AN ACT Relating to on-premises sales by licensed brewers and domestic wineries; and amending RCW 66.28.010.

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

Sec. 1. RCW 66.28.010 and 1985 c 363 s 1 are each amended to read as follows:

(1) No manufacturer, importer, or wholesaler, or person financially interested, directly or indirectly, in such business, whether resident or nonresident, shall have any financial interest, direct or indirect, in any licensed retail business, nor shall any manufacturer, importer, or wholesaler own any of the property upon which such licensed persons conduct their business, nor shall any such licensed person, under any arrangement whatsoever, conduct his business upon property in which any manufacturer, importer, or wholesaler has any interest. Except as provided in subsection (3) of this section, no manufacturer, importer,
or wholesaler shall advance moneys or moneys' worth to a licensed
person under an arrangement, nor shall such licensed person receive,
under an arrangement, an advance of moneys or moneys' worth: PROVIDED,
That "person" as used in this section only shall not include those
state or federally chartered banks, state or federally chartered savings
and loan associations, state or federally chartered mutual savings
banks, or institutional investors which are not controlled
directly or indirectly by a manufacturer, importer, or wholesaler as
long as the bank, savings and loan association, or institutional
investor does not influence or attempt to influence the purchasing
practices of the retailer with respect to alcoholic beverages. No
manufacturer, importer, or wholesaler shall be eligible to receive or
hold a retail license under this title, nor shall such manufacturer,
importer, or wholesaler sell at retail any liquor as herein defined:
PROVIDED, That nothing in this section shall prohibit a licensed brewer
((or domestic winery)) from being licensed as a retailer pursuant to
chapter 66.24 RCW for the purpose of selling beer or wine ((of its own
production)) at retail on the brewery ((or winery)) premises and
nothing in this section shall prohibit a domestic winery from being
licensed as a retailer pursuant to chapter 66.24 RCW for the purpose of
selling beer or wine at retail on the winery premises. Such beer and
wine so sold at retail shall be subject to the taxes imposed by RCW
66.24.290 and 66.24.210 and to reporting and bonding requirements as
prescribed by regulations adopted by the board pursuant to chapter
34.05 RCW, and beer and wine that is not produced by the brewery or
winery shall be purchased from a licensed beer or wine wholesaler:
PROVIDED FURTHER, That nothing in this section shall prohibit a
licensed brewer or domestic winery, or a lessee of a licensed brewer or
domestic winery, from being licensed as a class H restaurant pursuant
to chapter 66.24 RCW for the purpose of selling liquor at a class H
premises on the property on which the primary manufacturing facility of
the licensed brewer or domestic winery is located or on contiguous
property owned by the licensed brewer or domestic winery as prescribed
by regulations adopted by the board pursuant to chapter 34.05 RCW.

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

(3)(a) This section does not prohibit a manufacturer, importer, or
wholesaler from providing services to a class G or J retail licensee
for: (i) Installation of draft beer dispensing equipment or
advertising, (ii) advertising, pouring or dispensing of wine at a wine
tasting exhibition or judging event, or (iii) a class G or J retail
licensee from receiving any such services as may be provided by a
manufacturer, importer, or wholesaler: PROVIDED, That nothing in this
section shall prohibit a retail licensee, or any person financially
interested, directly or indirectly, in such a retail licensee from
having a financial interest, direct or indirect, in a business which
provides, for a compensation commensurate in value to the services
provided, bottling, canning or other services to a manufacturer, so
long as the retail licensee or person interested therein has no direct
financial interest in or control of said manufacturer.
(b) A person holding contractual rights to payment from selling a liquor wholesaler’s business and transferring the license shall not be deemed to have a financial interest under this section if the person (i) lacks any ownership in or control of the wholesaler, (ii) is not employed by the wholesaler, and (iii) does not influence or attempt to influence liquor purchases by retail liquor licensees from the wholesaler.

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

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

Passed the Senate March 8, 1992.
Passed the House March 4, 1992.
Approved by the Governor March 26, 1992.
Filed in Office of Secretary of State March 26, 1992.