
SENATE BILL 5367

State of Washington

61st Legislature

2009 Regular Session

By Senator Kohl-Welles; by request of Liquor Control Board

Read first time 01/21/09. Referred to Committee on Labor, Commerce & Consumer Protection.

1 AN ACT Relating to a spirits, beer, and wine nightclub license;
2 amending RCW 66.04.010, 66.08.180, 66.08.220, 66.24.010, 66.24.440,
3 66.40.030, and 66.40.130; reenacting and amending RCW 66.20.310,
4 66.24.420, and 68.50.107; and adding a new section to chapter 66.24
5 RCW.

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

7 NEW SECTION. **Sec. 1.** A new section is added to chapter 66.24 RCW
8 to read as follows:

9 (1) There shall be a spirits, beer, and wine nightclub license to
10 sell spirituous liquor by the drink, beer, and wine at retail, for
11 consumption on the licensed premises.

12 (2) The license may be issued only to a person whose business
13 includes the sale and service of alcohol to the person's customers, has
14 food sales and service incidental to the sale and service of alcohol,
15 and has primary business hours between 9:00 p.m. and 2:00 a.m.

16 (3) Minors may be allowed on the licensed premises but only in
17 areas where alcohol is not served or consumed.

18 (4) The annual fee for this license is two thousand dollars. The
19 fee for the license shall be reviewed from time to time and set at such

1 a level sufficient to defray the cost of licensing and enforcing this
2 licensing program. The fee shall be fixed by rule adopted by the board
3 in accordance with the provisions of the administrative procedure act,
4 chapter 34.05 RCW.

5 (5) Local governments may petition the board to request that
6 further restrictions be imposed on a spirits, beer, and wine nightclub
7 license in the interest of public safety. Examples of further
8 restrictions a local government may request are: No minors allowed on
9 the entire premises, submitting a security plan, or signing a good
10 neighbor agreement with the local government.

11 (6) The board shall refuse a spirits, beer, and wine nightclub
12 license to any applicant if the board determines that the spirits,
13 beer, and wine nightclub licenses already granted for the particular
14 locality are adequate for the reasonable needs of the community.

15 (7) The board may adopt rules to implement this section.

16 **Sec. 2.** RCW 66.04.010 and 2008 c 94 s 4 are each amended to read
17 as follows:

18 In this title, unless the context otherwise requires:

19 (1) "Alcohol" is that substance known as ethyl alcohol, hydrated
20 oxide of ethyl, or spirit of wine, which is commonly produced by the
21 fermentation or distillation of grain, starch, molasses, or sugar, or
22 other substances including all dilutions and mixtures of this
23 substance. The term "alcohol" does not include alcohol in the
24 possession of a manufacturer or distiller of alcohol fuel, as described
25 in RCW 66.12.130, which is intended to be denatured and used as a fuel
26 for use in motor vehicles, farm implements, and machines or implements
27 of husbandry.

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

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

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

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

1 (d) Is appointed by the brewery or winery referenced in (c) of this
2 subsection as its exclusive authorized representative for marketing and
3 selling its products within the United States in accordance with a
4 written agreement between the authorized representative and such
5 brewery or winery pursuant to this title. The board may waive the
6 requirement for the written agreement of exclusivity in situations
7 consistent with the normal marketing practices of certain products,
8 such as classified growths.

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

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

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

20 (6) "Brewer" or "brewery" means any person engaged in the business
21 of manufacturing beer and malt liquor. Brewer includes a brand owner
22 of malt beverages who holds a brewer's notice with the federal bureau
23 of alcohol, tobacco, and firearms at a location outside the state and
24 whose malt beverage is contract-produced by a licensed in-state
25 brewery, and who may exercise within the state, under a domestic
26 brewery license, only the privileges of storing, selling to licensed
27 beer distributors, and exporting beer from the state.

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

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

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

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

1 (11) "Contract liquor store" means a business that sells liquor on
2 behalf of the board through a contract with a contract liquor store
3 manager.

4 (12) "Craft distillery" means a distillery that pays the reduced
5 licensing fee under RCW 66.24.140.

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

9 (14) "Distiller" means a person engaged in the business of
10 distilling spirits.

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

13 (16) "Domestic winery" means a place where wines are manufactured
14 or produced within the state of Washington.

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

19 (18) "Drug store" means a place whose principal business is, the
20 sale of drugs, medicines and pharmaceutical preparations and maintains
21 a regular prescription department and employs a registered pharmacist
22 during all hours the drug store is open.

23 (19) "Employee" means any person employed by the board.

24 (20) "Flavored malt beverage" means:

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

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

33 (21) "Fund" means 'liquor revolving fund.'

34 (22) "Hotel" means buildings, structures, and grounds, having
35 facilities for preparing, cooking, and serving food, that are kept,
36 used, maintained, advertised, or held out to the public to be a place
37 where food is served and sleeping accommodations are offered for pay to
38 transient guests, in which twenty or more rooms are used for the

1 sleeping accommodation of such transient guests. The buildings,
2 structures, and grounds must be located on adjacent property either
3 owned or leased by the same person or persons.

4 (23) "Importer" means a person who buys distilled spirits from a
5 distillery outside the state of Washington and imports such spirituous
6 liquor into the state for sale to the board or for export.

7 (24) "Imprisonment" means confinement in the county jail.

8 (25) "Liquor" includes the four varieties of liquor herein defined
9 (alcohol, spirits, wine and beer), and all fermented, spirituous,
10 vinous, or malt liquor, or combinations thereof, and mixed liquor, a
11 part of which is fermented, spirituous, vinous or malt liquor, or
12 otherwise intoxicating; and every liquid or solid or semisolid or other
13 substance, patented or not, containing alcohol, spirits, wine or beer,
14 and all drinks or drinkable liquids and all preparations or mixtures
15 capable of human consumption, and any liquid, semisolid, solid, or
16 other substance, which contains more than one percent of alcohol by
17 weight shall be conclusively deemed to be intoxicating. Liquor does
18 not include confections or food products that contain one percent or
19 less of alcohol by weight.

20 (26) "Manufacturer" means a person engaged in the preparation of
21 liquor for sale, in any form whatsoever.

22 (27) "Malt beverage" or "malt liquor" means any beverage such as
23 beer, ale, lager beer, stout, and porter obtained by the alcoholic
24 fermentation of an infusion or decoction of pure hops, or pure extract
25 of hops and pure barley malt or other wholesome grain or cereal in pure
26 water containing not more than eight percent of alcohol by weight, and
27 not less than one-half of one percent of alcohol by volume. For the
28 purposes of this title, any such beverage containing more than eight
29 percent of alcohol by weight shall be referred to as "strong beer."

30 (28) "Nightclub" means an establishment that provides entertainment
31 and has as its primary source of revenue (a) the sale of alcohol for
32 consumption on the premises, (b) cover charges, or (c) both, and has an
33 occupancy load of one hundred or more.

34 (29) "Package" means any container or receptacle used for holding
35 liquor.

36 ((+29+)) (30) "Passenger vessel" means any boat, ship, vessel,
37 barge, or other floating craft of any kind carrying passengers for
38 compensation.

1 ~~((30))~~ (31) "Permit" means a permit for the purchase of liquor
2 under this title.

3 ~~((31))~~ (32) "Person" means an individual, copartnership,
4 association, or corporation.

5 ~~((32))~~ (33) "Physician" means a medical practitioner duly and
6 regularly licensed and engaged in the practice of his profession within
7 the state pursuant to chapter 18.71 RCW.

8 ~~((33))~~ (34) "Prescription" means a memorandum signed by a
9 physician and given by him to a patient for the obtaining of liquor
10 pursuant to this title for medicinal purposes.

11 ~~((34))~~ (35) "Public place" includes streets and alleys of
12 incorporated cities and towns; state or county or township highways or
13 roads; buildings and grounds used for school purposes; public dance
14 halls and grounds adjacent thereto; those parts of establishments where
15 beer may be sold under this title, soft drink establishments, public
16 buildings, public meeting halls, lobbies, halls and dining rooms of
17 hotels, restaurants, theatres, stores, garages and filling stations
18 which are open to and are generally used by the public and to which the
19 public is permitted to have unrestricted access; railroad trains,
20 stages, and other public conveyances of all kinds and character, and
21 the depots and waiting rooms used in conjunction therewith which are
22 open to unrestricted use and access by the public; publicly owned
23 bathing beaches, parks, and/or playgrounds; and all other places of
24 like or similar nature to which the general public has unrestricted
25 right of access, and which are generally used by the public.

26 ~~((35))~~ (36) "Regulations" means regulations made by the board
27 under the powers conferred by this title.

28 ~~((36))~~ (37) "Restaurant" means any establishment provided with
29 special space and accommodations where, in consideration of payment,
30 food, without lodgings, is habitually furnished to the public, not
31 including drug stores and soda fountains.

32 ~~((37))~~ (38) "Sale" and "sell" include exchange, barter, and
33 traffic; and also include the selling or supplying or distributing, by
34 any means whatsoever, of liquor, or of any liquid known or described as
35 beer or by any name whatever commonly used to describe malt or brewed
36 liquor or of wine, by any person to any person; and also include a sale
37 or selling within the state to a foreign consignee or his agent in the
38 state. "Sale" and "sell" shall not include the giving, at no charge,

1 of a reasonable amount of liquor by a person not licensed by the board
2 to a person not licensed by the board, for personal use only. "Sale"
3 and "sell" also does not include a raffle authorized under RCW
4 9.46.0315: PROVIDED, That the nonprofit organization conducting the
5 raffle has obtained the appropriate permit from the board.

6 ~~((+38+))~~ (39) "Soda fountain" means a place especially equipped
7 with apparatus for the purpose of dispensing soft drinks, whether mixed
8 or otherwise.

9 ~~((+39+))~~ (40) "Spirits" means any beverage which contains alcohol
10 obtained by distillation, except flavored malt beverages, but including
11 wines exceeding twenty-four percent of alcohol by volume.

12 ~~((+40+))~~ (41) "Store" means a state liquor store established under
13 this title.

14 ~~((+41+))~~ (42) "Tavern" means any establishment with special space
15 and accommodation for sale by the glass and for consumption on the
16 premises, of beer, as herein defined.

17 ~~((+42+))~~ (43) "Winery" means a business conducted by any person for
18 the manufacture of wine for sale, other than a domestic winery.

19 ~~((+43+))~~ (44)(a) "Wine" means any alcoholic beverage obtained by
20 fermentation of fruits (grapes, berries, apples, et cetera) or other
21 agricultural product containing sugar, to which any saccharine
22 substances may have been added before, during or after fermentation,
23 and containing not more than twenty-four percent of alcohol by volume,
24 including sweet wines fortified with wine spirits, such as port,
25 sherry, muscatel and angelica, not exceeding twenty-four percent of
26 alcohol by volume and not less than one-half of one percent of alcohol
27 by volume. For purposes of this title, any beverage containing no more
28 than fourteen percent of alcohol by volume when bottled or packaged by
29 the manufacturer shall be referred to as "table wine," and any beverage
30 containing alcohol in an amount more than fourteen percent by volume
31 when bottled or packaged by the manufacturer shall be referred to as
32 "fortified wine." However, "fortified wine" shall not include: (i)
33 Wines that are both sealed or capped by cork closure and aged two years
34 or more; and (ii) wines that contain more than fourteen percent alcohol
35 by volume solely as a result of the natural fermentation process and
36 that have not been produced with the addition of wine spirits, brandy,
37 or alcohol.

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

3 ~~((44))~~ (45) "Wine distributor" means a person who buys wine from
4 a domestic winery, wine certificate of approval holder, or wine
5 importer, or who acquires foreign produced wine from a source outside
6 of the United States, for the purpose of selling the same not in
7 violation of this title, or who represents such vintner or winery as
8 agent.

9 ~~((45))~~ (46) "Wine importer" means a person or business within
10 Washington who purchases wine from a wine certificate of approval
11 holder or who acquires foreign produced wine from a source outside of
12 the United States for the purpose of selling the same pursuant to this
13 title.

14 **Sec. 3.** RCW 66.08.180 and 2007 c 370 s 14 are each amended to read
15 as follows:

16 Except as provided in RCW 66.24.290(1), moneys in the liquor
17 revolving fund shall be distributed by the board at least once every
18 three months in accordance with RCW 66.08.190, 66.08.200 and 66.08.210:
19 PROVIDED, That the board shall reserve from distribution such amount
20 not exceeding five hundred thousand dollars as may be necessary for the
21 proper administration of this title.

22 (1) All license fees, penalties, and forfeitures derived under
23 chapter 13, Laws of 1935 from spirits, beer, and wine restaurant;
24 spirits, beer, and wine private club; hotel; spirits, beer, and wine
25 nightclub; and sports entertainment facility licenses (~~(or spirits,~~
26 ~~beer, and wine restaurant; spirits, beer, and wine private club; and~~
27 ~~sports entertainment facility licensees)) shall every three months be
28 disbursed by the board as follows:~~

29 (a) Three hundred thousand dollars per biennium, to the death
30 investigations account for the state toxicology program pursuant to RCW
31 68.50.107; and

32 (b) Of the remaining funds:

33 (i) 6.06 percent to the University of Washington and 4.04 percent
34 to Washington State University for alcoholism and drug abuse research
35 and for the dissemination of such research; and

36 (ii) 89.9 percent to the general fund to be used by the department

1 of social and health services solely to carry out the purposes of RCW
2 70.96A.050;

3 (2) The first fifty-five dollars per license fee provided in RCW
4 66.24.320 and 66.24.330 up to a maximum of one hundred fifty thousand
5 dollars annually shall be disbursed every three months by the board to
6 the general fund to be used for juvenile alcohol and drug prevention
7 programs for kindergarten through third grade to be administered by the
8 superintendent of public instruction;

9 (3) Twenty percent of the remaining total amount derived from
10 license fees pursuant to RCW 66.24.320, 66.24.330, 66.24.350, and
11 66.24.360, shall be transferred to the general fund to be used by the
12 department of social and health services solely to carry out the
13 purposes of RCW 70.96A.050; and

14 (4) One-fourth cent per liter of the tax imposed by RCW 66.24.210
15 shall every three months be disbursed by the board to Washington State
16 University solely for wine and wine grape research, extension programs
17 related to wine and wine grape research, and resident instruction in
18 both wine grape production and the processing aspects of the wine
19 industry in accordance with RCW 28B.30.068. The director of financial
20 management shall prescribe suitable accounting procedures to ensure
21 that the funds transferred to the general fund to be used by the
22 department of social and health services and appropriated are
23 separately accounted for.

24 **Sec. 4.** RCW 66.08.220 and 2007 c 370 s 15 are each amended to read
25 as follows:

26 The board shall set aside in a separate account in the liquor
27 revolving fund an amount equal to ten percent of its gross sales of
28 liquor to spirits, beer, and wine restaurant; spirits, beer, and wine
29 private club; spirits, beer, and wine nightclub; hotel; and sports
30 entertainment facility licensees collected from these licensees
31 pursuant to the provisions of RCW 82.08.150, less the fifteen percent
32 discount provided for in RCW 66.24.440; and the moneys in said separate
33 account shall be distributed in accordance with the provisions of RCW
34 66.08.190, 66.08.200 and 66.08.210. No election unit in which the sale
35 of liquor under spirits, beer, and wine restaurant; spirits, beer, and
36 wine private club; spirits, beer, and wine nightclub; and sports

1 entertainment facility licenses is unlawful shall be entitled to share
2 in the distribution of moneys from such separate account.

3 **Sec. 5.** RCW 66.20.310 and 2008 c 94 s 11 and 2008 c 41 s 3 are
4 each reenacted and amended to read as follows:

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

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

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

13 (2)(a) Effective January 1, 1997, except as provided in (d) of this
14 subsection, every alcohol server employed, under contract or otherwise,
15 at a retail licensed premise shall ~~((have))~~ be issued ~~((to them))~~ a
16 class 12 or class 13 permit.

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

23 (c) Except as provided in (d) of this subsection, no licensee
24 holding a license as authorized by RCW 66.24.320, 66.24.330, 66.24.350,
25 66.24.400, 66.24.425, 66.24.450, ~~((and))~~ 66.24.570, and section 1 of
26 this act may employ or accept the services of any person without the
27 person first having a valid class 12 or class 13 permit.

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

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

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

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

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

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

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

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

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

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

28 **Sec. 6.** RCW 66.24.010 and 2007 c 473 s 1 are each amended to read
29 as follows:

30 (1) Every license shall be issued in the name of the applicant, and
31 the holder thereof shall not allow any other person to use the license.

32 (2) For the purpose of considering any application for a license,
33 or the renewal of a license, the board may cause an inspection of the
34 premises to be made, and may inquire into all matters in connection
35 with the construction and operation of the premises. For the purpose
36 of reviewing any application for a license and for considering the
37 denial, suspension, revocation, or renewal or denial thereof, of any

1 license, the liquor control board may consider any prior criminal
2 conduct of the applicant including an administrative violation history
3 record with the board and a criminal history record information check.
4 The board may submit the criminal history record information check to
5 the Washington state patrol and to the identification division of the
6 federal bureau of investigation in order that these agencies may search
7 their records for prior arrests and convictions of the individual or
8 individuals who filled out the forms. The board shall require
9 fingerprinting of any applicant whose criminal history record
10 information check is submitted to the federal bureau of investigation.
11 The provisions of RCW 9.95.240 and of chapter 9.96A RCW shall not apply
12 to such cases. Subject to the provisions of this section, the board
13 may, in its discretion, grant or deny the renewal or license applied
14 for. Denial may be based on, without limitation, the existence of
15 chronic illegal activity documented in objections submitted pursuant to
16 subsections (8)(d) and (12) of this section. Authority to approve an
17 uncontested or unopposed license may be granted by the board to any
18 staff member the board designates in writing. Conditions for granting
19 such authority shall be adopted by rule. No retail license of any kind
20 may be issued to:

21 (a) A person doing business as a sole proprietor who has not
22 resided in the state for at least one month prior to receiving a
23 license, except in cases of licenses issued to dining places on
24 railroads, boats, or aircraft;

25 (b) A copartnership, unless all of the members thereof are
26 qualified to obtain a license, as provided in this section;

27 (c) A person whose place of business is conducted by a manager or
28 agent, unless such manager or agent possesses the same qualifications
29 required of the licensee;

30 (d) A corporation or a limited liability company, unless it was
31 created under the laws of the state of Washington or holds a
32 certificate of authority to transact business in the state of
33 Washington.

34 (3)(a) The board may, in its discretion, subject to the provisions
35 of RCW 66.08.150, suspend or cancel any license; and all rights of the
36 licensee to keep or sell liquor thereunder shall be suspended or
37 terminated, as the case may be.

1 (b) The board shall immediately suspend the license or certificate
2 of a person who has been certified pursuant to RCW 74.20A.320 by the
3 department of social and health services as a person who is not in
4 compliance with a support order. If the person has continued to meet
5 all other requirements for reinstatement during the suspension,
6 reissuance of the license or certificate shall be automatic upon the
7 board's receipt of a release issued by the department of social and
8 health services stating that the licensee is in compliance with the
9 order.

10 (c) The board may request the appointment of administrative law
11 judges under chapter 34.12 RCW who shall have power to administer
12 oaths, issue subpoenas for the attendance of witnesses and the
13 production of papers, books, accounts, documents, and testimony,
14 examine witnesses, and to receive testimony in any inquiry,
15 investigation, hearing, or proceeding in any part of the state, under
16 such rules and regulations as the board may adopt.

17 (d) Witnesses shall be allowed fees and mileage each way to and
18 from any such inquiry, investigation, hearing, or proceeding at the
19 rate authorized by RCW 34.05.446(~~(, as now or hereafter amended)~~).
20 Fees need not be paid in advance of appearance of witnesses to testify
21 or to produce books, records, or other legal evidence.

22 (e) In case of disobedience of any person to comply with the order
23 of the board or a subpoena issued by the board, or any of its members,
24 or administrative law judges, or on the refusal of a witness to testify
25 to any matter regarding which he or she may be lawfully interrogated,
26 the judge of the superior court of the county in which the person
27 resides, on application of any member of the board or administrative
28 law judge, shall compel obedience by contempt proceedings, as in the
29 case of disobedience of the requirements of a subpoena issued from said
30 court or a refusal to testify therein.

31 (4) Upon receipt of notice of the suspension or cancellation of a
32 license, the licensee shall forthwith deliver up the license to the
33 board. Where the license has been suspended only, the board shall
34 return the license to the licensee at the expiration or termination of
35 the period of suspension. The board shall notify all vendors in the
36 city or place where the licensee has its premises of the suspension or
37 cancellation of the license; and no employee may allow or cause any

1 liquor to be delivered to or for any person at the premises of that
2 licensee.

3 (5)(a) At the time of the original issuance of a spirits, beer, and
4 wine restaurant license, the board shall prorate the license fee
5 charged to the new licensee according to the number of calendar
6 quarters, or portion thereof, remaining until the first renewal of that
7 license is required.

8 (b) Unless sooner canceled, every license issued by the board shall
9 expire at midnight of the thirtieth day of June of the fiscal year for
10 which it was issued. However, if the board deems it feasible and
11 desirable to do so, it may establish, by rule pursuant to chapter 34.05
12 RCW, a system for staggering the annual renewal dates for any and all
13 licenses authorized by this chapter. If such a system of staggered
14 annual renewal dates is established by the board, the license fees
15 provided by this chapter shall be appropriately prorated during the
16 first year that the system is in effect.

17 (6) Every license issued under this section shall be subject to all
18 conditions and restrictions imposed by this title or by rules adopted
19 by the board. All conditions and restrictions imposed by the board in
20 the issuance of an individual license shall be listed on the face of
21 the individual license along with the trade name, address, and
22 expiration date.

23 (7) Every licensee shall post and keep posted its license, or
24 licenses, in a conspicuous place on the premises.

25 (8)(a) Unless (b) of this subsection applies, before the board
26 issues a new or renewal license to an applicant it shall give notice of
27 such application to the chief executive officer of the incorporated
28 city or town, if the application is for a license within an
29 incorporated city or town, or to the county legislative authority, if
30 the application is for a license outside the boundaries of incorporated
31 cities or towns.

32 (b) If the application for a special occasion license is for an
33 event held during a county, district, or area fair as defined by RCW
34 15.76.120, and the county, district, or area fair is located on
35 property owned by the county but located within an incorporated city or
36 town, the county legislative authority shall be the entity notified by
37 the board under (a) of this subsection. The board shall send a

1 duplicate notice to the incorporated city or town within which the fair
2 is located.

3 (c) The incorporated city or town through the official or employee
4 selected by it, or the county legislative authority or the official or
5 employee selected by it, shall have the right to file with the board
6 within twenty days after date of transmittal of such notice, written
7 objections against the applicant or against the premises for which the
8 new or renewal license is asked. The board may extend the time period
9 for submitting written objections.

10 (d) The written objections shall include a statement of all facts
11 upon which such objections are based, and in case written objections
12 are filed, the city or town or county legislative authority may request
13 and the liquor control board may in its discretion hold a hearing
14 subject to the applicable provisions of Title 34 RCW. If the board
15 makes an initial decision to deny a license or renewal based on the
16 written objections of an incorporated city or town or county
17 legislative authority, the applicant may request a hearing subject to
18 the applicable provisions of Title 34 RCW. If such a hearing is held
19 at the request of the applicant, liquor control board representatives
20 shall present and defend the board's initial decision to deny a license
21 or renewal.

22 (e) Upon the granting of a license under this title the board shall
23 send written notification to the chief executive officer of the
24 incorporated city or town in which the license is granted, or to the
25 county legislative authority if the license is granted outside the
26 boundaries of incorporated cities or towns. When the license is for a
27 special occasion license for an event held during a county, district,
28 or area fair as defined by RCW 15.76.120, and the county, district, or
29 area fair is located on county-owned property but located within an
30 incorporated city or town, the written notification shall be sent to
31 both the incorporated city or town and the county legislative
32 authority.

33 (9)(a) Before the board issues any license to any applicant, it
34 shall give (i) due consideration to the location of the business to be
35 conducted under such license with respect to the proximity of churches,
36 schools, and public institutions and (ii) written notice, with receipt
37 verification, of the application to public institutions identified by
38 the board as appropriate to receive such notice, churches, and schools

1 within five hundred feet of the premises to be licensed. The board
2 shall not issue (~~(no beer retailer)~~) a liquor license for either on-
3 premises or off-premises consumption (~~(or wine retailer license for~~
4 ~~either on premises or off premises consumption or spirits, beer, and~~
5 ~~wine restaurant license)~~) covering any premises not now licensed, if
6 such premises are within five hundred feet of the premises of any tax-
7 supported public elementary or secondary school measured along the most
8 direct route over or across established public walks, streets, or other
9 public passageway from the main entrance of the school to the nearest
10 public entrance of the premises proposed for license, and if, after
11 receipt by the school of the notice as provided in this subsection, the
12 board receives written objection, within twenty days after receiving
13 such notice, from an official representative or representatives of the
14 school within five hundred feet of said proposed licensed premises,
15 indicating to the board that there is an objection to the issuance of
16 such license because of proximity to a school. The board may extend
17 the time period for submitting objections. For the purpose of this
18 section, "church" (~~(shall)~~) means a building erected for and used
19 exclusively for religious worship and schooling or other activity in
20 connection therewith. (~~(For the purpose of this section, public~~
21 ~~institution shall mean institutions of higher education, parks,~~
22 ~~community centers, libraries, and transit centers.)~~)

23 (b) No liquor license may be issued or reissued by the board to any
24 motor sports facility or licensee operating within the motor sports
25 facility unless the motor sports facility enforces a program reasonably
26 calculated to prevent alcohol or alcoholic beverages not purchased
27 within the facility from entering the facility and such program is
28 approved by local law enforcement agencies.

29 (c) It is the intent under this subsection (9) that a retail
30 license shall not be issued by the board where doing so would, in the
31 judgment of the board, adversely affect a private school meeting the
32 requirements for private schools under Title 28A RCW, which school is
33 within five hundred feet of the proposed licensee. The board shall
34 fully consider and give substantial weight to objections filed by
35 private schools. If a license is issued despite the proximity of a
36 private school, the board shall state in a letter addressed to the
37 private school the board's reasons for issuing the license.

1 (10) The restrictions set forth in subsection (9) of this section
2 shall not prohibit the board from authorizing the assumption of
3 existing licenses now located within the restricted area by other
4 persons or licenses or relocations of existing licensed premises within
5 the restricted area. In no case may the licensed premises be moved
6 closer to a church or school than it was before the assumption or
7 relocation.

8 (11)(a) Nothing in this section prohibits the board, in its
9 discretion, from issuing a temporary retail or distributor license to
10 an applicant to operate the retail or distributor premises during the
11 period the application for the license is pending. The board may
12 establish a fee for a temporary license by rule.

13 (b) A temporary license issued by the board under this section
14 shall be for a period not to exceed sixty days. A temporary license
15 may be extended at the discretion of the board for additional periods
16 of sixty days upon payment of an additional fee and upon compliance
17 with all conditions required in this section.

18 (c) Refusal by the board to issue or extend a temporary license
19 shall not entitle the applicant to request a hearing. A temporary
20 license may be canceled or suspended summarily at any time if the board
21 determines that good cause for cancellation or suspension exists. RCW
22 66.08.130 applies to temporary licenses.

23 (d) Application for a temporary license shall be on such form as
24 the board shall prescribe. If an application for a temporary license
25 is withdrawn before issuance or is refused by the board, the fee which
26 accompanied such application shall be refunded in full.

27 (12) In determining whether to grant or deny a license or renewal
28 of any license, the board shall give substantial weight to objections
29 from an incorporated city or town or county legislative authority based
30 upon chronic illegal activity associated with the applicant's
31 operations of the premises proposed to be licensed or the applicant's
32 operation of any other licensed premises, or the conduct of the
33 applicant's patrons inside or outside the licensed premises. "Chronic
34 illegal activity" means (a) a pervasive pattern of activity that
35 threatens the public health, safety, and welfare of the city, town, or
36 county including, but not limited to, open container violations,
37 assaults, disturbances, disorderly conduct, or other criminal law
38 violations, or as documented in crime statistics, police reports,

1 emergency medical response data, calls for service, field data, or
2 similar records of a law enforcement agency for the city, town, county,
3 or any other municipal corporation or any state agency; or (b) an
4 unreasonably high number of citations for violations of RCW 46.61.502
5 associated with the applicant's or licensee's operation of any licensed
6 premises as indicated by the reported statements given to law
7 enforcement upon arrest.

8 **Sec. 7.** RCW 66.24.420 and 2007 c 370 s 19 and 2007 c 370 s 8 are
9 each reenacted and amended to read as follows:

10 (1) The spirits, beer, and wine restaurant license shall be issued
11 in accordance with the following schedule of annual fees:

12 (a) The annual fee for a spirits, beer, and wine restaurant license
13 shall be graduated according to the dedicated dining area and type of
14 service provided as follows:

15	Less than 50% dedicated dining area	\$2,000
16	50% or more dedicated dining area	\$1,600
17	Service bar only	\$1,000

18 (b) The annual fee for the license when issued to any other
19 spirits, beer, and wine restaurant licensee outside of incorporated
20 cities and towns shall be prorated according to the calendar quarters,
21 or portion thereof, during which the licensee is open for business,
22 except in case of suspension or revocation of the license.

23 (c) Where the license shall be issued to any corporation,
24 association or person operating a bona fide restaurant in an airport
25 terminal facility providing service to transient passengers with more
26 than one place where liquor is to be dispensed and sold, such license
27 shall be issued upon the payment of the annual fee, which shall be a
28 master license and shall permit such sale within and from one such
29 place. Such license may be extended to additional places on the
30 premises at the discretion of the board and a duplicate license may be
31 issued for each such additional place. The holder of a master license
32 for a restaurant in an airport terminal facility must maintain in a
33 substantial manner at least one place on the premises for preparing,
34 cooking, and serving of complete meals, and such food service shall be

1 available on request in other licensed places on the premises. An
2 additional license fee of twenty-five percent of the annual master
3 license fee shall be required for such duplicate licenses.

4 (d) Where the license shall be issued to any corporation,
5 association, or person operating dining places at a publicly or
6 privately owned civic or convention center with facilities for sports,
7 entertainment, or conventions, or a combination thereof, with more than
8 one place where liquor is to be dispensed and sold, such license shall
9 be issued upon the payment of the annual fee, which shall be a master
10 license and shall permit such sale within and from one such place.
11 Such license may be extended to additional places on the premises at
12 the discretion of the board and a duplicate license may be issued for
13 each such additional place. The holder of a master license for a
14 dining place at such a publicly or privately owned civic or convention
15 center must maintain in a substantial manner at least one place on the
16 premises for preparing, cooking, and serving of complete meals, and
17 food service shall be available on request in other licensed places on
18 the premises. An additional license fee of ten dollars shall be
19 required for such duplicate licenses.

20 (2) The board, so far as in its judgment is reasonably possible,
21 shall confine spirits, beer, and wine restaurant licenses to the
22 business districts of cities and towns and other communities, and not
23 grant such licenses in residential districts, nor within the immediate
24 vicinity of schools, without being limited in the administration of
25 this subsection to any specific distance requirements.

26 (3) The board shall have discretion to issue spirits, beer, and
27 wine restaurant licenses outside of cities and towns in the state of
28 Washington. The purpose of this subsection is to enable the board, in
29 its discretion, to license in areas outside of cities and towns and
30 other communities, establishments which are operated and maintained
31 primarily for the benefit of tourists, vacationers and travelers, and
32 also golf and country clubs, and common carriers operating dining, club
33 and buffet cars, or boats.

34 ~~(4) ((The total number of spirits, beer, and wine restaurant~~
35 ~~licenses issued in the state of Washington by the board, not including~~
36 ~~spirits, beer, and wine private club licenses, shall not in the~~
37 ~~aggregate at any time exceed one license for each one thousand three~~

1 hundred of population in the state, determined according to the yearly
2 population determination developed by the office of financial
3 management pursuant to RCW 43.62.030.

4 ~~(5) Notwithstanding the provisions of subsection (4) of this~~
5 ~~section,~~) The board shall refuse a spirits, beer, and wine restaurant
6 license to any applicant if in the opinion of the board the spirits,
7 beer, and wine restaurant licenses already granted for the particular
8 locality are adequate for the reasonable needs of the community.

9 ((+6)) (5)(a) The board may issue a caterer's endorsement to this
10 license to allow the licensee to remove the liquor stocks at the
11 licensed premises, for use as liquor for sale and service at event
12 locations at a specified date and, except as provided in subsection
13 ((+7)) (6) of this section, place not currently licensed by the board.
14 If the event is open to the public, it must be sponsored by a society
15 or organization as defined by RCW 66.24.375. If attendance at the
16 event is limited to members or invited guests of the sponsoring
17 individual, society, or organization, the requirement that the sponsor
18 must be a society or organization as defined by RCW 66.24.375 is
19 waived. Cost of the endorsement is three hundred fifty dollars.

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

26 (c) The holder of this license with a caterer's endorsement may,
27 under conditions established by the board, store liquor on the premises
28 of another not licensed by the board so long as there is a written
29 agreement between the licensee and the other party to provide for
30 ongoing catering services, the agreement contains no exclusivity
31 clauses regarding the alcoholic beverages to be served, and the
32 agreement is filed with the board.

33 (d) The holder of this license with a caterer's endorsement may,
34 under conditions established by the board, store liquor on other
35 premises operated by the licensee so long as the other premises are
36 owned or controlled by a leasehold interest by that licensee. A
37 duplicate license may be issued for each additional premises. A

1 license fee of twenty dollars shall be required for such duplicate
2 licenses.

3 ((+7)) (6) Licensees under this section that hold a caterer's
4 endorsement are allowed to use this endorsement on a domestic winery
5 premises or on the premises of a passenger vessel and may store liquor
6 at such premises under conditions established by the board under the
7 following conditions:

8 (a) Agreements between the domestic winery or passenger vessel, as
9 the case may be, and the retail licensee shall be in writing, contain
10 no exclusivity clauses regarding the alcoholic beverages to be served,
11 and be filed with the board; and

12 (b) The domestic winery or passenger vessel, as the case may be,
13 and the retail licensee shall be separately contracted and compensated
14 by the persons sponsoring the event for their respective services.

15 **Sec. 8.** RCW 66.24.440 and 2007 c 370 s 20 are each amended to read
16 as follows:

17 Each spirits, beer, and wine restaurant, spirits, beer, and wine
18 private club, hotel, spirits, beer, and wine nightclub, and sports
19 entertainment facility licensee shall be entitled to purchase any
20 spirituous liquor items salable under such license from the board at a
21 discount of not less than fifteen percent from the retail price fixed
22 by the board, together with all taxes.

23 **Sec. 9.** RCW 66.40.030 and 1999 c 281 s 8 are each amended to read
24 as follows:

25 Within any unit referred to in RCW 66.40.010, there may be held a
26 separate election upon the question of whether the sale of liquor under
27 spirits, beer, and wine restaurant; spirits, beer, and wine private
28 club; spirits, beer, and wine nightclub; and sports entertainment
29 facility licenses, shall be permitted within such unit. The conditions
30 and procedure for holding such election shall be those prescribed by
31 RCW 66.40.020, 66.40.040, 66.40.100, 66.40.110 and 66.40.120. Whenever
32 a majority of qualified voters voting upon said question in any such
33 unit shall have voted "against the sale of liquor under spirits, beer,
34 and wine restaurant; spirits, beer, and wine private club; spirits,
35 beer, and wine nightclub; and sports entertainment facility licenses",
36 the county auditor shall file with the liquor control board a

1 certificate showing the result of the canvass at such election; and
2 after ninety days from and after the date of the canvass, it shall not
3 be lawful for licensees to maintain and operate premises within the
4 election unit licensed under spirits, beer, and wine restaurant;
5 spirits, beer, and wine private club; spirits, beer, and wine
6 nightclub; and sports entertainment facility licenses. The addition
7 after an election under this section of new territory to a city, town,
8 or county, by annexation, disincorporation, or otherwise, shall not
9 extend the prohibition against the sale of liquor under spirits, beer,
10 and wine restaurant; spirits, beer, and wine private club; spirits,
11 beer, and wine nightclub; and sports entertainment facility licenses to
12 the new territory. Elections held under RCW 66.40.010, 66.40.020,
13 66.40.040, 66.40.100, 66.40.110, 66.40.120 and 66.40.140, shall be
14 limited to the question of whether the sale of liquor by means other
15 than under spirits, beer, and wine restaurant; spirits, beer, and wine
16 private club; spirits, beer, and wine nightclub; and sports
17 entertainment facility licenses shall be permitted within such election
18 unit.

19 **Sec. 10.** RCW 66.40.130 and 1999 c 281 s 9 are each amended to read
20 as follows:

21 Ninety days after December 2, 1948, spirits, beer, and wine
22 restaurant; spirits, beer, and wine private club; spirits, beer, and
23 wine nightclub; and sports entertainment facility licenses may be
24 issued in any election unit in which the sale of liquor is then lawful.
25 No spirits, beer, and wine restaurant; spirits, beer, and wine private
26 club; spirits, beer, and wine nightclub; and sports entertainment
27 facility license shall be issued in any election unit in which the sale
28 of liquor is forbidden as the result of an election held under RCW
29 66.40.010, 66.40.020, 66.40.040, 66.40.100, 66.40.110, 66.40.120 and
30 66.40.140, unless a majority of the qualified electors in such election
31 unit voting upon this initiative at the general election in November,
32 1948, vote in favor of this initiative, or unless at a subsequent
33 general election in which the question of whether the sale of liquor
34 under spirits, beer, and wine restaurant; spirits, beer, and wine
35 private club; spirits, beer, and wine nightclub; and sports
36 entertainment facility licenses shall be permitted within such unit is
37 submitted to the electorate, as provided in RCW 66.40.030, a majority

1 of the qualified electors voting upon such question vote "for the sale
2 of liquor under spirits, beer, and wine restaurant; spirits, beer, and
3 wine private club; spirits, beer, and wine nightclub; and sports
4 entertainment facility licenses."

5 **Sec. 11.** RCW 68.50.107 and 1999 c 281 s 13 and 1999 c 40 s 8 are
6 each reenacted and amended to read as follows:

7 There shall be established in conjunction with the chief of the
8 Washington state patrol and under the authority of the state forensic
9 investigations council a state toxicological laboratory under the
10 direction of the state toxicologist whose duty it will be to perform
11 all necessary toxicologic procedures requested by all coroners, medical
12 examiners, and prosecuting attorneys. The state forensic
13 investigations council, after consulting with the chief of the
14 Washington state patrol and director of the bureau of forensic
15 laboratory services, shall appoint a toxicologist as state
16 toxicologist, who shall report to the director of the bureau of
17 forensic laboratory services and the office of the chief of the
18 Washington state patrol. Toxicological services shall be funded by
19 disbursement from the spirits, beer, and wine restaurant; spirits,
20 beer, and wine private club; spirits, beer, and wine nightclub; and
21 sports entertainment facility license fees as provided in RCW 66.08.180
22 and by appropriation from the death investigations account as provided
23 in RCW 43.79.445.

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