Dec 01, 2022

Honorable Members of the House Commerce & Gaming Committee, the Senate Labor, Commerce & Tribal Affairs Committee, and Governor Jay Inslee:

Attached is the final report generated by the independent study required under 2021's E2SHB 1480, analyzing possible impacts of liquor license privileges extending COVID-19 allowances originally granted by the Liquor and Cannabis Board (LCB). Through an RFP and competitive bid process, the Board selected The CDM Group, Inc to conduct the study. Contained in the report is:

- An executive summary, with primary findings in the first four pages;
- Brief conclusions and recommendations offered by The CDM Group, Inc.;
- A comprehensive report; and
- Supporting materials.

A one-page graphic showcasing high level data associated with the full report is also included.

The LCB has reviewed the study and findings. Due to the study size, and multiple variables that could not be included in the study, the LCB sees no established direct cause and effect impacts, either positive or negative, from any of the allowances.

Separate from the overall study results, however, the LCB has concerns about the allowance that authorized delivery of alcohol by third-party businesses, which are not licensed by the LCB. In monthly compliance checks, the LCB found a significantly below average level of compliance with prohibitions on selling to minors through third-party delivery. During the study, the LCB received anecdotal feedback from third-party delivery drivers who expressed concerns they have making alcohol deliveries. However, since there were no drivers willing to respond to invitations from the vendor to participate in the study, those concerns could not be appropriately incorporated into the study. Additional stakeholders, representing licensees, informally expressed concerns with the lack of accountability for third-party companies.

The LCB recommends that the Legislature sunset the allowance for third party delivery of alcohol to consumers; this is scheduled to occur on July 01, 2023 as specified in HB 1480. If the legislature is interested in further exploring third party delivery, the LCB recommends considering a new specific license to be issued for the third party delivery companies. This delivery license could be revoked for non-compliance issues that impact public safety and youth access in the State of Washington.

For any follow-up questions related to the study, please feel free to contact our Director of Policy and External Affairs, Justin Nordhorn, at <a href="mailto:justin.nordhorn@lcb.wa.gov">justin.nordhorn@lcb.wa.gov</a> or at (360) 918-1474.

Sincerely,

David Postman

Chair