
SUBSTITUTE HOUSE BILL 2959

State of Washington 60th Legislature 2008 Regular Session

By House Commerce & Labor (originally sponsored by Representatives Wood, Ormsby, Springer, Conway, Linville, Barlow, Walsh, and Quall)

READ FIRST TIME 02/05/08.

1 AN ACT Relating to craft distilleries; amending RCW 66.24.140,
2 66.04.010, 66.28.040, 66.28.060, 66.24.481, 66.20.300, and 66.20.310;
3 reenacting and amending RCW 66.04.010, 66.28.010, and 66.24.210; adding
4 a new section to chapter 66.24 RCW; providing an effective date; and
5 providing an expiration date.

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

7 **Sec. 1.** RCW 66.24.140 and 1981 1st ex.s. c 5 s 28 are each amended
8 to read as follows:

9 There shall be a license to distillers, including blending,
10 rectifying and bottling; fee two thousand dollars per annum(~~+~~
11 ~~PROVIDED, That~~)), unless provided otherwise as follows:

12 (1) For distillers producing twenty thousand gallons or less of
13 spirits with at least half of the raw materials used in the production
14 grown in Washington, the license fee shall be reduced to one hundred
15 dollars per annum;

16 (2) The board shall license stills used and to be used solely and
17 only by a commercial chemist for laboratory purposes, and not for the
18 manufacture of liquor for sale, at a fee of twenty dollars per annum(~~+~~
19 ~~PROVIDED, FURTHER, That~~));

1 (3) The board shall license stills used and to be used solely and
2 only for laboratory purposes in any school, college or educational
3 institution in the state, without fee(~~(:—PROVIDED, FURTHER, That))~~);
4 and

5 (4) The board shall license stills which shall have been duly
6 licensed as fruit and/or wine distilleries by the federal government,
7 used and to be used solely as fruit and/or wine distilleries in the
8 production of fruit brandy and wine spirits, at a fee of two hundred
9 dollars per annum.

10 NEW SECTION. Sec. 2. A new section is added to chapter 66.24 RCW
11 to read as follows:

12 (1) Any craft distillery may sell spirits of its own production for
13 consumption off the premises, up to two liters per person per day.
14 Spirits sold under this subsection must be purchased from the board and
15 sold at the retail price established by the board. A craft distillery
16 selling spirits under this subsection must comply with the applicable
17 laws and rules relating to retailers.

18 (3) Any craft distillery licensed under this section may provide,
19 free of charge, one-half ounce or less samples of spirits of its own
20 production to persons on the premises of the distillery. The maximum
21 total per person per day is two ounces. Every person who participates
22 in any manner in the service of samples must obtain a class 12 alcohol
23 server permit. Spirits used for samples must be purchased from the
24 board.

25 (4) The board shall adopt rules to implement the alcohol server
26 permit requirement and may adopt additional rules to implement this
27 section.

28 (5) Distilling is an agricultural practice.

29 **Sec. 3.** RCW 66.04.010 and 2007 c 226 s 1 are each amended to read
30 as follows:

31 In this title, unless the context otherwise requires:

32 (1) "Alcohol" is that substance known as ethyl alcohol, hydrated
33 oxide of ethyl, or spirit of wine, which is commonly produced by the
34 fermentation or distillation of grain, starch, molasses, or sugar, or
35 other substances including all dilutions and mixtures of this
36 substance. The term "alcohol" does not include alcohol in the

1 possession of a manufacturer or distiller of alcohol fuel, as described
2 in RCW 66.12.130, which is intended to be denatured and used as a fuel
3 for use in motor vehicles, farm implements, and machines or implements
4 of husbandry.

5 (2) "Authorized representative" means a person who:

6 (a) Is required to have a federal basic permit issued pursuant to
7 the federal alcohol administration act, 27 U.S.C. Sec. 204;

8 (b) Has its business located in the United States outside of the
9 state of Washington;

10 (c) Acquires ownership of beer or wine for transportation into and
11 resale in the state of Washington; and which beer or wine is produced
12 anywhere outside Washington by a brewery or winery which does not hold
13 a certificate of approval issued by the board; and

14 (d) Is appointed by the brewery or winery referenced in (c) of this
15 subsection as its exclusive authorized representative for marketing and
16 selling its products within the United States in accordance with a
17 written agreement between the authorized representative and such
18 brewery or winery pursuant to this title. The board may waive the
19 requirement for the written agreement of exclusivity in situations
20 consistent with the normal marketing practices of certain products,
21 such as classified growths.

22 (3) "Beer" means any malt beverage, flavored malt beverage, or malt
23 liquor as these terms are defined in this chapter.

24 (4) "Beer distributor" means a person who buys beer from a domestic
25 brewery, microbrewery, beer certificate of approval holder, or beer
26 importers, or who acquires foreign produced beer from a source outside
27 of the United States, for the purpose of selling the same pursuant to
28 this title, or who represents such brewer or brewery as agent.

29 (5) "Beer importer" means a person or business within Washington
30 who purchases beer from a beer certificate of approval holder or who
31 acquires foreign produced beer from a source outside of the United
32 States for the purpose of selling the same pursuant to this title.

33 (6) "Brewer" or "brewery" means any person engaged in the business
34 of manufacturing beer and malt liquor. Brewer includes a brand owner
35 of malt beverages who holds a brewer's notice with the federal bureau
36 of alcohol, tobacco, and firearms at a location outside the state and
37 whose malt beverage is contract-produced by a licensed in-state

1 brewery, and who may exercise within the state, under a domestic
2 brewery license, only the privileges of storing, selling to licensed
3 beer distributors, and exporting beer from the state.

4 (7) "Board" means the liquor control board, constituted under this
5 title.

6 (8) "Club" means an organization of persons, incorporated or
7 unincorporated, operated solely for fraternal, benevolent, educational,
8 athletic or social purposes, and not for pecuniary gain.

9 (9) "Confection" means a preparation of sugar, honey, or other
10 natural or artificial sweeteners in combination with chocolate, fruits,
11 nuts, dairy products, or flavorings, in the form of bars, drops, or
12 pieces.

13 (10) "Consume" includes the putting of liquor to any use, whether
14 by drinking or otherwise.

15 (11) "Contract liquor store" means a business that sells liquor on
16 behalf of the board through a contract with a contract liquor store
17 manager.

18 (12) "Craft distillery" means a distillery that pays the reduced
19 licensing fee under section 1 of this act.

20 (13) "Dentist" means a practitioner of dentistry duly and regularly
21 licensed and engaged in the practice of his profession within the state
22 pursuant to chapter 18.32 RCW.

23 ((+13)) (14) "Distiller" means a person engaged in the business of
24 distilling spirits.

25 ((+14)) (15) "Domestic brewery" means a place where beer and malt
26 liquor are manufactured or produced by a brewer within the state.

27 ((+15)) (16) "Domestic winery" means a place where wines are
28 manufactured or produced within the state of Washington.

29 ((+16)) (17) "Druggist" means any person who holds a valid
30 certificate and is a registered pharmacist and is duly and regularly
31 engaged in carrying on the business of pharmaceutical chemistry
32 pursuant to chapter 18.64 RCW.

33 ((+17)) (18) "Drug store" means a place whose principal business
34 is, the sale of drugs, medicines and pharmaceutical preparations and
35 maintains a regular prescription department and employs a registered
36 pharmacist during all hours the drug store is open.

37 ((+18)) (19) "Employee" means any person employed by the board.

38 ((+19)) (20) "Flavored malt beverage" means:

1 (a) A malt beverage containing six percent or less alcohol by
2 volume to which flavoring or other added nonbeverage ingredients are
3 added that contain distilled spirits of not more than forty-nine
4 percent of the beverage's overall alcohol content; or

5 (b) A malt beverage containing more than six percent alcohol by
6 volume to which flavoring or other added nonbeverage ingredients are
7 added that contain distilled spirits of not more than one and one-half
8 percent of the beverage's overall alcohol content.

9 ~~((+20+))~~ (21) "Fund" means 'liquor revolving fund.'

10 ~~((+21+))~~ (22) "Hotel" means every building or other structure kept,
11 used, maintained, advertised or held out to the public to be a place
12 where food is served and sleeping accommodations are offered for pay to
13 transient guests, in which twenty or more rooms are used for the
14 sleeping accommodation of such transient guests and having one or more
15 dining rooms where meals are served to such transient guests, such
16 sleeping accommodations and dining rooms being conducted in the same
17 building and buildings, in connection therewith, and such structure or
18 structures being provided, in the judgment of the board, with adequate
19 and sanitary kitchen and dining room equipment and capacity, for
20 preparing, cooking and serving suitable food for its guests: PROVIDED
21 FURTHER, That in cities and towns of less than five thousand
22 population, the board shall have authority to waive the provisions
23 requiring twenty or more rooms.

24 ~~((+22+))~~ (23) "Importer" means a person who buys distilled spirits
25 from a distillery outside the state of Washington and imports such
26 spirituous liquor into the state for sale to the board or for export.

27 ~~((+23+))~~ (24) "Imprisonment" means confinement in the county jail.

28 ~~((+24+))~~ (25) "Liquor" includes the four varieties of liquor herein
29 defined (alcohol, spirits, wine and beer), and all fermented,
30 spirituous, vinous, or malt liquor, or combinations thereof, and mixed
31 liquor, a part of which is fermented, spirituous, vinous or malt
32 liquor, or otherwise intoxicating; and every liquid or solid or
33 semisolid or other substance, patented or not, containing alcohol,
34 spirits, wine or beer, and all drinks or drinkable liquids and all
35 preparations or mixtures capable of human consumption, and any liquid,
36 semisolid, solid, or other substance, which contains more than one
37 percent of alcohol by weight shall be conclusively deemed to be

1 intoxicating. Liquor does not include confections or food products
2 that contain one percent or less of alcohol by weight.

3 ~~((+25+))~~ (26) "Manufacturer" means a person engaged in the
4 preparation of liquor for sale, in any form whatsoever.

5 ~~((+26+))~~ (27) "Malt beverage" or "malt liquor" means any beverage
6 such as beer, ale, lager beer, stout, and porter obtained by the
7 alcoholic fermentation of an infusion or decoction of pure hops, or
8 pure extract of hops and pure barley malt or other wholesome grain or
9 cereal in pure water containing not more than eight percent of alcohol
10 by weight, and not less than one-half of one percent of alcohol by
11 volume. For the purposes of this title, any such beverage containing
12 more than eight percent of alcohol by weight shall be referred to as
13 "strong beer."

14 ~~((+27+))~~ (28) "Package" means any container or receptacle used for
15 holding liquor.

16 ~~((+28+))~~ (29) "Passenger vessel" means any boat, ship, vessel,
17 barge, or other floating craft of any kind carrying passengers for
18 compensation.

19 ~~((+29+))~~ (30) "Permit" means a permit for the purchase of liquor
20 under this title.

21 ~~((+30+))~~ (31) "Person" means an individual, copartnership,
22 association, or corporation.

23 ~~((+31+))~~ (32) "Physician" means a medical practitioner duly and
24 regularly licensed and engaged in the practice of his profession within
25 the state pursuant to chapter 18.71 RCW.

26 ~~((+32+))~~ (33) "Prescription" means a memorandum signed by a
27 physician and given by him to a patient for the obtaining of liquor
28 pursuant to this title for medicinal purposes.

29 ~~((+33+))~~ (34) "Public place" includes streets and alleys of
30 incorporated cities and towns; state or county or township highways or
31 roads; buildings and grounds used for school purposes; public dance
32 halls and grounds adjacent thereto; those parts of establishments where
33 beer may be sold under this title, soft drink establishments, public
34 buildings, public meeting halls, lobbies, halls and dining rooms of
35 hotels, restaurants, theatres, stores, garages and filling stations
36 which are open to and are generally used by the public and to which the
37 public is permitted to have unrestricted access; railroad trains,
38 stages, and other public conveyances of all kinds and character, and

1 the depots and waiting rooms used in conjunction therewith which are
2 open to unrestricted use and access by the public; publicly owned
3 bathing beaches, parks, and/or playgrounds; and all other places of
4 like or similar nature to which the general public has unrestricted
5 right of access, and which are generally used by the public.

6 ~~((+34+))~~ (35) "Regulations" means regulations made by the board
7 under the powers conferred by this title.

8 ~~((+35+))~~ (36) "Restaurant" means any establishment provided with
9 special space and accommodations where, in consideration of payment,
10 food, without lodgings, is habitually furnished to the public, not
11 including drug stores and soda fountains.

12 ~~((+36+))~~ (37) "Sale" and "sell" include exchange, barter, and
13 traffic; and also include the selling or supplying or distributing, by
14 any means whatsoever, of liquor, or of any liquid known or described as
15 beer or by any name whatever commonly used to describe malt or brewed
16 liquor or of wine, by any person to any person; and also include a sale
17 or selling within the state to a foreign consignee or his agent in the
18 state. "Sale" and "sell" shall not include the giving, at no charge,
19 of a reasonable amount of liquor by a person not licensed by the board
20 to a person not licensed by the board, for personal use only. "Sale"
21 and "sell" also does not include a raffle authorized under RCW
22 9.46.0315(~~(:—PROVIDED, That)~~). However, the nonprofit organization
23 conducting the raffle has obtained the appropriate permit from the
24 board.

25 ~~((+37+))~~ (38) "Soda fountain" means a place especially equipped
26 with apparatus for the purpose of dispensing soft drinks, whether mixed
27 or otherwise.

28 ~~((+38+))~~ (39) "Spirits" means any beverage which contains alcohol
29 obtained by distillation, except flavored malt beverages, but including
30 wines exceeding twenty-four percent of alcohol by volume.

31 ~~((+39+))~~ (40) "Store" means a state liquor store established under
32 this title.

33 ~~((+40+))~~ (41) "Tavern" means any establishment with special space
34 and accommodation for sale by the glass and for consumption on the
35 premises, of beer, as herein defined.

36 ~~((+41+))~~ (42) "Winery" means a business conducted by any person for
37 the manufacture of wine for sale, other than a domestic winery.

1 (~~(42)~~) (43)(a) "Wine" means any alcoholic beverage obtained by
2 fermentation of fruits (grapes, berries, apples, et cetera) or other
3 agricultural product containing sugar, to which any saccharine
4 substances may have been added before, during or after fermentation,
5 and containing not more than twenty-four percent of alcohol by volume,
6 including sweet wines fortified with wine spirits, such as port,
7 sherry, muscatel and angelica, not exceeding twenty-four percent of
8 alcohol by volume and not less than one-half of one percent of alcohol
9 by volume. For purposes of this title, any beverage containing no more
10 than fourteen percent of alcohol by volume when bottled or packaged by
11 the manufacturer shall be referred to as "table wine," and any beverage
12 containing alcohol in an amount more than fourteen percent by volume
13 when bottled or packaged by the manufacturer shall be referred to as
14 "fortified wine." However, "fortified wine" shall not include: (i)
15 Wines that are both sealed or capped by cork closure and aged two years
16 or more; and (ii) wines that contain more than fourteen percent alcohol
17 by volume solely as a result of the natural fermentation process and
18 that have not been produced with the addition of wine spirits, brandy,
19 or alcohol.

20 (b) This subsection shall not be interpreted to require that any
21 wine be labeled with the designation "table wine" or "fortified wine."

22 (~~(43)~~) (44) "Wine distributor" means a person who buys wine from
23 a domestic winery, wine certificate of approval holder, or wine
24 importer, or who acquires foreign produced wine from a source outside
25 of the United States, for the purpose of selling the same not in
26 violation of this title, or who represents such vintner or winery as
27 agent.

28 (~~(44)~~) (45) "Wine importer" means a person or business within
29 Washington who purchases wine from a wine certificate of approval
30 holder or who acquires foreign produced wine from a source outside of
31 the United States for the purpose of selling the same pursuant to this
32 title.

33 **Sec. 4.** RCW 66.04.010 and 2007 c 370 s 10 and 2007 c 226 s 1 are
34 each reenacted and amended to read as follows:

35 In this title, unless the context otherwise requires:

36 (1) "Alcohol" is that substance known as ethyl alcohol, hydrated
37 oxide of ethyl, or spirit of wine, which is commonly produced by the

1 fermentation or distillation of grain, starch, molasses, or sugar, or
2 other substances including all dilutions and mixtures of this
3 substance. The term "alcohol" does not include alcohol in the
4 possession of a manufacturer or distiller of alcohol fuel, as described
5 in RCW 66.12.130, which is intended to be denatured and used as a fuel
6 for use in motor vehicles, farm implements, and machines or implements
7 of husbandry.

8 (2) "Authorized representative" means a person who:

9 (a) Is required to have a federal basic permit issued pursuant to
10 the federal alcohol administration act, 27 U.S.C. Sec. 204;

11 (b) Has its business located in the United States outside of the
12 state of Washington;

13 (c) Acquires ownership of beer or wine for transportation into and
14 resale in the state of Washington; and which beer or wine is produced
15 anywhere outside Washington by a brewery or winery which does not hold
16 a certificate of approval issued by the board; and

17 (d) Is appointed by the brewery or winery referenced in (c) of this
18 subsection as its exclusive authorized representative for marketing and
19 selling its products within the United States in accordance with a
20 written agreement between the authorized representative and such
21 brewery or winery pursuant to this title. The board may waive the
22 requirement for the written agreement of exclusivity in situations
23 consistent with the normal marketing practices of certain products,
24 such as classified growths.

25 (3) "Beer" means any malt beverage, flavored malt beverage, or malt
26 liquor as these terms are defined in this chapter.

27 (4) "Beer distributor" means a person who buys beer from a domestic
28 brewery, microbrewery, beer certificate of approval holder, or beer
29 importers, or who acquires foreign produced beer from a source outside
30 of the United States, for the purpose of selling the same pursuant to
31 this title, or who represents such brewer or brewery as agent.

32 (5) "Beer importer" means a person or business within Washington
33 who purchases beer from a beer certificate of approval holder or who
34 acquires foreign produced beer from a source outside of the United
35 States for the purpose of selling the same pursuant to this title.

36 (6) "Brewer" or "brewery" means any person engaged in the business
37 of manufacturing beer and malt liquor. Brewer includes a brand owner
38 of malt beverages who holds a brewer's notice with the federal bureau

1 of alcohol, tobacco, and firearms at a location outside the state and
2 whose malt beverage is contract-produced by a licensed in-state
3 brewery, and who may exercise within the state, under a domestic
4 brewery license, only the privileges of storing, selling to licensed
5 beer distributors, and exporting beer from the state.

6 (7) "Board" means the liquor control board, constituted under this
7 title.

8 (8) "Club" means an organization of persons, incorporated or
9 unincorporated, operated solely for fraternal, benevolent, educational,
10 athletic or social purposes, and not for pecuniary gain.

11 (9) "Confection" means a preparation of sugar, honey, or other
12 natural or artificial sweeteners in combination with chocolate, fruits,
13 nuts, dairy products, or flavorings, in the form of bars, drops, or
14 pieces.

15 (10) "Consume" includes the putting of liquor to any use, whether
16 by drinking or otherwise.

17 (11) "Contract liquor store" means a business that sells liquor on
18 behalf of the board through a contract with a contract liquor store
19 manager.

20 (12) "Craft distillery" means a distillery that pays the reduced
21 licensing fee under section 1 of this act.

22 (13) "Dentist" means a practitioner of dentistry duly and regularly
23 licensed and engaged in the practice of his profession within the state
24 pursuant to chapter 18.32 RCW.

25 ~~((13))~~ (14) "Distiller" means a person engaged in the business of
26 distilling spirits.

27 ~~((14))~~ (15) "Domestic brewery" means a place where beer and malt
28 liquor are manufactured or produced by a brewer within the state.

29 ~~((15))~~ (16) "Domestic winery" means a place where wines are
30 manufactured or produced within the state of Washington.

31 ~~((16))~~ (17) "Druggist" means any person who holds a valid
32 certificate and is a registered pharmacist and is duly and regularly
33 engaged in carrying on the business of pharmaceutical chemistry
34 pursuant to chapter 18.64 RCW.

35 ~~((17))~~ (18) "Drug store" means a place whose principal business
36 is, the sale of drugs, medicines and pharmaceutical preparations and
37 maintains a regular prescription department and employs a registered
38 pharmacist during all hours the drug store is open.

1 (~~(18)~~) (19) "Employee" means any person employed by the board.
2 (~~(19)~~) (20) "Flavored malt beverage" means:
3 (a) A malt beverage containing six percent or less alcohol by
4 volume to which flavoring or other added nonbeverage ingredients are
5 added that contain distilled spirits of not more than forty-nine
6 percent of the beverage's overall alcohol content; or
7 (b) A malt beverage containing more than six percent alcohol by
8 volume to which flavoring or other added nonbeverage ingredients are
9 added that contain distilled spirits of not more than one and one-half
10 percent of the beverage's overall alcohol content.
11 (~~(20)~~) (21) "Fund" means 'liquor revolving fund.'
12 (~~(21)~~) (22) "Hotel" means buildings, structures, and grounds,
13 having facilities for preparing, cooking, and serving food, that are
14 kept, used, maintained, advertised, or held out to the public to be a
15 place where food is served and sleeping accommodations are offered for
16 pay to transient guests, in which twenty or more rooms are used for the
17 sleeping accommodation of such transient guests. The buildings,
18 structures, and grounds must be located on adjacent property either
19 owned or leased by the same person or persons.
20 (~~(22)~~) (23) "Importer" means a person who buys distilled spirits
21 from a distillery outside the state of Washington and imports such
22 spirituous liquor into the state for sale to the board or for export.
23 (~~(23)~~) (24) "Imprisonment" means confinement in the county jail.
24 (~~(24)~~) (25) "Liquor" includes the four varieties of liquor herein
25 defined (alcohol, spirits, wine and beer), and all fermented,
26 spirituous, vinous, or malt liquor, or combinations thereof, and mixed
27 liquor, a part of which is fermented, spirituous, vinous or malt
28 liquor, or otherwise intoxicating; and every liquid or solid or
29 semisolid or other substance, patented or not, containing alcohol,
30 spirits, wine or beer, and all drinks or drinkable liquids and all
31 preparations or mixtures capable of human consumption, and any liquid,
32 semisolid, solid, or other substance, which contains more than one
33 percent of alcohol by weight shall be conclusively deemed to be
34 intoxicating. Liquor does not include confections or food products
35 that contain one percent or less of alcohol by weight.
36 (~~(25)~~) (26) "Manufacturer" means a person engaged in the
37 preparation of liquor for sale, in any form whatsoever.

1 ~~((26))~~ (27) "Malt beverage" or "malt liquor" means any beverage
2 such as beer, ale, lager beer, stout, and porter obtained by the
3 alcoholic fermentation of an infusion or decoction of pure hops, or
4 pure extract of hops and pure barley malt or other wholesome grain or
5 cereal in pure water containing not more than eight percent of alcohol
6 by weight, and not less than one-half of one percent of alcohol by
7 volume. For the purposes of this title, any such beverage containing
8 more than eight percent of alcohol by weight shall be referred to as
9 "strong beer."

10 ~~((27))~~ (28) "Package" means any container or receptacle used for
11 holding liquor.

12 ~~((28))~~ (29) "Passenger vessel" means any boat, ship, vessel,
13 barge, or other floating craft of any kind carrying passengers for
14 compensation.

15 ~~((29))~~ (30) "Permit" means a permit for the purchase of liquor
16 under this title.

17 ~~((30))~~ (31) "Person" means an individual, copartnership,
18 association, or corporation.

19 ~~((31))~~ (32) "Physician" means a medical practitioner duly and
20 regularly licensed and engaged in the practice of his profession within
21 the state pursuant to chapter 18.71 RCW.

22 ~~((32))~~ (33) "Prescription" means a memorandum signed by a
23 physician and given by him to a patient for the obtaining of liquor
24 pursuant to this title for medicinal purposes.

25 ~~((33))~~ (34) "Public place" includes streets and alleys of
26 incorporated cities and towns; state or county or township highways or
27 roads; buildings and grounds used for school purposes; public dance
28 halls and grounds adjacent thereto; those parts of establishments where
29 beer may be sold under this title, soft drink establishments, public
30 buildings, public meeting halls, lobbies, halls and dining rooms of
31 hotels, restaurants, theatres, stores, garages and filling stations
32 which are open to and are generally used by the public and to which the
33 public is permitted to have unrestricted access; railroad trains,
34 stages, and other public conveyances of all kinds and character, and
35 the depots and waiting rooms used in conjunction therewith which are
36 open to unrestricted use and access by the public; publicly owned
37 bathing beaches, parks, and/or playgrounds; and all other places of

1 like or similar nature to which the general public has unrestricted
2 right of access, and which are generally used by the public.

3 ~~((34))~~ (35) "Regulations" means regulations made by the board
4 under the powers conferred by this title.

5 ~~((35))~~ (36) "Restaurant" means any establishment provided with
6 special space and accommodations where, in consideration of payment,
7 food, without lodgings, is habitually furnished to the public, not
8 including drug stores and soda fountains.

9 ~~((36))~~ (37) "Sale" and "sell" include exchange, barter, and
10 traffic; and also include the selling or supplying or distributing, by
11 any means whatsoever, of liquor, or of any liquid known or described as
12 beer or by any name whatever commonly used to describe malt or brewed
13 liquor or of wine, by any person to any person; and also include a sale
14 or selling within the state to a foreign consignee or his agent in the
15 state. "Sale" and "sell" shall not include the giving, at no charge,
16 of a reasonable amount of liquor by a person not licensed by the board
17 to a person not licensed by the board, for personal use only. "Sale"
18 and "sell" also does not include a raffle authorized under RCW
19 9.46.0315: PROVIDED, That the nonprofit organization conducting the
20 raffle has obtained the appropriate permit from the board.

21 ~~((37))~~ (38) "Soda fountain" means a place especially equipped
22 with apparatus for the purpose of dispensing soft drinks, whether mixed
23 or otherwise.

24 ~~((38))~~ (39) "Spirits" means any beverage which contains alcohol
25 obtained by distillation, except flavored malt beverages, but including
26 wines exceeding twenty-four percent of alcohol by volume.

27 ~~((39))~~ (40) "Store" means a state liquor store established under
28 this title.

29 ~~((40))~~ (41) "Tavern" means any establishment with special space
30 and accommodation for sale by the glass and for consumption on the
31 premises, of beer, as herein defined.

32 ~~((41))~~ (42) "Winery" means a business conducted by any person for
33 the manufacture of wine for sale, other than a domestic winery.

34 ~~((42))~~ (43)(a) "Wine" means any alcoholic beverage obtained by
35 fermentation of fruits (grapes, berries, apples, et cetera) or other
36 agricultural product containing sugar, to which any saccharine
37 substances may have been added before, during or after fermentation,
38 and containing not more than twenty-four percent of alcohol by volume,

1 including sweet wines fortified with wine spirits, such as port,
2 sherry, muscatel and angelica, not exceeding twenty-four percent of
3 alcohol by volume and not less than one-half of one percent of alcohol
4 by volume. For purposes of this title, any beverage containing no more
5 than fourteen percent of alcohol by volume when bottled or packaged by
6 the manufacturer shall be referred to as "table wine," and any beverage
7 containing alcohol in an amount more than fourteen percent by volume
8 when bottled or packaged by the manufacturer shall be referred to as
9 "fortified wine." However, "fortified wine" shall not include: (i)
10 Wines that are both sealed or capped by cork closure and aged two years
11 or more; and (ii) wines that contain more than fourteen percent alcohol
12 by volume solely as a result of the natural fermentation process and
13 that have not been produced with the addition of wine spirits, brandy,
14 or alcohol.

15 (b) This subsection shall not be interpreted to require that any
16 wine be labeled with the designation "table wine" or "fortified wine."

17 (~~(43)~~) (44) "Wine distributor" means a person who buys wine from
18 a domestic winery, wine certificate of approval holder, or wine
19 importer, or who acquires foreign produced wine from a source outside
20 of the United States, for the purpose of selling the same not in
21 violation of this title, or who represents such vintner or winery as
22 agent.

23 (~~(44)~~) (45) "Wine importer" means a person or business within
24 Washington who purchases wine from a wine certificate of approval
25 holder or who acquires foreign produced wine from a source outside of
26 the United States for the purpose of selling the same pursuant to this
27 title.

28 **Sec. 5.** RCW 66.28.010 and 2007 c 370 s 2, 2007 c 369 s 1, 2007 c
29 222 s 3, and 2007 c 217 s 1 are each reenacted and amended to read as
30 follows:

31 (1)(a) No manufacturer, importer, distributor, or authorized
32 representative, or person financially interested, directly or
33 indirectly, in such business; whether resident or nonresident, shall
34 have any financial interest, direct or indirect, in any licensed retail
35 business, unless the retail business is owned by a corporation in which
36 a manufacturer or importer has no direct stock ownership and there are
37 no interlocking officers and directors, the retail license is held by

1 a corporation that is not owned directly or indirectly by a
2 manufacturer or importer, the sales of liquor are incidental to the
3 primary activity of operating the property as a hotel, alcoholic
4 beverages produced by the manufacturer or importer or their
5 subsidiaries are not sold at the licensed premises, and the board
6 reviews the ownership and proposed method of operation of all involved
7 entities and determines that there will not be an unacceptable level of
8 control or undue influence over the operation or the retail licensee;
9 nor shall any manufacturer, importer, distributor, or authorized
10 representative own any of the property upon which such licensed persons
11 conduct their business; nor shall any such licensed person, under any
12 arrangement whatsoever, conduct his or her business upon property in
13 which any manufacturer, importer, distributor, or authorized
14 representative has any interest unless title to that property is owned
15 by a corporation in which a manufacturer has no direct stock ownership
16 and there are no interlocking officers or directors, the retail license
17 is held by a corporation that is not owned directly or indirectly by
18 the manufacturer, the sales of liquor are incidental to the primary
19 activity of operating the property either as a hotel or as an
20 amphitheater offering live musical and similar live entertainment
21 activities to the public, alcoholic beverages produced by the
22 manufacturer or any of its subsidiaries are not sold at the licensed
23 premises, and the board reviews the ownership and proposed method of
24 operation of all involved entities and determines that there will not
25 be an unacceptable level of control or undue influence over the
26 operation of the retail licensee. Except as provided in subsection (3)
27 of this section, no manufacturer, importer, distributor, or authorized
28 representative shall advance moneys or moneys' worth to a licensed
29 person under an arrangement, nor shall such licensed person receive,
30 under an arrangement, an advance of moneys or moneys' worth. "Person"
31 as used in this section only shall not include those state or federally
32 chartered banks, state or federally chartered savings and loan
33 associations, state or federally chartered mutual savings banks, or
34 institutional investors which are not controlled directly or indirectly
35 by a manufacturer, importer, distributor, or authorized representative
36 as long as the bank, savings and loan association, or institutional
37 investor does not influence or attempt to influence the purchasing
38 practices of the retailer with respect to alcoholic beverages. Except

1 as otherwise provided in this section, no manufacturer, importer,
2 distributor, or authorized representative shall be eligible to receive
3 or hold a retail license under this title, nor shall such manufacturer,
4 importer, distributor, or authorized representative sell at retail any
5 liquor as herein defined. A corporation granted an exemption under
6 this subsection may use debt instruments issued in connection with
7 financing construction or operations of its facilities.

8 (b) Nothing in this section shall prohibit a licensed domestic
9 brewery or microbrewery from being licensed as a retailer pursuant to
10 chapter 66.24 RCW for the purpose of selling beer or wine at retail on
11 the brewery premises and at one additional off-site retail only
12 location and nothing in this section shall prohibit a domestic winery
13 from being licensed as a retailer pursuant to chapter 66.24 RCW for the
14 purpose of selling beer or wine at retail on the winery premises. Such
15 beer and wine so sold at retail shall be subject to the taxes imposed
16 by RCW 66.24.290 and 66.24.210 and to reporting and bonding
17 requirements as prescribed by regulations adopted by the board pursuant
18 to chapter 34.05 RCW, and beer and wine that is not produced by the
19 brewery or winery shall be purchased from a licensed beer or wine
20 distributor. Nothing in this section shall prohibit a microbrewery
21 holding a beer and/or wine restaurant license under RCW 66.24.320 from
22 holding the same privileges and endorsements attached to the beer
23 and/or wine restaurant license. Nothing in this section shall prohibit
24 a licensed craft distillery from selling spirits of its own production
25 under section 2 of this act.

26 (c) Nothing in this section shall prohibit a licensed distiller,
27 domestic brewery, microbrewery, domestic winery, or a lessee of a
28 licensed domestic brewer, microbrewery, or domestic winery, from being
29 licensed as a spirits, beer, and wine restaurant pursuant to chapter
30 66.24 RCW for the purpose of selling liquor at a spirits, beer, and
31 wine restaurant premises on the property on which the primary
32 manufacturing facility of the licensed distiller, domestic brewer,
33 microbrewery, or domestic winery is located or on contiguous property
34 owned or leased by the licensed distiller, domestic brewer,
35 microbrewery, or domestic winery as prescribed by rules adopted by the
36 board pursuant to chapter 34.05 RCW. Nothing in this section shall
37 prohibit a microbrewery holding a spirits, beer, and wine restaurant
38 license under RCW 66.24.420 from holding the same privileges and

1 endorsements attached to the spirits, beer, and wine restaurant
2 license. This section does not prohibit a brewery or microbrewery
3 holding a spirits, beer, and wine restaurant license or a beer and/or
4 wine license under chapter 66.24 RCW operated on the premises of the
5 brewery or microbrewery from holding a second retail only license at a
6 location separate from the premises of the brewery or microbrewery.

7 (d) Nothing in this section prohibits retail licensees with a
8 caterer's endorsement issued under RCW 66.24.320 or 66.24.420 from
9 operating on a domestic winery premises.

10 (e) Nothing in this section prohibits an organization qualifying
11 under RCW 66.24.375 formed for the purpose of constructing and
12 operating a facility to promote Washington wines from holding retail
13 licenses on the facility property or leasing all or any portion of such
14 facility property to a retail licensee on the facility property if the
15 members of the board of directors or officers of the board for the
16 organization include officers, directors, owners, or employees of a
17 licensed domestic winery. Financing for the construction of the
18 facility must include both public and private money.

19 (f) Nothing in this section prohibits a bona fide charitable
20 nonprofit society or association registered under section 501(c)(3) of
21 the internal revenue code, or a local wine industry association
22 registered under section 501(c)(6) of the internal revenue code as it
23 exists on July 22, 2007, and having an officer, director, owner, or
24 employee of a licensed domestic winery or a wine certificate of
25 approval holder on its board of directors from holding a special
26 occasion license under RCW 66.24.380.

27 (g)(i) Nothing in this section prohibits domestic wineries and
28 retailers licensed under chapter 66.24 RCW from producing, jointly or
29 together with regional, state, or local wine industry associations,
30 brochures and materials promoting tourism in Washington state which
31 contain information regarding retail licensees, domestic wineries, and
32 their products.

33 (ii) Nothing in this section prohibits: (A) Domestic wineries,
34 domestic breweries, microbreweries, and certificate of approval holders
35 licensed under this chapter from listing on their internet web sites
36 information related to retailers who sell or promote their products,
37 including direct links to the retailers' internet web sites; and (B)
38 retailers licensed under this chapter from listing on their internet

1 web sites information related to domestic wineries, domestic breweries,
2 microbreweries, and certificate of approval holders whose products
3 those retailers sell or promote, including direct links to the domestic
4 wineries', domestic breweries', microbreweries', and certificate of
5 approval holders' web sites.

6 (h) Nothing in this section prohibits the performance of personal
7 services offered from time to time by a domestic winery or certificate
8 of approval holder licensed under RCW 66.24.206(1)(a) for or on behalf
9 of a licensed retail business when the personal services are (i)
10 conducted at a licensed premises, and (ii) intended to inform, educate,
11 or enhance customers' knowledge or experience of the manufacturer's
12 products. The performance of personal services may include
13 participation and pouring at the premises of a retailer holding a
14 spirits, beer, and wine restaurant license, a wine and/or beer
15 restaurant license, or a specialty wine shop license; bottle signings;
16 and other similar informational or educational activities. A domestic
17 winery or certificate of approval holder is not obligated to perform
18 any such personal services, and a retail licensee may not require a
19 domestic winery or certificate of approval holder to conduct any
20 personal service as a condition for selling any alcohol to the retail
21 licensee. Except as provided in RCW 66.28.150, the cost of sampling
22 may not be borne, directly or indirectly, by any liquor manufacturer,
23 importer, or distributor. Nothing in this section prohibits domestic
24 wineries and retail licensees from identifying the wineries on private
25 labels authorized under RCW 66.24.400, 66.24.425, and 66.24.450.

26 (i) Until July 1, 2007, nothing in this section prohibits a
27 nonprofit statewide organization of microbreweries formed for the
28 purpose of promoting Washington's craft beer industry as a trade
29 association registered as a 501(c) with the internal revenue service
30 from holding a special occasion license to conduct up to six beer
31 festivals.

32 (j) Nothing in this section shall prohibit a manufacturer,
33 importer, or distributor from entering into an arrangement with any
34 holder of a sports/entertainment facility license or an affiliated
35 business for brand advertising at the licensed facility or promoting
36 events held at the sports entertainment facility as authorized under
37 RCW 66.24.570.

1 (2) Financial interest, direct or indirect, as used in this
2 section, shall include any interest, whether by stock ownership,
3 mortgage, lien, or through interlocking directors, or otherwise.
4 Pursuant to rules promulgated by the board in accordance with chapter
5 34.05 RCW manufacturers, distributors, and importers may perform, and
6 retailers may accept the service of building, rotating and restocking
7 case displays and stock room inventories; rotating and rearranging can
8 and bottle displays of their own products; provide point of sale
9 material and brand signs; price case goods of their own brands; and
10 perform such similar normal business services as the board may by
11 regulation prescribe.

12 (3)(a) This section does not prohibit a manufacturer, importer, or
13 distributor from providing services to a special occasion licensee for:
14 (i) Installation of draft beer dispensing equipment or advertising,
15 (ii) advertising, pouring, or dispensing of beer or wine at a beer or
16 wine tasting exhibition or judging event, or (iii) a special occasion
17 licensee from receiving any such services as may be provided by a
18 manufacturer, importer, or distributor. Nothing in this section shall
19 prohibit a retail licensee, or any person financially interested,
20 directly or indirectly, in such a retail licensee from having a
21 financial interest, direct or indirect, in a business which provides,
22 for a compensation commensurate in value to the services provided,
23 bottling, canning or other services to a manufacturer, so long as the
24 retail licensee or person interested therein has no direct financial
25 interest in or control of said manufacturer.

26 (b) A person holding contractual rights to payment from selling a
27 liquor distributor's business and transferring the license shall not be
28 deemed to have a financial interest under this section if the person
29 (i) lacks any ownership in or control of the distributor, (ii) is not
30 employed by the distributor, and (iii) does not influence or attempt to
31 influence liquor purchases by retail liquor licensees from the
32 distributor.

33 (c) The board shall adopt such rules as are deemed necessary to
34 carry out the purposes and provisions of subsections (1)(g) and (h) and
35 (3)(a) of this section in accordance with the administrative procedure
36 act, chapter 34.05 RCW.

37 (4) A license issued under RCW 66.24.395 does not constitute a
38 retail license for the purposes of this section.

1 (5) A public house license issued under RCW 66.24.580 does not
2 violate the provisions of this section as to a retailer having an
3 interest directly or indirectly in a liquor-licensed manufacturer.

4 **Sec. 6.** RCW 66.28.040 and 2004 c 160 s 11 are each amended to read
5 as follows:

6 Except as permitted by the board under RCW 66.20.010, no domestic
7 brewery, microbrewery, distributor, distiller, domestic winery,
8 importer, rectifier, certificate of approval holder, or other
9 manufacturer of liquor shall, within the state of Washington, give to
10 any person any liquor; but nothing in this section nor in RCW 66.28.010
11 shall prevent a domestic brewery, microbrewery, distributor, domestic
12 winery, distiller, certificate of approval holder, or importer from
13 furnishing samples of beer, wine, or spirituous liquor to authorized
14 licensees for the purpose of negotiating a sale, in accordance with
15 regulations adopted by the liquor control board, provided that the
16 samples are subject to taxes imposed by RCW 66.24.290 and 66.24.210,
17 and in the case of spirituous liquor, any product used for samples must
18 be purchased at retail from the board; nothing in this section shall
19 prevent the furnishing of samples of liquor to the board for the
20 purpose of negotiating the sale of liquor to the state liquor control
21 board; nothing in this section shall prevent a domestic brewery,
22 microbrewery, domestic winery, distillery, certificate of approval
23 holder, or distributor from furnishing beer, wine, or spirituous liquor
24 for instructional purposes under RCW 66.28.150; nothing in this section
25 shall prevent a domestic winery, certificate of approval holder, or
26 distributor from furnishing wine without charge, subject to the taxes
27 imposed by RCW 66.24.210, to a not-for-profit group organized and
28 operated solely for the purpose of enology or the study of viticulture
29 which has been in existence for at least six months and that uses wine
30 so furnished solely for such educational purposes or a domestic winery,
31 or an out-of-state certificate of approval holder, from furnishing wine
32 without charge or a domestic brewery, or an out-of-state certificate of
33 approval holder, from furnishing beer without charge, subject to the
34 taxes imposed by RCW 66.24.210 or 66.24.290, to a nonprofit charitable
35 corporation or association exempt from taxation under section 501(c)(3)
36 of the internal revenue code of 1986 (26 U.S.C. Sec. 501(c)(3)) for use
37 consistent with the purpose or purposes entitling it to such exemption;

1 nothing in this section shall prevent a domestic brewery or
2 microbrewery from serving beer without charge, on the brewery premises;
3 nothing in this section shall prevent donations of wine for the
4 purposes of RCW 66.12.180; ~~((and))~~ nothing in this section shall
5 prevent a domestic winery from serving wine without charge, on the
6 winery premises; and nothing in this section shall prevent a craft
7 distillery from serving spirits without charge, on the distillery
8 premises subject to section 2 of this act.

9 **Sec. 7.** RCW 66.28.060 and 1933 ex.s. c 62 s 26 are each amended to
10 read as follows:

11 Every distillery licensed under this title shall make monthly
12 reports to the board pursuant to the regulations. No such distillery
13 shall make any sale of spirits within the state of Washington except to
14 the board and as provided in section 2 of this act.

15 **Sec. 8.** RCW 66.24.210 and 2006 c 302 s 5, 2006 c 101 s 4, and 2006
16 c 49 s 8 are each reenacted and amended to read as follows:

17 (1) There is hereby imposed upon all wines except cider sold to
18 wine distributors and the Washington state liquor control board, within
19 the state a tax at the rate of twenty and one-fourth cents per liter.
20 Any domestic winery or certificate of approval holder acting as a
21 distributor of its own production shall pay taxes imposed by this
22 section. There is hereby imposed on all cider sold to wine
23 distributors and the Washington state liquor control board within the
24 state a tax at the rate of three and fifty-nine one-hundredths cents
25 per liter. However, wine sold or shipped in bulk from one winery to
26 another winery shall not be subject to such tax.

27 (a) The tax provided for in this section shall be collected by
28 direct payments based on wine purchased by wine distributors.

29 (b) Except as provided in subsection (7) of this section, every
30 person purchasing wine under the provisions of this section shall on or
31 before the twentieth day of each month report to the board all
32 purchases during the preceding calendar month in such manner and upon
33 such forms as may be prescribed by the board, and with such report
34 shall pay the tax due from the purchases covered by such report unless
35 the same has previously been paid. Any such purchaser of wine whose
36 applicable tax payment is not postmarked by the twentieth day following

1 the month of purchase will be assessed a penalty at the rate of two
2 percent a month or fraction thereof. The board may require that every
3 such person shall execute to and file with the board a bond to be
4 approved by the board, in such amount as the board may fix, securing
5 the payment of the tax. If any such person fails to pay the tax when
6 due, the board may forthwith suspend or cancel the license until all
7 taxes are paid.

8 (c) Any licensed retailer authorized to purchase wine from a
9 certificate of approval holder with a direct shipment endorsement or a
10 domestic winery shall make monthly reports to the liquor control board
11 on wine purchased during the preceding calendar month in the manner and
12 upon such forms as may be prescribed by the board.

13 (2) An additional tax is imposed equal to the rate specified in RCW
14 82.02.030 multiplied by the tax payable under subsection (1) of this
15 section. All revenues collected during any month from this additional
16 tax shall be transferred to the state general fund by the twenty-fifth
17 day of the following month.

18 (3) An additional tax is imposed on wines subject to tax under
19 subsection (1) of this section, at the rate of one-fourth of one cent
20 per liter for wine sold after June 30, 1987. After June 30, 1996, such
21 additional tax does not apply to cider. An additional tax of five one-
22 hundredths of one cent per liter is imposed on cider sold after June
23 30, 1996. All revenues collected under this subsection (3) shall be
24 disbursed quarterly to the Washington wine commission for use in
25 carrying out the purposes of chapter 15.88 RCW.

26 (4) An additional tax is imposed on all wine subject to tax under
27 subsection (1) of this section. The additional tax is equal to twenty-
28 three and forty-four one-hundredths cents per liter on fortified wine
29 as defined in RCW 66.04.010(~~((+41))~~) when bottled or packaged by the
30 manufacturer, one cent per liter on all other wine except cider, and
31 eighteen one-hundredths of one cent per liter on cider. All revenues
32 collected during any month from this additional tax shall be deposited
33 in the violence reduction and drug enforcement account under RCW
34 69.50.520 by the twenty-fifth day of the following month.

35 (5)(a) An additional tax is imposed on all cider subject to tax
36 under subsection (1) of this section. The additional tax is equal to
37 two and four one-hundredths cents per liter of cider sold after June

1 30, 1996, and before July 1, 1997, and is equal to four and seven one-
2 hundredths cents per liter of cider sold after June 30, 1997.

3 (b) All revenues collected from the additional tax imposed under
4 this subsection (5) shall be deposited in the health services account
5 under RCW 43.72.900.

6 (6) For the purposes of this section, "cider" means table wine that
7 contains not less than one-half of one percent of alcohol by volume and
8 not more than seven percent of alcohol by volume and is made from the
9 normal alcoholic fermentation of the juice of sound, ripe apples or
10 pears. "Cider" includes, but is not limited to, flavored, sparkling,
11 or carbonated cider and cider made from condensed apple or pear must.

12 (7) For the purposes of this section, out-of-state wineries shall
13 pay taxes under this section on wine sold and shipped directly to
14 Washington state residents in a manner consistent with the requirements
15 of a wine distributor under subsections (1) through (4) of this
16 section, except wineries shall be responsible for the tax and not the
17 resident purchaser.

18 **Sec. 9.** RCW 66.24.481 and 1969 ex.s. c 250 s 2 are each amended to
19 read as follows:

20 No public place or club, or agent, servant or employee thereof,
21 shall keep or allow to be kept, either by itself, its agent, servant or
22 employee, or any other person, any liquor in any place maintained or
23 conducted by such public place or club, nor shall it permit the
24 drinking of any liquor in any such place, unless the sale of liquor in
25 said place is authorized by virtue of a valid and subsisting license
26 issued by the Washington state liquor control board, or the consumption
27 of liquor in said place is authorized by a special banquet permit
28 issued by said board. Every person who violates any provision of this
29 section shall be guilty of a gross misdemeanor.

30 "Public place," for purposes of this section only, shall mean in
31 addition to the definition set forth in RCW 66.04.010(~~(+24)~~), any
32 place to which admission is charged or in which any pecuniary gain is
33 realized by the owner or operator of such place in selling or vending
34 food or soft drinks.

35 **Sec. 10.** RCW 66.20.300 and 1997 c 321 s 44 are each amended to
36 read as follows:

1 Unless the context clearly requires otherwise, the definitions in
2 this section apply throughout RCW 66.20.310 through 66.20.350.

3 (1) "Alcohol" has the same meaning as "liquor" in RCW 66.04.010.

4 (2) "Alcohol server" means any person (~~(serving or selling alcohol,~~
5 ~~spirits, wines, or beer))~~ who as part of his or her employment
6 participates in the sale or service of alcoholic beverages for
7 consumption at (~~(an on-premises))~~ a retail licensed ((facility))
8 premise as a regular requirement of his or her employment, and includes
9 those persons eighteen years of age or older permitted by the liquor
10 laws of this state to serve alcoholic beverages with meals.

11 (3) "Board" means the Washington state liquor control board.

12 (4) "Training entity" means any liquor licensee associations,
13 independent contractors, private persons, and private or public
14 schools, that have been certified by the board.

15 (5) "Retail licensed premises" means any:

16 (a) Premises licensed to sell alcohol by the glass or by the drink,
17 or in original containers primarily for consumption on the premises as
18 authorized by RCW 66.24.320, 66.24.330, 66.24.350, 66.24.400,
19 66.24.425, 66.24.450, and 66.24.570; and

20 (b) Distillery licensed pursuant to RCW 66.24.140 that is
21 authorized to serve samples of its own production.

22 **Sec. 11.** RCW 66.20.310 and 2007 c 370 s 17 are each amended to
23 read as follows:

24 (1)(a) There shall be an alcohol server permit, known as a class 12
25 permit, for a manager or bartender selling or mixing alcohol, spirits,
26 wines, or beer for consumption at an on-premises licensed facility.

27 (b) There shall be an alcohol server permit, known as a class 13
28 permit, for a person who only serves alcohol, spirits, wines, or beer
29 for consumption at an on-premises licensed facility.

30 (c) As provided by rule by the board, a class 13 permit holder may
31 be allowed to act as a bartender without holding a class 12 permit.

32 (2)(a) Effective January 1, 1997, except as provided in (d) of this
33 subsection, every (~~(person))~~ alcohol server employed, under contract or
34 otherwise(~~(, by an annual retail liquor licensee holding a license as~~
35 ~~authorized by RCW 66.24.320, 66.24.330, 66.24.350, 66.24.400,~~
36 ~~66.24.425, 66.24.450, 66.24.590, or 66.24.570, who as part of his or~~

1 ~~her employment participates in any manner in the sale or service of~~
2 ~~alcoholic beverages))~~ at a retail licensed premise, shall have issued
3 to them a class 12 or class 13 permit.

4 (b) Every class 12 and class 13 permit issued shall be issued in
5 the name of the applicant and no other person may use the permit of
6 another permit holder. The holder shall present the permit upon
7 request to inspection by a representative of the board or a peace
8 officer. The class 12 or class 13 permit shall be valid for employment
9 at any retail licensed premises described in (a) of this subsection.

10 (c) No licensee (~~described in (a) of this subsection~~) holding a
11 license as authorized by RCW 66.24.320, 66.24.330, 66.24.350,
12 66.24.400, 66.24.425, 66.24.450, and 66.24.570, except as provided in
13 (d) of this subsection, may employ or accept the services of any person
14 without the person first having a valid class 12 or class 13 permit.

15 (d) Within sixty days of initial employment, every person whose
16 duties include the compounding, sale, service, or handling of liquor
17 shall have a class 12 or class 13 permit.

18 (e) No person may perform duties that include the sale or service
19 of alcoholic beverages on a retail licensed premises without possessing
20 a valid alcohol server permit.

21 (3) A permit issued by a training entity under this section is
22 valid for employment at any retail licensed premises described in
23 subsection (2)(a) of this section for a period of five years unless
24 suspended by the board.

25 (4) The board may suspend or revoke an existing permit if any of
26 the following occur:

27 (a) The applicant or permittee has been convicted of violating any
28 of the state or local intoxicating liquor laws of this state or has
29 been convicted at any time of a felony; or

30 (b) The permittee has performed or permitted any act that
31 constitutes a violation of this title or of any rule of the board.

32 (5) The suspension or revocation of a permit under this section
33 does not relieve a licensee from responsibility for any act of the
34 employee or agent while employed upon the retail licensed premises.
35 The board may, as appropriate, revoke or suspend either the permit of
36 the employee who committed the violation or the license of the licensee
37 upon whose premises the violation occurred, or both the permit and the
38 license.

1 (6)(a) After January 1, 1997, it is a violation of this title for
2 any retail licensee or agent of a retail licensee as described in
3 subsection (2)(a) of this section to employ in the sale or service of
4 alcoholic beverages, any person who does not have a valid alcohol
5 server permit or whose permit has been revoked, suspended, or denied.

6 (b) It is a violation of this title for a person whose alcohol
7 server permit has been denied, suspended, or revoked to accept
8 employment in the sale or service of alcoholic beverages.

9 (7) Grocery stores licensed under RCW 66.24.360, the primary
10 commercial activity of which is the sale of grocery products and for
11 which the sale and service of beer and wine for on-premises consumption
12 with food is incidental to the primary business, and employees of such
13 establishments, are exempt from RCW 66.20.300 through 66.20.350.

14 NEW SECTION. **Sec. 12.** Section 3 of this act expires July 1, 2008.

15 NEW SECTION. **Sec. 13.** Sections 4 and 11 of this act take effect
16 July 1, 2008.

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