



Washington State Liquor and Cannabis Board

Date: May 12, 2021

To: David Postman, Board Chair
Ollie Garrett, Board Member
Russ Hauge, Board Member

From: Audrey Vasek, Policy and Rules Coordinator

Copy: Rick Garza, Agency Director
Chandra Brady, Director of Enforcement and Education
Becky Smith, Licensing Director
Jim Morgan, Chief Financial Officer
Kathy Hoffman, Policy and Rules Manager

Subject: **Approval to file a pre-proposal statement of inquiry (CR 101) regarding implementation of 2021 legislation, E2SHB 1480, related to COVID-19 alcohol allowances.**

Engrossed Second Substitute House Bill (E2SHB) 1480 (chapter 48, Laws of 2021), relating to extending certain privileges granted to liquor licensees to mitigate the impact of the coronavirus pandemic, took effect on April 14, 2021. Rules are needed to implement E2SHB 1480, which allows specifically listed privileges for certain liquor licensees to continue until June 30, 2023.

Process

The Policy and Rules Coordinator requests approval to file the pre-proposal statement of inquiry (CR 101) for the rulemaking described above. A CR 101 Memorandum was presented at the Board meeting on May 12, 2021, and is attached to this order.

If approved for filing, the **tentative timeline** for the rule making process is outlined below:

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|---------------|--|
| May 12, 2021 | Board is asked to approve filing pre-proposal statement of inquiry (CR 101). CR 101 filed with the Office of the Code Reviser. WSLCB webpage updated and notice circulated by GovDelivery distribution list. Initial comment period begins. |
| June 02, 2021 | Notice published in the Washington State Register under WSR 21-11. |
| July 02, 2021 | Initial comment period ends. |



CR 101 Memorandum

Regarding implementation of 2021 legislation, E2SHB 1480, related to COVID-19 alcohol allowances.

Date: May 12, 2021

Presented by: Audrey Vasek, Policy and Rules Coordinator

Background

Engrossed Second Substitute House Bill (E2SHB) 1480 (chapter 48, Laws of 2021), relating to extending certain privileges granted to liquor licensees to mitigate the impact of the coronavirus (COVID-19) pandemic, took effect on April 14, 2021.

Reasons Why Rules Are Needed

Rules are needed to implement E2SHB 1480, which allows specifically listed privileges (or allowances) for certain liquor licensees to continue until June 30, 2023.

The following allowances are included among those temporarily authorized by the bill:

- Spirits, Beer and Wine restaurants may serve cocktails to go (premixed, or as a kit with ingredients for the customer to assemble at home) for takeout, curbside service or delivery;
- Alcohol products may be sold for takeout, curbside service or delivery by restaurants, taverns, domestic breweries and microbreweries, domestic wineries, distilleries, snack bars, nonprofit arts licensees and caterers;
- Licensees previously allowed to sell growlers for on-premises consumption may sell them for off-premises consumption through takeout, curbside service or delivery; and
- Beer and Wine Specialty shops may sell prefilled growlers for off-premises consumption through takeout or curbside service and delivery provided they are filled the same day they are sold.

Additionally, E2SHB 1480 directs WSLCB to:

- Implement the provisions of E2SHB 1480 related to the temporary allowances as expeditiously as possible;

- Revise rules to allow for outdoor service by on-premises licensees holding specified license types: restaurants, taverns, breweries, wineries, distilleries, snack bars and private clubs; and
- Consider revising rules to provide more flexible and more financially feasible food service requirements for licensees that currently have food service requirements.

Process

The rulemaking process begins by announcing WSLCB's intent to consider changes to existing rules, adding new rule sections, or both by filing a CR 101 form with the Office of the Code Reviser. This allows staff, stakeholders, industry partners, and all members of the authorizing environment to begin discussing proposed rule changes. At the CR 101 stage of the rulemaking process, no proposed language is offered. Any interested party may comment on the subject of this possible rulemaking during the designated comment period. Notice will be sent to all who have indicated that they want to receive notice of rule activity pertaining to this preproposal inquiry. The notice will identify the public comment period and where comments can be sent.



PREPROPOSAL STATEMENT OF INQUIRY

CR-101 (October 2017) (Implements RCW 34.05.310)

Do **NOT** use for expedited rule making

Agency: Washington State Liquor and Cannabis Board

Subject of possible rule making: The Washington State Liquor and Cannabis Board (WSLCB) is considering rulemaking to implement Engrossed Second Substitute House Bill (E2SHB) 1480 (chapter 48, Laws of 2021), relating to extending certain privileges granted to liquor licensees to mitigate the impact of the coronavirus (COVID-19) pandemic, which took effect on April 14, 2021. As part of this rulemaking, the WSLCB is considering creating new rule sections and making revisions throughout Title 314 WAC as necessary to implement E2SHB 1480.

Statutes authorizing the agency to adopt rules on this subject: RCW 66.08.030, Sections 2 and 3 of E2SHB 1480 (chapter 48, Laws of 2021).

Reasons why rules on this subject may be needed and what they might accomplish: Rules are needed to implement E2SHB 1480, which allows specifically listed privileges (or allowances) for certain liquor licensees to continue until June 30, 2023.

The following allowances are included among those temporarily authorized by the bill:

- Spirits, Beer and Wine restaurants may serve cocktails to go (premixed, or as a kit with ingredients for the customer to assemble at home) for takeout, curbside service or delivery;
- Alcohol products may be sold for takeout, curbside service or delivery by restaurants, taverns, domestic breweries and microbreweries, domestic wineries, distilleries, snack bars, nonprofit arts licensees and caterers;
- Licensees previously allowed to sell growlers for on-premises consumption may sell them for off-premises consumption through takeout, curbside service or delivery; and
- Beer and Wine Specialty shops may sell prefilled growlers for off-premises consumption through takeout or curbside service and delivery provided they are filled the same day they are sold.

Additionally, E2SHB 1480 directs WSLCB to:

- Implement the provisions of E2SHB 1480 related to the temporary allowances as expeditiously as possible;
- Revise rules to allow for outdoor service by on-premises licensees holding specified license types: restaurants, taverns, breweries, wineries, distilleries, snack bars and private clubs; and
- Consider revising rules to provide more flexible and more financially feasible food service requirements for licensees that currently have food service requirements.

Identify other federal and state agencies that regulate this subject and the process coordinating the rule with these agencies: None.

Process for developing new rule (check all that apply):

- ☐ Negotiated rule making
- ☐ Pilot rule making
- ☐ Agency study
- ☒ Other (describe) 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:

(If necessary)

Name: Audrey Vasek, Policy and Rules Coordinator

Name:

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Address:
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TTY:
Email:
Web site:
Other:

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>. Rulemaking notices and stakeholder engagement opportunities will be emailed via GovDelivery and posted to the WSLCB website at lcb.wa.gov.

Date: May 12, 2021

Name: David Postman

Title: Chair

Signature:

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