

CERTIFICATION OF ENROLLMENT
ENGROSSED SUBSTITUTE HOUSE BILL 1202

62nd Legislature
2011 Regular Session

Passed by the House April 13, 2011
Yeas 85 Nays 11

Speaker of the House of Representatives

Passed by the Senate March 30, 2011
Yeas 31 Nays 17

President of the Senate

Approved

Governor of the State of Washington

CERTIFICATE

I, Barbara Baker, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **ENGROSSED SUBSTITUTE HOUSE BILL 1202** as passed by the House of Representatives and the Senate on the dates hereon set forth.

Chief Clerk

FILED

**Secretary of State
State of Washington**

ENGROSSED SUBSTITUTE HOUSE BILL 1202

AS AMENDED BY THE SENATE

Passed Legislature - 2011 Regular Session

State of Washington 62nd Legislature 2011 Regular Session

By House State Government & Tribal Affairs (originally sponsored by Representatives Hunt, Taylor, and Moscoso)

READ FIRST TIME 02/01/11.

1 AN ACT Relating to on-premise spirits sampling; amending RCW
2 66.08.050, 66.16.070, and 66.28.040; creating a new section; and
3 providing an expiration date.

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

5 NEW SECTION. **Sec. 1.** (1) The liquor control board shall establish
6 a pilot project to allow spirits sampling in state liquor stores as
7 defined in RCW 66.16.010 and contract stores as defined in RCW
8 66.04.010(11) for the purpose of promoting the sponsor's products. For
9 purposes of this section, "sponsors" means: A domestic distiller
10 licensed under RCW 66.24.140 or an accredited representative of a
11 distiller, manufacturer, importer, or distributor of spirituous liquor
12 licensed under RCW 66.24.310.

13 (a) The pilot project shall consist of thirty locations with at
14 least six samplings to be conducted at each location between September
15 1, 2011, and September 1, 2012. However, no state liquor store or
16 contract store may hold more than one spirits sampling per week during
17 the project period.

18 (b) The pilot project locations shall be determined by the board.

1 Before the board determines which state liquor stores or contract
2 stores will be eligible to participate in the sampling pilot, it shall
3 give:

4 (i) Due consideration to the location of the state liquor store or
5 contract store with respect to the proximity of places of worship,
6 schools, and public institutions;

7 (ii) Due consideration to motor vehicle accident data in the
8 proximity of the state liquor store or contract store; and

9 (iii) Written notice by certified mail of the proposed spirits
10 sampling to places of worship, schools, and public institutions within
11 five hundred feet of the liquor store proposed to offer spirits
12 sampling.

13 (c) Sampling must be conducted under the following conditions:

14 (i) Sampling may take place only in an area of a state liquor store
15 or contract store in which access to persons under twenty-one years of
16 age is prohibited;

17 (ii) Samples may be provided free of charge;

18 (iii) Only persons twenty-one years of age or over may sample
19 spirits;

20 (iv) Each sample must be one-quarter ounce or less, with no more
21 than one ounce of samples provided per person per day;

22 (v) Only sponsors may serve samples;

23 (vi) Any person involved in the serving of such samples must have
24 completed a mandatory alcohol server training program;

25 (vii) No person who is apparently intoxicated may sample spirits;

26 (viii) The product provided for sampling must be available for sale
27 at the state liquor store or contract store where the sampling occurs
28 at the time of the sampling; and

29 (ix) Customers must remain on the state liquor store or contract
30 store premise while consuming samples.

31 (d) The liquor control board may prohibit sampling at a pilot
32 project location that is within the boundaries of an alcohol impact
33 area recognized by resolution of the board if the board finds that the
34 sampling activities at the location are having an adverse effect on the
35 reduction of chronic public inebriation in the area.

36 (e) All other criteria needed to establish and monitor the pilot
37 project shall be determined by the board.

1 (f) The board shall report on the pilot project to the appropriate
2 committees of the legislature by December 1, 2012. The board's report
3 shall include the results of a survey of liquor store managers and
4 contract liquor store managers.

5 (2) The liquor control board may adopt rules to implement this
6 section.

7 **Sec. 2.** RCW 66.08.050 and 2005 c 151 s 3 are each amended to read
8 as follows:

9 The board, subject to the provisions of this title and the rules,
10 shall:

11 (1) Determine the localities within which state liquor stores shall
12 be established throughout the state, and the number and situation of
13 the stores within each locality;

14 (2) Appoint in cities and towns and other communities, in which no
15 state liquor store is located, contract liquor stores. In addition,
16 the board may appoint, in its discretion, a manufacturer that also
17 manufactures liquor products other than wine under a license under this
18 title, as a contract liquor store for the purpose of sale of liquor
19 products of its own manufacture on the licensed premises only. Such
20 contract liquor stores shall be authorized to sell liquor under the
21 guidelines provided by law, rule, or contract, and such contract liquor
22 stores shall be subject to such additional rules and regulations
23 consistent with this title as the board may require. Sampling on
24 contract store premises is permitted under this act;

25 (3) Establish all necessary warehouses for the storing and
26 bottling, diluting and rectifying of stocks of liquors for the purposes
27 of this title;

28 (4) Provide for the leasing for periods not to exceed ten years of
29 all premises required for the conduct of the business; and for
30 remodeling the same, and the procuring of their furnishings, fixtures,
31 and supplies; and for obtaining options of renewal of such leases by
32 the lessee. The terms of such leases in all other respects shall be
33 subject to the direction of the board;

34 (5) Determine the nature, form and capacity of all packages to be
35 used for containing liquor kept for sale under this title;

36 (6) Execute or cause to be executed, all contracts, papers, and

1 documents in the name of the board, under such regulations as the board
2 may fix;

3 (7) Pay all customs, duties, excises, charges and obligations
4 whatsoever relating to the business of the board;

5 (8) Require bonds from all employees in the discretion of the
6 board, and to determine the amount of fidelity bond of each such
7 employee;

8 (9) Perform services for the state lottery commission to such
9 extent, and for such compensation, as may be mutually agreed upon
10 between the board and the commission;

11 (10) Accept and deposit into the general fund-local account and
12 disburse, subject to appropriation, federal grants or other funds or
13 donations from any source for the purpose of improving public awareness
14 of the health risks associated with alcohol consumption by youth and
15 the abuse of alcohol by adults in Washington state. The board's
16 alcohol awareness program shall cooperate with federal and state
17 agencies, interested organizations, and individuals to effect an active
18 public beverage alcohol awareness program;

19 (11) Perform all other matters and things, whether similar to the
20 foregoing or not, to carry out the provisions of this title, and shall
21 have full power to do each and every act necessary to the conduct of
22 its business, including all buying, selling, preparation and approval
23 of forms, and every other function of the business whatsoever, subject
24 only to audit by the state auditor: PROVIDED, That the board shall
25 have no authority to regulate the content of spoken language on
26 licensed premises where wine and other liquors are served and where
27 there is not a clear and present danger of disorderly conduct being
28 provoked by such language.

29 **Sec. 3.** RCW 66.16.070 and 1933 ex.s. c 62 s 10 are each amended to
30 read as follows:

31 No employee in a state liquor store shall open or consume, or allow
32 to be opened or consumed any liquor on the store premises, except for
33 the purposes of conducting on-premise spirits sampling pursuant to the
34 provisions of this act.

35 **Sec. 4.** RCW 66.28.040 and 2009 c 373 s 8 are each amended to read
36 as follows:

1 Except as permitted by the board under RCW 66.20.010, no domestic
2 brewery, microbrewery, distributor, distiller, domestic winery,
3 importer, rectifier, certificate of approval holder, or other
4 manufacturer of liquor shall, within the state of Washington, give to
5 any person any liquor; but nothing in this section nor in RCW 66.28.010
6 shall prevent a domestic brewery, microbrewery, distributor, domestic
7 winery, distiller, certificate of approval holder, or importer from
8 furnishing samples of beer, wine, or spirituous liquor to authorized
9 licensees for the purpose of negotiating a sale, in accordance with
10 regulations adopted by the liquor control board, provided that the
11 samples are subject to taxes imposed by RCW 66.24.290 and 66.24.210,
12 and in the case of spirituous liquor, any product used for samples must
13 be purchased at retail from the board; nothing in this section shall
14 prevent the furnishing of samples of liquor to the board for the
15 purpose of negotiating the sale of liquor to the state liquor control
16 board; nothing in this section shall prevent a domestic brewery,
17 microbrewery, domestic winery, distillery, certificate of approval
18 holder, or distributor from furnishing beer, wine, or spirituous liquor
19 for instructional purposes under RCW 66.28.150; nothing in this section
20 shall prevent a domestic winery, certificate of approval holder, or
21 distributor from furnishing wine without charge, subject to the taxes
22 imposed by RCW 66.24.210, to a not-for-profit group organized and
23 operated solely for the purpose of enology or the study of viticulture
24 which has been in existence for at least six months and that uses wine
25 so furnished solely for such educational purposes or a domestic winery,
26 or an out-of-state certificate of approval holder, from furnishing wine
27 without charge or a domestic brewery, or an out-of-state certificate of
28 approval holder, from furnishing beer without charge, subject to the
29 taxes imposed by RCW 66.24.210 or 66.24.290, or a domestic distiller
30 licensed under RCW 66.24.140 or an accredited representative of a
31 distiller, manufacturer, importer, or distributor of spirituous liquor
32 licensed under RCW 66.24.310, from furnishing spirits without charge,
33 to a nonprofit charitable corporation or association exempt from
34 taxation under section 501(c)(3) or (6) of the internal revenue code of
35 1986 (26 U.S.C. Sec. 501(c)(3) or (6)) for use consistent with the
36 purpose or purposes entitling it to such exemption; nothing in this
37 section shall prevent a domestic brewery or microbrewery from serving
38 beer without charge, on the brewery premises; nothing in this section

1 shall prevent donations of wine for the purposes of RCW 66.12.180;
2 nothing in this section shall prevent a domestic winery from serving
3 wine without charge, on the winery premises; (~~and~~) nothing in this
4 section shall prevent a craft distillery from serving spirits without
5 charge, on the distillery premises subject to RCW 66.24.145; and
6 nothing in this section prohibits spirits sampling under this act.

7 NEW SECTION. **Sec. 5.** This act expires December 1, 2012.

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