



WSLCB Topics and Trends

News and tips for the industries we regulate

LCB Executive Request Legislation to Extend Certain COVID Allowances

Following a thorough analysis of allowances temporarily granted to licensees during the COVID-19 restrictions, the LCB received Governor's Office approval to request legislation that extends relief to the liquor and hospitality industries. The agency received sponsorship for companion bills introduced simultaneously in each house: [Senate Bill 5417](#) is prime-sponsored by the ranking member (top Republican) on the Senate Labor, Commerce & Tribal Affairs Committee, Sen. Curtis King. [House Bill 1480](#) is prime sponsored by Rep. Drew MacEwen, also the ranking member of the House policy committee. Since introduction, several members have joined on as co-sponsors.

Under each bill, licensees will be provided an additional two years to conduct a variety of activities such as selling cocktails to go, and affords the Legislature an opportunity, during a long session in 2023, to consider whether to



extend the policy or allow it to sunset July 1, 2023. A study of the impacts will begin in January, 2022 and conclude with a final report to the Legislature by December 1, 2022. Licensees would not have to pay a fee to receive endorsements to their licenses that are required to conduct many of the activities allowed under the bill.

Each bill was heard in committee in its respective house with support from the industries it benefits and opposition from the prevention and public health community. In testimony on behalf of each bill, LCB Director [Rick Garza](#) [described the rationale](#) for and main provisions of the bill, and indicated its impetus came initially from the Governor's office. He emphasized the collaboration with licensees and other stakeholders behind its development.

Concerns voiced by legislators related to the manner in which cocktails to go would be allowed, including the type of lids that would be used, the potential for drinking while driving and compliance with the open container laws. The legislative process is dynamic and the bills are likely to be altered as they attempt to make their way through the process. You may follow the bills on the Legislature's website at leg.wa.gov. Please be sure to notify your legislators if you have support or concerns for either.

Meet Chandra Brady, New Enforcement and Education Division Director

Chandra Brady began her tenure as the new Director of Enforcement and Education on February 1, 2021.

Ms. Brady was chosen following a nationwide search. She most recently served as the Administrator for the Olympia Police Department (OPD) where she provided strategic leadership for OPD, oversaw 30+ employees, and the department's \$21 million budget.

Her leadership role spanned across divisions with commissioned and non-commissioned staff including: corrections, warrants, records, policy development, contracts, technology, legal, finance, public records and community-based crisis response and outreach. She is a partially-commissioned law enforcement officer and has formerly served as the OPD Jail Manager and as Deputy Chief of the Lewis County Sheriff's Office.

The Enforcement and Education Director leads approximately 180 officers and staff. In addition, the Enforcement and Education Director plays a key role in agency decision making and often represents the LCB with the Governor's Office, state Legislature and stakeholders.

"LCB officers are the ones who interact the most in-person with over 25,000 businesses statewide," said LCB Director Rick Garza. "Chandra provides proven leadership that will guide her team in the dynamic marketplaces the LCB regulates."



“I am very excited about inheriting a division that is at the right time for positive change,” said Brady. “I am inheriting an experienced team that I intend to take to the next level by adding value through leadership, consistency, and integrity and steadily improving relationships with the businesses we regulate. Balancing public safety, education, and building trust are the ingredients licensees and the public need to work together in a fair, quality regulatory system which supports revenue generating activity and adds to the economy of Washington State.”

Brady has a history of broad leadership within each organization of which she has been part. She is currently seeking a Ph.D. in Organizational Leadership.

Chief Nordhorn Transitioning to Director of Policy and External Affairs

Former Chief Justin Nordhorn is transitioning to a new role as Director of Policy and External Affairs. In that capacity, Nordhorn will be overseeing a newly formed outreach team consisting of existing LCB staff. That team is developing an outreach strategy to directly engage stakeholders and licensees to further education, understanding of and compliance with LCB rules and policies.

New Rules

Implementing Legislation Allowing Tastings for Students Enrolled in Courses Related to Wine, Brewing, Etc.

On January 9, a new rule related to student wine or alcoholic beverage tastings was adopted to implement 2019 legislation EHB 1563. It allows enrolled students age 18 and older to participate in tastings during educational field trips to grape-growing areas or production facilities - if the student is with and supervised by a faculty or staff member who has a mandatory alcohol server (MAST) permit.

Modernizing the Permits Chapter

The adopted rules also amend, consolidate, reorganize, clarify, and modernize WACs related to individual types of permits. For more information click these links: [Concise Explanatory Statement](#), [Memorandum](#), [Rules - WSR 21-01-057](#)



New Rules to Implement Four Bills from the 2020 Legislative Session

- HB 2412: Brewery keg registration and identification requirements
- ESSB 5006: Brewery/winery on-premises consumption endorsements
- ESSB 6095: Interstate common carriers
- SSB 6392: Local wine industry association licenses

These rules took effect February 20, 2021. To learn more, see: [Concise Explanatory Statement, Memorandum, Rules - WSR 21-03-095](#).

Keeping Up-to-Date: Are You on LCB's Email List for Rulemaking updates?

To sign up for email notifications regarding LCB Rulemaking, [please follow this link to join our GovDelivery subscriber list](#).

Questions about the rules in progress or rulemaking process? Email rules@lcb.wa.gov

COVID-19 Keeping Up with Dining Restrictions

The LCB has been working to help licensees with COVID-19 business restrictions to make allowances that meet current guidance and support safer customer and employee interaction.

We have worked with hundreds of licensees to help them with their license type or their facility design so they can stay open during this very challenging time.

We've helped licensees, who had a license that didn't require them to serve food (prohibited during some phases of the restrictions) to quickly transition to licenses allowing them to serve food, and thus do business during phases one and two of the pandemic.



To find the latest on COVID-19 impacts to licensees, visit our [COVID-19 webpage](#).

Outdoor Dining and Alterations

Creating more dining options has been a hot topic these last few months. LCB staff is here to answer any of your outdoor dining questions. Whether it's an igloo, tent, or yurt, we can help guide you through the process. For retail establishments, email us at LiquorAlterations@lcb.wa.gov.

For alteration inquiries for non-retail businesses, such as wineries, distilleries, and breweries, please email NonRetailLiquorLicensing@lcb.wa.gov.

If you are reopening your already-approved dining areas because they meet current outdoor dining requirements, you do not need approval from the LCB. However, if you are extending the location of alcohol service, such as adding a beer garden or patio/deck service, you must get prior approval from LCB Licensing. For more information about alterations that require LCB pre-approval, please refer to [WAC 314-02-130](#).

If you have questions about alterations, [please see the Frequently Asked Questions on our website](#), or call 360-664-1600 (option 1).

Demarcations and Alterations

When you are making changes it is important to consider the rules for clearly marking the age-restricted areas or boundaries. This can be done with physical 42” barriers or demarcations. These requirements vary for indoor and outdoor areas.

A licensed premises must have a clear demarcation (a dividing line) between dedicated dining areas and areas classified as off-limits to minors.

For information on demarcation and barriers for:

- Outdoors, please refer to [WAC 314-03-200](#).
- Indoors for spirits, beer, wine restaurants is found in [WAC 314-02-025](#).

If you have questions about alterations, [please see the Frequently Asked Questions on our website](#), or call 360-664-1600 (option 1).



Request for Alterations

July 2019 (32 requests) vs July 2020 (354 requests)

There has been a significant increase in requests for various alterations since the pandemic started. Licensing staff have worked hard to complete the requests quickly. The majority of requests have been for outside service. LCB's Licensing unit reallocated resources and collaborated with local cities and counties to help speed up alteration requests; many are completed in seven days or less.

The LCB has been working to help licensees with COVID-19 business restrictions to make allowances that meet current guidance and support safer customer and employee interaction.

We've helped licensees, who had a license that didn't require them to serve food (prohibited during some phases of the restrictions) to quickly transition to licenses allowing them to serve food, and thus do business during phases one and two of the pandemic.

How long will alterations and other changes be valid?

All allowances developed during the pandemic are temporary. As the state moves forward in our recovery, the LCB will update our website. For the most up-to-date information about the LCB's response to COVID-19, please visit our [website](#).

If you have questions about alterations, [please see the Frequently Asked Questions on our website](#), or call 360-664-1600 (option 1).



Frozen Alcohol Products

On December 22, 2020, the Washington State Liquor and Cannabis Board adopted Board Interim Policy [BIP-1-2020](#) related to alcohol infused frozen products. After reviewing information from other states, the Board decided to realign its policy to allow some alcohol-infused frozen products that are designed to appeal to adult consumers. Products that are or appear to be marketed to children will not be approved for sale in Washington State.

All alcohol-infused frozen products must receive prior Board approval before being sold within Washington State. Submit product registration including a federal certificate of label approval issued by the TTB; and/or form [LIQ-231-50 Application for Product Tracking Code Beer/Wine less than 7% ABV to frozenalcoholproducts@lcb.wa.gov](#).

LCB staff will review products, packaging, and labeling to ensure requirements are met. If approved, shipping of the product may begin as soon as the approval letter is received. If denied, the WSLCB will send a letter including information about why the submission did not meet requirements. Applicants have 15 days to resubmit the product registration with changes that meet the requirements. If changes are not received, the submission will be withdrawn and the applicant can restart the process at any time by submitting a new product registration.

Applicants may request an administrative hearing to contest the withdrawal or denial of an alcohol infused frozen product pursuant to chapter [34.05 RCW](#). Details about the administrative hearing process will be included in the letter notifying the applicant of the withdrawal or denial.

If you have questions about alcohol infused frozen products, please email us at frozenalcoholproducts@lcb.wa.gov or call us at 360-664-1620.



Sale of Pre-Mixed, To-Go Cocktails

As you may have heard, Washington businesses holding a Spirits, Beer, and Wine Restaurant liquor license may sell pre-mixed alcoholic drinks (“cocktails”) for consumption in a non-public place, off of the licensed premises. This is a temporary allowance to help mitigate the devastating effects the pandemic has had on our restaurant industry. While we have heard positive feedback from our restaurant businesses, there are a few important requirements to keep in mind:

- Cocktails may only be sold “to-go” when sold with a complete meal as defined by [WAC 314-02-035](#) that has been prepared at the licensed business.
- Package the pre-mixed cocktail in a container with a secure lid or cap, and in a manner designed to prevent consumption without removal of the lid or cap. For example, lids with sipping holes or openings for straws are not allowed. Styrofoam and plastic cups, even if sealed over with tape or other materials, are not allowed.
- Notice to customers must be prominently posted: “Pre-mixed alcoholic beverages that are packaged by this establishment may not be consumed in a motor vehicle or transported in a motor vehicle except in the vehicle’s trunk; or, if there is no trunk, in some other area of the vehicle not normally occupied by the driver or passengers (this does not include a utility compartment or glove compartment, but may include underneath a seat outside of the driver’s reach [RCW 46.61.519](#) – Open Container in a Vehicle).



- Customers may only consume to-go alcohol in a private place. Informing your customer may save them from a citation for drinking in public [RCW 66.44.100](#), including beaches and parks.

If you have questions about this subject or any liquor law, contact your [enforcement officer](#) for technical assistance.

News for Distilleries

Rule Proposal to Implement Distilleries Bill:

The LCB filed a rule proposal (CR-102) to implement 2020 legislation E2SSB 5549. E2SSB 5549 modified the privileges and requirements for distillery and craft distillery licenses and established a new off-site tasting room license. In addition, the bill authorized jointly operated off-site tasting rooms, for distilleries and wineries, and jointly operated, conjoined consumption areas, for distilleries, wineries, and breweries.

Based on public comments, and the impacts from a Court of Appeals decision (*Blue Spirits Distilling, LLC v. LCB*) the LCB anticipates the need to make substantive changes to the original rule proposal. Next steps will be to file a supplemental CR-102 and proposed rules consistent with RCW 34.05.340. To learn more, see: [Notice to Stakeholders](#), [CR-102 Filed as WSR 21-01-211](#), [Memorandum](#).

Distillery Monthly Reporting and Payment Rules

A pre-proposal statement of inquiry (CR-101) was filed



to consider revising WACs that may need to be revised to be consistent with the Court of Appeals decision in *Blue Spirits Distilling, LLC v. LCB*, issued Dec. 22, 2020. It held that LCB rules requiring distillers to pay spirits retailer licensing fees when they acted as spirits retailers were invalidated by the decision in *Washington Restaurant Association v. LCB*, issued on August 8, 2017. Additional rules specifically related to this topic may be amended or created as necessary.

To learn more, see: [Notice to Stakeholders](#), [Memorandum](#), [CR-101 Filed as WSR 21-05-069 on February 17, 2021](#)

Special Occasion Licensees and Silent Auctions

Online Auctions are temporarily approved for Special Occasion licensees. You must still apply 45 days prior to your online event and they may not last longer than 7 days. To assist non-profit organizations during the COVID-19 pandemic, the LCB allows them to engage in online silent auctions of alcohol if the requirements are met. For information about silent auctions, please see our COVID-19 [alcohol guidelines page](#). Non-profit organizations can begin the process by submitting a [special occasion license](#) application to the LCB. Applications are in English, Spanish, and Korean.



Systems Modernization Project Update

The agency launched the Systems Modernization Project (SMP) as a project in June 2020 to modernize and replace the outdated platforms used extensively by LCB's Enforcement and Education and Licensing divisions. The project will also transform our business operations by optimizing the benefits of a new and modern platform – Salesforce.

Our current systems are decades old which makes them ancient by modern technology standards. They are also difficult and expensive to maintain and carry significant risk they could fail. The project, once completed, will have a significant and positive impact on the agency's operations and licensees - applicants and existing licensees.

SalesForce and Slalom Inc.

Last year LCB sent you information about the decision to use Salesforce as the technology platform for SMP and that we'd chosen Slalom Inc. as the vendor to provide the systems integration service for Salesforce.

Since the project kicked off, the SMP team has completed the Discovery Phase of the project. During this phase, the SMP Project team members led working sessions with Licensing and Enforcement and Education subject matter experts (SMEs) to further identify, review and refine the requirements for integrating these systems. They also worked with licensees of all types to identify the challenges within the agency's current systems and how a new system



could improve licensee experience with LCB's systems and processes.

The Project Team also completed the configuration of the base structure within Salesforce based on the agency's needs so it will be ready for the next phase of the project. The work they have already done is incredibly useful and will continue to be leveraged by the Project Team as we move the project along.

Recent Action

During the Discovery Phase of the project, Slalom recognized that the effort to meet all of the agency's "must-have" requirements was much more complex than originally anticipated.

Because of this, the LCB Project Team members led working sessions with Licensing and Education and Enforcement SMEs to identify and further review and define the must-have requirements. Based on this information, Slalom revised their proposal with an updated one adding the revised requirements.

Given Washington's State's procurement rules, any material changes to a contract's scope and/or price need to be managed via a new procurement cycle. In other words, the revised work needs to be put out for competitive bid.

Request for Proposal (RFP)

As a result, LCB will be preparing an RFP for the revised scope of work following procurement rules. While this sets back the project's timeline, what's most important is that the foundational work completed on SMP has positioned the agency well moving forward. We have taken the right

steps to refine the SMP scope, which supports our long-term success.

While SMP is undertaking the RFP process, the Project Team members will continue their work on data conversion and migration of images from Oracle to LaserFiche and on the Organizational Change Management work that will help us assess and prepare for the new system.

The LCB remains committed to a system that will better meet your needs and those of the agency, stakeholders and the public.

If you have any questions, please send them to SMP@lcb.wa.gov.

Go Above and Beyond with the Responsible Vendor Program(RVP)

At LCB, we count on licensees to do their part to keep alcohol out of the hands of Washington youth.

The [RVP](#) is a free, voluntary, compliance training program for grocery stores and beer and wine specialty shops selling alcohol for off-premises consumption. The RVP helps retailers learn, use, and enforce specific ways to ensure alcohol is sold responsibly. For retail licensees who offer samples of spirits at their location, RVP participation is mandatory.

The RVP has requirements and resources for training employees, posting signs for customers, and other strategies to prevent sales to underage customers or someone who is apparently intoxicated.

RVP retailers get several benefits, which you can find on the [RVP webpage](#), along with the details for participation.



Ready to apply? Visit us [online](#) to get started.
Questions? Contact us at rvp@lcb.wa.gov.

Promote public safety and trust through fair administration and enforcement of liquor, cannabis, tobacco, and vapor laws.

-WSLCB Mission Statement

© 2021 Washington State Liquor and Cannabis Board