

FINAL BILL REPORT

SSB 5448

C 279 L 23
Synopsis as Enacted

Brief Description: Concerning liquor licensee privileges for the delivery of alcohol.

Sponsors: Senate Committee on Labor & Commerce (originally sponsored by Senators MacEwen, Mullet, Nguyen and Shewmake).

Senate Committee on Labor & Commerce
Senate Committee on Ways & Means
House Committee on Regulated Substances & Gaming

Background: In 2021, the Legislature codified certain liquor license privileges, similar to the allowances the Washington State Liquor and Cannabis Board (LCB) had temporarily provided to liquor licensees during the COVID-19 pandemic. These privileges expire July 1, 2023. Under the temporary privileges, licensees are required to obtain a no-cost endorsement to engage in the activities authorized by the temporary privileges.

Curbside Service and Delivery. The temporary privileges include the ability for the following liquor licensees to sell alcohol products at retail for curbside service, takeout, and for delivery:

- beer and wine restaurants;
- spirits, beer, and wine restaurants;
- taverns;
- domestic wineries;
- domestic breweries and microbreweries;
- distilleries;
- snack bars;
- nonprofit arts licensees; and
- caterers.

Premixed Cocktails and Cocktail Kits. The temporary privileges also authorize spirits, beer, and wine restaurant licensees to sell premixed cocktails and cocktail kits for curbside service, takeout, and delivery, pursuant to rules the LCB may adopt. The sale of mini-

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bottles of spirits as part of cocktail kits are excluded from the spirits license issuance fee and spirits taxes while the temporary privileges are in effect. Mini-bottles are original factory-sealed containers holding not more than 50 milliliters of a spiritous beverage.

Wine Drinks. Restaurant licensees are temporarily authorized to sell wine by the glass and premixed wine drinks for curbside service, takeout, and delivery. Restaurant licensees who may sell spirits may also sell premixed wine and spirits cocktails for curbside service, takeout, and delivery. The LCB is granted rule-making authority to establish the manner in which wine by the glass and cocktails for off-premises consumption must be provided.

Growlers. Licensees that were authorized by statute or rule before January 1, 2020, to sell growlers for on-premises consumption may sell growlers for off-premises consumption through curbside, takeout, or delivery service. Additionally, without obtaining an endorsement, beer and wine specialty shops and domestic breweries and microbreweries are authorized to sell prefilled growlers for off-premises consumption through takeout or curbside service and delivery, if prefilled growlers are sold the same day they are prepared for sale and not stored overnight for sale on future days. A growler is a sanitary container brought to the premises by the purchaser or furnished by the licensee and filled by the retailer at the time of sale.

Age Verification. The 2021 law requires that, upon delivery of any alcohol product authorized to be delivered under the temporary liquor privileges, the signature of the person age 21 or over receiving the delivery must be obtained.

Impact Study. The LCB was required to contract with an independent entity to conduct a study of the impacts of the new privileges granted to businesses with liquor licenses. The LCB conducted a request for proposal and competitive bid process to select the vendor for the report, which was completed with findings and recommendations and available to the Legislature in December 2022.

Alcohol Server Permits. The LCB regulates a mandatory alcohol server education program and certifies training entities to provide class 12 permits to a manager or bartender who has successfully completed an LCB-certified course. A class 12 permit is for a manager or bartender selling or mixing alcohol, spirits, wines, or beer for consumption at an on-premises licensed facility. There is also a class 13 permit available for a person who only serves alcohol, spirits, wines, or beer for consumption at an on-premises licensed facility.

Summary: The July 1, 2023 expiration of the temporary liquor license privileges is removed and the privileges are made permanent, except for the authorization to sell alcohol products curbside and the authorization for spirits, beer, and wine restaurant licensees to sell cocktail kits with mini-bottles for takeout and delivery. The authorization for specified licensees to sell alcohol for delivery under the temporary privileges is extended only until July 1, 2025. No alcohol products may be sold by delivery under the privileges after July 1, 2025.

While delivery sales are authorized, alcohol delivery must be performed by an employee of an alcohol delivery endorsement holder who is 21 years of age or older and possesses a class 12 alcohol server permit. The employee must have completed an approved alcohol server permit course with a curriculum component on best practices for alcohol delivery. The signature requirement is extended so that upon delivery of any alcohol product the signature of the person age 21 or over receiving the delivery must be obtained.

Delivery and takeout services conducted by restaurant licensees must be accompanied by a purchased meal prepared and sold by the license holder. Any alcohol product sold for takeout or delivery pursuant to the privileges must be in a factory sealed container or a tamper-resistant container.

The LCB's alcohol server education program must include best practices for the delivery of alcohol and persons whose duties include the delivery of alcohol must complete a class 12 permit course with this curriculum.

Delivery means transportation of alcohol to an individual located within Washington from a licensed location holding an alcohol delivery endorsement as part of a delivery order. Delivery does not include services provided by common carriers.

The LCB is required to submit a report with recommendations to the Governor and the Legislature for a comprehensive alcohol delivery policy by November 2023. The recommendations in the report must include a consistent, equitable structure for alcohol delivery licenses, endorsements, permits, and fees, and a comprehensive plan to help ensure all deliveries of alcohol are made only to persons who are 21 years of age or older.

Votes on Final Passage:

Senate	38	10	
House	80	18	(House amended)
Senate	40	8	(Senate concurred)

Effective: July 1, 2023