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Policy Statement

Title: Emergency Alcohol Permit (RE: HB 2204 Special Permits)

Number: PS24-01 References: HB 2204

> RCW 66.20.010 RCW 38.52.010 WAC 314-38

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RCW 34.05.230 – Interpretive and policy statements

(1) An agency is encouraged to advise the public of its current opinions, approaches, and likely courses of action by means of interpretive or policy statements. Current interpretive and policy statements are advisory only. To better inform the public, an agency is encouraged to convert long-standing interpretive and policy statements into rules.

INTRODUCTION

This policy statement is offered to provide qualified liquor licensees an understanding of license privileges when applying for an emergency liquor permits prior to formal rule development. This policy statement will serve as reference material, policy guidance, and the LCB licensing process as it relates to emergency permits created in HB 2204 and effective June 06, 2024. This policy statement will be in effect until formal rule development occurs later in 2024.

SUMMARY (from HB 2204)

HB 2204 establishes an emergency liquor permit for certain liquor licensees impacted by an emergency or disaster. Liquor licensees allowed to apply for an emergency permit are limited to licensed manufacturers for spirits, beer, and wine. Emergency permits will only be issued when an emergency or disaster has made the premises of the manufacturer inaccessible and unable to operate due to an emergency or road closure.

"Emergency or disaster" has the meaning in RCW 38.52.010(13)(a): "an event or set of circumstances which: (i) Demands immediate action to preserve public health, protect life, protect public property, or to provide relief to any stricken community overtaken by such occurrences; or (ii) reaches such a dimension or degree of destructiveness as to warrant the governor proclaiming a state of emergency pursuant to RCW 43.06.010."

The emergency permit authorizes a licensed manufacturer the ability to temporarily engage in the sale, service, and consumption of liquor on the premises of another liquor license with retail sales privileges.

Employees or agents of the emergency permit holder, or employees or agents of the licensed premises where the permit holder is temporarily located, may serve liquor provided by the permit holder. The permit holder may store no more than a 30-day supply of liquor at the temporary location. Storage of liquor by the permit holder during the emergency must be stored in segregated storage from the inventory of the permanent liquor license holder. No more than a total of three emergency permit holders may sell at the same licensed premises under an emergency permit.

The permit shall be valid for 30 days and may be continually renewed for periods of 30 days if the emergency or disaster continues. The fee must be waived if there is a proclamation of a state of emergency issued by the governor or by the city, town, or county where the applicant is located.

POLICY STATEMENT

In accordance with HB 2204, LCB will issue emergency permits allowing holders to share space with another licensee (a "host licensee"), with existing retail sales privileges, free of charge, under the following conditions:

- An emergency or disaster as defined in <u>RCW 38.52.010</u> is declared making the premises of the applicant inaccessible and unable to operate due to an emergency or road closure.
- No more than a total of three emergency permit holders may sell at the same host licensee premises under an emergency permit.
- The emergency permit holder will have only the same privileges as the host licensee.
- The emergency permit holder's employees must meet the same MAST permit requirements as the host licensee's employees.
- Any manufacturer co-locating with a retail host licensee must not enter into any agreements
 outside of this emergency permit allowance that could cause undue influence during the period
 of the emergency permit or extend to any future preferential treatment for either party.