



Washington State
Liquor and Cannabis Board

Date: August 14, 2024

To: David Postman, Board Chair
Ollie Garrett, Board Member
Jim Vollendroff, Board Member

From: Daniel Jacobs, Policy and Rules Coordinator

Copy: Will Lukela, Agency Director
Toni Hood, Agency Deputy Director
Chandra Wax, Director of Enforcement and Education
Becky Smith, Licensing Director
Justin Nordhorn, Policy and External Affairs Director
Cassidy West, Policy & Rules Manager

Subject: **Approval to file a pre-proposal statement of inquiry (CR 101) regarding implementation of House Bill (HB) 2204 related to emergency liquor permits.**

The Washington State Liquor and Cannabis Board (LCB) is considering repealing, amending, and creating rule sections in Title 314 WAC as necessary to implement [House Bill \(HB\) 2204 \(chapter 91, Laws of 2024\)](#), codified at [RCW 66.20.010\(19\)](#), which authorizes LCB to issue emergency liquor permits under specific circumstances.

Process

The Policy and Rules Coordinator requests approval to file the pre-proposal statement of inquiry (CR 101) for the rule making described above. A CR 101 Memorandum was presented at the Board meeting on August 14, 2024 and is attached to this order.

If approved for filing, the **tentative timeline** for the rule making process is outlined below:

August 14, 2024	Board is asked to approve filing pre-proposal statement of inquiry (CR 101). CR 101 is filed with the Office of the Code Reviser. Webpage is updated and notice circulated by GovDelivery distribution list. Informal comment period begins.
September 4, 2024	Notice is published in the Washington State Register under WSR 24-17.
September 14, 2024	Informal comment period ends.

October 23, 2024	Board is asked to approve filing proposed rules (CR 102). CR 102 is filed with the Office of the Code Reviser. Webpage is updated and notice circulated by the rules distribution list. Formal comment period begins.
November 6, 2024	Notice is published in the Washington State Register under WSR 24-21.
December 4, 2024	Public hearing is held and formal comment period ends.
December 18, 2024	Board is asked to adopt rules if no substantive changes are made (CR 103). Concise Explanatory Statement is provided to individuals offering written or oral comment at the public hearing or during the formal comment period, consistent with RCW 34.05.325. CR 103 and adopted rules are filed with the Office of the Code Reviser. Webpage is updated and notice circulated by GovDelivery distribution list.
January 18, 2025	Rules are effective 31 days after filing unless otherwise specified. See RCW 34.05.380(2).

_____ Approve	_____ Disapprove	_____	_____
		David Postman, Chair	Date
_____ Approve	_____ Disapprove	_____	_____
		Ollie Garrett, Board Member	Date
_____ Approve	_____ Disapprove	_____	_____
		Jim Vollendroff, Board Member	Date

Attachments:

- 1) CR 101 Memo
- 2) House Bill 2204 (chapter 91, Laws of 2024)
- 3) Policy Statement on Emergency Liquor Permits filed as WSR 24-15-002



CR 101 Memorandum

Implementation of House Bill (HB) 2204 (chapter 91, Laws of 2024) on Emergency Liquor Permits

Date: August 14, 2024
Presented by: Daniel Jacobs, Policy and Rules Coordinator

Background

During the 2024 legislative session, the Washington State Legislature passed [House Bill \(HB\) 2204 \(chapter 91, Laws of 2024\)](#), codified at [RCW 66.20.010\(19\)](#), authorizing the Washington State Liquor and Cannabis Board (LCB) to issue emergency liquor permits to existing licensed manufacturers for the sale, service, and consumption of liquor on the premises of another liquor license, when an emergency or disaster has made the premises of the applicant inaccessible and unable to operate due to an emergency or road closures.

Definitions and other conditions are identified in [RCW 66.20.010\(19\)](#), some of which will need to be further elaborated on via rulemaking.

The LCB issued a [policy statement](#) on Emergency Liquor Permits to apply before the rules are anticipated to be in effect.

Reasons Why Rulemaking Is Needed

Amendments to, or repeal of, existing rules, as well as creating new rules, may be necessary to implement emergency liquor permits as provided in [HB 2204 \(chapter 91, Laws of 2024\)](#).

Process

The rulemaking process begins by announcing the Board's intent to consider changes to existing rules, add new rule sections, or both by filing a pre-proposal statement of inquiry (CR 101) form with the Office of the Code Reviser. This allows staff, stakeholders, industry partners, and all members of the authorizing environment to begin discussing possible rule changes.

At the CR 101 stage of the rulemaking process, no proposed language is offered. Any interested person may comment on this possible rulemaking during the designated comment period. Notice will be sent to all who have indicated that they want to receive notice of rule activity related to this pre-proposal statement of

inquiry. The notice will identify the public comment period and where comments can be sent.

PREPROPOSAL STATEMENT OF INQUIRY



CR-101 (October 2017)
(Implements RCW 34.05.310)
Do **NOT** use for expedited rule making

Agency: Washington State Liquor and Cannabis Board

Subject of possible rule making: Title 314 WAC. The Washington State Liquor and Cannabis Board (Board) is considering repealing, amending, and creating rule sections as necessary to implement House Bill (HB) 2204 (chapter 91, Laws of 2024), codified at RCW 66.20.010(19), which directs the Board to issue emergency liquor permits to certain licensees affected by emergency or disaster situations.

Statutes authorizing the agency to adopt rules on this subject: RCW 66.08.030; RCW 66.20.010(19).

Reasons why rules on this subject may be needed and what they might accomplish: Amendments to and repeal of existing rules, as well as the creation of new rules in Title 314 WAC may be necessary to implement House Bill 2204 (chapter 91, Laws of 2024) codified at RCW 66.20.010(19) regarding emergency liquor permits.

Identify other federal and state agencies that regulate this subject and the process coordinating the rule with these agencies: None

Process for developing new rule (check all that apply):

- Negotiated rule making
- Pilot rule making
- Agency study
- Other (describe)

Interested parties can participate in the decision to adopt the new rule and formulation of the proposed rule before publication by contacting:

	(If necessary)
Name: Daniel Jacobs, Policy and Rules Coordinator	Name:
Address: PO BOX 43080, Olympia, WA 98504	Address:
Phone: 360-480-1238	Phone:
Fax: 360-704-5027	Fax:
TTY:	TTY:
Email: rules@lcb.wa.gov	Email:
Web site: lcb.wa.gov	Web site:
Other:	Other:

Additional comments: Interested persons can participate in the rule process through open public meetings and by submitting written comments, and are encouraged to sign up for the interested parties list (GovDelivery) at <https://public.govdelivery.com/accounts/WALCB/subscriber/new>. Rulemaking notices and stakeholder engagement opportunities will be emailed via GovDelivery and posted to the LCB website at lcb.wa.gov.

Date: August 14, 2024

Name: David Postman

Title: Chair

Signature:

Place signature here

CERTIFICATION OF ENROLLMENT

HOUSE BILL 2204

Chapter 91, Laws of 2024

68th Legislature
2024 Regular Session

EMERGENCY LIQUOR PERMITS

EFFECTIVE DATE: June 6, 2024

Passed by the House February 12, 2024
Yeas 92 Nays 5

LAURIE JINKINS

**Speaker of the House of
Representatives**

Passed by the Senate March 1, 2024
Yeas 49 Nays 0

DENNY HECK

President of the Senate

Approved March 14, 2024 11:25 AM

JAY INSLEE

Governor of the State of Washington

CERTIFICATE

I, Bernard Dean, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **HOUSE BILL 2204** as passed by the House of Representatives and the Senate on the dates hereon set forth.

BERNARD DEAN

Chief Clerk

FILED

March 14, 2024

**Secretary of State
State of Washington**

HOUSE BILL 2204

Passed Legislature - 2024 Regular Session

State of Washington

68th Legislature

2024 Regular Session

By Representatives Waters and Wylie

Read first time 01/09/24. Referred to Committee on Regulated Substances & Gaming.

1 AN ACT Relating to the creation of a special liquor permit to
2 authorize the sale of liquor by a manufacturer of liquor at another
3 licensed premises during an emergency; and amending RCW 66.20.010.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 **Sec. 1.** RCW 66.20.010 and 2023 c 257 s 1 are each amended to
6 read as follows:

7 Upon application in the prescribed form being made to any
8 employee authorized by the board to issue permits, accompanied by
9 payment of the prescribed fee, and upon the employee being satisfied
10 that the applicant should be granted a permit under this title, the
11 employee must issue to the applicant under such regulations and at
12 such fee as may be prescribed by the board a permit of the class
13 applied for, as follows:

14 (1) Where the application is for a special permit by a physician
15 or dentist, or by any person in charge of an institution regularly
16 conducted as a hospital or sanatorium for the care of persons in ill
17 health, or as a home devoted exclusively to the care of aged people,
18 a special liquor purchase permit, except that the governor may waive
19 the requirement for a special liquor purchase permit under this
20 subsection pursuant to an order issued under RCW 43.06.220(2);

1 (2) Where the application is for a special permit by a person
2 engaged within the state in mechanical or manufacturing business or
3 in scientific pursuits requiring alcohol for use therein, or by any
4 private individual, a special permit to purchase alcohol for the
5 purpose named in the permit, except that the governor may waive the
6 requirement for a special liquor purchase permit under this
7 subsection pursuant to an order issued under RCW 43.06.220(2);

8 (3) Where the application is for a special permit to consume
9 liquor at a banquet, at a specified date and place, a special permit
10 to purchase liquor for consumption at such banquet, to such
11 applicants as may be fixed by the board;

12 (4) Where the application is for a special permit to consume
13 liquor on the premises of a business not licensed under this title, a
14 special permit to purchase liquor for consumption thereon for such
15 periods of time and to such applicants as may be fixed by the board;

16 (5) Where the application is for a special permit by a
17 manufacturer to import or purchase within the state alcohol, malt,
18 and other materials containing alcohol to be used in the manufacture
19 of liquor, or other products, a special permit;

20 (6) Where the application is for a special permit by a person
21 operating a drug store to purchase liquor at retail prices only, to
22 be thereafter sold by such person on the prescription of a physician,
23 a special liquor purchase permit, except that the governor may waive
24 the requirement for a special liquor purchase permit under this
25 subsection pursuant to an order issued under RCW 43.06.220(2);

26 (7) Where the application is for a special permit by an
27 authorized representative of a military installation operated by or
28 for any of the armed forces within the geographical boundaries of the
29 state of Washington, a special permit to purchase liquor for use on
30 such military installation;

31 (8) Where the application is for a special permit by a vendor
32 that manufactures or sells a product which cannot be effectively
33 presented to potential buyers without serving it with liquor or by a
34 manufacturer, importer, or distributor, or representative thereof, to
35 serve liquor without charge to delegates and guests at a convention
36 of a trade association composed of licensees of the board, when the
37 said liquor is served in a hospitality room or from a booth in a
38 board-approved suppliers' display room at the convention, and when
39 the liquor so served is for consumption in the said hospitality room
40 or display room during the convention, anything in this title to the

1 contrary notwithstanding. Any such spirituous liquor must be
2 purchased from a spirits retailer or distributor, and any such liquor
3 is subject to the taxes imposed by RCW 82.08.150, 66.24.290, and
4 66.24.210;

5 (9) Where the application is for a special permit by a
6 manufacturer, importer, or distributor, or representative thereof, to
7 donate liquor for a reception, breakfast, luncheon, or dinner for
8 delegates and guests at a convention of a trade association composed
9 of licensees of the board, when the liquor so donated is for
10 consumption at the said reception, breakfast, luncheon, or dinner
11 during the convention, anything in this title to the contrary
12 notwithstanding. Any such spirituous liquor must be purchased from a
13 spirits retailer or distributor, and any such liquor is subject to
14 the taxes imposed by RCW 82.08.150, 66.24.290, and 66.24.210;

15 (10) Where the application is for a special permit by a
16 manufacturer, importer, or distributor, or representative thereof, to
17 donate and/or serve liquor without charge to delegates and guests at
18 an international trade fair, show, or exposition held under the
19 auspices of a federal, state, or local governmental entity or
20 organized and promoted by a nonprofit organization, anything in this
21 title to the contrary notwithstanding. Any such spirituous liquor
22 must be purchased from a liquor spirits retailer or distributor, and
23 any such liquor is subject to the taxes imposed by RCW 82.08.150,
24 66.24.290, and 66.24.210;

25 (11) Where the application is for an annual special permit by a
26 person operating a bed and breakfast lodging facility to donate or
27 serve wine or beer without charge to overnight guests of the facility
28 if the wine or beer is for consumption on the premises of the
29 facility. "Bed and breakfast lodging facility," as used in this
30 subsection, means a facility offering from one to eight lodging units
31 and breakfast to travelers and guests;

32 (12) Where the application is for a special permit to allow
33 tasting of alcohol by persons at least 18 years of age under the
34 following circumstances:

35 (a) The application is from a community or technical college as
36 defined in RCW 28B.50.030, a regional university, or a state
37 university;

38 (b) The person who is permitted to taste under this subsection is
39 enrolled as a student in a required or elective class that is part of
40 a culinary, sommelier, wine business, enology, viticulture, wine

1 technology, beer technology, or spirituous technology-related degree
2 program;

3 (c) The alcohol served to any person in the degree-related
4 programs under (b) of this subsection is tasted but not consumed for
5 the purposes of educational training as part of the class curriculum
6 with the approval of the educational provider;

7 (d) The service and tasting of alcoholic beverages is supervised
8 by a faculty or staff member of the educational provider who is 21
9 years of age or older. The supervising faculty or staff member shall
10 possess a class 12 or 13 alcohol server permit under the provisions
11 of RCW 66.20.310;

12 (e) The enrolled student permitted to taste the alcoholic
13 beverages does not purchase the alcoholic beverages;

14 (f) The enrolled student permitted to taste the alcoholic
15 beverages conducts the tasting either: (i) On the premises of the
16 college or university at which the student is enrolled; or (ii) while
17 on a field trip to a grape-growing area or production facility so
18 long as the enrolled student is accompanied by a faculty or staff
19 member with a class 12 or 13 alcohol server permit who supervises as
20 provided in (d) of this subsection and all other requirements of this
21 subsection (12) are met; and

22 (g) The permit fee for the special permit provided for in this
23 subsection (12) must be waived by the board;

24 (13) Where the application is for a special permit by a
25 distillery or craft distillery for an event not open to the general
26 public to be held or conducted at a specific place, including at the
27 licensed premise of the applying distillery or craft distillery, upon
28 a specific date for the purpose of tasting and selling spirits of its
29 own production. The distillery or craft distillery must obtain a
30 permit for a fee of \$10 per event. An application for the permit must
31 be submitted for private banquet permits prior to the event and, once
32 issued, must be posted in a conspicuous place at the premises for
33 which the permit was issued during all times the permit is in use. No
34 licensee may receive more than 12 permits under this subsection (13)
35 each year;

36 (14) Where the application is for a special permit by a
37 manufacturer of wine for an event not open to the general public to
38 be held or conducted at a specific place upon a specific date for the
39 purpose of tasting and selling wine of its own production. The winery
40 must obtain a permit for a fee of \$10 per event. An application for

1 the permit must be submitted at least ten days before the event and
2 once issued, must be posted in a conspicuous place at the premises
3 for which the permit was issued during all times the permit is in
4 use. No more than 12 events per year may be held by a single
5 manufacturer under this subsection;

6 (15) Where the application is for a special permit by a
7 manufacturer of beer for an event not open to the general public to
8 be held or conducted at a specific place upon a specific date for the
9 purpose of tasting and selling beer of its own production. The
10 brewery or microbrewery must obtain a permit for a fee of \$10 per
11 event. An application for the permit must be submitted at least 10
12 days before the event and, once issued, must be posted in a
13 conspicuous place at the premises for which the permit was issued
14 during all times the permit is in use. No more than 12 events per
15 year may be held by a single manufacturer under this subsection;

16 (16) Where the application is for a special permit by an
17 individual or business to sell a private collection of wine or
18 spirits to an individual or business. The seller must obtain a permit
19 at least five business days before the sale, for a fee of \$25 per
20 sale. The seller must provide an inventory of products sold and the
21 agreed price on a form provided by the board. The seller shall submit
22 the report and taxes due to the board no later than 20 calendar days
23 after the sale. A permit may be issued under this section to allow
24 the sale of a private collection to licensees, but may not be issued
25 to a licensee to sell to a private individual or business which is
26 not otherwise authorized under the license held by the seller. If the
27 liquor is purchased by a licensee, all sales are subject to taxes
28 assessed as on liquor acquired from any other source. The board may
29 adopt rules to implement this section;

30 (17)(a) A special permit, where the application is for a special
31 permit by a nonprofit organization to sell wine through an auction,
32 not open to the public, to be conducted at a specific place, upon a
33 specific date, and to allow wine tastings at the auction of the wine
34 to be auctioned.

35 (b) A permit holder under this subsection (17) may at the
36 specified event:

37 (i) Sell wine by auction for off-premises consumption; and

38 (ii) Allow tastings of samples of the wine to be auctioned at the
39 event.

1 (c) An application is required for a permit under this subsection
2 (17). The application must be submitted prior to the event and once
3 issued must be posted in a conspicuous place at the premises for
4 which the permit was issued during all times the permit is in use.

5 (d) Wine from more than one winery may be sold at the auction;
6 however, each winery selling wine at the auction must be listed on
7 the permit application. Only a single application form may be
8 required for each auction, regardless of the number of wineries that
9 are selling wine at the auction. The total fee per event for a permit
10 issued under this subsection (17) is \$25 multiplied by the number of
11 wineries that are selling wine at the auction.

12 (e) For the purposes of this subsection (17), "nonprofit
13 organization" means an entity incorporated as a nonprofit
14 organization under Washington state law.

15 (f) The board may adopt rules to implement this section; ~~((and))~~

16 (18) An annual special permit to allow a short-term rental
17 operator to provide one complimentary bottle of wine to rental guests
18 who are age 21 or over. The annual special permit fee is \$75. A
19 single permit applies to all rental properties owned or operated by
20 the short-term rental operator and identified in the permit
21 application. One complimentary bottle of wine per booking may be
22 provided, regardless of the total number of rental guests. The
23 provision of the complimentary bottle of wine may occur only after an
24 operator or staff person of the short-term rental, who is present at
25 the short-term rental property, verifies that each rental guest who
26 will consume the complimentary bottle of wine is age 21 or over by
27 checking a valid form of identification of each such rental guest at
28 the time rental guests arrive. The rental guests must be informed the
29 rental guests are being offered one complimentary bottle of wine and
30 that opening or consuming the bottle of wine in a public place is
31 illegal pursuant to RCW 66.44.100. The rental guests must not have
32 notified the operator that the rental guests decline the
33 complimentary bottle of wine. The complimentary bottle of wine may be
34 consumed on the premises of the rental property or removed and
35 consumed off the premises of the rental property. A permit holder may
36 purchase wine from wine distributors in accordance with RCW
37 66.24.200, and from retailers and other suppliers of wine authorized
38 under this title to sell wine at retail to consumers for off-premises
39 consumption. For purposes of this subsection, the terms "short-term

1 rental," "operator," and "guest" have the same meanings as in RCW
2 64.37.010; and

3 (19) Where the application is for an emergency liquor permit by a
4 licensed manufacturer to authorize the sale, service, and consumption
5 of liquor on the premises of another liquor licensee with retail
6 sales privileges when an emergency or disaster as defined in RCW
7 38.52.010 has made the premises of the applicant inaccessible and
8 unable to operate due to an emergency or road closure, except that
9 the fee must be waived if there is a proclamation of a state of
10 emergency issued by the governor or by the city, town, or county
11 where the applicant is located. The permit shall be valid for 30 days
12 and may be continually renewed for periods of 30 days if the
13 emergency or disaster continues. Employees or agents of the emergency
14 permit holder or the licensed premises may serve liquor provided by
15 the permit holder. The permit holder may store no more than a 30-day
16 supply of liquor at the licensed premises in segregated storage. No
17 more than a total of three emergency permit holders may sell at the
18 same licensed premises under an emergency permit.

Passed by the House February 12, 2024.

Passed by the Senate March 1, 2024.

Approved by the Governor March 14, 2024.

Filed in Office of Secretary of State March 14, 2024.

--- END ---



DATE: July 03, 2024

TIME: 1:16 PM

WSR 24-15-002

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](#)

Contact: Justin Nordhorn, Director of Policy and External Affairs

Phone: 360-918-1474

Email: rules@lcb.wa.gov

Effective Date: July 03, 2024

Approved By: Justin Nordhorn, Director of Policy and External Affairs

[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 [RCW 38.52.010](#) 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.