SUBSTITUTE HOUSE BILL 3192

State of Washington 60th Legislature 2008 Regular Session

By House Commerce & Labor (originally sponsored by Representatives Wood, Conway, and Condotta)

READ FIRST TIME 02/05/08.

AN ACT Relating to alcoholic beverage regulation; amending RCW 66.20.300, 66.20.310, 66.20.310, 66.24.185, 66.24.170, 66.24.240, 66.24.240, 66.24.590, and 66.28.040; reenacting and amending RCW 66.24.244, 66.24.244, and 66.24.400; providing effective dates; and providing expiration dates.

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

7 **Sec. 1.** RCW 66.20.300 and 1997 c 321 s 44 are each amended to read 8 as follows:

9 Unless the context clearly requires otherwise, the definitions in 10 this section apply throughout RCW 66.20.310 through 66.20.350.

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

12 (2) "Alcohol server" means any person ((serving or selling alcohol, spirits, wines, or beer)) who as part of his or her employment 13 participates in the sale or service of alcoholic beverages for on-14 15 ((an on-premises)) retail licensed premise consumption at а ((facility)) premise as a regular requirement of his or her employment, 16 and includes those persons eighteen years of age or older permitted by 17 the liquor laws of this state to serve alcoholic beverages with meals. 18 19 (3) "Board" means the Washington state liquor control board.

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

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(5) "Retail licensed premises" means any:

5 <u>(a) Premises licensed to sell alcohol by the glass or by the drink,</u> 6 or in original containers primarily for consumption on the premises as 7 authorized by RCW 66.24.320, 66.24.330, 66.24.350, 66.24.400, 8 66.24.425, 66.24.450, and 66.24.570; and

9 (b) Facility established by a domestic winery for serving and 10 selling wine pursuant to RCW 66.24.170(4).

11 **Sec. 2.** RCW 66.20.310 and 1997 c 321 s 45 are each amended to read 12 as follows:

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

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

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

21 (2)(a) Effective January 1, 1997, except as provided in (d) of this subsection, every ((person)) alcohol server employed, under contract or 22 23 otherwise, ((by an annual retail liquor licensee holding a license as 24 authorized by RCW 66.24.320, 66.24.330, 66.24.350, 66.24.400, 66.24.425, 66.24.450, or 66.24.570, who as part of his or her 25 26 employment participates in any manner in the sale or service of alcoholic beverages)) at a retail licensed premise shall have issued to 27 them a class 12 or class 13 permit. 28

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

35 (c) ((No licensee described in (a) of this subsection,)) Except as 36 provided in (d) of this subsection, <u>no licensee holding a license as</u> 37 <u>authorized by RCW 66.24.320</u>, <u>66.24.330</u>, <u>66.24.350</u>, <u>66.24.400</u>, 1 <u>66.24.425, 66.24.450, and 66.24.570</u> may employ or accept the services 2 of any person without the person first having a valid class 12 or class 3 13 permit.

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

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

10 (3) A permit issued by a training entity under this section is 11 valid for employment at any retail licensed premises described in 12 subsection (2)(a) of this section for a period of five years unless 13 suspended by the board.

14 (4) The board may suspend or revoke an existing permit if any of 15 the following occur:

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

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

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

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

33 (b) It is a violation of this title for a person whose alcohol 34 server permit has been denied, suspended, or revoked to accept 35 employment in the sale or service of alcoholic beverages.

36 (7) Grocery stores licensed under RCW 66.24.360, the primary 37 commercial activity of which is the sale of grocery products and for

which the sale and service of beer and wine for on-premises consumption with food is incidental to the primary business, and employees of such establishments, are exempt from RCW 66.20.300 through 66.20.350.

4 **Sec. 3.** RCW 66.20.310 and 2007 c 370 s 17 are each amended to read 5 as follows:

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

9 (b) There shall be an alcohol server permit, known as a class 13 10 permit, for a person who only serves alcohol, spirits, wines, or beer 11 for consumption at an on-premises licensed facility.

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

(2)(a) Effective January 1, 1997, except as provided in (d) of this 14 15 subsection, every ((person)) alcohol server employed, under contract or 16 otherwise, ((by an annual retail liquor licensee holding a license as 17 authorized by RCW 66.24.320, 66.24.330, 66.24.350, 66.24.400, 66.24.425, 66.24.450, 66.24.590, or 66.24.570, who as part of his or 18 19 her employment participates in any manner in the sale or service of 20 alcoholic beverages)) at a retail licensed premise shall have issued to them a class 12 or class 13 permit. 21

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

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

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

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

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

8 (4) The board may suspend or revoke an existing permit if any of 9 the following occur:

10 (a) The applicant or permittee has been convicted of violating any 11 of the state or local intoxicating liquor laws of this state or has 12 been convicted at any time of a felony; or

13 (b) The permittee has performed or permitted any act that 14 constitutes a violation of this title or of any rule of the board.

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

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

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

30 (7) Grocery stores licensed under RCW 66.24.360, the primary 31 commercial activity of which is the sale of grocery products and for 32 which the sale and service of beer and wine for on-premises consumption 33 with food is incidental to the primary business, and employees of such 34 establishments, are exempt from RCW 66.20.300 through 66.20.350.

35 **Sec. 4.** RCW 66.24.185 and 1999 c 281 s 4 are each amended to read 36 as follows:

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(1) There shall be a license for bonded wine warehouses which shall

1 authorize the storage <u>and handling</u> of bottled wine ((only)). Under 2 this license a licensee may maintain a warehouse for the storage of 3 wine off the premises of a winery.

(2) The board shall adopt similar qualifications for a bonded wine 4 5 warehouse license as required for obtaining a domestic winery license as specified in RCW 66.24.010 and 66.24.170. A licensee must be a sole 6 7 proprietor, a partnership, a limited liability company, or а corporation. One or more domestic wineries may operate as 8 а partnership, corporation, business co-op, or agricultural co-op for the 9 10 purposes of obtaining a bonded wine warehouse license.

(3) All bottled wine shipped to a bonded wine warehouse from a 11 12 winery or another bonded wine warehouse shall remain under bond and no 13 tax imposed under RCW 66.24.210 shall be due, unless the wine is 14 removed from bond and shipped to a licensed Washington wine distributor. Wine may be removed from a bonded wine warehouse only for 15 16 the purpose of being (a) exported from the state, (b) shipped to a 17 licensed Washington wine distributor, ((or)) (c) returned to a winery or bonded wine warehouse, or shipped to a consumer pursuant to RCW 18 66.20.360 through 66.20.390. 19

(4) Warehousing of wine by any person other than (a) a licensed domestic winery or a bonded wine warehouse licensed under the provisions of this section, (b) a licensed Washington wine distributor, (c) a licensed Washington wine importer, (d) a wine certificate of approval holder (W7), or (e) the liquor control board, is prohibited.

(5) A license applicant shall hold a federal permit for a bonded wine cellar and may be required to post a continuing wine tax bond of such an amount and in such a form as may be required by the board prior to the issuance of a bonded wine warehouse license. The fee for this license shall be one hundred dollars per annum.

(6) The board shall adopt rules requiring a bonded wine warehouse
 to be physically secure, zoned for the intended use and physically
 separated from any other use.

(7) Every licensee shall submit to the board a monthly report of
 movement of bottled wines to and from a bonded wine warehouse in a form
 prescribed by the board. The board may adopt other necessary
 procedures by which bonded wine warehouses are licensed and regulated.
 (8) Handling of bottled wine, as provided for in this section,

38 <u>includes packaging and repackaging services; bottle labeling services;</u>

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creating baskets or variety packs that may or may not include nonwine products; and picking, packing, and shipping wine orders direct to consumer. A winery contracting with a bonded wine warehouse for handling bottled wine must comply with all applicable state and federal laws and shall be responsible for financial transactions in direct to consumer shipping activities.

7 **Sec. 5.** RCW 66.24.170 and 2007 c 16 s 2 are each amended to read 8 as follows:

9 (1) There shall be a license for domestic wineries; fee to be 10 computed only on the liters manufactured: Less than two hundred fifty 11 thousand liters per year, one hundred dollars per year; and two hundred 12 fifty thousand liters or more per year, four hundred dollars per year. 13 (2) The license allows for the manufacture of wine in Washington 14 state from grapes or other agricultural products.

(3) Any domestic winery licensed under this section may also act as 15 16 a retailer of wine of its own production. Any domestic winery licensed 17 under this section may act as a distributor of its own production. Notwithstanding any language in this title to the contrary, a domestic 18 winery may use a common carrier to deliver up to one hundred cases of 19 20 its own production, in the aggregate, per month to licensed Washington 21 retailers. A domestic winery may not arrange for any such common carrier shipments to licensed retailers of wine not of its own 22 23 production. Except as provided in this section, any winery operating 24 as a distributor and/or retailer under this subsection shall comply with the applicable laws and rules relating to distributors and/or 25 26 retailers.

(4) A domestic winery licensed under this section, at locations 27 separate from any of its production or manufacturing sites, may serve 28 samples of its own products, with or without charge, and sell wine of 29 30 its own production at retail ((for off premise consumption)), provided 31 that: (a) Each additional location has been approved by the board under RCW 66.24.010; (b) the total number of additional locations does 32 not exceed two; ((and)) (c) a winery may not act as a distributor at 33 any such additional location; and (d) any person selling or serving 34 wine at an additional location for on-premise consumption must obtain 35 36 a class 12 or class 13 alcohol server permit. Each additional location is deemed to be part of the winery license for the purpose of this 37

title. At additional locations operated by multiple wineries under this section, if the board cannot connect a violation of RCW 66.44.200 or 66.44.270 to a single licensee, the board may hold all licensees operating the additional location jointly liable. Nothing in this subsection shall be construed to prevent a domestic winery from holding multiple domestic winery licenses.

7 (5)(a) A domestic winery licensed under this section may apply to 8 the board for an endorsement to sell wine of its own production at 9 retail for off-premises consumption at a qualifying farmers market. 10 The annual fee for this endorsement is seventy-five dollars. An 11 endorsement issued pursuant to this subsection does not count toward 12 the two additional retail locations limit specified in this section.

(b) For each month during which a domestic winery will sell wine at a qualifying farmers market, the winery must provide the board or its designee a list of the dates, times, and locations at which bottled wine may be offered for sale. This list must be received by the board before the winery may offer wine for sale at a qualifying farmers market.

19 (c) The wine sold at qualifying farmers markets must be made 20 entirely from grapes grown in a recognized Washington appellation or 21 from other agricultural products grown in this state.

22 (d) Each approved location in a qualifying farmers market is deemed to be part of the winery license for the purpose of this title. 23 The 24 approved locations under an endorsement granted under this subsection 25 do not include the tasting or sampling privilege of a winery. The winery may not store wine at a farmers market beyond the hours that the 26 27 winery offers bottled wine for sale. The winery may not act as a distributor from a farmers market location. 28

(e) Before a winery may sell bottled wine at a qualifying farmers 29 market, the farmers market must apply to the board for authorization 30 31 for any winery with an endorsement approved under this subsection to 32 sell bottled wine at retail at the farmers market. This application shall include, at a minimum: (i) A map of the farmers market showing 33 all booths, stalls, or other designated locations at which an approved 34 winery may sell bottled wine; and (ii) the name and contact information 35 for the on-site market managers who may be contacted by the board or 36 37 its designee to verify the locations at which bottled wine may be sold. 38 Before authorizing a qualifying farmers market to allow an approved winery to sell bottled wine at retail at its farmers market location, the board shall notify the persons or entities of such application for authorization pursuant to RCW 66.24.010 (8) and (9). An authorization granted under this subsection (5)(e) may be withdrawn by the board for any violation of this title or any rules adopted under this title.

6 (f) The board may adopt rules establishing the application and 7 approval process under this section and such additional rules as may be 8 necessary to implement this section.

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(g) For the purposes of this subsection:

10 (i) "Qualifying farmers market" means an entity that sponsors a 11 regular assembly of vendors at a defined location for the purpose of 12 promoting the sale of agricultural products grown or produced in this 13 state directly to the consumer under conditions that meet the following 14 minimum requirements:

(A) There are at least five participating vendors who are farmersselling their own agricultural products;

17 (B) The total combined gross annual sales of vendors who are 18 farmers exceeds the total combined gross annual sales of vendors who 19 are processors or resellers;

20 (C) The total combined gross annual sales of vendors who are 21 farmers, processors, or resellers exceeds the total combined gross 22 annual sales of vendors who are not farmers, processors, or resellers;

(D) The sale of imported items and secondhand items by any vendoris prohibited; and

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(E) No vendor is a franchisee.

(ii) "Farmer" means a natural person who sells, with or without processing, agricultural products that he or she raises on land he or she owns or leases in this state or in another state's county that borders this state.

30 (iii) "Processor" means a natural person who sells processed food 31 that he or she has personally prepared on land he or she owns or leases 32 in this state or in another state's county that borders this state.

33 (iv) "Reseller" means a natural person who buys agricultural 34 products from a farmer and resells the products directly to the 35 consumer.

36 (6) Wine produced in Washington state by a domestic winery licensee 37 may be shipped out-of-state for the purpose of making it into sparkling wine and then returned to such licensee for resale. Such wine shall be
 deemed wine manufactured in the state of Washington for the purposes of
 RCW 66.24.206, and shall not require a special license.

4 **Sec. 6.** RCW 66.24.240 and 2007 c 370 s 6 are each amended to read 5 as follows:

6 (1) There shall be a license for domestic breweries; fee to be two 7 thousand dollars for production of sixty thousand barrels or more of 8 malt liquor per year.

(2) Any domestic brewery, except for a brand owner of malt 9 beverages under RCW 66.04.010(6), licensed under this section may also 10 act as a retailer for beer of its own production. Any domestic brewery 11 licensed under this section may act as a distributor for beer of its 12 own production. Any domestic brewery operating as a distributor and/or 13 retailer under this subsection shall comply with the applicable laws 14 and rules relating to distributors and/or retailers. 15 A domestic 16 brewery holding a spirits, beer, and wine restaurant license may sell 17 beer of its own production for off-premises consumption from its restaurant premises in kegs or in a sanitary container brought to the 18 premises by the purchaser or furnished by the licensee and filled at 19 the tap by the licensee at the time of sale. 20

21 (3) A domestic brewery may hold ((a)) up to two retail licenses ((under this chapter)) to operate an on or off-premise tavern, beer 22 and/or wine restaurant, or spirits, beer, and wine restaurant. 23 This 24 retail license is separate from the brewery license. A brewery that holds a tavern license, spirits, beer, and wine restaurant license, or 25 26 a beer and/or wine restaurant license shall hold the same privileges and endorsements as permitted under RCW 66.24.320, 66.24.330, and 27 66.24.420. 28

(4) ((If the brewery licensee holds a separate license for a spirits, beer, and wine restaurant or a beer and/or wine restaurant operated on the brewery premises, the licensee may hold a second retail license for a spirits, beer, and wine restaurant or a beer and/or wine restaurant at a location separate from the brewery premises.

34 (5)) Any domestic brewery licensed under this section may 35 contract-produce beer for a brand owner of malt beverages defined under 36 RCW 66.04.010(6), and this contract-production is not a sale for the 37 purposes of RCW 66.28.170 and 66.28.180.

(((+6))) (5)(a) A domestic brewery licensed under this section and 1 reduced rate of taxation 2 qualified for а pursuant to RCW 66.24.290(3)(b) may apply to the board for an endorsement to sell 3 bottled beer of its own production at retail for off-premises 4 5 consumption at a qualifying farmers market. The annual fee for this endorsement is seventy-five dollars. 6

7 (b) For each month during which a domestic brewery will sell beer 8 at a qualifying farmers market, the domestic brewery must provide the 9 board or its designee a list of the dates, times, and locations at 10 which bottled beer may be offered for sale. This list must be received 11 by the board before the domestic brewery may offer beer for sale at a 12 qualifying farmers market.

13 (c) The beer sold at qualifying farmers markets must be produced in14 Washington.

(d) Each approved location in a qualifying farmers market is deemed 15 to be part of the domestic brewery license for the purpose of this 16 17 title. The approved locations under an endorsement granted under this subsection do not include the tasting or sampling privilege of a 18 domestic brewery. The domestic brewery may not store beer at a farmers 19 market beyond the hours that the domestic brewery offers bottled beer 20 21 The domestic brewery may not act as a distributor from a for sale. 22 farmers market location.

23 (e) Before a domestic brewery may sell bottled beer at a qualifying 24 farmers market, the farmers market must apply to the board for 25 authorization for any domestic brewery with an endorsement approved under this subsection to sell bottled beer at retail at the farmers 26 27 market. This application shall include, at a minimum: (i) A map of the farmers market showing all booths, stalls, or other designated 28 locations at which an approved domestic brewery may sell bottled beer; 29 and (ii) the name and contact information for the on-site market 30 managers who may be contacted by the board or its designee to verify 31 32 the locations at which bottled beer may be sold. Before authorizing a qualifying farmers market to allow an approved domestic brewery to sell 33 bottled beer at retail at its farmers market location, the board shall 34 notify the persons or entities of such application for authorization 35 pursuant to RCW 66.24.010 (8) and (9). An authorization granted under 36 37 this subsection $\left(\left(\frac{6}{1}\right)\right)$ (5)(e) may be withdrawn by the board for any violation of this title or any rules adopted under this title. 38

1 (f) The board may adopt rules establishing the application and 2 approval process under this section and such additional rules as may be 3 necessary to implement this section.

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(g) For the purposes of this subsection:

5 (i) "Qualifying farmers market" means an entity that sponsors a 6 regular assembly of vendors at a defined location for the purpose of 7 promoting the sale of agricultural products grown or produced in this 8 state directly to the consumer under conditions that meet the following 9 minimum requirements:

(A) There are at least five participating vendors who are farmersselling their own agricultural products;

12 (B) The total combined gross annual sales of vendors who are 13 farmers exceeds the total combined gross annual sales of vendors who 14 are processors or resellers;

15 (C) The total combined gross annual sales of vendors who are 16 farmers, processors, or resellers exceeds the total combined gross 17 annual sales of vendors who are not farmers, processors, or resellers;

(D) The sale of imported items and secondhand items by any vendoris prohibited; and

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(E) No vendor is a franchisee.

(ii) "Farmer" means a natural person who sells, with or without processing, agricultural products that he or she raises on land he or she owns or leases in this state or in another state's county that borders this state.

(iii) "Processor" means a natural person who sells processed food
that he or she has personally prepared on land he or she owns or leases
in this state or in another state's county that borders this state.

(iv) "Reseller" means a natural person who buys agricultural products from a farmer and resells the products directly to the consumer.

31 Sec. 7. RCW 66.24.240 and 2007 c 370 s 7 are each amended to read 32 as follows:

(1) There shall be a license for domestic breweries; fee to be two thousand dollars for production of sixty thousand barrels or more of malt liquor per year.

36 (2) Any domestic brewery, except for a brand owner of malt
 37 beverages under RCW 66.04.010(6), licensed under this section may also

act as a distributor and/or retailer for beer of its own production. 1 2 Any domestic brewery operating as a distributor and/or retailer under this subsection shall comply with the applicable laws and rules 3 relating to distributors and/or retailers. A domestic brewery holding 4 5 a spirits, beer, and wine restaurant license may sell beer of its own production for off-premises consumption from its restaurant premises in 6 7 kegs or in a sanitary container brought to the premises by the purchaser or furnished by the licensee and filled at the tap by the 8 9 licensee at the time of sale.

10 (3) A domestic brewery may hold ((a)) up to two retail licenses ((under this chapter)) to operate an on or off-premise tavern, beer 11 and/or wine restaurant, or spirits, beer, and wine restaurant. 12 This 13 retail license is separate from the brewery license. A brewery that 14 holds a tavern license, a spirits, beer, and wine restaurant license, or a beer and/or wine restaurant license shall hold the same privileges 15 and endorsements as permitted under RCW 66.24.320, 66.24.330, and 16 17 66.24.420.

18 (4) ((If the brewery licensee holds a separate license for a spirits, beer, and wine restaurant or a beer and/or wine restaurant operated on the brewery premises, the licensee may hold a second retail license for a spirits, beer, and wine restaurant or a beer and/or wine restaurant at a location separate from the brewery premises.

23 (5)) Any domestic brewery licensed under this section may 24 contract-produce beer for a brand owner of malt beverages defined under 25 RCW 66.04.010(6), and this contract-production is not a sale for the 26 purposes of RCW 66.28.170 and 66.28.180.

27 (((6))) (5)(a) A domestic brewery licensed under this section and for a reduced rate of taxation 28 qualified pursuant to RCW 66.24.290(3)(b) may apply to the board for an endorsement to sell 29 bottled beer of its own production at retail for off-premises 30 consumption at a qualifying farmers market. The annual fee for this 31 32 endorsement is seventy-five dollars.

33 (b) For each month during which a domestic brewery will sell beer 34 at a qualifying farmers market, the domestic brewery must provide the 35 board or its designee a list of the dates, times, and locations at 36 which bottled beer may be offered for sale. This list must be received 37 by the board before the domestic brewery may offer beer for sale at a 38 qualifying farmers market. (c) The beer sold at qualifying farmers markets must be produced in
 Washington.

(d) Each approved location in a qualifying farmers market is deemed 3 to be part of the domestic brewery license for the purpose of this 4 5 title. The approved locations under an endorsement granted under this subsection do not include the tasting or sampling privilege of a 6 7 domestic brewery. The domestic brewery may not store beer at a farmers market beyond the hours that the domestic brewery offers bottled beer 8 for sale. The domestic brewery may not act as a distributor from a 9 10 farmers market location.

(e) Before a domestic brewery may sell bottled beer at a qualifying 11 12 farmers market, the farmers market must apply to the board for 13 authorization for any domestic brewery with an endorsement approved under this subsection to sell bottled beer at retail at the farmers 14 market. This application shall include, at a minimum: (i) A map of 15 the farmers market showing all booths, stalls, or other designated 16 17 locations at which an approved domestic brewery may sell bottled beer; and (ii) the name and contact information for the on-site market 18 managers who may be contacted by the board or its designee to verify 19 the locations at which bottled beer may be sold. Before authorizing a 20 21 qualifying farmers market to allow an approved domestic brewery to sell 22 bottled beer at retail at its farmers market location, the board shall notify the persons or entities of such application for authorization 23 24 pursuant to RCW 66.24.010 (8) and (9). An authorization granted under this subsection (((6))) (5)(e) may be withdrawn by the board for any 25 violation of this title or any rules adopted under this title. 26

(f) The board may adopt rules establishing the application and approval process under this section and such additional rules as may be necessary to implement this section.

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(g) For the purposes of this subsection:

(i) "Qualifying farmers market" means an entity that sponsors a regular assembly of vendors at a defined location for the purpose of promoting the sale of agricultural products grown or produced in this state directly to the consumer under conditions that meet the following minimum requirements:

36 (A) There are at least five participating vendors who are farmers37 selling their own agricultural products;

(B) The total combined gross annual sales of vendors who are
 farmers exceeds the total combined gross annual sales of vendors who
 are processors or resellers;

4 (C) The total combined gross annual sales of vendors who are 5 farmers, processors, or resellers exceeds the total combined gross 6 annual sales of vendors who are not farmers, processors, or resellers;

7 (D) The sale of imported items and secondhand items by any vendor8 is prohibited; and

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(E) No vendor is a franchisee.

10 (ii) "Farmer" means a natural person who sells, with or without 11 processing, agricultural products that he or she raises on land he or 12 she owns or leases in this state or in another state's county that 13 borders this state.

(iii) "Processor" means a natural person who sells processed food
that he or she has personally prepared on land he or she owns or leases
in this state or in another state's county that borders this state.

17 (iv) "Reseller" means a natural person who buys agricultural 18 products from a farmer and resells the products directly to the 19 consumer.

20 Sec. 8. RCW 66.24.244 and 2007 c 370 s 4 and 2007 c 222 s 1 are 21 each reenacted and amended to read as follows:

(1) There shall be a license for microbreweries; fee to be one
 hundred dollars for production of less than sixty thousand barrels of
 malt liquor, including strong beer, per year.

(2) Any microbrewery licensed under this section may also act as a 25 26 distributor and/or retailer for beer and strong beer of its own production. Any microbrewery licensed under this section may act as a 27 distributor for beer of its own production. Strong beer may not be 28 sold at a farmers market or under any endorsement which may authorize 29 Any microbrewery 30 microbreweries to sell beer at farmers markets. 31 operating as a distributor and/or retailer under this subsection shall comply with the applicable laws and rules relating to distributors 32 and/or retailers. A microbrewery holding a spirits, beer, and wine 33 restaurant license may sell beer of its own production for off-premises 34 consumption from its restaurant premises in kegs or in a sanitary 35 36 container brought to the premises by the purchaser or furnished by the 37 licensee and filled at the tap by the licensee at the time of sale.

1 (3) The board may issue ((a)) <u>up to two retail</u> licenses allowing a 2 microbrewery to operate ((a)) <u>an on or off-premise tavern, beer and/or</u> 3 <u>wine restaurant, or</u> spirits, beer, and wine restaurant ((under RCW 4 66.24.420)).

5 (4) ((The board may issue a license to a microbrewery allowing for on-premises consumption of beer, including strong beer, wine, or both б 7 of other manufacture if purchased from a Washington state-licensed distributor. The microbrewer must determine, at the time the license 8 9 is issued, whether the licensed premises will be operated as a tavern with persons under twenty-one years of age not allowed as provided for 10 in RCW 66.24.330, or as a beer and/or wine restaurant as described in 11 12 RCW 66.24.320.

13 (5)) A microbrewery that holds a <u>tavern license</u>, spirits, beer, 14 and wine restaurant license, or a beer and/or wine restaurant license 15 shall hold the same privileges and endorsements as permitted under RCW 16 66.24.320, 66.24.330, and 66.24.420.

17 (((6) If the microbrewery licensee holds a separate license for a 18 spirits, beer, and wine restaurant or a beer and/or wine restaurant, 19 operated on the brewery premises, the licensee may hold a second retail 20 license for a spirits, beer, and wine restaurant or a beer and/or wine 21 restaurant, at a location separate from the licensed brewery premises.

(7)) (5)(a) A microbrewery licensed under this section may apply to the board for an endorsement to sell bottled beer of its own production at retail for off-premises consumption at a qualifying farmers market. The annual fee for this endorsement is seventy-five dollars.

(b) For each month during which a microbrewery will sell beer at a qualifying farmers market, the microbrewery must provide the board or its designee a list of the dates, times, and locations at which bottled beer may be offered for sale. This list must be received by the board before the microbrewery may offer beer for sale at a qualifying farmers market.

33 (c) The beer sold at qualifying farmers markets must be produced in34 Washington.

35 (d) Each approved location in a qualifying farmers market is deemed 36 to be part of the microbrewery license for the purpose of this title. 37 The approved locations under an endorsement granted under this 38 subsection ((+7)) (5) do not constitute the tasting or sampling privilege of a microbrewery. The microbrewery may not store beer at a farmers market beyond the hours that the microbrewery offers bottled beer for sale. The microbrewery may not act as a distributor from a farmers market location.

(e) Before a microbrewery may sell bottled beer at a qualifying 5 farmers market, the farmers market must apply to the board for 6 7 authorization for any microbrewery with an endorsement approved under this subsection (((7))) (5) to sell bottled beer at retail at the 8 farmers market. This application shall include, at a minimum: (i) A 9 map of the farmers market showing all booths, stalls, or other 10 designated locations at which an approved microbrewery may sell bottled 11 12 beer; and (ii) the name and contact information for the on-site market 13 managers who may be contacted by the board or its designee to verify 14 the locations at which bottled beer may be sold. Before authorizing a qualifying farmers market to allow an approved microbrewery to sell 15 bottled beer at retail at its farmers market location, the board shall 16 17 notify the persons or entities of the application for authorization pursuant to RCW 66.24.010 (8) and (9). An authorization granted under 18 this subsection $\left(\left(\frac{7}{7}\right)\right)$ <u>(5)</u>(e) may be withdrawn by the board for any 19 violation of this title or any rules adopted under this title. 20

(f) The board may adopt rules establishing the application and approval process under this section and any additional rules necessary to implement this section.

24

(g) For the purposes of this subsection $\left(\left(\frac{7}{7}\right)\right)$ (5):

(i) "Qualifying farmers market" means an entity that sponsors a regular assembly of vendors at a defined location for the purpose of promoting the sale of agricultural products grown or produced in this state directly to the consumer under conditions that meet the following minimum requirements:

30 (A) There are at least five participating vendors who are farmers
 31 selling their own agricultural products;

32 (B) The total combined gross annual sales of vendors who are 33 farmers exceeds the total combined gross annual sales of vendors who 34 are processors or resellers;

35 (C) The total combined gross annual sales of vendors who are 36 farmers, processors, or resellers exceeds the total combined gross 37 annual sales of vendors who are not farmers, processors, or resellers; (D) The sale of imported items and secondhand items by any vendor
 is prohibited; and

3 (E) No vendor is a franchisee.

4 (ii) "Farmer" means a natural person who sells, with or without 5 processing, agricultural products that he or she raises on land he or 6 she owns or leases in this state or in another state's county that 7 borders this state.

8 (iii) "Processor" means a natural person who sells processed food 9 that he or she has personally prepared on land he or she owns or leases 10 in this state or in another state's county that borders this state.

(iv) "Reseller" means a natural person who buys agricultural products from a farmer and resells the products directly to the consumer.

14 (6) Any microbrewery licensed under this section may contract-15 produce beer for another microbrewer. This contract-production is not 16 a sale for the purposes of RCW 66.28.170 and 66.28.180.

17 Sec. 9. RCW 66.24.244 and 2007 c 370 s 5 and 2007 c 222 s 2 are 18 each reenacted and amended to read as follows:

(1) There shall be a license for microbreweries; fee to be one hundred dollars for production of less than sixty thousand barrels of malt liquor, including strong beer, per year.

22 (2) Any microbrewery licensed under this section may also act as a 23 distributor and/or retailer for beer and strong beer of its own 24 production. Strong beer may not be sold at a farmers market or under any endorsement which may authorize microbreweries to sell beer at 25 26 farmers markets. Any microbrewery operating as a distributor and/or retailer under this subsection shall comply with the applicable laws 27 and rules relating to distributors and/or retailers. A microbrewery 28 holding a spirits, beer, and wine restaurant license may sell beer of 29 30 its own production for off-premises consumption from its restaurant 31 premises in keqs or in a sanitary container brought to the premises by the purchaser or furnished by the licensee and filled at the tap by the 32 licensee at the time of sale. 33

34 (3) The board may issue ((a)) <u>up to two retail</u> licenses allowing a 35 microbrewery to operate ((a)) <u>an on or off-premise tavern, beer and/or</u> 36 <u>wine restaurant, or</u> spirits, beer, and wine restaurant ((under RCW 37 66.24.420)).

(4) ((The board may issue a license to a microbrewery allowing for 1 2 on-premises consumption of beer, including strong beer, wine, or both of other manufacture if purchased from a Washington state licensed 3 distributor. The microbrewer must determine, at the time the license 4 5 is issued, whether the licensed premises will be operated as a tavern with persons under twenty-one years of age not allowed as provided for 6 7 in RCW 66.24.330, or as a beer and/or wine restaurant as described in 8 RCW 66.24.320.

9 (5))) A microbrewery that holds a <u>tavern license</u>, spirits, beer, 10 and wine restaurant license, or a beer and/or wine restaurant license 11 shall hold the same privileges and endorsements as permitted under RCW 12 66.24.320, 66.24.330, and 66.24.420.

13 (((6) If the microbrewery licensee holds a separate license for a 14 spirits, beer, and wine restaurant or a beer and/or wine restaurant, operated on the brewery premises, the licensee may hold a second retail 15 license for a spirits, beer, and wine restaurant or a beer and/or wine 16 17 restaurant, at a location separate from the licensed brewery premises. (7))) (5)(a) A microbrewery licensed under this section may apply 18 to the board for an endorsement to sell bottled beer of its own 19 production at retail for off-premises consumption at a qualifying 20 21 farmers market. The annual fee for this endorsement is seventy-five

(b) For each month during which a microbrewery will sell beer at a qualifying farmers market, the microbrewery must provide the board or its designee a list of the dates, times, and locations at which bottled beer may be offered for sale. This list must be received by the board before the microbrewery may offer beer for sale at a qualifying farmers market.

22

dollars.

(c) The beer sold at qualifying farmers markets must be produced inWashington.

31 (d) Each approved location in a qualifying farmers market is deemed 32 to be part of the microbrewery license for the purpose of this title. The approved locations under an endorsement granted under this 33 subsection $\left(\left(\frac{7}{7}\right)\right)$ do not constitute the tasting or sampling 34 privilege of a microbrewery. The microbrewery may not store beer at a 35 farmers market beyond the hours that the microbrewery offers bottled 36 37 beer for sale. The microbrewery may not act as a distributor from a 38 farmers market location.

(e) Before a microbrewery may sell bottled beer at a qualifying 1 2 farmers market, the farmers market must apply to the board for authorization for any microbrewery with an endorsement approved under 3 this subsection (((7))) (5) to sell bottled beer at retail at the 4 5 farmers market. This application shall include, at a minimum: (i) A map of the farmers market showing all booths, stalls, or other б 7 designated locations at which an approved microbrewery may sell bottled beer; and (ii) the name and contact information for the on-site market 8 managers who may be contacted by the board or its designee to verify 9 10 the locations at which bottled beer may be sold. Before authorizing a qualifying farmers market to allow an approved microbrewery to sell 11 12 bottled beer at retail at its farmers market location, the board shall 13 notify the persons or entities of the application for authorization 14 pursuant to RCW 66.24.010 (8) and (9). An authorization granted under this subsection $\left(\left(\frac{7}{7}\right)\right)$ <u>(5)</u>(e) may be withdrawn by the board for any 15 16 violation of this title or any rules adopted under this title.

17 (f) The board may adopt rules establishing the application and 18 approval process under this section and any additional rules necessary 19 to implement this section.

20

(g) For the purposes of this subsection (((7))) (5):

(i) "Qualifying farmers market" means an entity that sponsors a regular assembly of vendors at a defined location for the purpose of promoting the sale of agricultural products grown or produced in this state directly to the consumer under conditions that meet the following minimum requirements:

26 (A) There are at least five participating vendors who are farmers27 selling their own agricultural products;

(B) The total combined gross annual sales of vendors who are
 farmers exceeds the total combined gross annual sales of vendors who
 are processors or resellers;

31 (C) The total combined gross annual sales of vendors who are 32 farmers, processors, or resellers exceeds the total combined gross 33 annual sales of vendors who are not farmers, processors, or resellers; 34 (D) The sale of imported items and secondhand items by any vendor

35 is prohibited; and

36 (E) No vendor is a franchisee.

37 (ii) "Farmer" means a natural person who sells, with or without

1 processing, agricultural products that he or she raises on land he or 2 she owns or leases in this state or in another state's county that 3 borders this state.

4 (iii) "Processor" means a natural person who sells processed food 5 that he or she has personally prepared on land he or she owns or leases 6 in this state or in another state's county that borders this state.

7 (iv) "Reseller" means a natural person who buys agricultural 8 products from a farmer and resells the products directly to the 9 consumer.

10 (6) Any microbrewery licensed under this section may 11 contract-produce beer for another microbrewer. This contract-12 production is not a sale for the purposes of RCW 66.28.170 and 13 66.28.180.

14 **Sec. 10.** RCW 66.24.400 and 2007 c 370 s 13 and 2007 c 53 s 1 are 15 each reenacted and amended to read as follows:

16 (1) There shall be a retailer's license, to be known and designated 17 as a spirits, beer, and wine restaurant license, to sell spirituous liquor by the individual glass, beer, and wine, at retail, for 18 consumption on the premises, including mixed drinks and cocktails 19 20 compounded or mixed on the premises only. A club licensed under 21 chapter 70.62 RCW with overnight sleeping accommodations, that is licensed under this section may sell liquor by the bottle to registered 22 23 guests of the club for consumption in guest rooms, hospitality rooms, 24 or at banquets in the club. A patron of a bona fide restaurant or club licensed under this section may remove from the premises recorked or 25 26 recapped in its original container any portion of wine which was 27 purchased for consumption with a meal, and registered guests who have purchased liquor from the club by the bottle may remove from the 28 premises any unused portion of such liquor in its original container. 29 30 Such license may be issued only to bona fide restaurants and clubs, and 31 to dining, club and buffet cars on passenger trains, and to dining places on passenger boats and airplanes, and to dining places at civic 32 centers with facilities for sports, entertainment, and conventions, and 33 to such other establishments operated and maintained primarily for the 34 35 benefit of tourists, vacationers and travelers as the board shall 36 determine are qualified to have, and in the discretion of the board

should have, a spirits, beer, and wine restaurant license under the
 provisions and limitations of this title.

(2) The board may issue an endorsement to the spirits, beer, and 3 wine restaurant license that allows the holder of a spirits, beer, and 4 5 wine restaurant license to sell <u>bottled wine</u> for off-premises consumption ((wine vinted and bottled in the state of Washington and 6 7 carrying a label exclusive to the license holder selling the wine)). Spirits and beer may not be sold for off-premises consumption under 8 9 this section except as provided in subsection (4) of this section. The 10 annual fee for the endorsement under this subsection is one hundred 11 twenty dollars.

(3) The holder of a spirits, beer, and wine license or its manager 12 13 may furnish beer, wine, or spirituous liquor to the licensee's employees free of charge as may be required for use in connection with 14 instruction on beer, wine, or spirituous liquor. The instruction may 15 16 include the history, nature, values, and characteristics of beer, wine, 17 or spirituous liquor, the use of wine lists, and the methods of presenting, serving, storing, and handling beer, wine, and spirituous 18 liquor. The spirits, beer, and wine restaurant licensee must use the 19 beer, wine, or spirituous liquor it obtains under its license for the 20 21 sampling as part of the instruction. The instruction must be given on 22 the premises of the spirits, beer, and wine restaurant licensee.

(4) The board may issue an endorsement to the spirits, beer, and wine restaurant license that allows the holder of a spirits, beer, and wine restaurant license to sell for off-premises consumption malt liquor in kegs or other containers that are capable of holding four gallons or more of liquid and are registered in accordance with RCW 66.28.200. The annual fee for the endorsement under this subsection is one hundred twenty dollars.

30 **Sec. 11.** RCW 66.24.590 and 2007 c 370 s 11 are each amended to 31 read as follows:

(1) There shall be a retailer's license to be designated as a hotel license. No license may be issued to a hotel offering rooms to its guests on an hourly basis. Food service provided for room service, banquets or conferences, or restaurant operation under this license shall meet the requirements of rules adopted by the board.

37 (2) The hotel license authorizes the licensee to:

1 (a) Sell spiritous liquor, beer, and wine, by the individual glass, 2 at retail, for consumption on the premises, including mixed drinks and 3 cocktails compounded and mixed on the premises((, at dining places in 4 the hotel));

(b) Sell, at retail, from locked honor bars, in individual units, 5 spirits not to exceed fifty milliliters, beer in individual units not 6 to exceed twelve ounces, and wine in individual bottles not to exceed 7 three hundred eighty-five milliliters, to registered guests of the 8 hotel for consumption in guest rooms. The licensee shall require proof 9 of age from the guest renting a guest room and requesting the use of an 10 11 honor bar. The guest shall also execute an affidavit verifying that no one under twenty-one years of age shall have access to the spirits, 12 beer, and wine in the honor bar; 13

14 (c) Provide without additional charge, to overnight guests, 15 spirits, beer, and wine by the individual serving for on-premises 16 consumption at a specified regular date, time, and place as may be 17 fixed by the board. Self-service by attendees is prohibited;

(d) Sell beer, including strong beer, wine, or spirits, in the manufacturer's sealed container or by the individual drink to guests through room service, or through service to occupants of private residential units which are part of the buildings or complex of buildings that include the hotel;

(e) Sell beer, including strong beer, or wine, in the manufacturer's sealed container at retail sales locations within the hotel premises;

(f) Sell for on or off-premises consumption, including through room service and service to occupants of private residential units managed by the hotel, wine carrying a label exclusive to the hotel license holder;

30 (g) Place in guest rooms at check-in, a complimentary bottle of 31 beer, including strong beer, or wine in a manufacturer-sealed 32 container, and make a reference to this service in promotional 33 material.

(3) If all or any facilities for alcoholic beverage service and the
 preparation, cooking, and serving of food are operated under contract
 or joint venture agreement, the operator may hold a license separate
 from the license held by the operator of the hotel. Food and beverage

inventory used in separate licensed operations at the hotel may not be shared and shall be separately owned and stored by the separate licensees.

4 (4) All spirits to be sold under this license must be purchased 5 from the board.

6 (5) All on-premise alcoholic beverage service must be done by an
7 alcohol server as defined in RCW 66.20.300 and must comply with RCW
8 66.20.310.

(6)(a) The hotel license allows the licensee to remove from the 9 liquor stocks at the licensed premises, liquor for sale and service at 10 event locations at a specified date and place not currently licensed by 11 the board. If the event is open to the public, it must be sponsored by 12 a society or organization as defined by RCW 66.24.375. If attendance 13 at the event is limited to members or invited quests of the sponsoring 14 individual, society, or organization, the requirement that the sponsor 15 must be a society or organization as defined by RCW 66.24.375 is 16 17 waived.

(b) The holder of this license shall, if requested by the board, notify the board or its designee of the date, time, place, and location of any event. Upon request, the licensee shall provide to the board all necessary or requested information concerning the society or organization that will be holding the function at which the endorsed license will be utilized.

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(c) Licensees may cater events on a domestic winery premises.

25 (7) The holder of this license or its manager may furnish spirits, beer, or wine to the licensee's employees who are twenty-one years of 26 27 age or older free of charge as may be required for use in connection with instruction on spirits, beer, and wine. The instruction may 28 include the history, nature, values, and characteristics of spirits, 29 beer, or wine, the use of wine lists, and the methods of presenting, 30 31 serving, storing, and handling spirits, beer, or wine. The licensee 32 must use the beer or wine it obtains under its license for the sampling as part of the instruction. The instruction must be given on the 33 premises of the licensee. 34

35 (8) Minors may be allowed in all areas of the hotel where alcohol 36 may be consumed; however, the consumption must be incidental to the 37 primary use of the area. These areas include, but are not limited to, 1 tennis courts, hotel lobbies, and swimming pool areas. If an area is 2 not a mixed use area, and is primarily used for alcohol service, the 3 area must be designated and restricted to access by minors.

(9) The annual fee for this license is two thousand dollars.

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5 (10) As used in this section, "hotel," "spirits," "beer," and 6 "wine" have the meanings defined in RCW 66.24.410 and 66.04.010.

7 **Sec. 12.** RCW 66.28.040 and 2004 c 160 s 11 are each amended to 8 read as follows:

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

corporation or association exempt from taxation under section 501(c)(3)1 2 or (6) of the internal revenue code of 1986 (26 U.S.C. Sec. 501(c)(3) or (6)) for use consistent with the purpose or purposes entitling it to 3 such exemption; nothing in this section shall prevent a domestic 4 5 brewery or microbrewery from serving beer without charge, on the brewery premises; nothing in this section shall prevent donations of 6 7 wine for the purposes of RCW 66.12.180; and nothing in this section shall prevent a domestic winery from serving wine without charge, on 8 the winery premises. 9

10 <u>NEW SECTION.</u> Sec. 13. Section 2 of this act expires July 1, 2008.

11 <u>NEW SECTION.</u> Sec. 14. Sections 6 and 8 of this act expire June 12 30, 2008.

13 <u>NEW SECTION.</u> Sec. 15. Sections 7 and 9 of this act take effect 14 June 30, 2008.

15 <u>NEW SECTION.</u> Sec. 16. Sections 3, 10, and 11 of this act take 16 effect July 1, 2008.

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