Date: July 19, 2023

To: David Postman, Board Chair

Ollie Garrett, Board Member Jim Vollendroff, Board Member

From: Daniel Jacobs, Policy and Rules Coordinator

Copy: Will Lukela, Agency Director

Toni Hood, Agency Deputy Director

Chandra Wax, Director of Enforcement and Education

Becky Smith, Licensing Director

Justin Nordhorn, Policy and External Affairs Director

Cassidy West, Rules & Policy Manager

Subject: Approval to file a pre-proposal statement of inquiry (CR 101)

regarding Implementation of Substitute Senate Bill (SSB) 5448 and Class 13 Mandatory Alcohol Server Training (MAST) Permit Privilege

Review.

The Washington State Liquor and Cannabis Board (Board) is considering repealing, amending, and creating rule sections in Title 314 WAC as necessary to implement <u>SSB</u> 5448 (chapter 279, Laws of 2023). The Board is also considering amending WAC 314-17-015 and repealing, amending, and creating rule sections in Title 314 WAC, or both as necessary to allow Class 13 MAST permit holders, in areas that are not minor restricted, to open and pour beer and wine from bottles and cans away from the table.

Process

The Policy and Rules Coordinator requests approval to file the pre-proposal statement of inquiry (CR 101) for the rule making described above. A CR 101 Memorandum was presented at the Board meeting on July 19, 2023 and is attached to this order.

If approved for filing, the <u>tentative timeline</u> for the rule making process is outlined below:

	July 19, 2023	Board is asked to approve filing pre-proposal statement of inquiry (CR 101). CR 101 is filed with the Office of the Code Reviser. Webpage is updated and notice circulated by GovDelivery distribution list. Informal comment period begins.
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CR 101 – Board Approval 1 Re: SSB 5448 Standard Rulemaking / MAST 13 Permit

August 2, 2023	Notice is published in the Washington State Register under WSR 23-15.
August 21, 2023	Informal comment period ends.
September 13, 2023	Board is asked to approve filing proposed rules (CR 102). CR 102 is filed with the Office of the Code Reviser. Webpage is updated and notice circulated by the rules distribution list. Formal comment period begins.
October 4, 2023	Notice is published in the Washington State Register
7, 2020	under WSR 23-19.
October 25, 2023	Public hearing is held and formal comment period ends.
November 8, 2023	Board is asked to adopt rules if no substantive changes are made (CR 103).
	Concise Explanatory Statement is provided to individuals offering written or oral comment at the public hearing or during the formal comment period, consistent with RCW 34.05.325.
	CR 103 and adopted rules are filed with the Office of the Code Reviser.
	Webpage is updated and notice circulated by GovDelivery distribution list.
December 8, 2023	Rules are effective 31 days after filing unless otherwise specified. See RCW 34.05.380(2).

Approve	Disapprove			
	 Disapprove	David Postman, Chair	Date	
Approve Approve	Disapprove	Ollie Garrett, Board Member	Date	
		Jim Vollendroff, Board Member	Date	•

Attachments: CR 101 Memorandum

January 4, 2023 Response to Petition for Rule-Making SSB 5448 (chapter 279, Laws of 2023)



CR 101 Memorandum

Regarding Implementation of Substitute Senate Bill (SSB) 5448 and Class 13 MAST Permit Privilege Review.

Date: July 19, 2023

Presented by: Daniel Jacobs, Policy and Rules Coordinator

Background

On November 9, 2022, Josh McDonald, on behalf of the Washington Wine Institute, submitted a petition for adoption, amendment, or repeal of a state administrative rule to the Washington State Liquor and Cannabis Board (Board). The petition requested that the Board amend WAC 314-17-015 to allow Class 13 permit holders to open and pour beer and wine away from the customer's table in the same manner they are permitted to do so at the table under WAC 314-17-015(6)(c).

On January 4, 2023, the Board accepted the petition. Consistent with RCW 34.05.330(1)(b), the Board agreed to initiate the rulemaking process and begin collaboratively engaging with stakeholders and any interested members of the public to explore the possibility of defining where, in areas not restricted to minors, a Class 13 permit holder may open and pour beer and wine away from the customer's table.

During the 2023 legislative session, the Washington state legislature passed <u>Substitute Senate Bill (SSB) 5448 (chapter 279, Laws of 2023)</u> regarding an extension of alcohol delivery and takeout privileges that were introduced by the legislature during the COVID-19 pandemic. Part of SSB 5448 makes changes and additions to the required education provided in the Mandatory Alcohol Server Training (MAST) program and by MAST course providers, while additional provisions of the bill were implemented using the exception rule process described in RCW 34.05.310(4).

Because the part of Title 314 WAC on the MAST program was already "open" because of the MAST 13 Permit Privilege Review rulemaking project already under way, and begun during the middle of the legislative session, the most efficient and expeditious use of rulemaking resources required the MAST 13 Permit Privilege Review project to be withdrawn, combined and refiled in conjunction with the standard rulemaking that will be required by SSB 5448.

Reasons Why Rulemaking Is Needed

Amending WAC 314-17-015 in addition to potentially new rule sections and amendments to, or repeals of, existing rule sections in Title 314 WAC may be necessary to allow Class 13 MAST permit holders, in areas not restricted to minors, to open and pour beer and wine from bottles or cans away from the table.

Additionally, it may be necessary to amend, repeal, or create new sections of Title 314 WAC to implement the provisions of SSB 5448 which cannot be addressed by the exception rulemaking process. Examples of such are including but not limited to aligning existing sections of Title 314 WAC with the new definition of delivery in RCW 66.04.010, such as WAC 314-03-035, 314-20-260, and 314-28-100.

Process

The rulemaking process begins by announcing the Board's intent to consider changes to existing rules, add new rule sections, or both by filing a pre-proposal statement of inquiry (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 possible rule changes.

At the CR 101 stage of the rulemaking process, no proposed language is offered. Any interested person may comment on 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 related to this pre-proposal statement of 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: Title 314 WAC. The Washington State Liquor and Cannabis Board (LCB) is considering amending WAC 314-17-015 and repealing, amending, and creating rule sections in Title 314 WAC or both as necessary to allow Class 13 MAST permit holders, in areas not restricted to minors, to open and pour beer and wine from bottles or cans away from the table.				
The LCB is also considering repealing, amending, and creating rule sections in Title 314 WAC as necessary to implement th provisions of Substitute Senate Bill (SSB) 5448 (chapter 279, Laws of 2023), enacted during the 2023 legislative session regarding an extension of alcohol delivery and takeout privileges that expired on July 1, 2023.				
Statutes authorizing the agency to adopt rules on this subject: RCW 66.08.030 (liquor) and 66.20.330 (alcohol servers).				
Reasons why rules on this subject may be needed and what they might accomplish: On January 4, 2023, the LCB accepted a rule petition related to Class 13 permit holders and where they may open and pour beer and wine away from the customer's table. Consistent with RCW 34.05.330(1)(b), the LCB is initiating the rulemaking process to begin collaboratively engaging with stakeholders and any interested members of the public to explore the possibility of allowing, in areas that are not minor restricted, Class 13 permit holders to open and pour beer and wine from bottles or cans.				
During the 2023 legislative session, the Washington state legislature passed SSB 5448 (chapter 279, Laws of 2023), signed into law by the governor on May 4, 2023, scheduled to become effective July 1, 2023, on the topic of alcohol delivery and takeout privileges and extending those privileges beyond July 1, 2023, when they expired. While using the exception process described in RCW 34.05.310(4) to align regulations with the language of SSB 5448 is already completed, rulemaking that cannot be completed under the exception process may be necessary to address issues that may arise from SSB 5448. Examples of such are including but not limited to aligning existing sections of Title 314 WAC with the new definition of delivery in RCW 66.04.010, such as WAC 314-03-035, 314-20-260 and 314-28-100.				
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:				

Name: Daniel Jacobs, Policy and Rules Coordinator Address: PO BOX 43080, Olympia, WA 98504

Phone: 360-480 1238 Fax: 360-704-5027

TTY:

(If necessary) Name:

Address: Phone:

Fax: TTY:

Email: rules@lcb.wa.gov	Email:
Web site: lcb.wa.gov	Web site:
Other:	Other:
submitting written comments, and are encourage https://public.govdelivery.com/accounts/WALC	participate in the rule process through open public meetings and by ged to sign up for the interested parties list (GovDelivery) at B/subscriber/new. Rulemaking notices and stakeholder engagement and posted to the WSLCB website at lcb.wa.gov.
Date: July 19, 2023	Signature:
Name: David Postman	Place signature here
Title: Chair	

CERTIFICATION OF ENROLLMENT

SUBSTITUTE SENATE BILL 5448

Chapter 279, Laws of 2023

68th Legislature 2023 Regular Session

ALCOHOL DELIVERY AND TAKEOUT—EXTENSION

EFFECTIVE DATE: July 1, 2023

Passed by the Senate April 18, 2023 CERTIFICATE Yeas 40 Nays 8 I, Sarah Bannister, Secretary of the Senate of the State of DENNY HECK Washington, do hereby certify that the attached is **SUBSTITUTE SENATE** President of the Senate BILL 5448 as passed by the Senate and the House of Representatives on the dates hereon set forth. Passed by the House April 10, 2023 Yeas 80 Nays 18 SARAH BANNISTER Secretary LAURIE JINKINS

Speaker of the House of Representatives

Approved May 4, 2023 10:58 AM

FILED

May 4, 2023

JAY INSLEE State of Washington

Governor of the State of Washington

SUBSTITUTE SENATE BILL 5448

AS AMENDED BY THE HOUSE

Passed Legislature - 2023 Regular Session

State of Washington

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68th Legislature

2023 Regular Session

By Senate Labor & Commerce (originally sponsored by Senators MacEwen, Mullet, Nguyen, and Shewmake)

READ FIRST TIME 02/16/23.

- AN ACT Relating to liquor licensee privileges for the delivery of alcohol; amending RCW 66.20.320 and 66.24.660; amending 2021 c 48 s 2 (uncodified); reenacting and amending RCW 66.04.010 and 66.20.310; adding a new section to chapter 66.24 RCW; creating a new section; providing an effective date; and declaring an emergency.
- 6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 7 **Sec. 1.** 2021 c 48 s 2 (uncodified) is amended to read as 8 follows:
 - (1) ((The board must implement the provisions of this section as expeditiously as possible. Liquor licensees may conduct activities authorized under this section before completion by the board of actions the board plans to take in order to implement this act, such as adoption of rules or completion of information system changes necessary to allow licensees to apply for required endorsements. However, licensees must comply with board rules when they take effect.
 - (2) The)) (a) Except as provided in (b) of this subsection, the following licensees may sell alcohol products at retail for ((curbside and)) takeout ((service)) or delivery or both under liquor and cannabis board licenses and endorsements: Beer and wine restaurants; spirits, beer, and wine restaurants; taverns; domestic

p. 1 SSB 5448.SL

wineries; domestic breweries and microbreweries; distilleries; snack bars; nonprofit arts licensees; and caterers.

(b) No alcohol products may be sold by delivery under this section after July 1, 2025.

 $((\frac{3}{3}))$ (2) Spirits, beer, and wine restaurant licensees may sell premixed cocktails ((and cocktail kits)) for takeout ((or curbside service)) and, until July 1, 2025, for delivery. The board may establish by rule the manner in which premixed cocktails for off-premises consumption must be provided. This subsection does not authorize the sale of ((full)) bottles of spirits by licensees for off-premises consumption((, with the exception of mini-bottles as part of cocktail kits. Mini-bottle sales authorized under this subsection as part of cocktail kits are exempt from the spirits license issuance fee under RCW 66.24.630(4)(a) and the tax on each retail sale of spirits under RCW 82.08.150)).

((+4+)) (3) Spirits, beer, and wine restaurant licensees may sell wine by the glass or premixed wine and spirits cocktails for takeout ((or curbside service)) and ((for)), until July 1, 2025, delivery. Beer and wine restaurant licensees may sell wine or premixed wine drinks by the glass for takeout ((or curbside service)) and ((for)), until July 1, 2025, delivery. The board may establish by rule the manner in which wine by the glass and premixed cocktails for off-premises consumption must be provided.

((+5)) (4) Licensees that were authorized by statute or rule before January 1, 2020, to sell growlers for on-premises consumption may sell growlers for off-premises consumption through ((-1)) takeout (-1) or, until July 1, 2025, delivery (-1) Sale of growlers under this subsection must meet federal alcohol and tobacco tax and trade bureau requirements.

 $((\frac{(+6)}{(+6)}))$ (5)(a) Licensees must obtain from the board an endorsement to their license in order to conduct activities authorized under subsections $((\frac{(+2)}{(+2)}))$ (1) through $((\frac{(+5)}{(+5)}))$ (4) of this section. The board may adopt rules governing the manner in which the activities authorized under this section must be conducted. Licensees must not be charged a fee in order to obtain an endorsement required under this section.

(b) (i) Alcohol delivery under this section must be performed by an employee of an alcohol delivery endorsement holder who is 21 years of age or older and possesses a class 12 permit, in accordance with RCW 66.20.310.

- (ii) Delivery services conducted by beer and wine restaurant licensees and spirits, beer, and wine restaurant licensees under this section must be accompanied by a purchased meal prepared and sold by the license holder.
- (c) Alcohol sold for takeout by beer and wine restaurant licensees and spirits, beer, and wine restaurant licensees under this section must be accompanied by a purchased meal prepared and sold by the license holder.
- 9 <u>(d) Any alcohol product sold for takeout or delivery under this</u>
 10 <u>section must be in a factory sealed container or a tamper-resistant</u>
 11 container.

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- (((7))) <u>(6)</u> Beer and wine specialty shops licensed under RCW 66.24.371 and domestic breweries and microbreweries may sell prefilled growlers for off-premises consumption through takeout ((or curbside service)) and, until July 1, 2025, delivery, provided that prefilled growlers are sold the same day they are prepared for sale and not stored overnight for sale on future days.
- (((8))) <u>(7)</u> The board must adopt or revise current rules to allow for outdoor service of alcohol by on-premises licensees holding licenses issued by the board for the following license types: Beer and wine restaurants; spirits, beer, and wine restaurants; taverns; domestic wineries; domestic breweries and microbreweries; distilleries; snack bars; and private clubs licensed under RCW 66.24.450 and 66.24.452. The board may adopt requirements providing for clear accountability at locations where multiple licensees use a shared space for serving customers.
- ((+9)) (8) Upon delivery of any alcohol product authorized to be delivered under this section, the signature of the person age 21 or over receiving the delivery must be obtained.
- $((\frac{(10)}{(10)}))$ The definitions in this subsection apply throughout this section unless the context clearly requires otherwise.
 - (a) "Board" means the liquor and cannabis board.
 - (b) "Growlers" means sanitary containers brought to the premises by the purchaser or furnished by the licensee and filled by the retailer at the time of sale.
- 36 (((c) "Mini-bottles" means original factory-sealed containers
 37 holding not more than 50 milliliters of a spirituous beverage.
 - (11) This section expires July 1, 2023.))

Sec. 2. RCW 66.04.010 and 2019 c 61 s 1 are each reenacted and amended to read as follows:

In this title, unless the context otherwise requires:

- (1) "Alcohol" is that substance known as ethyl alcohol, hydrated oxide of ethyl, or spirit of wine, which is commonly produced by the fermentation or distillation of grain, starch, molasses, or sugar, or other substances including all dilutions and mixtures of this substance. The term "alcohol" does not include alcohol in the possession of a manufacturer or distiller of alcohol fuel, as described in RCW 66.12.130, which is intended to be denatured and used as a fuel for use in motor vehicles, farm implements, and machines or implements of husbandry.
 - (2) "Authorized representative" means a person who:
- (a) Is required to have a federal basic permit issued pursuant to the federal alcohol administration act, 27 U.S.C. Sec. 204;
- (b) Has its business located in the United States outside of the state of Washington;
- (c) Acquires ownership of beer or wine for transportation into and resale in the state of Washington; and which beer or wine is produced by a brewery or winery in the United States outside of the state of Washington; and
- (d) Is appointed by the brewery or winery referenced in (c) of this subsection as its authorized representative for marketing and selling its products within the United States in accordance with a written agreement between the authorized representative and such brewery or winery pursuant to this title.
- (3) "Beer" means any malt beverage, flavored malt beverage, or malt liquor as these terms are defined in this chapter.
 - (4) "Beer distributor" means a person who buys beer from a domestic brewery, microbrewery, beer certificate of approval holder, or beer importers, or who acquires foreign produced beer from a source outside of the United States, for the purpose of selling the same pursuant to this title, or who represents such brewer or brewery as agent.
- (5) "Beer importer" means a person or business within Washington who purchases beer from a beer certificate of approval holder or who acquires foreign produced beer from a source outside of the United States for the purpose of selling the same pursuant to this title.
- 39 (6) "Board" means the liquor and cannabis board, constituted 40 under this title.

(7) "Brewer" or "brewery" means any person engaged in the business of manufacturing beer and malt liquor. Brewer includes a brand owner of malt beverages who holds a brewer's notice with the federal bureau of alcohol, tobacco, and firearms at a location outside the state and whose malt beverage is contract-produced by a licensed in-state brewery, and who may exercise within the state, under a domestic brewery license, only the privileges of storing, selling to licensed beer distributors, and exporting beer from the state.

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- 10 (8) "Club" means an organization of persons, incorporated or 11 unincorporated, operated solely for fraternal, benevolent, 12 educational, athletic, or social purposes, and not for pecuniary 13 gain.
 - (9) "Confection" means a preparation of sugar, honey, or other natural or artificial sweeteners in combination with chocolate, fruits, nuts, dairy products, or flavorings, in the form of bars, drops, or pieces.
- 18 (10) "Consume" includes the putting of liquor to any use, whether 19 by drinking or otherwise.
- 20 (11) "Contract liquor store" means a business that sells liquor 21 on behalf of the board through a contract with a contract liquor 22 store manager.
- 23 (12) "Craft distillery" means a distillery that pays the reduced 24 licensing fee under RCW 66.24.140.
- 25 (13) "Delivery" means the transportation of alcohol to an 26 individual located within Washington state from a licensed location 27 holding an alcohol delivery endorsement as part of a delivery order. 28 "Delivery" does not include services provided by common carriers.
- 29 <u>(14)</u> "Dentist" means a practitioner of dentistry duly and 30 regularly licensed and engaged in the practice of his or her 31 profession within the state pursuant to chapter 18.32 RCW.
- 32 $((\frac{14}{1}))$ (15) "Distiller" means a person engaged in the business 33 of distilling spirits.
- $((\frac{(15)}{(15)}))$ <u>(16)</u> "Domestic brewery" means a place where beer and malt liquor are manufactured or produced by a brewer within the state.
- $((\frac{(16)}{(16)}))$ "Domestic winery" means a place where wines are manufactured or produced within the state of Washington.
- $((\frac{(17)}{(18)}))$ "Drug store" means a place whose principal business is, the sale of drugs, medicines, and pharmaceutical preparations and

p. 5 SSB 5448.SL

maintains a regular prescription department and employs a registered pharmacist during all hours the drug store is open.

- (((18))) (19) "Druggist" means any person who holds a valid certificate and is a registered pharmacist and is duly and regularly engaged in carrying on the business of pharmaceutical chemistry pursuant to chapter 18.64 RCW.
 - $((\frac{19}{19}))$ (20) "Employee" means any person employed by the board.
- $((\frac{(20)}{)})$ <u>(21)</u> "Flavored malt beverage" means:

- (a) A malt beverage containing six percent or less alcohol by volume to which flavoring or other added nonbeverage ingredients are added that contain distilled spirits of not more than forty-nine percent of the beverage's overall alcohol content; or
- (b) A malt beverage containing more than six percent alcohol by volume to which flavoring or other added nonbeverage ingredients are added that contain distilled spirits of not more than one and one-half percent of the beverage's overall alcohol content.
 - $((\frac{(21)}{(21)}))$ <u>(22)</u> "Fund" means 'liquor revolving fund.'
- (((22))) <u>(23)</u> "Hotel" means buildings, structures, and grounds, having facilities for preparing, cooking, and serving food, that are kept, used, maintained, advertised, or held out to the public to be a place where food is served and sleeping accommodations are offered for pay to transient guests, in which twenty or more rooms are used for the sleeping accommodation of such transient guests. The buildings, structures, and grounds must be located on adjacent property either owned or leased by the same person or persons.
- (((23))) <u>(24)</u> "Importer" means a person who buys distilled spirits from a distillery outside the state of Washington and imports such spirituous liquor into the state for sale to the board or for export.
- $((\frac{(24)}{)})$ <u>(25)</u> "Imprisonment" means confinement in the county 31 jail.
 - (((25))) (26) "Liquor" includes the four varieties of liquor herein defined (alcohol, spirits, wine, and beer), and all fermented, spirituous, vinous, or malt liquor, or combinations thereof, and mixed liquor, a part of which is fermented, spirituous, vinous or malt liquor, or otherwise intoxicating; and every liquid or solid or semisolid or other substance, patented or not, containing alcohol, spirits, wine, or beer, and all drinks or drinkable liquids and all preparations or mixtures capable of human consumption, and any liquid, semisolid, solid, or other substance, which contains more

p. 6 SSB 5448.SL

than one percent of alcohol by weight shall be conclusively deemed to be intoxicating. Liquor does not include confections or food products that contain one percent or less of alcohol by weight.

(((26))) (27) "Malt beverage" or "malt liquor" means any beverage such as beer, ale, lager beer, stout, and porter obtained by the alcoholic fermentation of an infusion or decoction of pure hops, or pure extract of hops and pure barley malt or other wholesome grain or cereal in pure water containing not more than eight percent of alcohol by weight, and not less than one-half of one percent of alcohol by volume. For the purposes of this title, any such beverage containing more than eight percent of alcohol by weight shall be referred to as "strong beer."

 $((\frac{(27)}{(27)}))$ <u>(28)</u> "Manufacturer" means a person engaged in the preparation of liquor for sale, in any form whatsoever.

 $((\frac{(28)}{(29)}))$ "Nightclub" means an establishment that provides entertainment and has as its primary source of revenue (a) the sale of alcohol for consumption on the premises, (b) cover charges, or (c) both.

 $((\frac{(29)}{(29)}))$ "Package" means any container or receptable used 20 for holding liquor.

 $((\frac{30}{30}))$ <u>(31)</u> "Passenger vessel" means any boat, ship, vessel, barge, or other floating craft of any kind carrying passengers for compensation.

((-(31))) (32) "Permit" means a permit for the purchase of liquor under this title.

 $((\frac{32}{32}))$ "Person" means an individual, copartnership, association, or corporation.

 $((\frac{33}{3}))$ (34) "Physician" means a medical practitioner duly and regularly licensed and engaged in the practice of his or her profession within the state pursuant to chapter 18.71 RCW.

(((34))) (35) "Powdered alcohol" means any powder or crystalline substance containing alcohol that is produced for direct use or reconstitution.

(((35))) (36) "Prescription" means a memorandum signed by a physician and given by him or her to a patient for the obtaining of liquor pursuant to this title for medicinal purposes.

(((36))) <u>(37)</u> "Public place" includes streets and alleys of incorporated cities and towns; state or county or township highways or roads; buildings and grounds used for school purposes; public dance halls and grounds adjacent thereto; those parts of

p. 7 SSB 5448.SL

establishments where beer may be sold under this title, soft drink establishments, public buildings, public meeting halls, lobbies, halls and dining rooms of hotels, restaurants, theaters, stores, garages and filling stations which are open to and are generally used by the public and to which the public is permitted to have unrestricted access; railroad trains, stages, and other public conveyances of all kinds and character, and the depots and waiting rooms used in conjunction therewith which are open to unrestricted use and access by the public; publicly owned bathing beaches, parks, and/or playgrounds; and all other places of like or similar nature to which the general public has unrestricted right of access, and which are generally used by the public.

(((37))) (38) "Regulations" means regulations made by the board under the powers conferred by this title.

(((38))) (39) "Restaurant" means any establishment provided with special space and accommodations where, in consideration of payment, food, without lodgings, is habitually furnished to the public, not including drug stores and soda fountains.

(((39))) (40) "Sale" and "sell" include exchange, barter, and traffic; and also include the selling or supplying or distributing, by any means whatsoever, of liquor, or of any liquid known or described as beer or by any name whatever commonly used to describe malt or brewed liquor or of wine, by any person to any person; and also include a sale or selling within the state to a foreign consignee or his or her agent in the state. "Sale" and "sell" shall not include the giving, at no charge, of a reasonable amount of liquor by a person not licensed by the board to a person not licensed by the board, for personal use only. "Sale" and "sell" also does not include a raffle authorized under RCW 9.46.0315: PROVIDED, That the nonprofit organization conducting the raffle has obtained the appropriate permit from the board.

((40)) (41) "Service bar" means a fixed or portable table, counter, cart, or similar workstation primarily used to prepare, mix, serve, and sell alcohol that is picked up by employees or customers. Customers may not be seated or allowed to consume food or alcohol at a service bar.

 $((\frac{41}{}))$ $\underline{(42)}$ "Soda fountain" means a place especially equipped with apparatus for the purpose of dispensing soft drinks, whether mixed or otherwise.

p. 8

((42))) <u>(43)</u> "Soju" means a traditional Korean distilled alcoholic beverage, produced using authentic Korean recipes and production methods, and derived from agricultural products, that contains not more than twenty-four percent of alcohol by volume.

- (((43))) <u>(44)</u> "Spirits" means any beverage which contains alcohol obtained by distillation, except flavored malt beverages, but including wines exceeding twenty-four percent of alcohol by volume.
- (((44))) (45) "Store" means a state liquor store established 9 under this title.
- (((45))) (46) "Tavern" means any establishment with special space 11 and accommodation for sale by the glass and for consumption on the 12 premises, of beer, as herein defined.
 - (((46))) <u>(47)</u> "VIP airport lounge" means an establishment within an international airport located beyond security checkpoints that provides a special space to sit, relax, read, work, and enjoy beverages where access is controlled by the VIP airport lounge operator and is generally limited to the following classifications of persons:
 - (a) Airline passengers of any age whose admission is based on a first-class, executive, or business class ticket;
 - (b) Airline passengers of any age who are qualified members or allowed guests of certain frequent flyer or other loyalty incentive programs maintained by airlines that have agreements describing the conditions for access to the VIP airport lounge;
 - (c) Airline passengers of any age who are qualified members or allowed guests of certain enhanced amenities programs maintained by companies that have agreements describing the conditions for access to the VIP airport lounge;
 - (d) Airport and airline employees, government officials, foreign dignitaries, and other attendees of functions held by the airport authority or airlines related to the promotion of business objectives such as increasing international air traffic and enhancing foreign trade where access to the VIP airport lounge will be controlled by the VIP airport lounge operator; and
 - (e) Airline passengers of any age or airline employees whose admission is based on a pass issued or permission given by the airline for access to the VIP airport lounge.
- ((47)) (48) "VIP airport lounge operator" means an airline, port district, or other entity operating a VIP airport lounge that:

 10 Is accountable for compliance with the alcohol beverage control act

under this title; holds the license under chapter 66.24 RCW issued to the VIP airport lounge; and provides a point of contact for addressing any licensing and enforcement by the board.

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(((48))) (49)(a) "Wine" means any alcoholic beverage obtained by fermentation of fruits (grapes, berries, apples, et cetera) or other agricultural product containing sugar, to which any saccharine substances may have been added before, during or after fermentation, and containing not more than twenty-four percent of alcohol by volume, including sweet wines fortified with wine spirits, such as port, sherry, muscatel, and angelica, not exceeding twenty-four percent of alcohol by volume and not less than one-half of one percent of alcohol by volume. For purposes of this title, any beverage containing no more than fourteen percent of alcohol by volume when bottled or packaged by the manufacturer shall be referred to as "table wine," and any beverage containing alcohol in an amount more than fourteen percent by volume when bottled or packaged by the manufacturer shall be referred to as "fortified wine." However, "fortified wine" shall not include: (i) Wines that are both sealed or capped by cork closure and aged two years or more; and (ii) wines that contain more than fourteen percent alcohol by volume solely as a result of the natural fermentation process and that have not been produced with the addition of wine spirits, brandy, or alcohol.

(b) This subsection shall not be interpreted to require that any wine be labeled with the designation "table wine" or "fortified wine."

(((49))) (50) "Wine distributor" means a person who buys wine from a domestic winery, wine certificate of approval holder, or wine importer, or who acquires foreign produced wine from a source outside of the United States, for the purpose of selling the same not in violation of this title, or who represents such vintner or winery as agent.

(((50))) (51) "Wine importer" means a person or business within Washington who purchases wine from a wine certificate of approval holder or who acquires foreign produced wine from a source outside of the United States for the purpose of selling the same pursuant to this title.

 $((\frac{(51)}{(51)}))$ (52) "Winery" means a business conducted by any person for the manufacture of wine for sale, other than a domestic winery.

- Sec. 3. RCW 66.20.310 and 2019 c 64 s 21 are each reenacted and amended to read as follows:
- 3 (1)(a) There is an alcohol server permit, known as a class 12 4 permit, for ((a)):
 - (i) A manager ((or bartender));

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- 6 <u>(ii) A bartender</u> selling or mixing alcohol, spirits, wines, or beer for consumption at an on-premises licensed facility; or
- 8 <u>(iii) An employee conducting alcohol deliveries for a licensee</u> 9 <u>that delivers alcohol under section 1 of this act (as codified under</u> 10 <u>section 7 of this act)</u>.
 - (b) There is an alcohol server permit, known as a class 13 permit, for a person who only serves alcohol, spirits, wines, or beer for consumption at an on-premises licensed facility.
- 14 (c) As provided by rule by the board, a class 13 permit holder 15 may be allowed to act as a bartender without holding a class 12 16 permit.
 - (2) (a) Effective January 1, 1997, except as provided in (d) of this subsection, every alcohol server employed, under contract or otherwise, at a retail licensed premise must be issued a class 12 or class 13 permit.
 - (b) Every class 12 and class 13 permit issued must be issued in the name of the applicant and no other person may use the permit of another permit holder. The holder must present the permit upon request to inspection by a representative of the board or a peace officer. The class 12 or class 13 permit is valid for employment at any retail licensed premises described in (a) of this subsection.
 - (c) Except as provided in (d) of this subsection, no licensee holding a license as authorized by this section and RCW 66.20.300, 66.24.320, 66.24.330, 66.24.350, 66.24.400, 66.24.425, 66.24.690, 66.24.450, 66.24.570, 66.24.600, 66.24.610, 66.24.650, 66.24.655, and 66.24.680 may employ or accept the services of any person without the person first having a valid class 12 or class 13 permit.
 - (d) Within sixty days of initial employment, every person whose duties include the compounding, sale, service, or handling of liquor must have a class 12 or class 13 permit.
- 36 (e) No person may perform duties that include the sale or service 37 of alcoholic beverages on a retail licensed premises without 38 possessing a valid alcohol server permit.
- (f) Every person whose duties include the delivery of alcohol authorized under section 1 of this act (as codified under section 7

of this act) must have a class 12 permit before engaging in alcohol delivery. A delivery employee whose duties include the delivery of alcohol authorized under section 1 of this act (as codified under section 7 of this act) must complete an approved class 12 permit course that includes a curriculum component that covers best practices for delivery of alcohol.

- (3) A permit issued by a training entity under this section is valid for employment at any retail licensed premises described in subsection (2)(a) of this section for a period of five years unless suspended by the board.
- (4) The board may suspend or revoke an existing permit if any of the following occur:
- (a) The applicant or permittee has been convicted of violating any of the state or local intoxicating liquor laws of this state or has been convicted at any time of a felony; or
- (b) The permittee has performed or permitted any act that constitutes a violation of this title or of any rule of the board.
- (5) The suspension or revocation of a permit under this section does not relieve a licensee from responsibility for any act of the employee or agent while employed upon the retail licensed premises. The board may, as appropriate, revoke or suspend either the permit of the employee who committed the violation or the license of the licensee upon whose premises the violation occurred, or both the permit and the license.
- (6) (a) After January 1, 1997, it is a violation of this title for any retail licensee or agent of a retail licensee as described in subsection (2) (a) of this section to employ in the sale or service of alcoholic beverages, any person who does not have a valid alcohol server permit or whose permit has been revoked, suspended, or denied.
- (b) It is a violation of this title for a person whose alcohol server permit has been denied, suspended, or revoked to accept employment in the sale or service of alcoholic beverages.
- (7) Grocery stores licensed under RCW 66.24.360, the primary commercial activity of which is the sale of grocery products and for which the sale and service of beer and wine for on-premises consumption with food is incidental to the primary business, and employees of such establishments, are exempt from RCW 66.20.300 through 66.20.350, except for employees whose duties include serving during tasting activities under RCW 66.24.363.

- 1 **Sec. 4.** RCW 66.20.320 and 1996 c 311 s 2 are each amended to 2 read as follows:
- 3 (1) The board shall regulate a required alcohol server education 4 program that includes:
- 5 (a) Development of the curriculum and materials for the education 6 program;
 - (b) Examination and examination procedures;
- 8 (c) Certification procedures, enforcement policies, and penalties 9 for education program instructors and providers; and
- 10 (d) The curriculum for an approved class 12 alcohol permit 11 training program that includes but is not limited to the following 12 subjects:
- 13 (i) The physiological effects of alcohol including the effects of alcohol in combination with drugs;
 - (ii) Liability and legal information;
- 16 (iii) Driving while intoxicated;

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- (iv) Intervention with the problem customer, including ways to stop service, ways to deal with the belligerent customer, and alternative means of transportation to get the customer safely home;
 - (v) Methods for checking proper identification of customers;
- (vi) Nationally recognized programs, such as TAM (Techniques in Alcohol Management) and TIPS (Training for Intervention Programs) modified to include Washington laws and ((regulations)) rules; and
- (vii) Best practices for delivery of alcohol for a course approved for a person whose duties include the delivery of alcohol authorized under section 1 of this act (as codified under section 7 of this act).
- (2) The board shall provide the program through liquor licensee associations, independent contractors, private persons, private or public schools certified by the board, or any combination of such providers.
- (3) Each training entity shall provide a class 12 permit to the manager ((ex)), bartender, or delivery employee who has successfully completed a course the board has certified. A list of the individuals receiving the class 12 permit shall be forwarded to the board on the completion of each course given by the training entity.
- (4) After January 1, 1997, the board shall require all alcohol servers applying for a class 13 alcohol server permit to view a video training session. Retail liquor licensees shall fully compensate employees for the time spent participating in this training session.

(5) When requested by a retail liquor licensee, the board shall provide copies of videotaped training programs that have been produced by private vendors and make them available for a nominal fee to cover the cost of purchasing and shipment, with the fees being deposited in the liquor revolving fund for distribution to the board as needed.

- (6) Each training entity may provide the board with a video program of not less than one hour that covers the subjects in subsection (1)(d)(i) through (v) of this section that will be made available to a licensee for the training of a class 13 alcohol server.
- 12 (7) Applicants shall be given a class 13 permit upon the successful completion of the program.
- 14 (8) A list of the individuals receiving the class 13 permit shall 15 be forwarded to the board on the completion of each video training 16 program.
- 17 (9) The board shall develop a model permit for the class 12 and 18 13 permits. The board may provide such permits to training entities or licensees for a nominal cost to cover production.
 - (10)(a) Persons who have completed a nationally recognized alcohol management or intervention program since July 1, 1993, may be issued a class 12 or 13 permit upon providing proof of completion of such training to the board.
- 24 (b) Persons who completed the board's alcohol server training 25 program after July 1, 1993, but before July 1, 1995, may be issued a 26 class 13 permit upon providing proof of completion of such training 27 to the board.
- **Sec. 5.** RCW 66.24.660 and 2013 c 89 s 1 are each amended to read 29 as follows:

Retailers may sell liquor as defined in RCW 66.04.010((-(25))) through self-checkout registers if that register is programmed to halt that transaction during the purchase of liquor until an employee of the retailer intervenes and verifies the age of the purchaser by reviewing established forms of acceptable identification. Once age is successfully verified, the employee can release the transaction for payment. If the purchaser cannot provide acceptable forms of identification to verify age, the employee must refuse the purchase and void the transaction.

- 1 NEW SECTION. Sec. 6. By November 1, 2023, the liquor and cannabis board shall submit recommendations to the governor and 2 appropriate committees of the legislature for a comprehensive alcohol 3 delivery policy. The recommendations in the report must include a 4 consistent, equitable structure for alcohol delivery licenses, 5 6 endorsements, permits, and fees, and a comprehensive plan to help 7 ensure all deliveries of alcohol are made only to persons who are 21 years of age or older. 8
- 9 <u>NEW SECTION.</u> **Sec. 7.** Section 1 of this act is codified as a new section in chapter 66.24 RCW.
- NEW SECTION. Sec. 8. This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect July 1, 2023.

Passed by the Senate April 18, 2023. Passed by the House April 10, 2023. Approved by the Governor May 4, 2023. Filed in Office of Secretary of State May 4, 2023.

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