



Washington State Liquor and Cannabis Board

Topic: Petition for Adoption, Amendment, or Repeal of a State Administrative Rule—Rental Kitchens (Liquor Licensees)
Date: October 12, 2021
Presented by: Audrey Vasek, Policy and Rules Coordinator

Problem or Opportunity

On August 17, 2021, Katie Doyle of the Washington Hospitality Association submitted a petition for adoption, amendment, or repeal of a state administrative rule. Ms. Doyle proposes creating a new rule to allow liquor licensees with kitchens to rent out their kitchen space to food establishment businesses for the purposes of food preparation and cooking.¹

In an attachment to the rule petition, Ms. Doyle provided the following information in support of the proposal:

Background and Issue:

The hospitality industry is home to a diverse workforce. Four in 10 restaurant managers and supervisors are minorities, as are six in 10 chefs. Moreover, nearly one third of restaurants and lodging establishments are solely owned by women and one third of hospitality businesses are owned by people of color. The hospitality industry prides itself in being a starting point for entrepreneurs of all backgrounds while also acknowledging that women, immigrants and people of color experience social, economic, and political hurdles that can make starting a small business exponentially more difficult.

The Washington Hospitality Association understands and recognizes there are significant barriers for entrepreneurs who are trying to enter the food industry, including cost. Many new entrepreneurs use food stand concessions and food trucks to get their new food businesses off the ground. Unfortunately, finding a permitted kitchen to cook and prepare your food at can cause additional barriers due to high demand of commissary kitchens and the extreme costs of renting the space.

Proposed solution:

Allow liquor licensees with kitchens to rent out their kitchen space to food establishment businesses for the purposes of food preparation and cooking.

The attachment also includes suggested parameters around the rulemaking proposal.

A rental kitchen allowance with the same parameters as the one proposed by Ms. Doyle in the rule petition was originally approved by the agency in mid-2020 at the request of Ms. Doyle and the Washington Hospitality Association as a temporary COVID-19 allowance and expired on July 31, 2021. The allowance contained a number of parameters, including a requirement that the liquor licensee submit a business agreement or contract to the LCB Licensing Division prior to execution of the business agreement or contract. No applications were received by the LCB Licensing Division during the duration of the allowance, and the LCB Enforcement and Education Division is not aware of any cases or specific examples of kitchen rental activity by licensees.

The full text of the allowance from the LCB COVID-19 Alcohol Allowance Guidance webpage² reads as follows:

Renting Kitchens to Non-Licensees

(Effective until July 31):

The LCB will allow liquor licensees with kitchens to rent out their kitchen space to food establishment businesses for the purposes of food preparation and cooking. In order to take advantage of this allowance, the following parameters must be followed:

- The renter does not have ownership interest in any liquor-licensed business;
- The renter takes the final food product "to-go" and does not serve customers in the liquor licensed business;
- The renter cooks and prepares food outside of the public service hours of the liquor licensee;
- The liquor licensee secures or removes alcohol during the hours the renter is cooking and preparing food;
 - Examples of securing or removing alcohol include:
 - Locking (with a key and padlock) alcohol behind a gate, cabinet, or tap lock (if taps are present);
 - Locking access to the part of the establishment that contains alcohol during the hours the renter is present; and
 - Physically removing alcohol from the licensed premise during the hours the renter is present.
- There is a standard operating contract that excludes any profit sharing between the liquor licensee and the renter;
- The liquor licensee and renter follow public health and workplace safety guidelines. For more information, licensees and renters are encouraged to contact their local health department and the Department of Labor and Industries; and
- The liquor licensee must submit a business agreement or contract to the WSLCB Licensing Division prior to execution of the business agreement or contract. This agreement or contract must detail how the preceding requirements will be met. Please submit any documents to Kitchens@lcb.wa.gov.

Ms. Doyle's petition presents the following **issue**:

Whether the Board should initiate rulemaking to consider creating a new rule allowing liquor licensees with kitchens to rent out their kitchen space to food establishment businesses for the purposes of food preparation and cooking.

Authority

RCW 66.08.030(12) authorizes the Board, among other things, to adopt rules prescribing the conditions, accommodations, and qualifications required to obtain licenses to sell beer, wine, and spirits, and regulating the sale of beer, wine, and spirits under these licenses.

RCW 66.24.010 authorizes the Board to issue liquor licenses under certain conditions, and includes, among other things, the types of information and criteria that the Board is

required or allowed to consider when reviewing any application for a license. The statute gives the Board wide discretion to grant or deny a license: “Subject to the provisions of this section, the board may, in its discretion, grant or deny the renewal or license applied for.” RCW 66.24.010(2).

WAC 314-07-020(7) requires licensees to have exclusive rights to all of the real and personal property on the premises as part of the liquor license qualifications and application process. Subsection (7) states: “The board will conduct an investigation to establish the applicant's exclusive right to the real and personal property and to verify the true party(ies) of interest.”

Analysis

The exclusive rights provision in WAC 314-07-020(7) prohibits liquor licensees from renting out their kitchen space to other businesses. Under WAC 314-07-020(7), licensees are required to have exclusive rights to all of the real and personal property on the premises. This means that spaces such as kitchens cannot generally be shared with other business entities, unless an exception applies.³ The exclusive rights provision is designed to address public safety concerns related to co-mingling of alcohol products or property among multiple entities that use the same spaces, and concerns related to accountability for potential violations in shared spaces. The parameters provided in the original rental kitchen allowance address these public safety concerns.

Although the Board has rulemaking authority to amend the exclusive rights provision and create a new rule section allowing liquor licensees to rent out their kitchen space to non-licensee food establishment businesses under the parameters in the allowance, initiating rulemaking at this time may be premature. During the period of time that the rental kitchen allowance was available between mid-2020 and July 2021, no licensees applied for the allowance and agency staff are not aware of any cases or specific examples of licensees that have engaged in this activity, or sought to engage in this activity, by renting their kitchen space to food establishment businesses.

Rather than initiate rulemaking now, it may make more sense to renew the rental kitchen allowance for a reasonable period (such as for 6 months or until April 15, 2022) and re-evaluate whether to initiate rulemaking at the end of that period. Renewing the allowance and providing licensees with another opportunity to rent out their kitchen space to food establishment businesses will temporarily address Ms. Doyle’s concerns while allowing the agency to gauge the level of licensee interest in the allowance and gather data on whether the allowance parameters need any adjustment. For example, depending on the number of applications submitted by licensees and the level of interest expressed, the allowance could either be discontinued on April 15, 2022 (i.e. if, once again, no licensees apply for the allowance), or renewed with the possibility of initiating rulemaking.

Recommendation

For the reasons described above, Director’s Office staff recommends that consistent with RCW 34.05.330(1)(a)(i), the Board deny Ms. Doyle’s rule petition request received on August 17, 2021. Consistent with RCW 34.05.330(1)(a)(ii), Director’s Office staff also recommends that the Board consider alternative means to address Ms. Doyle’s concerns by renewing the rental kitchen allowance until April 15, 2022 (for approximately 6 months), and re-evaluating whether it would be appropriate to initiate rulemaking at the end of that period.

Board Action

The Board agrees to accept/deny the petition received on August 17, 2021, from Ms. Doyle.

<input type="checkbox"/> Accept	<input type="checkbox"/> Deny	_____	_____
		David Postman, Chair	Date
<input type="checkbox"/> Accept	<input type="checkbox"/> Deny	_____	_____
		Ollie Garrett, Board Member	Date
<input type="checkbox"/> Accept	<input type="checkbox"/> Deny	_____	_____
		Russ Hauge, Board Member	Date

Attachments

1. Rule Petition & Attached Document received on August 17, 2021, from Katie Doyle on behalf of the WA Hospitality Association.
2. RCW 66.08.030
3. RCW 66.24.010
4. WAC 314-07-020

¹ See Attachment 1, Rule Petition & Attached Document received on August 17, 2021, from Katie Doyle on behalf of the Washington Hospitality Association.
² WSLCB, “Guidance for Licensees with Alcohol Privileges” available at https://lcb.wa.gov/covid19/covid-19_alcohol_licensee_guidelines (accessed on September 22, 2021).
³ For example, shared tasting rooms authorized by RCW 66.24.170 or 66.24.1472 are a limited exception to the exclusive rights requirement, and specific criteria for eligibility, including accountability for any violation or enforcement issues, are described in statute.



PETITION FOR ADOPTION, AMENDMENT, OR REPEAL OF A STATE ADMINISTRATIVE RULE

[Print Form](#)

In accordance with [RCW 34.05.330](#), the Office of Financial Management (OFM) created this form for individuals or groups who wish to petition a state agency or institution of higher education to adopt, amend, or repeal an administrative rule. You may use this form to submit your request. You also may contact agencies using other formats, such as a letter or email.

The agency or institution will give full consideration to your petition and will respond to you within 60 days of receiving your petition. For more information on the rule petition process, see Chapter 82-05 of the Washington Administrative Code (WAC) at <http://apps.leg.wa.gov/wac/default.aspx?cite=82-05>.

CONTACT INFORMATION *(please type or print)*

Petitioner's Name Katie Doyle

Name of Organization Washington Hospitality Association

Mailing Address 510 Plum St SE

City Olympia State WA Zip Code 98501

Telephone 360-789-2136 Email Katied@wahospitality.org

COMPLETING AND SENDING PETITION FORM

- Check all of the boxes that apply.
- Provide relevant examples.
- Include suggested language for a rule, if possible.
- Attach additional pages, if needed.
- Send your petition to the agency with authority to adopt or administer the rule. Here is a list of agencies and their rules coordinators: <http://www.leg.wa.gov/CodeReviser/Documents/RClst.htm>.

INFORMATION ON RULE PETITION

Agency responsible for adopting or administering the rule: Liquor & Cannabis Board

1. NEW RULE - I am requesting the agency to adopt a new rule.

see attached documentation

The subject (or purpose) of this rule is: _____

see attached documentation

The rule is needed because: _____

All Liquor Licensees

The new rule would affect the following people or groups: _____

2. AMEND RULE - I am requesting the agency to change an existing rule.

List rule number (WAC), if known: _____

I am requesting the following change: _____

This change is needed because: _____

The effect of this rule change will be: _____

The rule is not clearly or simply stated: _____

3. REPEAL RULE - I am requesting the agency to eliminate an existing rule.

List rule number (WAC), if known: _____

(Check one or more boxes)

It does not do what it was intended to do.

It is no longer needed because: _____

It imposes unreasonable costs: _____

The agency has no authority to make this rule: _____

It is applied differently to public and private parties: _____

It conflicts with another federal, state, or local law or rule. List conflicting law or rule, if known: _____

It duplicates another federal, state or local law or rule. List duplicate law or rule, if known: _____

Other (please explain): _____

Background and Issue:

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Proposed solution:

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Parameters around the allowance:

- The renter does not have ownership interest in any liquor licensed business;
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- The liquor licensee secures or removes alcohol during the hours the renter is cooking and preparing food;
 - Examples of securing or removing alcohol include:
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 - Locking access to the part of the establishment that contains alcohol during the hours the renter is present; and
 - Physically removing alcohol from the licensed premise during the hours the renter is present.
- There is a standard operating contract that excludes any profit sharing between the liquor licensee and the renter;
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- The liquor licensee must submit a business agreement or contract to the WSLCB Licensing Division prior to execution of the business agreement or contract. This agreement or contract must detail how the preceding requirements will be met. Please submit any documents to Kitchens@lcb.wa.gov.

RCW 66.08.030**Regulations—Scope.**

The power of the board to make regulations under chapter **34.05** RCW extends to:

(1) Prescribing the duties of the employees of the board, and regulating their conduct in the discharge of their duties;

(2) Prescribing an official seal and official labels and stamps and determining the manner in which they must be attached to every package of liquor sold or sealed under this title, including the prescribing of different official seals or different official labels for different classes of liquor;

(3) Prescribing forms to be used for purposes of this title or the regulations, and the terms and conditions to be contained in permits and licenses issued under this title, and the qualifications for receiving a permit or license issued under this title, including a criminal history record information check. The board may submit the criminal history record information check to the Washington state patrol and to the identification division of the federal bureau of investigation in order that these agencies may search their records for prior arrests and convictions of the individual or individuals who filled out the forms. The board must require fingerprinting of any applicant whose criminal history record information check is submitted to the federal bureau of investigation;

(4) Prescribing the fees payable in respect of permits and licenses issued under this title for which no fees are prescribed in this title, and prescribing the fees for anything done or permitted to be done under the regulations;

(5) Prescribing the kinds and quantities of liquor which may be kept on hand by the holder of a special permit for the purposes named in the permit, regulating the manner in which the same is kept and disposed of, and providing for the inspection of the same at any time at the instance of the board;

(6) Regulating the sale of liquor kept by the holders of licenses which entitle the holder to purchase and keep liquor for sale;

(7) Prescribing the records of purchases or sales of liquor kept by the holders of licenses, and the reports to be made thereon to the board, and providing for inspection of the records so kept;

(8) Prescribing the kinds and quantities of liquor for which a prescription may be given, and the number of prescriptions which may be given to the same patient within a stated period;

(9) Prescribing the manner of giving and serving notices required by this title or the regulations, where not otherwise provided for in this title;

(10) Regulating premises in which liquor is kept for export from the state, or from which liquor is exported, prescribing the books and records to be kept therein and the reports to be made thereon to the board, and providing for the inspection of the premises and the books, records and the liquor so kept;

(11) Prescribing the conditions and qualifications requisite for the obtaining of club licenses and the books and records to be kept and the returns to be made by clubs, prescribing the manner of licensing clubs in any municipality or other locality, and providing for the inspection of clubs;

(12) Prescribing the conditions, accommodations, and qualifications requisite for the obtaining of licenses to sell beer, wines, and spirits, and regulating the sale of beer, wines, and spirits thereunder;

(13) Specifying and regulating the time and periods when, and the manner, methods and means by which manufacturers must deliver liquor within the state; and the time and periods when, and the manner, methods and means by which liquor may lawfully be conveyed or carried within the state;

(14) Providing for the making of returns by brewers of their sales of beer shipped within the state, or from the state, showing the gross amount of such sales and providing for the inspection of brewers' books and records, and for the checking of the accuracy of any such returns;

(15) Providing for the making of returns by the wholesalers of beer whose breweries are located beyond the boundaries of the state;

(16) Providing for the making of returns by any other liquor manufacturers, showing the gross amount of liquor produced or purchased, the amount sold within and exported from the state, and to

whom so sold or exported, and providing for the inspection of the premises of any such liquor manufacturers, their books and records, and for the checking of any such return;

(17) Providing for the giving of fidelity bonds by any or all of the employees of the board. However, the premiums therefor must be paid by the board;

(18) Providing for the shipment of liquor to any person holding a permit and residing in any unit which has, by election pursuant to this title, prohibited the sale of liquor therein;

(19) Prescribing methods of manufacture, conditions of sanitation, standards of ingredients, quality and identity of alcoholic beverages manufactured, sold, bottled, or handled by licensees and the board; and conducting from time to time, in the interest of the public health and general welfare, scientific studies and research relating to alcoholic beverages and the use and effect thereof;

(20) Seizing, confiscating and destroying all alcoholic beverages manufactured, sold or offered for sale within this state which do not conform in all respects to the standards prescribed by this title or the regulations of the board. However, nothing herein contained may be construed as authorizing the *liquor board to prescribe, alter, limit or in any way change the present law as to the quantity or percentage of alcohol used in the manufacturing of wine or other alcoholic beverages;

(21) Monitoring and regulating the practices of license holders as necessary in order to prevent the theft and illegal trafficking of liquor pursuant to RCW **66.28.350**.

[**2014 c 63 § 2**; **2012 c 2 § 204** (Initiative Measure No. 1183, approved November 8, 2011); **2002 c 119 § 2**; **1977 ex.s. c 115 § 1**; **1971 c 62 § 1**; **1943 c 102 § 1**; **1933 ex.s. c 62 § 79**; RRS § 7306-79. Formerly RCW **66.08.030** and **66.08.040**.]

NOTES:

***Reviser's note:** The "state liquor control board" was renamed the "state liquor and cannabis board" by **2015 c 70 § 3**.

Finding—Application—Rules—Effective date—Contingent effective date—2012 c 2 (Initiative Measure No. 1183): See notes following RCW **66.24.620**.

RCW 66.24.010**Licensure—Issuance—Conditions and restrictions—Limitations—Temporary licenses.**

(1) Every license must be issued in the name of the applicant, and the holder thereof may not allow any other person to use the license.

(2) For the purpose of considering any application for a license, or the renewal of a license, the board may cause an inspection of the premises to be made, and may inquire into all matters in connection with the construction and operation of the premises. For the purpose of reviewing any application for a license and for considering the denial, suspension, revocation, or renewal or denial thereof, of any license, the board may consider any prior criminal conduct of the applicant including an administrative violation history record with the board and a criminal history record information check. The board may submit the criminal history record information check to the Washington state patrol and to the identification division of the federal bureau of investigation in order that these agencies may search their records for prior arrests and convictions of the individual or individuals who filled out the forms. The board must require fingerprinting of any applicant whose criminal history record information check is submitted to the federal bureau of investigation. The provisions of RCW 9.95.240 and of chapter 9.96A RCW do not apply to such cases. Subject to the provisions of this section, the board may, in its discretion, grant or deny the renewal or license applied for. Denial may be based on, without limitation, the existence of chronic illegal activity documented in objections submitted pursuant to subsections (8) (d) and (12) of this section. Authority to approve an uncontested or unopposed license may be granted by the board to any staff member the board designates in writing. Conditions for granting such authority must be adopted by rule. No retail license of any kind may be issued to:

(a) A person doing business as a sole proprietor who has not resided in the state for at least one month prior to receiving a license, except in cases of licenses issued to dining places on railroads, boats, or aircraft;

(b) A copartnership, unless all of the members thereof are qualified to obtain a license, as provided in this section;

(c) A person whose place of business is conducted by a manager or agent, unless such manager or agent possesses the same qualifications required of the licensee;

(d) A corporation or a limited liability company, unless it was created under the laws of the state of Washington or holds a certificate of authority to transact business in the state of Washington.

(3)(a) The board may, in its discretion, subject to the provisions of RCW 66.08.150, suspend or cancel any license; and all rights of the licensee to keep or sell liquor thereunder must be suspended or terminated, as the case may be.

(b) The board must immediately suspend the license or certificate of a person who has been certified pursuant to RCW 74.20A.320 by the department of social and health services as a person who is not in compliance with a support order. If the person has continued to meet all other requirements for reinstatement during the suspension, reissuance of the license or certificate is automatic upon the board's receipt of a release issued by the department of social and health services stating that the licensee is in compliance with the order.

(c) Upon written notification by the department of revenue in accordance with RCW 82.08.155 that a person is more than thirty days delinquent in reporting or remitting spirits taxes to the department, the board must suspend all spirits licenses held by that person. The board must also refuse to renew any existing spirits license of, or issue any new spirits license to, the person or any other applicant controlled directly or indirectly by that person. The board may not reinstate a person's spirits license or renew or issue a new spirits license to that person, or an applicant controlled directly or indirectly by that person, until such time as the department of revenue notifies the board that the person is current in reporting and remitting spirits taxes or that the department consents to the reinstatement or renewal of the person's spirits license or the issuance of a new spirits license to the person. For purposes of this section: (i)

"Spirits license" means any license issued by the board under the authority of this chapter that authorizes the licensee to sell spirits; and (ii) "spirits taxes" has the same meaning as in RCW **82.08.155**.

(d) The board may request the appointment of administrative law judges under chapter **34.12** RCW who must have power to administer oaths, issue subpoenas for the attendance of witnesses and the production of papers, books, accounts, documents, and testimony, examine witnesses, and to receive testimony in any inquiry, investigation, hearing, or proceeding in any part of the state, under such rules and regulations as the board may adopt.

(e) Witnesses are allowed fees and mileage each way to and from any such inquiry, investigation, hearing, or proceeding at the rate authorized by RCW **34.05.446**. Fees need not be paid in advance of appearance of witnesses to testify or to produce books, records, or other legal evidence.

(f) In case of disobedience of any person to comply with the order of the board or a subpoena issued by the board, or any of its members, or administrative law judges, or on the refusal of a witness to testify to any matter regarding which he or she may be lawfully interrogated, the judge of the superior court of the county in which the person resides, on application of any member of the board or administrative law judge, must compel obedience by contempt proceedings, as in the case of disobedience of the requirements of a subpoena issued from said court or a refusal to testify therein.

(4) Upon receipt of notice of the suspension or cancellation of a license, the licensee must forthwith deliver up the license to the board. Where the license has been suspended only, the board must return the license to the licensee at the expiration or termination of the period of suspension. The board must notify all vendors in the city or place where the licensee has its premises of the suspension or cancellation of the license; and no employee may allow or cause any liquor to be delivered to or for any person at the premises of that licensee.

(5)(a) For the original issuance of a liquor license, including the approval of a conditional license as provided in (b) of this subsection, the board must set the expiration date of the license to the last day of the calendar month that is twelve months from the calendar month in which final approval of the license is granted. Upon renewal, the expiration date of the license, including licenses approved under (b) of this subsection, may subsequently be prorated as necessary in accordance with chapter **19.02** RCW.

(b)(i) When an applicant for a liquor license is qualified for approval of the license in every way except having executed a lease or purchase agreement for the proposed licensed premises, the board must grant conditional approval to the applicant.

(ii) Upon notification to the board of execution of the lease or purchase agreement putting the applicant in control of the premises, the board must immediately grant final approval of the license issuance, and the licensee may immediately begin exercising all privileges provided under the license, except as otherwise provided under this title.

(iii) For the purposes of this title, the term "license" includes "conditional license."

(6) Every license issued under this section is subject to all conditions and restrictions imposed by this title or by rules adopted by the board. All conditions and restrictions imposed by the board in the issuance of an individual license may be listed on the face of the individual license along with the trade name, address, and expiration date. Conditions and restrictions imposed by the board may also be included in official correspondence separate from the license. All spirits licenses are subject to the condition that the spirits license holder must report and remit to the department of revenue all spirits taxes by the date due.

(7) Every licensee must post and keep posted its license, or licenses, and any additional correspondence containing conditions and restrictions imposed by the board in a conspicuous place on the premises.

(8)(a) Unless (b) of this subsection applies, before the board issues a new or renewal license to an applicant it must give notice of such application to the chief executive officer of the incorporated city or town, if the application is for a license within an incorporated city or town, or to the county legislative authority, if the application is for a license outside the boundaries of incorporated cities or towns.

(b) If the application for a special occasion license is for an event held during a county, district, or area fair as defined by RCW **15.76.120**, and the county, district, or area fair is located on property owned by the county but located within an incorporated city or town, the county legislative authority must be the entity notified by the board under (a) of this subsection. The board must send a duplicate notice to the incorporated city or town within which the fair is located.

(c) The incorporated city or town through the official or employee selected by it, or the county legislative authority or the official or employee selected by it, has the right to file with the board within twenty days after the date of transmittal of such notice for applications, or at least thirty days prior to the expiration date for renewals, written objections against the applicant or against the premises for which the new or renewal license is asked. The board may extend the time period for submitting written objections.

(d) The written objections must include a statement of all facts upon which such objections are based, and in case written objections are filed, the city or town or county legislative authority may request and the board may in its discretion hold a hearing subject to the applicable provisions of Title **34** RCW. If the board makes an initial decision to deny a license or renewal based on the written objections of an incorporated city or town or county legislative authority, the applicant may request a hearing subject to the applicable provisions of Title **34** RCW. If such a hearing is held at the request of the applicant, board representatives must present and defend the board's initial decision to deny a license or renewal.

(e) Upon the granting of a license under this title the board must send written notification to the chief executive officer of the incorporated city or town in which the license is granted, or to the county legislative authority if the license is granted outside the boundaries of incorporated cities or towns. When the license is for a special occasion license for an event held during a county, district, or area fair as defined by RCW **15.76.120**, and the county, district, or area fair is located on county-owned property but located within an incorporated city or town, the written notification must be sent to both the incorporated city or town and the county legislative authority.

(9)(a) Before the board issues any license to any applicant, it shall give (i) due consideration to the location of the business to be conducted under such license with respect to the proximity of churches, schools, and public institutions and (ii) written notice, with receipt verification, of the application to public institutions identified by the board as appropriate to receive such notice, churches, and schools within five hundred feet of the premises to be licensed. The board may not issue a liquor license for either on-premises or off-premises consumption covering any premises not now licensed, if such premises are within five hundred feet of the premises of any tax-supported public elementary or secondary school measured along the most direct route over or across established public walks, streets, or other public passageway from the main entrance of the school to the nearest public entrance of the premises proposed for license, and if, after receipt by the school of the notice as provided in this subsection, the board receives written objection, within twenty days after receiving such notice, from an official representative or representatives of the school within five hundred feet of said proposed licensed premises, indicating to the board that there is an objection to the issuance of such license because of proximity to a school. The board may extend the time period for submitting objections. For the purpose of this section, "church" means a building erected for and used exclusively for religious worship and schooling or other activity in connection therewith. For the purpose of this section, "public institution" means institutions of higher education, parks, community centers, libraries, and transit centers.

(b) No liquor license may be issued or reissued by the board to any motor sports facility or licensee operating within the motor sports facility unless the motor sports facility enforces a program reasonably calculated to prevent alcohol or alcoholic beverages not purchased within the facility from entering the facility and such program is approved by local law enforcement agencies.

(c) It is the intent under this subsection (9) that a retail license may not be issued by the board where doing so would, in the judgment of the board, adversely affect a private school meeting the requirements for private schools under Title **28A** RCW, which school is within five hundred feet of the proposed licensee. The board must fully consider and give substantial weight to objections filed by

private schools. If a license is issued despite the proximity of a private school, the board must state in a letter addressed to the private school the board's reasons for issuing the license.

(10) The restrictions set forth in subsection (9) of this section do not prohibit the board from authorizing the assumption of existing licenses now located within the restricted area by other persons or licenses or relocations of existing licensed premises within the restricted area. In no case may the licensed premises be moved closer to a church or school than it was before the assumption or relocation.

(11)(a) Nothing in this section prohibits the board, in its discretion, from issuing a temporary retail or distributor license to an applicant to operate the retail or distributor premises during the period the application for the license is pending. The board may establish a fee for a temporary license by rule.

(b) A temporary license issued by the board under this section must be for a period not to exceed sixty days. A temporary license may be extended at the discretion of the board for additional periods of sixty days upon payment of an additional fee and upon compliance with all conditions required in this section.

(c) Refusal by the board to issue or extend a temporary license shall not entitle the applicant to request a hearing. A temporary license may be canceled or suspended summarily at any time if the board determines that good cause for cancellation or suspension exists. RCW **66.08.130** applies to temporary licenses.

(d) Application for a temporary license must be on such form as the board shall prescribe. If an application for a temporary license is withdrawn before issuance or is refused by the board, the fee which accompanied such application must be refunded in full.

(12) In determining whether to grant or deny a license or renewal of any license, the board must give substantial weight to objections from an incorporated city or town or county legislative authority based upon chronic illegal activity associated with the applicant's operations of the premises proposed to be licensed or the applicant's operation of any other licensed premises, or the conduct of the applicant's patrons inside or outside the licensed premises. "Chronic illegal activity" means (a) a pervasive pattern of activity that threatens the public health, safety, and welfare of the city, town, or county including, but not limited to, open container violations, assaults, disturbances, disorderly conduct, or other criminal law violations, or as documented in crime statistics, police reports, emergency medical response data, calls for service, field data, or similar records of a law enforcement agency for the city, town, county, or any other municipal corporation or any state agency; or (b) an unreasonably high number of citations for violations of RCW **46.61.502** associated with the applicant's or licensee's operation of any licensed premises as indicated by the reported statements given to law enforcement upon arrest.

[**2019 c 370 § 1**; **2012 c 39 § 4**; **2011 c 195 § 1**; **2009 c 271 § 6**; **2007 c 473 § 1**; **2006 c 359 § 1**; **2004 c 133 § 1**; **2002 c 119 § 3**; **1998 c 126 § 2**. Prior: **1997 c 321 § 1**; **1997 c 58 § 873**; **1995 c 232 § 1**; **1988 c 200 § 1**; **1987 c 217 § 1**; **1983 c 160 § 3**; **1982 c 85 § 2**; **1981 1st ex.s. c 5 § 10**; **1981 c 67 § 31**; **1974 ex.s. c 66 § 1**; **1973 1st ex.s. c 209 § 10**; **1971 c 70 § 1**; **1969 ex.s. c 178 § 3**; **1947 c 144 § 1**; **1935 c 174 § 3**; **1933 ex.s. c 62 § 27**; Rem. Supp. 1947 § 7306-27. Formerly RCW **66.24.010**, part and **66.24.020** through **66.24.100**. FORMER PART OF SECTION: 1937 c 217 § 1 (23U) now codified as RCW **66.24.025**.]

NOTES:

Effective date—2019 c 370: "This act takes effect January 1, 2020." [**2019 c 370 § 2**.]

Construction—Effective date—2012 c 39: See notes following RCW **82.08.155**.

Effective date—1998 c 126: See note following RCW **66.20.010**.

Effective date—1997 c 321: "This act takes effect July 1, 1998." [[1997 c 321 § 64.](#)]

Short title—Part headings, captions, table of contents not law—Exemptions and waivers from federal law—Conflict with federal requirements—Severability—1997 c 58: See RCW [74.08A.900](#) through [74.08A.904](#).

Effective dates—Intent—1997 c 58: See notes following RCW [74.20A.320](#).

Effective date—1981 1st ex.s. c 5: See RCW [66.98.100](#).

Effective dates—Severability—1981 c 67: See notes following RCW [34.12.010](#).

Severability—Effective date—1973 1st ex.s. c 209: See notes following RCW [66.20.160](#).

Effective date—1971 c 70: "The effective date of this 1971 amendatory act is July 1, 1971." [[1971 c 70 § 4.](#)]

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Liquor license qualifications and application process.

Each liquor license application is unique and investigated individually. The board may inquire and request documents regarding all matters in connection with the liquor license application. Following is a general outline of the liquor license application process.

(1) Per RCW **66.24.010**, the board shall send a notice to the local authority regarding the liquor license application. The local authority has twenty days to respond with a recommendation to approve or an objection to the applicant, location, or both.

(a) The local authority may submit a written request to the board for an extension for good cause shown.

(b) If the application is within a board-recognized alcohol impact area, the board will give the local authority sixty days to comment on the liquor license application or assumption (see WAC **314-12-215(7)** for more information).

(2) For an application for a new liquor license privilege, the board may require a public posting notice to be posted at the site for fourteen days.

(3) For an application for a new liquor license privilege, the board shall notify schools, churches, or public colleges or universities within five hundred feet of the business (see RCW **66.24.010(9)** for more information).

(4) The board will verify that the proposed business meets the minimum requirements for the type of license or privilege requested.

(5) The board may conduct an investigation of the applicants' criminal history and administrative violation history, per WAC **314-07-040** and **314-07-045**.

(6) The board may conduct a financial investigation in order to verify the source of funds used for the acquisition and startup of the business.

(7) The board will conduct an investigation to establish the applicant's exclusive right to the real and personal property and to verify the true party(ies) of interest.

(8) The board may provide a briefing on liquor laws and rules.

(9) The board may conduct a final inspection of the proposed licensed business, in order to determine if the applicant has complied with all the requirements of the license or privilege requested.

(10) Per RCW **66.24.010** (2)(a), all applicants must have resided in the state of Washington for at least one month prior to issuance of a liquor license. For a corporation or a limited liability company, the entity meets this residency requirement if the entity was formed in Washington or has a certificate of authority to do business in Washington.

(11) All applicants and true parties of interest must be at least twenty-one years of age.

(12) Upon failure to respond to the board licensing and regulation division's requests for information within the timeline provided, the application will be administratively closed.

[Statutory Authority: RCW **66.08.030** and **66.24.010**. WSR 15-11-106, § 314-07-020, filed 5/20/15, effective 6/20/15; WSR 10-10-126, § 314-07-020, filed 5/5/10, effective 6/5/10. Statutory Authority: RCW **66.08.030**, **66.24.010**, **66.24.015**, and **66.24.025**. WSR 05-07-012, § 314-07-020, filed 3/4/05, effective 4/4/05.]