



## CR102 Memorandum

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

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

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#### Background

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

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

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and reorganizes existing sections related to the same permit types (e.g., by repealing WAC 314-38-010 and adding the repealed language to WAC 314-38-050); modernizes and clarifies language (e.g. by removing references to “class” titles and updating section captions); and adds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

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

## **Rule Necessity**

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

## **Description of Rule Changes**

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

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

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

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

314-38-010 (related to this same permit type and repealed by this rule proposal), including the fee, is rearranged and consolidated with the language in this section. Subsection (15) regarding suspension or cancelation of the permit is streamlined and revised to incorporate a reference to RCW 66.20.070.

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

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

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

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

the style is modernized, and references to “class” titles of special permits are removed to better align the language with statute.

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

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

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

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

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