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DATE: April 23, 2024

WSR 24-10-044

TIME: 10:47 AM

# **PROPOSED RULE MAKING**



# CR-102 (July 2022) (Implements RCW 34.05.320)

Do NOT use for expedited rule making

| Agency: Wa    | shington State Liquor and Cannabis Board  |  |  |  |  |  |
|---------------|---|--|--|--|--|--|
| 🛛 Original N  | otice   |  |  |  |  |  |
| Suppleme      | ntal Notice to WSR  |  |  |  |  |  |
| Continuan     | ice of WSR  |  |  |  |  |  |
|               | al Statement of Inquiry was filed as WSR 24-05-037 ; or   |  |  |  |  |  |
| Expedited     | Rule MakingProposed notice was filed as WSR; or   |  |  |  |  |  |
| 🗆 Proposal i  | s exempt under RCW 34.05.310(4) or 34.05.330(1); or   |  |  |  |  |  |
| 🗆 Proposal i  | s exempt under RCW  |  |  |  |  |  |
| Bill (ESSB) 6 | and other identifying information: (describe subject) This rulemaking relates to Engrossed Substitute Senate 105 (chapter 250, Laws of 2024) an act relating to creating safer working conditions in adult entertainment as, as identified below: |  |  |  |  |  |
| Amended       | WAC 314-03-100 "What types of activities on a licensed premises require notice to the board?"   |  |  |  |  |  |
| Amended       | WAC 314-11-015 "What are my responsibilities as a liquor licensee?"   |  |  |  |  |  |
| Repealed      |   |  |  |  |  |  |
| Amended       |   |  |  |  |  |  |
| Amended       | WAC 314-29-020 "Group 1 violations against public safety."  |  |  |  |  |  |
| Amended       | WAC 314-29-038 "Group 5 public safety violations for sports entertainment facility licenses."   |  |  |  |  |  |

Amended | WAC 314-29-038 "Group 5 public safety violations for sports entertainment facility licenses." Amended | WAC 314-52-113 "Brand signs and point-of-sale displays on retail licensed premises."

### Hearing location(s):

| Date:            | Time:          | Location: (be specific)  | Comment:   |
|------------------|----------------|--|--|
| June 5, 2024     | 10:00 AM       | All public Board activity will be<br>held in a "hybrid" environment.<br>This means that the public will<br>have options for in-person or<br>virtual attendance. The<br>Boardroom at the headquarters<br>building in Olympia (1025 Union<br>Avenue, Olympia, WA 98504) will<br>be open for in-person<br>attendance. The public may also<br>login using a computer or device,<br>or call-in using a phone, to listen<br>to the meeting through the<br>Microsoft Teams application. The<br>public may provide verbal<br>comments during the specified<br>public comment and rules hearing<br>segments. TVW also regularly<br>airs these meetings. Please note<br>that although the Boardroom will<br>be staffed during a meeting,<br>Board Members and agency<br>participants may continue to | For more information about Board meetings, please<br>visit https://lcb.wa.gov/Boardmeetings/Board_meetings |
| Date of intended | adoption: No e | appear virtually<br>arlier than June 18, 2024 (Note: Th  | is <b>NOT</b> the <b>effective</b> date)   |

| Submit written comments to:                     | Assistance for persons with disabilities:               |
|---|---|
| Name: Daniel Jacobs, Rules & Policy Coordinator | Contact Anita Bingham, ADA Coordinator, Human Resources |
| Address: PO Box 43080, Olympia WA 98504-3080    | Phone: 360 664 1739                                     |
| Email: rules@lcb.wa.gov                         | Fax: 360 664 9689                                       |
| Fax: 360 704 5027                               | TTY: 7-1-1 or 1-800-833-6388                            |
| Other:  | Email: anita.bingham@lcb.wa.gov                         |
| By (date) May 29, 2024                          | Other:  |
|   | By (date) May 29, 2024                                  |

**Purpose of the proposal and its anticipated effects, including any changes in existing rules:** The purpose of the proposed amended language is to repeal WAC 314-11-050 as instructed in section 5, chapter 250, Laws of 2024, and to remove references to WAC 314-11-050 in different sections of Title 314 WAC as described below.

**Reasons supporting proposal:** Section 5, chapter 250, Laws of 2024 instructs the Liquor and Cannabis Board (Board) to repeal WAC 314-11-050. Several other sections of Title 314 WAC reference WAC 314-11-050, and those rules need to be amended accordingly as described below:

| Rule Section  | Proposed Change  | Necessity   |
|---|--|---|
| WAC 314-03-100  | Changed format of rule title from question to statement.   | Improving clarity without changing effect                               |
| What types of activities on a licensed premises require notice to the board?" | Striking Subsection (1).   | To make rules consistent with sections 4, 5, chapter 250, Laws of 2024. |
| (AMENDED)   |  |   |
|   | Changed format of rule title from question to statement.<br>Removal of an excess comma in subsection   | Improving clarity without changing effect.                              |
| WAC 314-11-015  | (2)  | enect.  |
| What are my responsibilities<br>as a liquor licensee?                         | Removed words "or dance" from subsection<br>(4)(b) regarding prohibition on allowing a<br>person to spend time with a patron for direct or<br>indirect compensation. | To make rules consistent with sections 4, 5, chapter 250, Laws of       |
| (AMENDED)   | Removed sentence after subsection (4)(b) directing to WAC 314-11-050 for further guidance.   | 2024.   |
| WAC 314-11-050  |  |   |
| What types of conduct are prohibited on a premises with a liquor license?     | REPEALED   | Directed by the legislature in section 5, chapter 250, Laws of 2024.    |
| (REPEALED)  |  |   |
| WAC 314-17-105<br>What are the penalties when                                 | Changed format of rule title from question to statement.   | Improving clarity without changing effect.                              |
| a permit holder violates a liquor law or regulation?                          | Corrected citation in Disorderly Conduct row of penalty table to WAC 314-11-015.   | To make rules consistent with   |
| (AMENDED)   | Deleted row in penalty table related to violations of WAC 314-11-050.  | sections 4, 5, chapter 250, Laws of 2024                                |
| WAC 314-29-020  |  |   |
| Group 1 Violations against public safety.                                     | Deleted row in penalty table for violations of<br>"Lewd Conduct" rule in WAC 314-11-050.   | To make rules consistent with sections 4, 5, chapter 250, Laws of 2024. |
| (AMENDED)   |  |   |

| WAC 314-29-038  |  |   |
|---|--|---|
| Group 5 public safety<br>violations for sports<br>entertainment facility<br>licenses. | Deleted row in penalty table for violations of<br>"Lewd Conduct" rule in WAC 314-11-050. | To make rules consistent with sections 4, 5, chapter 250, Laws of 2024. |
| (AMENDED)   |  |   |
| WAC 314-52-113  |  |   |
| Brand signs and point-of-sale<br>displays on retail licensed<br>premises              | Deleted subsection (3)(c) referencing violations of WAC 314-11-050.                      | To make rules consistent with sections 4, 5, chapter 250, Laws of 2024. |
| (AMENDED)   |  |   |

| •  | ty for adoption: RCW 66.08.030                                      |   |                         |
|--|---|---|-------------------------|
| Statute being imp  | <b>clemented:</b> Sections 4, 5, chapter                            | er 250, Laws of 2024                                |                         |
| Is rule necessary  | because of a:   |   |                         |
| Federal Lav  | v?  |   | 🗆 Yes 🛛 No              |
| Federal Co   | urt Decision?   |   | 🗆 Yes 🛛 No              |
| State Court  | Decision?   |   | 🗆 Yes 🛛 No              |
| If yes, CITATION:  |   |   |                         |
| Agency commen<br>matters: None                                 | ts or recommendations, if any                                       | , as to statutory language, implementation,         | enforcement, and fiscal |
|  | nt: □ Private □ Public ⊠ Gover<br>ent: (person or organization) Was | nmental<br>shington State Liquor and Cannabis Board |                         |
| Name of agency   | personnel responsible for:  |   |                         |
|  | Name  | Office Location                                     | Phone                   |
| Drafting:<br>Coordinator                                       | Daniel Jacobs, Rules & Policy                                       | 1025 Union Avenue, Olympia WA, 98504                | 360-480-1238            |
| Implementation:<br>Licensing                                   | Becky Smith, Director of  | 1025 Union Avenue, Olympia WA, 98504                | 360-664-1753            |
| Enforcement:<br>Enforcement & Ed                               | Chandra Wax, Director of<br>lucation                                | 1025 Union Avenue, Olympia WA, 98504                | 360-664-1726            |
| Is a school distri   | ct fiscal impact statement requ                                     | ired under <u>RCW 28A.305.135</u> ?                 | 🗆 Yes 🛛 No              |
| If yes, insert state   | ment here:  |   |                         |
| Name:<br>Address<br>Phone:<br>Fax:<br>TTY:<br>Email:<br>Other: | :<br>:  | rict fiscal impact statement by contacting:         |                         |
|  | analysis required under <u>RCW</u> :                                |   |                         |
|  | liminary cost-benefit analysis ma                                   | ay be obtained by contacting:                       |                         |
| Name:  |   |   |                         |
| Address  | :   |   |                         |
| Phone:   |   |   |                         |
| Fax:<br>TTY:   |   |   |                         |

Email:

Other:

| under Ro<br>requirem                           | No: Please explain: The proposed amended rules do not qualify as a type of rule requiring a cost-benefit analysis<br>under RCW 34.05.328(5). The LCB is not a listed agency under RCW 34.05.328(5)(a)(i), so the cost-benefit analysis<br>requirements in RCW 34.05.328 are not applicable to the proposed rules unless voluntarily applied or made applicable by<br>the joint administrative rules review committee under RCW 34.05.328(5)(a)(i). |                                     |   |  |  |  |  |  |
|--|--|-------------------------------------|---|--|--|--|--|--|
|  | Regulatory Fairness Act and Small Business Economic Impact Statement<br>Note: The <u>Governor's Office for Regulatory Innovation and Assistance (ORIA)</u> provides support in completing this part.   |                                     |   |  |  |  |  |  |
| (1) Identific<br>This rule pro<br>chapter 19.8 | cation of exemptions:<br>oposal, or portions of the proposal, may be exem  | <b>pt</b> from                      | requirements of the Regulatory Fairness Act (see<br>ult the <u>exemption guide published by ORIA</u> . Please   |  |  |  |  |  |
| adopted sol<br>regulation th<br>adopted.       | e proposal, or portions of the proposal, is exempt<br>ely to conform and/or comply with federal statute<br>his rule is being adopted to conform or comply wit<br>description:  | or regul                            |   |  |  |  |  |  |
|  | e proposal, or portions of the proposal, is exempt l<br>RCW 34.05.313 before filing the notice of this prop  |                                     | e the agency has completed the pilot rule process<br>ule.   |  |  |  |  |  |
|  | e proposal, or portions of the proposal, is exempt a referendum.   | under th                            | e provisions of <u>RCW 15.65.570</u> (2) because it was   |  |  |  |  |  |
| □ This rule                                    | e proposal, or portions of the proposal, is exempt   | under <u>R</u>                      | CW 19.85.025(3). Check all that apply:  |  |  |  |  |  |
|  | <u>RCW 34.05.310</u> (4)(b)  |                                     | <u>RCW 34.05.310</u> (4)(e)   |  |  |  |  |  |
|  | (Internal government operations)   |                                     | (Dictated by statute)   |  |  |  |  |  |
|  | <u>RCW 34.05.310</u> (4)(c)  |                                     | <u>RCW 34.05.310</u> (4)(f)   |  |  |  |  |  |
|  | (Incorporation by reference)   |                                     | (Set or adjust fees)  |  |  |  |  |  |
|  | <u>RCW 34.05.310</u> (4)(d)  |                                     | <u>RCW 34.05.310</u> (4)(g)   |  |  |  |  |  |
|  | (Correct or clarify language)  |                                     | ((i) Relating to agency hearings; or (ii) process   |  |  |  |  |  |
|  |  |                                     | requirements for applying to an agency for a license<br>or permit)  |  |  |  |  |  |
| □ This rule                                    | e proposal, or portions of the proposal, is exempt u   | under R                             | CW 19.85.025(4) (does not affect small businesses).   |  |  |  |  |  |
| □ This rule                                    | e proposal, or portions of the proposal, is exempt   | under R                             | CW  |  |  |  |  |  |
| Explanation                                    | of how the above exemption(s) applies to the pro   | posed i                             | ule:  |  |  |  |  |  |
| (2) Scope o                                    | of exemptions: Check one.  |                                     |   |  |  |  |  |  |
| ☐ The rule<br>☐ The rule<br>proposal, bu       | proposal is fully exempt (skip section 3). Exempt  | . The ex<br>Is here                 |   |  |  |  |  |  |
| (3) Small b                                    | usiness economic impact statement: Complete  | e this se                           | ction if any portion is not exempt.   |  |  |  |  |  |
| If any portio<br>on business                   |  | ose mo                              | re-than-minor costs (as defined by RCW 19.85.020(2))  |  |  |  |  |  |
| compliar<br>associate                          | more-than-minor costs. Agencies are required to c  | conside<br>d under                  | how the agency determined the proposed rule did not<br>costs imposed on business and costs associated with<br>chapter 19.85 RCW to consider indirect costs not<br>al administrative costs that a licensee may incur                                 |  |  |  |  |  |
| WAC 31<br>operate<br>means re                  | 4-11-050 if they so choose, but they will no longe<br>to expand the scope of permitted activity, that is e   | r be req<br>entirely v<br>ibited. E | red. Licensees may continue to prohibit the conduct in<br>uired to do so. If licensees want to change how they<br>within their legal authority to do so, but they are by no<br>Because no new rules or amended rule language needs<br>rule changes. |  |  |  |  |  |

□ Yes Calculations show the rule proposal likely imposes more-than-minor cost to businesses and a small business economic impact statement is required. Insert the required small business economic impact statement here:

The public may obtain a copy of the small business economic impact statement or the detailed cost calculations by contacting:

Name: Daniel Jacobs, Rules & Policy Coordinator Address: PO Box 43080, Olympia WA 98504-3080 Phone: 360-480-1238 Fax: 360 704 5027 TTY: Email: rules@lcb.wa.gov Other:

Signature:

Dyle

Name: David Postman

Date: April 24, 2024

Title: Chair

#### <u>REPEALER</u>

The following section of the Washington Administrative Code is repealed:

WAC 314-11-050 What types of conduct are prohibited on a premises with a liquor license?

AMENDATORY SECTION (Amending WSR 17-12-030, filed 5/31/17, effective 7/1/17)

WAC 314-03-100 ((What types of)) Activities on a licensed premises ((require)) requiring notice to the board((?)). Liquor licensees must notify their local enforcement office in writing at least five days prior to conducting the following activities unless the licensee has received an exception from their enforcement officer:

(1) ((Male/female dance reviews, subject to the provision of WAC 314-11-050;

(2))) Live boxing or wrestling;

((-(3))) (2) Contests or games where patrons are part of the entertainment;

(((++))) (3) Hours of operation in between 2:00 a.m. and 6:00 a.m. for licensees that sell liquor for on-premises consumption;

(((5))) (4) Closing the business to the general public for a private party; and

(((6))) (5) Outside service for one-time events such as a holiday celebration where liquor service and consumption is planned to extend to an area of the premises that does not have board approval for liquor service. The licensee must have leasehold rights to the area where alcohol service and consumption is planned.

AMENDATORY SECTION (Amending WSR 22-14-111, filed 7/6/22, effective 8/6/22)

WAC 314-11-015 ((What are my)) <u>Responsibilities as a liquor licensee((?))</u>. (1)(a) Liquor licensees are responsible for the operation of their licensed premises in compliance with the liquor laws and rules of the board (Title 66 RCW and Title 314 WAC). Any violations committed or permitted by employees will be treated by the board as violations committed or permitted by the licensee.

(b) The penalties for violations of liquor laws or rules are in: WAC 314-29-015 through 314-29-035, as now or hereafter amended, for licensees; and WAC 314-17-105 and 314-17-110, as now or hereafter amended, for employees who hold mandatory alcohol server training permits. These rules also outline aggravating and mitigating circumstances that may affect what penalty is applied if a licensee or employee violates a liquor law or rule.

(2) Licensees and their employees also have the responsibility to conduct the licensed premises in compliance with the following laws, as they now exist or may later be amended:

• Titles 9 and 9A RCW, the criminal code laws;

• Title 69 RCW, which outlines the laws regarding controlled substances; and

• Chapters 70.155((,)) and 82.24 RCW, and RCW 26.28.080 which outline laws regarding tobacco.

(3) Licensees have the responsibility to control their conduct and the conduct of employees and patrons on the premises at all times. Except as otherwise provided by law, licensees or employees may not:

(a) Be disorderly or apparently intoxicated on the licensed premises;

(b) Allow any disorderly person to remain on the licensed premises;

(c) Engage in or allow behavior that provokes conduct which presents a threat to public safety;

(d) Consume liquor of any kind while working on the licensed premises; except that:

(i) Entertainers per WAC 314-02-010 may drink while performing under the following conditions:

(A) Alcohol service must be monitored by MAST servers;

(B) Drinks must be served in unlabeled containers;

(C) Entertainers may not advertise any alcohol brands or products;

(D) Entertainers may not promote drink specials; and

(E) If any member of the entertainment group is under 21 years of age, alcohol may not be consumed by any member of the group while performing.

(ii) Licensed beer manufacturers and their employees may sample beer of their own manufacture for manufacturing, evaluating or pricing product in areas where the public is not served, so long as the licensee or employee does not become apparently intoxicated;

(iii) Licensed wine manufacturers and their employees may:

(A) Sample wine for manufacturing, evaluating, or pricing product, so long as the licensee or employee does not become apparently intoxicated; and the licensee or employee who is sampling for these purposes is not also engaged in serving alcohol to the public; and (B) Sample wine of their own manufacture for quality control or consumer education purposes, so long as the licensee or employee does not become apparently intoxicated.

(e) Engage in, or allow others to engage in, conduct on the licensed premises which is prohibited by any portion of Titles 9, 9A, or 69 RCW;

(f) Engage in the consumption of any type of cannabis, useable cannabis, or cannabis-infused products in a liquor licensed business, including outdoor service areas or any part of the property owned or controlled by the licensee;

(g) Allow any person to consume any type of cannabis, useable cannabis, or cannabis-infused products in a liquor licensed business, including outdoor service areas or any part of the property owned or controlled by the licensee;

(h) Allow any person consuming, or who has consumed on any part of the licensed premises, any type of cannabis, useable cannabis, or cannabis-infused products to remain on any part of the licensed premises; or

(i) Sell or serve liquor by means of drive-through service from pickup or pass-through windows.

(4) Licensees have the responsibility to control the interaction between the licensee or employee and their patrons. At a minimum, licensees or employees may not:

(a) Solicit any patron to purchase any beverage for the licensee or employee, or allow a person to remain on the premises for such purpose;

(b) Spend time ((<del>or dance</del>)) with, or permit any person to spend time ((<del>or dance</del>)) with, any patron for direct or indirect compensation by a patron.

((<del>See WAC 314-11-050 for further guidelines on prohibited con-</del> duct.)) AMENDATORY SECTION (Amending WSR 10-12-124, filed 6/2/10, effective

7/3/10)

## WAC 314-17-105 ((What are the)) Penalties when a permit holder

## violates a liquor law or regulation((?)). Penalties assessed for

| violations | within | а | three-year | period | will | normally | be | as | follows: |  |
|------------|--------|---|------------|--------|------|----------|----|----|----------|--|
|            |        |   |            |        |      |          |    |    |          |  |

| Violation Type  | 1st Violation   | 2nd Violation  | <b>3rd Violation</b>                                       | 4th Violation             |
|---|---|--|--|---------------------------|
| AFTER HOURS: Selling, serving or allowing alcohol to be consumed between 2 a.m. and 6 a.m. See WAC 314-11-070.  | 5-day permit<br>suspension OR<br>\$100 monetary<br>option | 10-day permit<br>suspension OR<br>\$200 monetary<br>option | 30-day permit<br>suspension OR<br>\$400 monetary<br>option | Revocation of permit      |
| DISORDERLY CONDUCT: Disorderly conduct by<br>a licensee or employee, or allowing patrons to<br>engage in disorderly conduct. See WAC<br>( ( <del>314-11-050</del> ) ) <u>314-11-015</u> . | 5-day permit<br>suspension OR<br>\$100 monetary<br>option | 10-day permit<br>suspension OR<br>\$200 monetary<br>option | 30-day permit<br>suspension OR<br>\$400 monetary<br>option | Revocation of permit      |
| FALSIFICATION OF PERMIT: Falsifying a class<br>12 or 13 permit or possessing a class 12 or 13<br>permit contrary to this title. See RCW<br>66.20.310 and WAC 314-17-025.                  | 5-day permit<br>suspension OR<br>\$100 monetary<br>option | 10-day permit<br>suspension OR<br>\$200 monetary<br>option | 30-day permit<br>suspension OR<br>\$400 monetary<br>option | Revocation of permit      |
| INTOXICATED PERSONS: Selling or serving to<br>an apparently intoxicated person or allowing<br>such a person to possess or consume alcohol.<br>See RCW 66.44.200 and WAC 314-11-035.       | 5-day permit<br>suspension OR<br>\$100 monetary<br>option | 10-day permit<br>suspension OR<br>\$200 monetary<br>option | 30-day permit<br>suspension OR<br>\$400 monetary<br>option | Revocation of permit      |
| ( (LEWD CONDUCT: Allowing lewd conduct<br>on a retail licensed premises. See WAC 314-<br>11-050.  | 5 day permit<br>suspension OR<br>\$100 monetary<br>option | 10 day permit<br>suspension OR<br>\$200 monetary<br>option | 30 day permit<br>suspension OR<br>\$400 monetary<br>option | Revocation of<br>permit)) |
| MISCELLANEOUS: Violation of other retail liquor laws or regulations.  | 5-day permit<br>suspension OR<br>\$100 monetary<br>option | 10-day permit<br>suspension OR<br>\$200 monetary<br>option | 30-day permit<br>suspension OR<br>\$400 monetary<br>option | Revocation of permit      |
| MINORS: Selling or serving alcohol to a person<br>under twenty-one years of age. See RCW<br>66.44.310 and WAC 314-11-020.   | 5-day permit<br>suspension OR<br>\$200 monetary<br>option | 10-day permit<br>suspension OR<br>\$400 monetary<br>option | 30-day permit<br>suspension OR<br>\$500 monetary<br>option | Revocation of permit      |
| MINORS: Allowing a person under twenty-one years of age to frequent a restricted premises or area. See RCW 66.44.310 and WAC 314-11-020.  | 5-day permit<br>suspension OR<br>\$100 monetary<br>option | 10-day permit<br>suspension OR<br>\$200 monetary<br>option | 30-day permit<br>suspension OR<br>\$400 monetary<br>option | Revocation of permit      |
| OBSTRUCTING AN OFFICER: Obstructing a law<br>enforcement officer, or failure to allow an<br>inspection. See RCW 66.28.090.  | 5-day permit<br>suspension OR<br>\$100 monetary<br>option | 10-day permit<br>suspension OR<br>\$200 monetary<br>option | 30-day permit<br>suspension OR<br>\$400 monetary<br>option | Revocation of permit      |

| Violation Type   | 1st Violation   | 2nd Violation  | 3rd Violation  | 4th Violation        |
|--|---|--|--|----------------------|
| OTHER VIOLATION OF LAWS: Conviction of liquor laws, driving under the influence or felony.                 | 5-day permit<br>suspension OR<br>\$100 monetary<br>option | Revocation of permit                                       |  |                      |
| PERMIT: Failure to produce permit or<br>identification upon request. See RCW<br>66.20.310 and 66.20.180.   | 5-day permit<br>suspension OR<br>\$100 monetary<br>option | 10-day permit<br>suspension OR<br>\$200 monetary<br>option | 30-day permit<br>suspension OR<br>\$400 monetary<br>option | Revocation of permit |
| PRIVATE CLUBS: Prohibitions involving club<br>liquor and use by the general public. See<br>WAC 314-40-010. | 5-day permit<br>suspension OR<br>\$100 monetary<br>option | 10-day permit<br>suspension OR<br>\$200 monetary<br>option | 30-day permit<br>suspension OR<br>\$400 monetary<br>option | Revocation of permit |

[Statutory Authority: RCW 66.08.030 and 66.20.330. WSR 10-12-124, \$
314-17-105, filed 6/2/10, effective 7/3/10. Statutory Authority: RCW
66.08.030, 66.12.160, 66.44.010, 66.44.200, 66.44.240, 66.44.270,
66.24.291 [66.44.290], 66.44.310. WSR 04-18-038, \$ 314-17-105, filed
8/25/04, effective 9/25/04. Statutory Authority: RCW 66.08.030,
66.20.300, 66.20.310, 66.20.320, 66.20.330, 66.20.340, 66.20.350. WSR
01-03-085, \$ 314-17-105, filed 1/17/01, effective 2/17/01.]

AMENDATORY SECTION (Amending WSR 18-21-115, filed 10/17/18, effective 11/17/18)

WAC 314-29-020 Group 1 violations against public safety. (1) Group 1 violations are considered the most serious because they present a direct threat to public safety. Violations beyond the first violation do not have a monetary option upon issuance of a violation notice. The liquor and cannabis board may offer a monetary option in lieu of suspension days based on mitigating circumstances as outlined in WAC 314-29-015(4).

(2) Group 1 violations will be counted sequentially rather than independently by group. For example, if a licensee received a violation for over service on one day and a violation for sale to a minor a week later, the sale to a minor would be treated as a second offense since both violations are in the same violation group.

| Violation Type   | 1st Violation                                   | 2nd Violation in a two-year window | 3rd Violation in a two-year window | 4th Violation in a two-year window |
|--|---|------------------------------------|------------------------------------|------------------------------------|
| Violations involving minors:   | 5 day suspension                                | 7 day suspension                   | 30 day suspension                  | Cancellation of                    |
| Sale or service to minor: Sale or<br>service of alcohol to a person<br>under 21 years of age.  | or \$500 monetary<br>option                     |                                    |                                    | license                            |
| Minor frequenting a tavern,<br>lounge, or other restricted area.<br>RCW 66.44.270<br>RCW 66.44.310<br>WAC 314-11-020<br>WAC 314-16-150   |   |                                    |                                    |                                    |
| Sale or service to apparently<br>intoxicated person: Sale or<br>service of alcohol to, or<br>permitting consumption or<br>possession by, an apparently<br>intoxicated person.<br>RCW 66.44.200<br>WAC 314-16-150 | 5 day suspension<br>or \$500 monetary<br>option | 7 day suspension                   | 30 day suspension                  | Cancellation of license            |
| Conduct violations:<br>Disorderly conduct by licensee<br>or employee, or permitting on<br>premises.  | 5 day suspension<br>or \$500 monetary<br>option | 7 day suspension                   | 30 day suspension                  | Cancellation of license            |
| Licensee and/or employee<br>intoxicated on the licensed<br>premises and/or drinking on duty.   |   |                                    |                                    |                                    |
| <b>Criminal conduct:</b> Permitting or<br>engaging in criminal conduct.<br>WAC 314-11-015  |   |                                    |                                    |                                    |
| ((Lewd conduct:<br>Engaging in or permitting<br>conduct in violation of WAC<br>314-11-050.   | 5 day suspension<br>or \$500 monetary<br>option | 7 day suspension                   | 30 day suspension                  | Cancellation of license))          |
| <b>Refusal</b> to allow an inspection<br>and/or obstructing a law<br>enforcement officer from<br>performing their official duties.<br>RCW 66.28.090<br>RCW 66.44.370<br>WAC 314-11-090                           | 5 day suspension<br>or \$500 monetary<br>option | 7 day suspension                   | 30 day suspension                  | Cancellation of license            |

| Violation Type  | 1st Violation   | 2nd Violation in a two-year window | 3rd Violation in a two-year window | 4th Violation in a two-year window |
|---|---|------------------------------------|------------------------------------|------------------------------------|
| <b>Condition of suspension</b><br><b>violation:</b> Failure to follow any<br>suspension restriction while<br>liquor license is suspended.<br>WAC 314-29-040 | Original penalty<br>plus 10 day<br>suspension with<br>no monetary<br>option | Cancellation of license            |                                    |                                    |

AMENDATORY SECTION (Amending WSR 16-19-106, filed 9/21/16, effective 10/22/16)

WAC 314-29-038 Group 5 public safety violations for sports entertainment facility licenses. Sports entertainment facility licenses are unique and different from other on-premises licenses since they are not open on a daily basis, but rather for specific events. Public safety violations are considered the most serious because they present a direct threat to public safety. All other violations and penalties are the same for sports entertainment facility licensees as other liquor licenses.

(1) General public safety violation penalties.

| Violation Type   | 1st Violation  | 2nd Violation in a two-year window  | 3rd Violation in a two-year window   | 4th and Subsequent<br>violation in a two-<br>year window                                      |
|--|--|---|--|---|
| Violations involving minors:<br>Sale or service to minors<br>outside of WAC 314-29-038(c):<br>Sale or service of alcohol to a<br>person under 21 years of age.<br>Minor frequenting a restricted<br>area.<br>RCW 66.44.270<br>RCW 66.44.310<br>WAC 314-11-020<br>WAC 314-16-150              | Monetary penalty<br>will be based on<br>ticket sales to the<br>event, and<br>calculated at<br>\$0.10 per ticket<br>sold, with a<br>mandatory<br>minimum of<br>\$2,500 fine | Monetary penalty<br>will be based on<br>ticket sales to the<br>event, and<br>calculated at \$0.50<br>per ticket sold,<br>with a mandatory<br>minimum of<br>\$7,000 fine | Monetary penalty<br>will be based on<br>ticket sales to the<br>event, and<br>calculated at \$1.25<br>per ticket sold,<br>with a mandatory<br>minimum of<br>\$45,000 fine | Penalty to be<br>determined by the<br>board, including<br>possible cancellation<br>of license |
| Sale or service to an<br>apparently intoxicated person:<br>Sale or service of alcohol to, or<br>permitting consumption or<br>possession by, an apparently<br>intoxicated person.<br>RCW 66.44.200<br>WAC 314-16-150  | Monetary penalty<br>will be based on<br>ticket sales to the<br>event, and<br>calculated at<br>\$0.10 per ticket<br>sold, with a<br>mandatory<br>minimum of<br>\$2,500 fine | Monetary penalty<br>will be based on<br>ticket sales to the<br>event, and<br>calculated at \$0.50<br>per ticket sold,<br>with a mandatory<br>minimum of<br>\$7,000 fine | Monetary penalty<br>will be based on<br>ticket sales to the<br>event, and<br>calculated at \$1.25<br>per ticket sold,<br>with a mandatory<br>minimum of<br>\$45,000 fine | Penalty to be<br>determined by the<br>board, including<br>possible cancellation<br>of license |
| Conduct violations:<br>Disorderly conduct by licensee<br>or employee, or permitting on<br>premises.<br>Licensee and/or employee<br>intoxicated on the licensed<br>premises and/or drinking on<br>duty.<br>Criminal conduct: Permitting<br>or engaging in criminal conduct.<br>WAC 314-11-015 | Monetary penalty<br>will be based on<br>ticket sales to the<br>event, and<br>calculated at<br>\$0.10 per ticket<br>sold, with a<br>mandatory<br>minimum of<br>\$2,500 fine | Monetary penalty<br>will be based on<br>ticket sales to the<br>event, and<br>calculated at \$0.50<br>per ticket sold,<br>with a mandatory<br>minimum of<br>\$7,000 fine | Monetary penalty<br>will be based on<br>ticket sales to the<br>event, and<br>calculated at \$1.25<br>per ticket sold,<br>with a mandatory<br>minimum of<br>\$45,000 fine | Penalty to be<br>determined by the<br>board, including<br>possible cancellation<br>of license |

| Violation Type   | 1st Violation  | 2nd Violation in a two-year window  | 3rd Violation in a two-year window   | 4th and Subsequent<br>violation in a two-<br>year window  |
|--|--|---|--|---|
| ((Lewd conduct:<br>Engaging in or permitting<br>conduct in violation of WAC<br>314-11-050.   | Monetary penalty<br>will be based on<br>ticket sales to the<br>event, and<br>calculated at<br>\$0.10 per ticket<br>sold, with a<br>mandatory<br>minimum of<br>\$2,500 fine | Monetary penalty<br>will be based on<br>ticket sales to the<br>event, and<br>ealculated at \$0.50<br>per ticket sold,<br>with a mandatory<br>minimum of<br>\$7,000 fine | Monetary penalty<br>will be based on<br>ticket sales to the<br>event, and<br>calculated at \$1.25<br>per ticket sold,<br>with a mandatory<br>minimum of<br>\$45,000 fine | Penalty to be<br>determined by the<br>board, including<br>possible cancellation<br>of license)) |
| <b>Refusal</b> to allow an inspection<br>and/or obstructing a law<br>enforcement officer from<br>performing their official duties.<br>RCW 66.28.090<br>RCW 66.44.370<br>WAC 314-11-090 | Monetary penalty<br>will be based on<br>ticket sales to the<br>event, and<br>calculated at<br>\$0.10 per ticket<br>sold, with a<br>mandatory<br>minimum of<br>\$2,500 fine | Monetary penalty<br>will be based on<br>ticket sales to the<br>event, and<br>calculated at \$0.50<br>per ticket sold,<br>with a mandatory<br>minimum of<br>\$7,000 fine | Monetary penalty<br>will be based on<br>ticket sales to the<br>event, and<br>calculated at \$1.25<br>per ticket sold,<br>with a mandatory<br>minimum of<br>\$45,000 fine | Penalty to be<br>determined by the<br>board, including<br>possible cancellation<br>of license   |

(2) If documented ticket sales for an event are unavailable, in order to assess penalties set forth in this section, the facility maximum occupancy will be used for the penalty assessment.(3) WSLCB youth access compliance checks, in accordance with

chapter 314-31 WAC.

| License Class  | Compliance Threshold  | 1st<br>Violation | 2nd<br>Violation | 3rd<br>Violation | 4th<br>Violation  |  |  |
|--|---|------------------|------------------|------------------|---|--|--|
| Sports and<br>entertainment<br>facility  | Events: 1 to 20 points of<br>sale (1st incident/sale to<br>minor to be a violation/<br>compliance failure)    | \$1000 x I*      | \$10,000 x I*    | \$25,000 x I*    | Penalty to be<br>determined by the<br>board, including<br>possible cancellation<br>of license |  |  |
| Sports and<br>entertainment<br>facility  | Events: 21 to 45 points of<br>sale (2nd incident/sale to<br>minor to be a violation/<br>compliance failure)   | \$1000 x I*      | \$10,000 x I*    | \$25,000 x I*    | Penalty to be<br>determined by the<br>board, including<br>possible cancellation<br>of license |  |  |
| Sports and<br>entertainment<br>facility  | Events: 45 or more points<br>of sale (3rd incident/sale<br>to minor to be a violation/<br>compliance failure) | \$1000 x I*      | \$10,000 x I*    | \$25,000 x I*    | Penalty to be<br>determined by the<br>board, including<br>possible cancellation<br>of license |  |  |
| * "I" signifies the total cumulative incidents of sales to underage person during an alcohol compliance check. |   |                  |                  |                  |   |  |  |

A point of sale is defined as each different concession stand, or service area (such as a lounge), not each individual cash register.

AMENDATORY SECTION (Amending WSR 10-06-122, filed 3/3/10, effective 4/3/10)

WAC 314-52-113 Brand signs and point-of-sale displays on retail licensed premises. Manufacturers, importers or distributors may furnish brand signs and point-of-sale material to retailers under the following conditions:

(1) The brand signs and point-of-sale material shall have no value to the retailer except as brand advertisement; such signs as those that provide illumination for cash registers, pool tables, and other parts of the premises, have a functional value and are not authorized. The brand signs and point-of-sale material shall remain the property of, and be the responsibility of, the manufacturers, importers or distributors.

(2) Giant inflatables, such as inflated beer cans, bottles, and banners may be provided as point-of-sale to retailers for display purposes inside the licensed premises, provided the following conditions are met:

(a) Novelty items as defined in WAC 314-52-080 are not provided by manufacturers, importers, or distributors to customers in conjunction with the display;

(b) Inflatables are not targeted or appeal principally to youth; and

(c) The display shall be removed if objected to by local officials, or if the board finds it contrary to the public interest.

(3) Costumed individuals representing beer, wine, or liquor manufacturers may be provided as point-of-sale to retailers for display and promotion purposes on their property, provided the following conditions are met:

(a) The costumed individual is limited to the manufacturer, importer, distributor, or employee thereof and the costumed individual's activities on-premises are limited to socializing with customers and not conducting any activity that the retail licensee would otherwise have to assign employees to;

(b) Novelty items as defined in WAC 314-52-080 and the purchase of drinks, are not to be provided to customers by the costumed individual in conjunction with such displays;

(c) ((The costumed individual must comply with the regulations regarding lewd and obscene conduct (WAC 314-11-050);

(d))) The costumed individual may not be targeted or appeal principally to youth; and

((<del>(e)</del>)) <u>(d)</u> The board may prohibit the use of costumed individuals if the use is contrary to the public interest.