters: None.

Name of proponent: (person or organization) Washington State Liquor and Cannabis Board Private
 Public
 Governmental

Name of agency personnel responsible for:

	Name	Office Location	Phone
Drafting: Coordinator	Audrey Vasek, Policy & Rules	1025 Union Avenue, Olympia WA, 98501	360-664-1758
Implementation: Licensing	Becky Smith, Director of	1025 Union Avenue, Olympia, WA. 98501	360-664-1753
Enforcement: Enforcement	Justin Nordhorn, Chief of	1025 Union Avenue, Olympia, WA, 98501	360-664-1726

Is a school district fiscal impact statement required under RCW 28A.305.135? Yes No

If yes, insert statement here:

The public may obtain a copy of the school district fiscal impact statement by contacting:

Name:
Address:
Phone:
Fax:

TTY:
Email:
Other:

Is a cost-benefit analysis required under RCW 34.05.328?

Yes: A preliminary cost-benefit analysis may be obtained by contacting:

Name:
Address:
Phone:
Fax:
TTY:
Email:
Other:

No: Please explain: A cost benefit analysis is not required because the subject of proposed rulemaking does not qualify as a significant legislative rule or other rule requiring a cost-benefit analysis under RCW 34.05.328(5). The proposed rules clarify existing rule language without changing the effect of the rule consistent with RCW 34.05.328(5)(b)(iv); amend existing rule language to include references to existing statutory language where necessary and appropriate consistent with RCW 34.05.328(5)(b)(iii); and align existing rules with the law as established and dictated by EHB 1563 consistent with RCW 34.05.328(5)(b)(v).

Regulatory Fairness Act Cost Considerations for a Small Business Economic Impact Statement:

This rule proposal, or portions of the proposal, **may be exempt** from requirements of the Regulatory Fairness Act (see chapter 19.85 RCW). Please check the box for any applicable exemption(s):

This rule proposal, or portions of the proposal, is exempt under RCW 19.85.061 because this rule making is being adopted solely to conform and/or comply with federal statute or regulations. Please cite the specific federal statute or regulation this rule is being adopted to conform or comply with, and describe the consequences to the state if the rule is not adopted.

Citation and description:

This rule proposal, or portions of the proposal, is exempt because the agency has completed the pilot rule process defined by RCW 34.05.313 before filing the notice of this proposed rule.

This rule proposal, or portions of the proposal, is exempt under the provisions of RCW 15.65.570(2) because it was adopted by a referendum.

This rule proposal, or portions of the proposal, is exempt under RCW 19.85.025(3). Check all that apply:

- | | |
|---|--|
| <input type="checkbox"/> RCW 34.05.310 (4)(b)
(Internal government operations) | <input checked="" type="checkbox"/> RCW 34.05.310 (4)(e)
(Dictated by statute) |
| <input checked="" type="checkbox"/> RCW 34.05.310 (4)(c)
(Incorporation by reference) | <input type="checkbox"/> RCW 34.05.310 (4)(f)
(Set or adjust fees) |
| <input checked="" type="checkbox"/> RCW 34.05.310 (4)(d)
(Correct or clarify language) | <input type="checkbox"/> RCW 34.05.310 (4)(g)
((i) Relating to agency hearings; or (ii) process requirements for applying to an agency for a license or permit) |

This rule proposal, or portions of the proposal, is exempt under RCW 19.85.025(3) by way of RCW 34.05.310 (4) (c), (d) and (e)).

Explanation of exemptions, if necessary: The revisions made to WAC 314-38-010, WAC 314-38-020, WAC 314-38-030, WAC 314-38-040, WAC 314-38-050, WAC 314-38-060, WAC 314-38-070, WAC 314-38-080, WAC 314-38-090, WAC 314-38-095, WAC 314-38-100, and WAC 314-38-110 are exempt from the RFA's SBEIS requirement under RCW 34.05.310(4) (c), (d) and (e). The proposed rules incorporate by reference or explicitly restate statute where appropriate consistent with RCW 34.05.310(4)(c). The proposed rules also provide corrections and clarifying language designed to modernize the chapter and increase ease of use consistent with RCW 34.05.310(4)(d). The proposed amendments to WAC 314-38-060 align existing rule language with the law as established and dictated by EHB 1563 consistent with RCW 34.05.310(4)(e).

COMPLETE THIS SECTION ONLY IF NO EXEMPTION APPLIES

If the proposed rule is **not exempt**, does it impose more-than-minor costs (as defined by RCW 19.85.020(2)) on businesses?

No Briefly summarize the agency's analysis showing how costs were calculated.

The WSLCB estimates that these rules will not result in any new or additional costs of compliance or regulatory burden for permits applicants. There are no costs associated with this rule. No new permit fees or requirements are created, and existing permit fees and requirements remain unchanged. Consistent with RCW 66.20.010(12), there is no fee for the student tastings

permit in WAC 314-38-060 that allows alcohol tastings by students at least eighteen years of age enrolled in certain degree-related programs at community or technical colleges, regional universities, or state universities.

Student Tastings Permit

The WSLCB applied a nominal default cost of compliance of \$100 when analyzing whether the rules impose “more than minor costs” under RCW 19.85.030 on community or technical colleges, regional universities, or state universities that could potentially apply for a special permit under WAC 314-38-060, the portion of the rule proposal that aligns existing rule language with the law as established by EHB 1563. The calculations for minor cost thresholds for junior colleges; colleges, universities, and professional schools; and technical and trade schools are provided in the table below. The nominal default cost of compliance (\$100) does not exceed the minor cost threshold for any of these business types.

2017 Industry NAICS Code	Estimated Cost of Compliance	Industry Description	NAICS Code Title	Minor Cost Estimate - Max of 1%Pay, 0.3%Rev, and \$100	1% of Avg Annual Payroll . (0.01*AvgPay)	0.3% of Avg Annual Gross Business Income (0.003*AvgGBI)
611210	\$100.00	Junior Colleges	Junior Colleges	\$2,900.91	Redacted 2018 Dataset pulled from ESD	\$2,900.91 2018 Dataset pulled from DOR
611310	\$100.00	Colleges, Universities, and Professional Schools	Colleges; Universities; and Professional Schools	\$27,046.82	\$27,046.82 2018 Dataset pulled from ESD	\$20,391.41 2018 Dataset pulled from DOR
61151	\$100.00	Technical and Trade Schools	Technical and Trade Schools	\$5,110.51	\$5,110.51 2018 Dataset pulled from USBL	\$2,170.80 2018 Dataset pulled from DOR

Other Permits

The WSLCB also applied a nominal default cost of compliance of \$100 when analyzing whether the rules impose “more than minor costs” under RCW 19.85.030 on business types that could potentially apply for permits (other than the student tastings permit) under chapter 314-38 WAC. A wide range of businesses can potentially apply for permits under chapter 314-38 WAC, including physicians, dentists, and hospitals (RCW 66.20.010(1)); mechanical or manufacturing businesses (RCW 66.20.010(2)); wineries, distilleries, and breweries (WAC 314-38-080, WAC 314-28-090, and WAC 314-38-095; RCW 66.20.010(5), (13), (14), and (15)); pharmacies and drug stores (RCW 66.20.010(6)); military installations (RCW 66.20.010(7)); manufacturers, importers, or distributors (RCW 66.24.010(9) and (10)); bed and breakfast lodging facilities (RCW 66.20.010(11)); and day spas (WAC 314-38-070; RCW 66.20.400). The calculations for minor cost thresholds for these business types are provided in the table below. The nominal default cost of compliance (\$100) does not exceed the minor cost threshold for any of the potentially impacted business types.

2017 Industry NAICS Code	Estimated Cost of Compliance	Industry Description	NAICS Code Title	Minor Cost Estimate - Max of 1%Pay, 0.3%Rev, and \$100	1% of Avg Annual Payroll . (0.01*AvgPay)	0.3% of Avg Annual Gross Business Income (0.003*AvgGBI)
6211	\$100.00	Physicians	Offices of Physicians	\$18,623.43	\$18,623.43 2018 Dataset pulled from USBL	\$8,086.29 2018 Dataset pulled from DOR
6212	\$100.00	Dentists	Offices of Dentists	\$3,731.56	\$3,731.56 2018 Dataset pulled from USBL	\$3,345.21 2018 Dataset pulled from DOR
622	\$100.00	Hospitals	Hospitals	\$537,245.40	\$537,245.40 2018 Dataset pulled from USBL	\$421,749.92 2018 Dataset pulled from DOR
623	\$100.00	Nursing and Residential Care Facilities	Nursing and Residential Care Facilities	\$9,098.53	\$9,098.53 2018 Dataset pulled from USBL	\$8,884.73 2018 Dataset pulled from DOR
311	\$100.00	Food Manufacturing	Food Manufacturing	\$36,296.95	\$18,754.62 2018 Dataset pulled from USBL	\$36,296.95 2018 Dataset pulled from DOR

5417	\$100.00	Scientific Research and Development Services	Scientific Research and Development Services	\$37,855.76	\$37,855.76 2018 Dataset pulled from USBLS	\$13,901.28 2018 Dataset pulled from DOR
238	\$100.00	Specialty Trade Contractors	Specialty Trade Contractors	\$4,930.85	\$4,930.85 2018 Dataset pulled from USBLS	\$3,087.58 2018 Dataset pulled from DOR
446110	\$100.00	Pharmacies and Drug Stores	Pharmacies and Drug Stores	\$52,827.53	\$5,677.04 2018 Dataset pulled from USBLS	\$52,827.53 2018 Dataset pulled from DOR
312140	\$100.00	Distilleries	Distilleries	\$2,049.47	\$2,049.47 2018 Dataset pulled from USBLS	\$1,083.10 2018 Dataset pulled from DOR
312120	\$100.00	Breweries	Breweries	\$3,239.02	\$3,239.02 2018 Dataset pulled from USBLS	\$3,082.90 2018 Dataset pulled from DOR
312130	\$100.00	Wineries	Wineries	\$3,522.66	\$3,522.66 2018 Dataset pulled from USBLS	\$3,381.76 2018 Dataset pulled from DOR
928110	\$100.00	Military Installation	National Security	\$178,311.07	\$178,311.07 2018 Dataset pulled from USBLS	\$15,621.16 2018 Dataset pulled from DOR
312140	\$100.00	Distilleries	Distilleries	\$2,049.47	\$2,049.47 2018 Dataset pulled from USBLS	\$1,083.10 2018 Dataset pulled from DOR
312120	\$100.00	Breweries	Breweries	\$3,239.02	\$3,239.02 2018 Dataset pulled from USBLS	\$3,082.90 2018 Dataset pulled from DOR
4248	\$100.00	Beer, Wine, and Spirits Merchant Wholesalers	Beer; Wine; and Distilled Alcoholic Beverage Merchant Wholesalers	\$16,091.49	\$14,670.84 2018 Dataset pulled from USBLS	\$16,091.49 2018 Dataset pulled from DOR
721191	\$100.00	Bed and Breakfast Inns	Bed-and-Breakfast Inns	\$885.37	\$885.37 2018 Dataset pulled from USBLS	\$591.14 2018 Dataset pulled from DOR
81211	\$100.00	Hair, Nail, and Skin Care Services	Hair; Nail; and Skin Care Services	\$1,577.00	\$1,577.00 2018 Dataset pulled from USBLS	\$314.28 2018 Dataset pulled from DOR

Yes Calculations show the rule proposal likely imposes more-than-minor cost to businesses, and a small business economic impact statement is required. Insert statement here:

The public may obtain a copy of the small business economic impact statement or the detailed cost calculations by contacting:

Name:

Address:

Phone:

Fax:

TTY:

Email:

Other:

Date: September 30, 2020	Signature: Place signature here
Name: Jane Rushford	
Title: Chair	

WAC 314-38-020 Permits—Fees established. The fees for permits authorized under RCW 66.20.010 and 66.20.400 are ~~((hereby))~~ established as follows:

(1) ~~((A))~~ The fee ~~((of five dollars is established))~~ for a special permit ~~((as))~~ authorized by RCW 66.20.010(1) is five dollars.

(2) The fee for a special permit ~~((as))~~ authorized by RCW 66.20.010(2) for purchase of five gallons or less is ~~((established as))~~ five dollars and for purchase of over five gallons is ~~((established as))~~ ten dollars.

(3) ~~((A))~~ The fee for a banquet permit ~~((as))~~ authorized by RCW 66.20.010(3) ~~((as))~~ is established in WAC 314-18-040.

(4) The fee for a special business permit ~~((as))~~ authorized by RCW 66.20.010(4) ~~((as))~~ is established in WAC ~~((314-38-010(2)))~~ 314-38-050.

(5) The fee ~~((of ten dollars is established))~~ for a special permit ~~((as))~~ authorized by RCW 66.20.010(5) is ten dollars.

(6) ~~((A))~~ The fee ~~((of five dollars is established))~~ for a special permit ~~((as))~~ authorized by RCW 66.20.010(6) is five dollars.

(7) There is no fee for a special permit ~~((as))~~ authorized by RCW 66.20.010(7) ~~((shall be issued without charge to those eligible entities)).~~

(8) The fee ~~((of twenty-five dollars is established))~~ for a special permit ~~((as))~~ authorized by RCW 66.20.010(8) is twenty-five dollars.

(9) The fee ~~((of twenty-five dollars is established))~~ for a special permit ~~((as))~~ authorized by RCW 66.20.010(9) is twenty-five dollars.

(10) The fee ~~((of thirty dollars is established))~~ for a special permit ~~((as))~~ authorized by RCW 66.20.010(10) is thirty dollars.

(11) The fee ~~((of seventy-five dollars is established))~~ for a special permit ~~((as))~~ authorized by RCW 66.20.010(11) is seventy-five dollars.

(12) There is no fee for a special permit authorized by RCW 66.20.010(12).

~~((13))~~ The fee ~~((of ten dollars is established))~~ for a special permit ~~((as))~~ authorized by RCW 66.20.010(13) is ten dollars.

~~((13))~~ ~~((14))~~ The fee ~~((of ten dollars is established))~~ for a special permit ~~((as))~~ authorized by RCW 66.20.010(14) is ten dollars.

~~((14))~~ ~~((15))~~ The fee ~~((of ten dollars is established))~~ for a special permit ~~((as))~~ authorized by RCW 66.20.010(15) is ten dollars.

~~((15))~~ ~~((16))~~ The fee ~~((of twenty-five dollars is established))~~ for a special permit ~~((as))~~ authorized by RCW 66.20.010(16) is twenty-five dollars.

~~((16))~~ ~~((17))~~ The fee ~~((of twenty-five dollars is established))~~ for a special permit ~~((as))~~ authorized by RCW 66.20.010(17) is twenty-five dollars for each winery selling wine at the auction.

(18) The fee for a day spa permit authorized by RCW 66.20.400 is established in WAC 314-38-070.

AMENDATORY SECTION (Amending WSR 83-23-123, filed 11/23/83)

WAC 314-38-030 Fee for replacement of a lost or destroyed license or permit. (1) ((A)) The fee ((of five dollars is established)) for replacement by the board of a lost or destroyed ((agent's)) representative's license issued pursuant to RCW 66.24.310 is five dollars.

(2) The fee ((of five dollars is established)) for replacement by the board of a lost or destroyed retail or wholesale liquor license of any class is five dollars.

AMENDATORY SECTION (Amending WSR 92-01-079, filed 12/16/91, effective 1/16/92)

WAC 314-38-040 ((Beverage)) Alcohol raffle permit—Fee. (1) Any organization authorized to conduct a raffle under RCW 9.46.0315 may raffle ((beverage)) alcohol upon obtaining a raffle permit from the board. The fee for a raffle permit ((shall be)) is ten dollars for a one-time raffle permit or twenty-five dollars for an annual permit.

(2) An application for a raffle permit ((shall be on a form prescribed by the board and filed with the board at the headquarters of office in Olympia)) must be submitted at least thirty days in advance of ((the commencement of)) ticket sales.

(3) An application for a raffle permit must contain the following information:

(a) The full name of the bona fide charitable or bona fide non-profit organization with verification of qualification as ((prescribed)) referenced in RCW 9.46.0209;

(b) The name, address, and phone number of the ((organization)) organization's officer in charge of the raffle;

(c) The date the raffle ticket sales will ((commence)) begin;

(d) The date, time, and exact location of the drawing;

(e) A description of the ((beverage)) alcohol being raffled including its estimated value; and

(f) ((And)) The source of the alcohol to be raffled (purchased at retail or donated by a private citizen).

(4) An ((organization)) organization's officer must certify that:

(a) Only organization members may purchase tickets or be awarded prizes;

(b) The organization meets the qualifications of a bona fide charitable or bona fide nonprofit organization ((as provided in)) under RCW 9.46.0209;

(c) The organization will not sell more than ((\$5,000)) five thousand dollars ((worth)) of raffle tickets in a calendar year; and

(d) The organization will not sell raffle tickets to anyone under twenty-one years of age when alcohol is awarded as a prize.

(5) Alcohol to be raffled must have all applicable Washington State taxes paid and may only be:

(a) Purchased at retail; or

(b) Donated by a private citizen.

(6) ((Upon application being filed and fee paid the board may issue a raffle permit.)) The issued raffle permit will ((state the)) include:

- (a) The organization name (~~(b)~~) and address (~~(c)~~);
- (b) The date and time of the drawing (~~(d)~~);
- (c) The effective dates of the raffle permit (~~(e)~~); and
- (d) A description of the alcohol to be raffled.

(7) The raffle permit (~~shall~~) must be posted at the location of the drawing prior to and during the drawing. The organization or person in charge of the raffle (~~shall; when requested by~~) must allow any representative (~~(or agent)~~) of either the board (~~(and/or)~~) or any law enforcement officer (~~(; exhibit to such person the raffle permit and shall allow such person)~~), or both, to inspect the raffle permit and raffle items at any time.

AMENDATORY SECTION (Amending WSR 12-17-006, filed 8/1/12, effective 9/1/12)

WAC 314-38-050 Special permit to serve employees and guests
((permit))—Purpose—Use—Fee. (1) (~~The purpose of a serve employees and guests permit as~~) Businesses that are not licensed under Title 66 RCW may apply for a special permit authorized by RCW 66.20.010(4) (is to:

~~(a) Allow for the consumption of liquor products in private businesses; and~~

~~(b) Not to compete with liquor licensed establishments.~~

~~(2) All liquor served by holders of a serve employees and guests permit must be purchased at retail from the board or a retail liquor licensee.~~

~~(3) Liquor may not be sold by holders of a serve employees and guests permit, but may be provided at no charge for consumption on the premises of the permit holder.~~

~~(4) The holder of a serve employees and guests permit) to serve alcohol free of charge to employees and invited guests of the business.~~

(2) The annual fee for each permit is five hundred dollars.

(3) A separate permit is required for each business premises at which alcohol will be served or consumed.

(4) A permit is not transferable to another business or organization.

(5) A permit is valid for twelve months from the first day of the month in which it is issued.

(6) Permits may only be issued to businesses at which the service and consumption of alcohol is incidental to, and is not part of, the service of the business.

(7) The permit may not be used to stimulate or increase business from the general public.

(8) All alcohol served by permit holders must be purchased at retail from a Washington state retail liquor licensee.

(9) Alcohol service and consumption must be limited to either hospitality rooms or dining rooms, or both, on the premises of the permit holder's business.

(10) The general public may not enter an area of the business where alcohol is being served or consumed.

(11) Permit holders may not charge for admission to an area where alcohol is being served.

(12) Permit holders may not advertise the service of alcohol.

(13) Alcohol may not be sold by permit holders, including by scrip, donation, contribution, or other means.

(14) Permit holders may serve (~~liquor~~) alcohol for no more than twenty-four hours during any weekly (~~(168)~~) one hundred sixty-eight hour period.

~~((5) While the serve employees and guests permit holder may advertise their business services, no liquor service shall be advertised.)~~ (15) Consistent with RCW 66.20.070, failure to comply with applicable laws and rules may result in the suspension or cancellation of the permit.

AMENDATORY SECTION (Amending WSR 16-01-102, filed 12/16/15, effective 1/16/16)

WAC 314-38-060 Special permit for (~~technical or~~) community or technical colleges, regional (~~university~~) universities, or state (~~university as authorized by RCW 66.20.010(12) shall be called a class 15 permit~~) universities. (1) ~~((The class 15 permit allows tasting of alcohol by persons between eighteen and twenty years old. The requirements for a class 15 permit are as follows:~~

~~(a) The permit applicant is a technical or community college, regional university, or state university;~~

~~(b) The permit allows tasting, not consuming of alcohol))~~ Community or technical colleges, regional universities, or state universities may apply for a special permit authorized by RCW 66.20.010(12) to allow tasting of alcohol by persons at least eighteen years of age who are enrolled as students in a required or elective class that is part of a culinary, sommelier, wine business, enology, viticulture, wine technology, beer technology or spirituous technology-related degree program.

(2) Students at least eighteen but under twenty-one years of age may not consume or purchase alcohol, but may taste alcohol for the purposes of educational training as part of the class curriculum with approval of the educational provider(~~;~~

~~(c) The student must be enrolled in a required or elective class at the college premises as part of a culinary, sommelier, wine business, enology, viticulture, beer technology, wine technology, or spirituous technology-related degree program;~~

~~(d) The alcohol served to any person in the program under twenty-one years of age is tasted but not consumed for the purpose of educational training as part of the class curriculum with the approval of the educational provider;~~

~~(e) Faculty or staff of the educational provider must be at least twenty-one years of age, supervise the service and tasting, and hold a class 12 or class 13 alcohol server permit; and~~

~~(f) Students may not purchase the alcoholic beverages)).~~

(3) Tastings may occur on the premises of the college or university at which the student is enrolled or while on a field trip to a grape-growing area or production facility.

(4) All tastings must be done under the supervision of a faculty or staff member of the college or university who is at least twenty-one years of age and possesses a class twelve or thirteen alcohol server permit under the provisions of RCW 66.20.310.

~~((2))~~ (5) There is no ~~((annual))~~ fee for this permit.

AMENDATORY SECTION (Amending WSR 14-20-046, filed 9/24/14, effective 10/25/14)

WAC 314-38-070 ((Class-16)) Day spa permit—Fee. (1) The annual fee for a day spa permit authorized by RCW 66.20.400 is one hundred twenty-five dollars.

(2) "Day spa" is defined as a business that offers at least three of the following four service categories:

- (a) Hair care (haircut, hair color, perms, etc.);
- (b) Skin care (facials, makeup application);
- (c) Nail care (manicure, pedicure); and
- (d) Body care (massage, wraps, waxing).

~~((2))~~ (3) The holder of a ~~((Class-16))~~ day spa permit may offer complimentary wine or beer by the individual glass under the following conditions:

- (a) Customers must be at least twenty-one years of age;
- (b) Spa services must last more than one hour;
- (c) A customer may consume no more than one six ounce glass of wine or one twelve ounce glass of beer per day;
- (d) Employees involved in the service of wine or beer must complete a board-approved limited alcohol server training program;
- (e) Permit holders may not advertise the service of complimentary wine or beer;
- (f) Wine and beer must be purchased from a Washington state licensed retailer;
- (g) The permit must be posted in a conspicuous area at the point of sale; and
- (h) At least three of the service area categories must be in separate areas of the spa.

~~((3))~~ (4) The board has the right to inspect the premises and business records at any time.

~~((4))~~ ~~The annual fee for this permit is one hundred twenty-five dollars.)~~

~~(5) ((Where the holder of any permit issued under this title violates any provision of this title or of the regulations, or is an interdicted person, or is otherwise disqualified from holding a permit, the board, upon proof to its satisfaction of the fact or existence of such violation, interdiction, or disqualification, and in its discretion, may with or without any hearing, suspend the permit and all rights of the holder thereunder for such period as the board sees fit, or may cancel the permit.))~~ Consistent with RCW 66.20.070, failure to comply with applicable laws and rules may result in the suspension or cancellation of the permit.

AMENDATORY SECTION (Amending WSR 17-08-099, filed 4/5/17, effective 5/6/17)

WAC 314-38-080 ((Class-18)) Special winery permit. (1) ~~((The special winery permit is for))~~ Domestic wineries may apply for a special permit authorized by RCW 66.20.010(14).

(2) ~~((A special winery))~~ The permit allows a manufacturer of wine to be present at a private event not open to the general public at a specific place and date for the purpose of tasting wine and selling wine of its own production for on-premises and off-premises consumption.

(3) ~~((The winery must obtain the special permit by submitting an application for a class 18 special winery permit to the board with a ten dollar permit fee.~~

~~((a-))~~ The application and fee must be submitted to the board at least ten days prior to ((the)) each event.

~~((b-))~~ (4) The special permit must be posted at the event.

~~((4-))~~ (5) The winery is limited to twelve events per calendar year.

AMENDATORY SECTION (Amending WSR 17-08-099, filed 4/5/17, effective 5/6/17)

WAC 314-38-090 ((Class-19)) Special distillery permit. (1) ~~((A special distillery/craft distillery permit is for))~~ Washington ((distillers only)) distilleries or craft distilleries may apply for a special permit authorized by RCW 66.20.010(13).

(2) ~~((A special distillery/craft distillery))~~ The permit allows a manufacturer of spirits to be present at a private event not open to the general public at a specific place and date for the purpose of tasting spirits and selling spirits of its own production for on-premises and off-premises consumption.

(3) The activities at the event are limited to the activities allowed on the distillery((=)) or craft distillery premises.

(4) ~~((The distillery or craft distillery must obtain the special permit by submitting an application for a class 19 special distillery/craft distillery permit to the board with a ten dollar permit fee.~~

~~((a-))~~ The application and fee must be submitted to the board at least ten days prior to ((the)) each event.

~~((b-))~~ (5) The special permit must be posted at the event.

~~((5-))~~ (6) The licensee is limited to twelve events per calendar year.

AMENDATORY SECTION (Amending WSR 17-08-099, filed 4/5/17, effective 5/6/17)

WAC 314-38-095 ((Class-20)) Special brewery permit. (1) ~~((A special brewery/microbrewery permit is for Washington brewers only))~~ Domestic breweries and microbreweries may apply for a special permit authorized by RCW 66.20.010(15).

(2) (~~(A special brewery/microbrewery)~~) The permit allows a manufacturer of beer to be present at a private event not open to the general public at a specific place and date for the purpose of tasting beer and selling beer of its own production for on-premises and off-premises consumption.

(3) (~~(The brewery or microbrewery must obtain the special permit by submitting an application for a class 20 special brewery/microbrewery permit to the board with a ten dollar permit fee.~~

~~(a))~~) The application and fee must be submitted to the board at least ten days prior to ~~((the))~~ each event.

~~((b))~~) (4) The special permit must be posted at the event.

~~((4))~~) (5) The licensee is limited to twelve events per calendar year.

AMENDATORY SECTION (Amending WSR 17-08-099, filed 4/5/17, effective 5/6/17)

WAC 314-38-100 Accommodation sale permit. (1) An accommodation sale permit (~~(is for)~~) authorized by RCW 66.20.010(16) allows an individual or business to sell a private collection of wine or spirits to another individual or business.

(2) The seller must (~~(complete)~~) submit an application (~~(for accommodation sale permit and submit with a fee of twenty-five dollars)~~) and twenty-five dollar fee to the ~~((WSLCB))~~ board.

(3) Once the ~~((WSLCB))~~ board verifies the information on the application, a permit for the sale will be issued to the seller.

(4) The seller must wait at least five business days after receiving the permit to release either the wine (~~(and/or)~~) or spirits, or both, to the buyer.

(5) Within twenty calendar days of the sale, the seller must complete an accommodation sale inventory report and submit it to the ~~((WSLCB))~~ board.

(6) The following are definitions for the purposes of this section:

(a) "Accommodation sale" means the sale of a private collection of wine or spirits to an individual or business. Both the seller and the buyer must be located in Washington state.

(b) "Buyer" means the individual or business buying a private collection of wine or spirits. A buyer may be a liquor licensee.

(c) "Private collection" means a privately owned collection of wine or spirits. There is no minimum or maximum quantity to be considered a collection.

(d) "Seller" means the individual or business selling a private collection of wine or spirits. The seller cannot be a liquor licensee.

AMENDATORY SECTION (Amending WSR 18-04-116, filed 2/7/18, effective 3/10/18)

WAC 314-38-110 Nonprofit private wine auction permit. (1) A nonprofit private wine auction permit (~~(is for)~~) authorized under RCW

66.20.010(17) allows a nonprofit organization to sell wine through a private auction not open to the public.

(2) The nonprofit organization must (~~complete a nonprofit wine auction permit application and~~) submit (~~the~~) an application and fee to the (~~WSLCB~~) board.

(a) The date and location of the auction must be specified on the application.

(b) Consistent with RCW 66.20.010(17), the one-time event fee is twenty-five dollars multiplied by the number of wineries that are selling wine at the auction event.

(c) A list of event attendees must be submitted with the wine auction permit application.

(3) The holder of the permit may conduct wine tastings of the wine to be auctioned at the event.

(4) All wine sold by auction cannot be consumed during the event.

(5) Wine from multiple wineries may be sold at the auction. Each winery must be listed on the application.

(6) The permit must be posted in a conspicuous location at the premises for which the permit was issued during all times the permit is in use.

REPEALER

The following section of the Washington Administrative Code is repealed:

WAC 314-38-010 Serve employees and guests permit under
 Title 66 RCW.

CR 102 Memo—Student Tastings/Permits**Attachment A**

Summary of comments received during the virtual Listen and Learn session on September 03, 2020.

Source	Commenter	WAC Reference	Theme	Comment	Date Received
Webex Event	Josh McDonald	314-38-060	Student tastings permit/ COVID-19	How to address student tastings when in-person is limited under current COVID-19 conditions	9/3/2020
Webex Event	Josh McDonald	314-38-080	Special winery permit	To address discrepancy between the intent of license/ bill and rules as currently written, in subsection (2), add "on-premises" or off-premises consumption	9/3/2020
Webex Event	Annie McGrath	314-38-095(1)	Special brewery permit	Based on language in the RCW/ to match the RCW: In subsection (1) add "Domestic" before "breweries and microbreweries," remove WA	9/3/2020
Webex Event	Annie McGrath	314-38-095(2)	Special brewery permit	Based on intent and language of original bill that created this permit type: In subsection (2), add "on-premises" or off-premises consumption	9/3/2020