

CERTIFICATION OF ENROLLMENT

SUBSTITUTE SENATE BILL 5173

55th Legislature
1997 Regular Session

Passed by the Senate April 21, 1997
YEAS 43 NAYS 0

President of the Senate

Passed by the House April 9, 1997
YEAS 98 NAYS 0

**Speaker of the
House of Representatives**

Approved

CERTIFICATE

I, Mike O Connell, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **SUBSTITUTE SENATE BILL 5173** as passed by the Senate and the House of Representatives on the dates hereon set forth.

Secretary

FILED

Governor of the State of Washington

**Secretary of State
State of Washington**

SUBSTITUTE SENATE BILL 5173

AS AMENDED BY THE HOUSE

Passed Legislature - 1997 Regular Session

State of Washington 55th Legislature 1997 Regular Session

By Senate Committee on Commerce & Labor (originally sponsored by Senators Schow, Prentice and Horn; by request of Liquor Control Board)

Read first time 03/04/97.

1 AN ACT Relating to improving the liquor license schematic of the
2 state of Washington; amending RCW 66.24.010, 66.24.150, 66.24.170,
3 66.24.185, 66.24.200, 66.24.206, 66.24.210, 66.24.230, 66.24.240,
4 66.24.250, 66.24.270, 66.24.290, 66.24.310, 66.24.320, 66.24.330,
5 66.24.350, 66.24.360, 66.24.380, 66.24.395, 66.24.400, 66.24.420,
6 66.24.425, 66.24.440, 66.24.450, 66.24.455, 66.24.495, 66.24.540,
7 66.24.550, 66.24.570, 66.04.010, 66.28.200, 66.24.210, 15.88.030,
8 19.126.020, 66.16.100, 66.20.300, 66.28.030, 66.28.040, 66.28.050,
9 66.28.170, 66.28.180, 66.28.190, 66.44.310, 66.98.060, 82.08.150,
10 66.08.180, 66.16.100, 66.20.300, 66.24.375, and 66.44.190; amending
11 1973 1st ex.s. c 204 s 3 (uncodified); reenacting and amending RCW
12 66.20.010, 66.20.310, 66.28.010, and 66.20.310; adding new sections to
13 chapter 66.24 RCW; creating a new section; repealing RCW 66.24.204,
14 66.24.260, 66.24.340, 66.24.370, 66.24.490, 66.24.500, 66.24.510, and
15 66.24.560; prescribing penalties; and providing an effective date.

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

17 **Sec. 1.** RCW 66.24.010 and 1995 c 232 s 1 are each amended to read
18 as follows:

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

3 (2) For the purpose of considering any application for a license,
4 the board may cause an inspection of the premises to be made, and may
5 inquire into all matters in connection with the construction and
6 operation of the premises. For the purpose of reviewing any
7 application for a license and for considering the denial, suspension or
8 revocation of any license, the liquor control board may consider any
9 prior criminal conduct of the applicant and the provisions of RCW
10 9.95.240 and of chapter 9.96A RCW shall not apply to such cases. The
11 board may, in its discretion, grant or refuse the license applied for.
12 Authority to approve an uncontested or unopposed license may be granted
13 by the board to any staff member the board designates in writing.
14 Conditions for granting such authority shall be adopted by rule. No
15 retail license of any kind may be issued to:

16 (a) A person who has not resided in the state for at least one
17 month prior to making application, except in cases of licenses issued
18 to dining places on railroads, boats, or aircraft;

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

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

24 (d) A corporation or a limited liability company, unless it was
25 created under the laws of the state of Washington or holds a
26 certificate of authority to transact business in the state of
27 Washington.

28 (3) The board may, in its discretion, subject to the provisions of
29 RCW 66.08.150, suspend or cancel any license; and all rights of the
30 licensee to keep or sell liquor thereunder shall be suspended or
31 terminated, as the case may be. The board may request the appointment
32 of administrative law judges under chapter 34.12 RCW who shall have
33 power to administer oaths, issue subpoenas for the attendance of
34 witnesses and the production of papers, books, accounts, documents, and
35 testimony, examine witnesses, and to receive testimony in any inquiry,
36 investigation, hearing, or proceeding in any part of the state, under
37 such rules and regulations as the board may adopt.

38 Witnesses shall be allowed fees and mileage each way to and from
39 any such inquiry, investigation, hearing, or proceeding at the rate

1 authorized by RCW 34.05.446, as now or hereafter amended. Fees need
2 not be paid in advance of appearance of witnesses to testify or to
3 produce books, records, or other legal evidence.

4 In case of disobedience of any person to comply with the order of
5 the board or a subpoena issued by the board, or any of its members, or
6 administrative law judges, or on the refusal of a witness to testify to
7 any matter regarding which he or she may be lawfully interrogated, the
8 judge of the superior court of the county in which the person resides,
9 on application of any member of the board or administrative law judge,
10 shall compel obedience by contempt proceedings, as in the case of
11 disobedience of the requirements of a subpoena issued from said court
12 or a refusal to testify therein.

13 (4) Upon receipt of notice of the suspension or cancellation of a
14 license, the licensee shall forthwith deliver up the license to the
15 board. Where the license has been suspended only, the board shall
16 return the license to the licensee at the expiration or termination of
17 the period of suspension. The board shall notify all vendors in the
18 city or place where the licensee has its premises of the suspension or
19 cancellation of the license; and no employee may allow or cause any
20 liquor to be delivered to or for any person at the premises of that
21 licensee.

22 (5)(a) At the time of the original issuance of a (~~class H~~) full
23 service restaurant license, the board shall prorate the license fee
24 charged to the new licensee according to the number of calendar
25 quarters, or portion thereof, remaining until the first renewal of that
26 license is required.

27 (b) Unless sooner canceled, every license issued by the board shall
28 expire at midnight of the thirtieth day of June of the fiscal year for
29 which it was issued. However, if the board deems it feasible and
30 desirable to do so, it may establish, by rule pursuant to chapter 34.05
31 RCW, a system for staggering the annual renewal dates for any and all
32 licenses authorized by this chapter. If such a system of staggered
33 annual renewal dates is established by the board, the license fees
34 provided by this chapter shall be appropriately prorated during the
35 first year that the system is in effect.

36 (6) Every license issued under this section shall be subject to all
37 conditions and restrictions imposed by this title or by the regulations
38 in force from time to time. All conditions and restrictions imposed by
39 the board in the issuance of an individual license shall be listed on

1 the face of the individual license along with the trade name, address,
2 and expiration date.

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

5 (8) Before the board shall issue a license to an applicant it shall
6 give notice of such application to the chief executive officer of the
7 incorporated city or town, if the application be for a license within
8 an incorporated city or town, or to the county legislative authority,
9 if the application be for a license outside the boundaries of
10 incorporated cities or towns; and such incorporated city or town,
11 through the official or employee selected by it, or the county
12 legislative authority or the official or employee selected by it, shall
13 have the right to file with the board within twenty days after date of
14 transmittal of such notice, written objections against the applicant or
15 against the premises for which the license is asked, and shall include
16 with such objections a statement of all facts upon which such
17 objections are based, and in case written objections are filed, may
18 request and the liquor control board may in its discretion hold a
19 formal hearing subject to the applicable provisions of Title 34 RCW.
20 Upon the granting of a license under this title the board shall send a
21 duplicate of the license or written notification to the chief executive
22 officer of the incorporated city or town in which the license is
23 granted, or to the county legislative authority if the license is
24 granted outside the boundaries of incorporated cities or towns.

25 (9) Before the board issues any license to any applicant, it shall
26 give (a) due consideration to the location of the business to be
27 conducted under such license with respect to the proximity of churches,
28 schools, and public institutions and (b) written notice by certified
29 mail of the application to churches, schools, and public institutions
30 within five hundred feet of the premises to be licensed. The board
31 shall issue no beer retailer license (~~(class A, B, D, or E)~~) for either
32 on-premises or off-premises consumption or wine retailer license
33 (~~(class C or F)~~) for either on-premises or off-premises consumption or
34 (~~(class H)~~) full service restaurant license covering any premises not
35 now licensed, if such premises are within five hundred feet of the
36 premises of any tax-supported public elementary or secondary school
37 measured along the most direct route over or across established public
38 walks, streets, or other public passageway from the outer property line
39 of the school grounds to the nearest public entrance of the premises

1 proposed for license, and if, after receipt by the school or public
2 institution of the notice as provided in this subsection, the board
3 receives written notice, within twenty days after posting such notice,
4 from an official representative or representatives of the school within
5 five hundred feet of said proposed licensed premises, indicating to the
6 board that there is an objection to the issuance of such license
7 because of proximity to a school. For the purpose of this section,
8 church shall mean a building erected for and used exclusively for
9 religious worship and schooling or other activity in connection
10 therewith. No liquor license may be issued or reissued by the board to
11 any motor sports facility or licensee operating within the motor sports
12 facility unless the motor sports facility enforces a program reasonably
13 calculated to prevent alcohol or alcoholic beverages not purchased
14 within the facility from entering the facility and such program is
15 approved by local law enforcement agencies. It is the intent under
16 this subsection that a retail license shall not be issued by the board
17 where doing so would, in the judgment of the board, adversely affect a
18 private school meeting the requirements for private schools under Title
19 28A RCW, which school is within five hundred feet of the proposed
20 licensee. The board shall fully consider and give substantial weight
21 to objections filed by private schools. If a license is issued despite
22 the proximity of a private school, the board shall state in a letter
23 addressed to the private school the board's reasons for issuing the
24 license.

25 (10) The restrictions set forth in subsection (9) of this section
26 shall not prohibit the board from authorizing the assumption of
27 existing licenses now located within the restricted area by other
28 persons or licenses or relocations of existing licensed premises within
29 the restricted area. In no case may the licensed premises be moved
30 closer to a church or school than it was before the assumption or
31 relocation.

32 (11) Nothing in this section prohibits the board, in its
33 discretion, from issuing a temporary retail or (~~wholesaler~~)
34 distributor license to an applicant assuming an existing retail or
35 (~~wholesaler~~) distributor license to continue the operation of the
36 retail or (~~wholesaler~~) distributor premises during the period the
37 application for the license is pending and when the following
38 conditions exist:

1 (a) The licensed premises has been operated under a retail or
2 (~~wholesaler~~) distributor license within ninety days of the date of
3 filing the application for a temporary license;

4 (b) The retail or (~~wholesaler~~) distributor license for the
5 premises has been surrendered pursuant to issuance of a temporary
6 operating license;

7 (c) The applicant for the temporary license has filed with the
8 board an application to assume the retail or (~~wholesaler~~) distributor
9 license at such premises to himself or herself; and

10 (d) The application for a temporary license is accompanied by a
11 temporary license fee established by the board by rule.

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

17 Refusal by the board to issue or extend a temporary license shall
18 not entitle the applicant to request a hearing. A temporary license
19 may be canceled or suspended summarily at any time if the board
20 determines that good cause for cancellation or suspension exists. RCW
21 66.08.130 and chapter 34.05 RCW shall apply to temporary licenses.

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

26 **Sec. 2.** RCW 66.24.150 and 1981 1st ex.s. c 5 s 29 are each amended
27 to read as follows:

28 There shall be a license to manufacturers of liquor, including all
29 kinds of manufacturers except those licensed as distillers, domestic
30 brewers, microbreweries, wineries, and domestic wineries, authorizing
31 such licensees to manufacture, import, sell, and export liquor from the
32 state; fee five hundred dollars per annum.

33 **Sec. 3.** RCW 66.24.170 and 1991 c 192 s 2 are each amended to read
34 as follows:

35 (1) There shall be a license (~~to~~) for domestic wineries; fee to
36 be computed only on the liters manufactured: (~~One hundred~~) Less than
37 two hundred fifty thousand liters (~~or less~~) per year, one hundred

1 dollars per year; (~~over one hundred~~) and two hundred fifty thousand
2 liters (~~to seven hundred fifty thousand liters~~) or more per year,
3 four hundred dollars per year (~~; and over seven hundred fifty thousand~~
4 ~~liters per year, eight hundred dollars per year~~)).

5 (2) (~~Any applicant for a domestic winery license shall, at the~~
6 ~~time of filing application for license, accompany such application with~~
7 ~~a license fee based upon a reasonable estimate of the amount of wine~~
8 ~~liters to be manufactured by such applicant. Persons holding domestic~~
9 ~~winery licenses shall report annually at the end of each fiscal year,~~
10 ~~at such time and in such manner as the board may prescribe, the amount~~
11 ~~of wine manufactured by them during the fiscal year. If the total~~
12 ~~amount of wine manufactured during the year exceeds the amount~~
13 ~~permitted annually by the license fee already paid the board, the~~
14 ~~licensee shall pay such additional license fee as may be unpaid in~~
15 ~~accordance with the schedule provided in this section~~) The license
16 allows for the manufacture of wine in Washington state from grapes or
17 other agricultural products.

18 (3) Any domestic winery licensed under this section (~~shall~~) may
19 also (~~be considered as holding, for the purposes of selling or~~
20 ~~importing wine~~) act as a distributor and/or retailer of wine of its
21 own production(~~, a current wine wholesaler's license under RCW~~
22 ~~66.24.200, a wine importer's license under RCW 66.24.204, and a wine~~
23 ~~retailer's license, class F, under RCW 66.24.370 without further~~
24 ~~application or fee~~). Any winery operating as a (~~wholesaler,~~
25 ~~importer, or~~) distributor and/or retailer under this subsection shall
26 comply with the applicable laws and rules relating to (~~wholesalers,~~
27 ~~importers, and~~) distributors and/or retailers.

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

33 **Sec. 4.** RCW 66.24.185 and 1984 c 19 s 1 are each amended to read
34 as follows:

35 (1) There shall be a license for bonded wine warehouses which shall
36 authorize the storage of bottled wine only. Under this license a
37 licensee may maintain a warehouse for the storage of wine off the
38 premises of a winery.

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

8 (3) All bottled wine shipped to a bonded wine warehouse from a
9 winery or another bonded wine warehouse shall remain under bond and no
10 tax imposed under RCW 66.24.210 shall be due, unless the wine is
11 removed from bond and shipped to a licensed Washington wine
12 ~~((wholesaler))~~ distributor. Wine may be removed from a bonded wine
13 warehouse only for the purpose of being (a) exported from the state,
14 (b) shipped to a licensed Washington wine ~~((wholesaler))~~ distributor,
15 or (c) returned to a winery or bonded wine warehouse.

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

22 (5) A license applicant shall hold a federal permit for a bonded
23 wine cellar and post a continuing wine tax bond in the amount of five
24 thousand dollars in a form prescribed by the board prior to the
25 issuance of a bonded wine warehouse license. The fee for this license
26 shall be one hundred dollars per annum.

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

30 (7) Every licensee shall submit to the board a monthly report of
31 movement of bottled wines to and from a bonded wine warehouse in a form
32 prescribed by the board. The board may adopt other necessary
33 procedures by which bonded wine warehouses are licensed and regulated.

34 **Sec. 5.** RCW 66.24.200 and 1981 1st ex.s. c 5 s 32 are each amended
35 to read as follows:

36 There shall be a license ~~((to))~~ for wine ~~((wholesalers))~~
37 distributors to sell wine, ~~((manufactured within or without the state,~~
38 ~~to licensed wholesalers and/or to holders of wine retailer's licenses))~~

1 purchased from licensed Washington wineries, wine certificate of
2 approval holders (W7), licensed wine importers, or suppliers of foreign
3 wine located outside the state of Washington, to licensed wine
4 retailers and other wine distributors and to export the same from the
5 state; fee ((five)) six hundred sixty dollars per ((annum)) year for
6 each distributing unit.

7 NEW SECTION. **Sec. 6.** A new section is added to chapter 66.24 RCW
8 to read as follows:

9 There shall be a license for wine importers that authorizes the
10 licensee to import wine manufactured within the United States by
11 certificate of approval holders (W7) into the state of Washington. The
12 licensee may also import wine manufactured outside the United States.

13 (1) Wine so imported may be sold to licensed wine distributors or
14 exported from the state.

15 (2) Every person, firm, or corporation licensed as a wine importer
16 shall establish and maintain a principal office within the state at
17 which shall be kept proper records of all wine imported into the state
18 under this license.

19 (3) No wine importer's license shall be granted to a nonresident of
20 the state nor to a corporation whose principal place of business is
21 outside the state until such applicant has established a principal
22 office and agent within the state upon which service can be made.

23 (4) As a requirement for license approval, a wine importer shall
24 enter into a written agreement with the board to furnish on or before
25 the twentieth day of each month, a report under oath, detailing the
26 quantity of wine sold or delivered to each licensed wine distributor.
27 Failure to file such reports may result in the suspension or
28 cancellation of this license.

29 (5) Wine imported under this license must conform to the provisions
30 of RCW 66.28.110 and have received label approval from the board. The
31 board shall not certify wines labeled with names that may be confused
32 with other nonalcoholic beverages whether manufactured or produced from
33 a domestic winery or imported nor wines that fail to meet quality
34 standards established by the board.

35 (6) The license fee shall be one hundred sixty dollars per year.

36 **Sec. 7.** RCW 66.24.206 and 1981 1st ex.s. c 5 s 34 are each amended
37 to read as follows:

1 (~~No wine wholesaler nor wine importer shall purchase any wine not~~
2 ~~manufactured within the state of Washington by a winery holding a~~
3 ~~license as a manufacturer of wine from the state of Washington, and/or~~
4 ~~transport or cause the same to be transported into the state of~~
5 ~~Washington for resale therein, unless the winery or manufacturer of~~
6 ~~such wine, or the licensed importer of wine produced outside the United~~
7 ~~States, has obtained from the Washington state liquor control board a~~
8 ~~certificate of approval, as hereinafter provided.)) A United States
9 winery or manufacturer of wine, located outside the state of
10 Washington, must hold a certificate of approval (W7) to allow sales and
11 shipment of the certificate of approval holder's wine to licensed
12 Washington wine distributors or importers. The certificate of approval
13 (~~herein provided for~~) shall not be granted unless and until such
14 winery(~~(,)~~) or manufacturer(~~(, or licensed importer of wine produced~~
15 ~~outside the United States,)~~) of wine shall have made a written
16 agreement with the board to furnish to the board, on or before the
17 twentieth day of each month, a report under oath, on a form to be
18 prescribed by the board, showing the quantity of wine sold or delivered
19 to each licensed wine (~~importer, or imported by the licensed importer~~
20 ~~of wine produced outside the United States~~) distributor or importer,
21 during the preceding month, and shall further have agreed with the
22 board, that such wineries(~~(,)~~) or manufacturers, (~~(or licensed~~
23 ~~importers of wine produced outside the United States,)~~) and all general
24 sales corporations or agencies maintained by them, and all of their
25 trade representatives (~~(and agents)~~), shall and will faithfully comply
26 with all laws of the state of Washington pertaining to the sale of
27 intoxicating liquors and all rules and regulations of the Washington
28 state liquor control board. (~~If any such winery, manufacturer, or~~
29 ~~licensed importer of wine produced outside the United States, shall,~~
30 ~~after obtaining such certificate, fail to submit such report, or if~~
31 ~~such winery, manufacturer, or licensed importer of wine produced~~
32 ~~outside the United States, or general sales corporations or agencies~~
33 ~~maintained by them, or their trade representatives or agents, shall~~
34 ~~violate the terms of such agreement, the board shall, in its~~
35 ~~discretion, suspend or revoke such certificate: PROVIDED, HOWEVER,~~
36 ~~That such certificates of approval shall only authorize the holder~~
37 ~~thereof to ship or import into the state of Washington specifically~~
38 ~~named designated and identified types of wine which conform to the~~
39 ~~provisions of RCW 66.28.110 and for which the liquor control board has~~~~

1 issued a certificate of label approval. The Washington state liquor
2 control board shall not certify wines labeled with names which may be
3 confused with other nonalcoholic beverages, whether manufactured or
4 produced from a domestic winery or imported, nor wines which fail to
5 meet quality standards established by the board)) A violation of the
6 terms of this agreement will cause the board to take action to suspend
7 or revoke such certificate.

8 The fee for the certificate of approval, issued pursuant to the
9 provisions of this title, shall be one hundred dollars per ((annum))
10 year, which sum shall accompany the application for such certificate.

11 **Sec. 8.** RCW 66.24.210 and 1996 c 118 s 1 are each amended to read
12 as follows:

13 (1) There is hereby imposed upon all wines except cider sold to
14 wine ((wholesalers)) distributors and the Washington state liquor
15 control board, within the state a tax at the rate of twenty and one-
16 fourth cents per liter ((and)). There is hereby imposed on all cider
17 sold to wine ((wholesalers)) distributors and the Washington state
18 liquor control board within the state a tax at the rate of three and
19 fifty-nine one-hundredths cents per liter: PROVIDED, HOWEVER, That
20 wine sold or shipped in bulk from one winery to another winery shall
21 not be subject to such tax. The tax provided for in this section shall
22 be collected by direct payments based on wine purchased by wine
23 ((wholesalers)) distributors. Every person purchasing wine under the
24 provisions of this section shall on or before the twentieth day of each
25 month report to the board all purchases during the preceding calendar
26 month in such manner and upon such forms as may be prescribed by the
27 board, and with such report shall pay the tax due from the purchases
28 covered by such report unless the same has previously been paid. Any
29 such purchaser of wine whose applicable tax payment is not postmarked
30 by the twentieth day following the month of purchase will be assessed
31 a penalty at the rate of two percent a month or fraction thereof. The
32 board may require that every such person shall execute to and file with
33 the board a bond to be approved by the board, in such amount as the
34 board may fix, securing the payment of the tax. If any such person
35 fails to pay the tax when due, the board may forthwith suspend or
36 cancel the license until all taxes are paid.

37 (2) An additional tax is imposed equal to the rate specified in RCW
38 82.02.030 multiplied by the tax payable under subsection (1) of this

1 section. All revenues collected during any month from this additional
2 tax shall be transferred to the state general fund by the twenty-fifth
3 day of the following month.

4 (3) An additional tax is imposed on wines subject to tax under
5 subsection (1) of this section, at the rate of one-fourth of one cent
6 per liter for wine sold after June 30, 1987. After June 30, 1996, such
7 additional tax does not apply to cider. An additional tax of five one-
8 hundredths of one cent per liter is imposed on cider sold after June
9 30, 1996. The additional taxes imposed by this subsection (3) shall
10 cease to be imposed on July 1, 2001. All revenues collected under this
11 subsection (3) shall be disbursed quarterly to the Washington wine
12 commission for use in carrying out the purposes of chapter 15.88 RCW.

13 (4) An additional tax is imposed on all wine subject to tax under
14 subsection (1) of this section. The additional tax is equal to twenty-
15 three and forty-four one-hundredths cents per liter on fortified wine
16 as defined in RCW 66.04.010(~~(+34+)~~) (37) when bottled or packaged by
17 the manufacturer, one cent per liter on all other wine except cider,
18 and eighteen one-hundredths of one cent per liter on cider. All
19 revenues collected during any month from this additional tax shall be
20 deposited in the violence reduction and drug enforcement account under
21 RCW 69.50.520 by the twenty-fifth day of the following month.

22 (5)(a) An additional tax is imposed on all cider subject to tax
23 under subsection (1) of this section. The additional tax is equal to
24 two and four one-hundredths cents per liter of cider sold after June
25 30, 1996, and before July 1, 1997, and is equal to four and seven one-
26 hundredths cents per liter of cider sold after June 30, 1997.

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

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

36 **Sec. 9.** 1973 1st ex.s. c 204 s 3 (uncodified) is amended to read as
37 follows:

1 There is hereby imposed upon every licensed wine (~~wholesaler~~)
2 distributor who possesses wine for resale upon which the tax has not
3 been paid under section 2 (~~of this~~), chapter 204, Laws of 1973
4 (~~amendatory act~~), a floor stocks tax of sixty-five cents per wine
5 gallon on wine in his or her possession or under his or her control on
6 June 30, 1973. Each such (~~wholesaler~~) distributor shall within
7 twenty days after June 30, 1973, file a report with the Washington
8 state liquor control board in such form as the board may prescribe,
9 showing the wine products on hand July 1, 1973, converted to gallons
10 thereof and the amount of tax due thereon. The tax imposed by this
11 section shall be due and payable within twenty days after July 1, 1973,
12 and thereafter bear interest at the rate of one percent per month.

13 **Sec. 10.** RCW 66.24.230 and 1969 ex.s. c 21 s 4 are each amended to
14 read as follows:

15 Every winery (~~and~~), wine importer, and wine distributor licensed
16 under this title shall make monthly reports to the board pursuant to
17 the regulations. Such winery (~~and~~), wine importer, and wine
18 distributor shall make no sales of wine within the state of Washington
19 except to the board, or as otherwise provided in this title.

20 **Sec. 11.** RCW 66.24.240 and 1985 c 226 s 1 are each amended to read
21 as follows:

22 (1) There shall be a license (~~to brewers to manufacture malt~~
23 ~~liquors,~~) for domestic breweries; fee (~~per annum~~) to be (~~based on~~
24 ~~current fiscal year's production at the rate of fifty dollars per~~
25 ~~thousand barrels, with a maximum fee of two thousand dollars, such~~
26 ~~license fee to be collected and paid under such rules and regulations~~
27 ~~as the board shall prescribe)) two thousand dollars for production of
28 sixty thousand barrels or more of malt liquor per year.~~

29 (2) Any domestic brewery licensed under this section (~~shall~~) may
30 also (~~be considered as holding, for the purposes of selling malt~~
31 ~~liquor of its own production, a beer wholesaler's license under RCW~~
32 ~~66.24.250, a beer retailer's license, class B, under RCW 66.24.330, and~~
33 ~~a beer retailer's license, class E, under RCW 66.24.360 without further~~
34 ~~application or fee)) act as a distributor and/or retailer for beer of
35 its own production. Any domestic brewery operating as a (~~wholesaler~~
36 ~~or~~) distributor and/or retailer under this subsection shall comply~~

1 with the applicable laws and rules relating to (~~such wholesalers and~~
2 ~~retailers~~)) distributors and/or retailers.

3 NEW SECTION. Sec. 12. A new section is added to chapter 66.24 RCW
4 to read as follows:

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

8 (2) Any microbrewery license under this section may also act as a
9 distributor and/or retailer for beer of its own production. Any
10 microbrewery operating as a distributor and/or retailer under this
11 subsection shall comply with the applicable laws and rules relating to
12 distributors and/or retailers.

13 (3) The board may issue an endorsement to this license allowing for
14 on-premises consumption of beer, wine, or both of other manufacture if
15 purchased from a Washington state-licensed distributor. Each
16 endorsement shall cost two hundred dollars per year, or four hundred
17 dollars per year allowing the sale and service of both beer and wine.

18 (4) The microbrewer obtaining such endorsement must determine, at
19 the time the endorsement is issued, whether the licensed premises will
20 be operated either as a tavern with persons under twenty-one years of
21 age not allowed as provided for in RCW 66.24.330, or as a limited
22 service restaurant as described in RCW 66.24.320.

23 Sec. 13. RCW 66.24.250 and 1981 1st ex.s. c 5 s 14 are each
24 amended to read as follows:

25 There shall be a license (~~to~~) for beer (~~wholesalers~~)
26 distributors to sell beer (~~, manufactured within or without the state,~~
27 ~~to licensed wholesalers and/or to holders of beer retailer's licenses,~~
28 ~~and to export the same from the state; fee five hundred dollars per~~
29 ~~annum for each distributing unit)), purchased from licensed Washington
30 breweries, beer certificate of approval holders (B5), licensed beer
31 importers, or suppliers of foreign beer located outside the state of
32 Washington, to licensed beer retailers and other beer distributors and
33 to export same from the state of Washington; fee six hundred sixty
34 dollars per year for each distributing unit.~~

35 NEW SECTION. Sec. 14. A new section is added to chapter 66.24 RCW
36 to read as follows:

1 There shall be a license for beer importers that authorizes the
2 licensee to import beer manufactured within the United States by
3 certificate of approval holders (B5) into the state of Washington. The
4 licensee may also import beer manufactured outside the United States.

5 (1) Beer so imported may be sold to licensed beer distributors or
6 exported from the state.

7 (2) Every person, firm, or corporation licensed as a beer importer
8 shall establish and maintain a principal office within the state at
9 which shall be kept proper records of all beer imported into the state
10 under this license.

11 (3) No beer importer's license shall be granted to a nonresident of
12 the state nor to a corporation whose principal place of business is
13 outside the state until such applicant has established a principal
14 office and agent within the state upon which service can be made.

15 (4) As a requirement for license approval, a beer importer shall
16 enter into a written agreement with the board to furnish on or before
17 the twentieth day of each month, a report under oath, detailing the
18 quantity of beer sold or delivered to each licensed beer distributor.
19 Failure to file such reports may result in the suspension or
20 cancellation of this license.

21 (5) Beer imported under this license must conform to the provisions
22 of RCW 66.28.120 and have received label approval from the board. The
23 board shall not certify beer labeled with names which may be confused
24 with other nonalcoholic beverages whether manufactured or produced from
25 a domestic brewery or imported nor beer which fails to meet quality
26 standards established by the board.

27 (6) The license fee shall be one hundred sixty dollars per year.

28 **Sec. 15.** RCW 66.24.270 and 1981 1st ex.s. c 5 s 35 are each
29 amended to read as follows:

30 (1) Every person, firm or corporation, holding a license to
31 manufacture malt liquors within the state of Washington, shall, on or
32 before the twentieth day of each month, furnish to the Washington state
33 liquor control board, on a form to be prescribed by the board, a
34 statement showing the quantity of malt liquors sold for resale during
35 the preceding calendar month to each beer ((~~wholesaler~~)) distributor
36 within the state of Washington((~~+~~)).

37 (2) ((~~No beer wholesaler nor beer importer shall purchase any beer~~
38 ~~not manufactured within the state of Washington by a brewer holding a~~

1 ~~license as a manufacturer of malt liquors from the state of Washington,~~
2 ~~and/or transport or cause the same to be transported into the state of~~
3 ~~Washington for resale therein, unless the brewer or manufacturer of~~
4 ~~such beer or the licensed importer of beer produced outside the United~~
5 ~~States has obtained from the Washington state liquor control board a~~
6 ~~certificate of approval, as hereinafter provided.))~~ A United States
7 brewery or manufacturer of beer, located outside the state of
8 Washington, must hold a certificate of approval (B5) to allow sales and
9 shipment of the certificate of approval holder's beer to licensed
10 Washington beer distributors or importers. The certificate of approval
11 ~~((herein provided for))~~ shall not be granted unless and until such
12 brewer or manufacturer of ~~((malt liquors or the licensed importer of~~
13 ~~beer produced outside the United States))~~ beer shall have made a
14 written agreement with the board to furnish to the board, on or before
15 the twentieth day of each month, a report under oath, on a form to be
16 prescribed by the board, showing the quantity of beer sold or delivered
17 to each licensed beer ~~((importer or imported by the licensed importer~~
18 ~~of beer produced outside the United States))~~ distributor or importer
19 during the preceding month, and shall further have agreed with the
20 board, that such brewer or manufacturer of ~~((malt liquors or the~~
21 ~~licensed importer of beer produced outside the United States))~~ beer and
22 all general sales corporations or agencies maintained by ~~((such brewers~~
23 ~~or manufacturers or importers))~~ them, and all of their trade
24 representatives ~~((or agents of such brewer or manufacturer of malt~~
25 ~~liquors or the licensed importer of beer produced outside the United~~
26 ~~States, and of such general sales))~~, corporations, and agencies, shall
27 and will faithfully comply with all laws of the state of Washington
28 pertaining to the sale of intoxicating liquors and all rules and
29 regulations of the Washington state liquor control board. ~~((If any~~
30 ~~such brewer or manufacturer of malt liquors or the licensed importer of~~
31 ~~beer produced outside the United States shall, after obtaining such~~
32 ~~certificate, fail to submit such report, or if such brewer or~~
33 ~~manufacturer of malt liquors or the licensed importer of beer produced~~
34 ~~outside the United States or general sales corporation or agency~~
35 ~~maintained by such brewers or manufacturers or importers, or any~~
36 ~~representative or agent thereof, shall violate the terms of such~~
37 ~~agreement, the board shall, in its discretion, suspend or revoke such~~
38 ~~certificate;))~~ A violation of the terms of this agreement will cause
39 the board to take action to suspend or revoke such certificate.

1 (3) The fee for the certificate of approval, issued pursuant to the
2 provisions of this title, shall be one hundred dollars per (~~annum~~)
3 year, which sum shall accompany the application for such certificate.

4 **Sec. 16.** RCW 66.24.290 and 1995 c 232 s 4 are each amended to read
5 as follows:

6 (1) Any (~~brewer~~) microbrewer or domestic brewery or beer
7 (~~wholesaler~~) distributor licensed under this title may sell and
8 deliver beer to holders of authorized licenses direct, but to no other
9 person, other than the board; and every such (~~brewer~~) brewery or beer
10 (~~wholesaler~~) distributor shall report all sales to the board monthly,
11 pursuant to the regulations, and shall pay to the board as an added tax
12 for the privilege of manufacturing and selling the beer within the
13 state a tax of two dollars and sixty cents per barrel of thirty-one
14 gallons on sales to licensees within the state and on sales to
15 licensees within the state of bottled and canned beer shall pay a tax
16 computed in gallons at the rate of two dollars and sixty cents per
17 barrel of thirty-one gallons. Any (~~brewer~~) brewery or beer
18 (~~wholesaler~~) distributor whose applicable tax payment is not
19 postmarked by the twentieth day following the month of sale will be
20 assessed a penalty at the rate of two percent per month or fraction
21 thereof. Beer shall be sold by (~~brewers~~) breweries and
22 (~~wholesalers~~) distributors in sealed barrels or packages.

23 (2) An additional tax is imposed equal to seven percent multiplied
24 by the tax payable under subsection (1) of this section. All revenues
25 collected during any month from this additional tax shall be
26 transferred to the state general fund by the twenty-fifth day of the
27 following month.

28 (3) An additional tax is imposed on all beer subject to tax under
29 subsection (1) of this section. The additional tax is equal to two
30 dollars per barrel of thirty-one gallons. All revenues collected
31 during any month from this additional tax shall be deposited in the
32 violence reduction and drug enforcement account under RCW 69.50.520 by
33 the twenty-fifth day of the following month.

34 (4)(a) An additional tax is imposed on all beer subject to tax
35 under subsection (1) of this section. The additional tax is equal to
36 ninety-six cents per barrel of thirty-one gallons through June 30,
37 1995, two dollars and thirty-nine cents per barrel of thirty-one
38 gallons for the period July 1, 1995, through June 30, 1997, and four

1 dollars and seventy-eight cents per barrel of thirty-one gallons
2 thereafter.

3 (b) The additional tax imposed under this subsection does not apply
4 to the sale of the first sixty thousand barrels of beer each year by
5 breweries that are entitled to a reduced rate of tax under 26 U.S.C.
6 Sec. 5051, as existing on July 1, 1993, or such subsequent date as may
7 be provided by the board by rule consistent with the purposes of this
8 exemption.

9 (c) All revenues collected from the additional tax imposed under
10 this subsection (4) shall be deposited in the health services account
11 under RCW 43.72.900.

12 (5) The tax imposed under this section shall not apply to "strong
13 beer" as defined in this title.

14 **Sec. 17.** RCW 66.24.310 and 1981 1st ex.s. c 5 s 36 are each
15 amended to read as follows:

16 (1) No person shall canvass for, solicit, receive, or take orders
17 for the purchase or sale of liquor, nor contact any licensees of the
18 board in goodwill activities, unless such person shall be the
19 accredited representative of a person, firm, or corporation holding a
20 certificate of approval issued pursuant to RCW 66.24.270 or 66.24.206,
21 a beer (~~wholesaler's~~) distributor's license, a microbrewer's license,
22 a domestic brewer's license, a beer importer's license, a domestic
23 winery license, a wine importer's license, or a wine (~~wholesaler's~~)
24 distributor's license within the state of Washington, or the accredited
25 representative of a distiller, manufacturer, importer, or distributor
26 of spirituous liquor, or foreign produced beer or wine, and shall have
27 applied for and received (~~an agent's~~) a representative's license:
28 PROVIDED, HOWEVER, That the provisions of this section shall not apply
29 to drivers who deliver beer or wine;

30 (2) Every (~~agent's~~) representative's license issued under this
31 title shall be subject to all conditions and restrictions imposed by
32 this title or by the rules and regulations of the board; the board, for
33 the purpose of maintaining an orderly market, may limit the number of
34 (~~agent's~~) representative's licenses issued for representation of
35 specific classes of eligible employers;

36 (3) Every application for (~~an agent's~~) a representative's license
37 must be approved by a holder of a certificate of approval issued
38 pursuant to RCW 66.24.270 or 66.24.206, a licensed beer (~~wholesaler~~)

1 distributor, a licensed domestic brewer, a licensed beer importer, a
2 licensed microbrewer, a licensed domestic winery, a licensed wine
3 importer, a licensed wine (~~((wholesaler))~~) distributor, or by a
4 distiller, manufacturer, importer, or distributor of spirituous liquor,
5 or foreign produced beer or wine, as the rules and regulations of the
6 board shall require;

7 (4) The fee for (~~((an agent's))~~) a representative's license shall be
8 twenty-five dollars per (~~((annum))~~) year;

9 (5) An accredited representative of a distiller, manufacturer,
10 importer, or distributor of spirituous liquor may, after he or she has
11 applied for and received (~~((an agent's))~~) a representative's license,
12 contact retail licensees of the board only in goodwill activities
13 pertaining to spirituous liquor products.

14 **Sec. 18.** RCW 66.24.320 and 1995 c 232 s 6 are each amended to read
15 as follows:

16 There shall be a (~~((beer retailer's))~~) limited service restaurant
17 license (~~((to be designated as a class A license))~~) to sell beer or wine,
18 or both, at retail, for consumption on the premises (~~((and to sell beer~~
19 ~~for consumption off the premises. Beer sold for consumption off the~~
20 ~~premises must be in original sealed packages of the manufacturer or~~
21 ~~bottler of not less than four gallons. Beer may be sold to a purchaser~~
22 ~~in a sanitary container brought to the premises by the purchaser and~~
23 ~~filled at the tap by the retailer at the time of sale. Such licenses~~
24 ~~may be issued only to hotels, restaurants, drug stores or soda~~
25 ~~fountains, dining places on boats and airplanes, to clubs, and at~~
26 ~~sports arenas or race tracks during recognized professional athletic~~
27 ~~events. The annual fee for said license, if issued in cities and~~
28 ~~towns, shall be graduated according to the population thereof as~~
29 ~~follows:~~

30	Cities and towns	Fee
31	Less than 20,000	\$ 205
32	20,000 or over	\$ 355))

33 licensee may remove from the premises, recorked or recapped in its
34 original container, any portion of wine that was purchased for
35 consumption with a meal.

36 (1) The annual fee (~~((for such license, if issued outside of cities~~
37 ~~and towns,))~~) shall be two hundred (~~((five))~~) dollars(~~((. The annual~~

1 ~~license fee for such license, if issued to dining places on vessels not~~
2 ~~exceeding one thousand gross tons, plying on inland waters of the state~~
3 ~~of Washington on regular schedules, shall be two hundred five dollars))~~
4 for the beer license, two hundred dollars for the wine license, or four
5 hundred dollars for a combination beer and wine license.

6 (2) The board may issue a caterer's endorsement to this license to
7 allow the licensee to remove from the liquor stocks at the licensed
8 premises, only those types of liquor that are authorized under the on-
9 premises license privileges for sale and service at special occasion
10 locations at a specified date and place not currently licensed by the
11 board. The privilege of selling and serving liquor under the
12 endorsement is limited to members and guests of a society or
13 organization as defined in RCW 66.24.375. Cost of the endorsement is
14 three hundred fifty dollars.

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

21 (b) If attendance at the function will be limited to members and
22 invited guests of the sponsoring society or organization, the
23 requirement that the society or organization be within the definition
24 of RCW 66.24.375 is waived.

25 **Sec. 19.** RCW 66.24.330 and 1995 c 232 s 7 are each amended to read
26 as follows:

27 There shall be a beer and wine retailer's license to be designated
28 as a ((class B)) tavern license to sell beer or wine, or both, at
29 retail, for consumption on the premises ((and to sell beer for
30 consumption off the premises. — Beer sold for consumption off the
31 premises must be in original sealed packages of the manufacturer or
32 bottler of not less than four gallons. — Beer may be sold to a purchaser
33 in a sanitary container brought to the premises by the purchaser and
34 filled at the tap by the retailer at the time of sale)). Such licenses
35 may be issued only to a person operating a tavern that may be
36 frequented only by persons twenty-one years of age and older. ((The
37 annual fee for said license, if issued in cities and towns, shall be
38 graduated according to the population thereof as follows:

1	Cities and towns	Fee
2	Less than 20,000	\$ 205
3	20,000 or over	\$ 355))

4 The annual fee for such license(~~(, if issued outside of cities and~~
5 ~~towns,)) shall be two hundred ((five)) dollars for the beer license,
6 two hundred dollars for the wine license, or four hundred dollars for
7 a combination beer and wine license. Licensees who have a fee increase
8 of more than one hundred dollars as a result of this change shall have
9 their fees increased fifty percent of the amount the first renewal year
10 and the remaining amount beginning with the second renewal period. New
11 licensees obtaining a license after the effective date of this act
12 shall pay the full amount of four hundred dollars.~~

13 **Sec. 20.** RCW 66.24.350 and 1991 c 42 s 3 are each amended to read
14 as follows:

15 There shall be a beer retailer's license to be designated as (~~{a}~~
16 ~~class D)) a snack bar license to sell beer by the opened bottle or can
17 at retail, for consumption upon the premises only, such license to be
18 issued to (~~hotels, restaurants, dining places on boats and aeroplanes,~~
19 ~~clubs, drug stores, or soda fountains, and such other)) places where
20 the sale of beer is not the principal business conducted; fee one
21 hundred twenty-five dollars per ((annum)) year.~~~~

22 NEW SECTION. **Sec. 21.** A new section is added to chapter 66.24 RCW
23 to read as follows:

24 There shall be a beer and wine retailer's license that may be
25 combined only with the on-premises licenses described in either RCW
26 66.24.320 or 66.24.330. The combined license permits the sale of beer
27 and wine for consumption off the premises.

28 (1) Beer and wine sold for consumption off the premises must be in
29 original sealed packages of the manufacturer or bottler.

30 (2) Beer may be sold to a purchaser in a sanitary container brought
31 to the premises by the purchaser and filled at the tap by the retailer
32 at the time of sale.

33 (3) Licensees holding this type of license also may sell malt
34 liquor in kegs or other containers that are capable of holding four
35 gallons or more of liquid and are registered in accordance with RCW
36 66.28.200.

1 (4) The board may impose conditions upon the issuance of this
2 license to best protect and preserve the health, safety, and welfare of
3 the public.

4 (5) The annual fee for this license shall be one hundred twenty
5 dollars.

6 **Sec. 22.** RCW 66.24.360 and 1993 c 21 s 1 are each amended to read
7 as follows:

8 There shall be a beer and/or wine retailer's license to be
9 designated as a ~~((class E))~~ grocery store license to sell beer and/or
10 wine at retail in bottles, cans, and original ~~((packages))~~ containers,
11 not to be consumed upon the premises where sold, at any store other
12 than the state liquor stores.

13 (1) Licensees ~~((holding only an E license))~~ obtaining a written
14 endorsement from the board may also sell malt liquor in kegs or other
15 containers capable of holding less than five and one-half gallons of
16 liquid.

17 (2) The annual fee for the grocery store license is ~~((seventy-~~
18 five)) one hundred fifty dollars for each store~~((: PROVIDED, That a~~
19 ~~holder of a class A or a class B license shall be entitled to the~~
20 ~~privileges permitted in this section by paying an annual fee of twenty-~~
21 ~~five dollars for each store. Licensees under this section whose~~
22 ~~business is primarily the sale of beer and/or wine at retail may~~
23 ~~provide, free or for a charge, single serving samples of two ounces or~~
24 ~~less to customers for the purpose of sales promotion. Sampling~~
25 ~~activities of licensees under this section shall be subject to RCW~~
26 ~~66.28.010 and 66.28.040 and the cost of sampling under this section may~~
27 ~~not be borne, directly or indirectly, by any manufacturer, importer, or~~
28 ~~wholesaler of liquor.~~

29 ~~For the purpose of this section, "beer" includes, in addition to~~
30 ~~the usual and customary meaning, bottle conditioned beer which has been~~
31 ~~fermented partially or completely in the container in which it is sold~~
32 ~~to the retail customer and which may contain residual active yeast.~~
33 ~~The bottles and original packages in which such bottle conditioned beer~~
34 ~~may be sold under this section shall not exceed one hundred seventy~~
35 ~~ounces in capacity)).~~

36 (3) The board shall issue a restricted grocery store license
37 authorizing the licensee to sell beer and only table wine, if the board
38 finds upon issuance or renewal of the license that the sale of

1 fortified wine would be against the public interest. In determining
2 the public interest, the board shall consider at least the following
3 factors:

4 (a) The likelihood that the applicant will sell fortified wine to
5 persons who are intoxicated;

6 (b) Law enforcement problems in the vicinity of the applicant's
7 establishment that may arise from persons purchasing fortified wine at
8 the establishment; and

9 (c) Whether the sale of fortified wine would be detrimental to or
10 inconsistent with a government-operated or funded alcohol treatment or
11 detoxification program in the area.

12 If the board receives no evidence or objection that the sale of
13 fortified wine would be against the public interest, it shall issue or
14 renew the license without restriction, as applicable. The burden of
15 establishing that the sale of fortified wine by the licensee would be
16 against the public interest is on those persons objecting.

17 (4) Licensees holding a grocery store license must maintain a
18 minimum three thousand dollar inventory of food products for human
19 consumption, not including pop, beer, or wine.

20 (5) Upon approval by the board, the grocery store licensee may also
21 receive an endorsement to permit the international export of beer and
22 wine.

23 (a) Any beer or wine sold under this endorsement must have been
24 purchased from a licensed beer or wine distributor licensed to do
25 business within the state of Washington.

26 (b) Any beer and wine sold under this endorsement must be intended
27 for consumption outside the state of Washington and the United States
28 and appropriate records must be maintained by the licensee.

29 (c) A holder of this special endorsement to the grocery store
30 license shall be considered not in violation of RCW 66.28.010.

31 (d) Any beer or wine sold under this license must be sold at a
32 price no less than the acquisition price paid by the holder of the
33 license.

34 (e) The annual cost of this endorsement is five hundred dollars and
35 is in addition to the license fees paid by the licensee for a grocery
36 store license.

37 NEW SECTION. Sec. 23. A new section is added to chapter 66.24 RCW
38 to read as follows:

1 (1) There shall be a beer and/or wine retailer's license to be
2 designated as a beer and/or wine specialty shop license to sell beer
3 and/or wine at retail in bottles, cans, and original containers, not to
4 be consumed upon the premises where sold, at any store other than the
5 state liquor stores. Licensees obtaining a written endorsement from
6 the board may also sell malt liquor in kegs or other containers capable
7 of holding less than five and one-half gallons of liquid. The annual
8 fee for the beer and/or wine specialty shop license is one hundred
9 dollars for each store.

10 (2) Licensees under this section may provide, free or for a charge,
11 single-serving samples of two ounces or less to customers for the
12 purpose of sales promotion. Sampling activities of licensees under
13 this section are subject to RCW 66.28.010 and 66.28.040 and the cost of
14 sampling under this section may not be borne, directly or indirectly,
15 by any manufacturer, importer, or distributor of liquor.

16 (3) The board shall issue a restricted beer and/or wine specialty
17 shop license, authorizing the licensee to sell beer and only table
18 wine, if the board finds upon issuance or renewal of the license that
19 the sale of fortified wine would be against the public interest. In
20 determining the public interest, the board shall consider at least the
21 following factors:

22 (a) The likelihood that the applicant will sell fortified wine to
23 persons who are intoxicated;

24 (b) Law enforcement problems in the vicinity of the applicant's
25 establishment that may arise from persons purchasing fortified wine at
26 the establishment; and

27 (c) Whether the sale of fortified wine would be detrimental to or
28 inconsistent with a government-operated or funded alcohol treatment or
29 detoxification program in the area.

30 If the board receives no evidence or objection that the sale of
31 fortified wine would be against the public interest, it shall issue or
32 renew the license without restriction, as applicable. The burden of
33 establishing that the sale of fortified wine by the licensee would be
34 against the public interest is on those persons objecting.

35 (4) Licensees holding a beer and/or wine specialty shop license
36 must maintain a minimum three thousand dollar wholesale inventory of
37 beer and/or wine.

1 **Sec. 24.** RCW 66.24.380 and 1988 c 200 s 2 are each amended to read
2 as follows:

3 There shall be a (~~beer~~) retailer's license to be designated as
4 (~~class G+~~) a special occasion license to be issued to a not-for-
5 profit society or organization to sell spirits, beer, and wine by the
6 individual serving for on-premises consumption at a specified event,
7 such as at picnics or other special occasions, at a specified date and
8 place; fee (~~thirty-five~~) sixty dollars per day.

9 (1) The not-for-profit society or organization is limited to sales
10 of no more than twelve calendar days per year.

11 (2) The licensee may sell beer and/or wine in original, unopened
12 containers for off-premises consumption if permission is obtained from
13 the board prior to the event.

14 (3) Sale, service, and consumption of spirits, beer, and wine is to
15 be confined to specified premises or designated areas only.

16 (4) Spirituous liquor sold under this special occasion license must
17 be purchased at a state liquor store or agency without discount at
18 retail prices, including all taxes.

19 (5) Any violation of this section is a class 1 civil infraction
20 having a maximum penalty of two hundred fifty dollars as provided for
21 in chapter 7.80 RCW.

22 **Sec. 25.** RCW 66.24.395 and 1981 1st ex.s. c 5 s 44 are each
23 amended to read as follows:

24 (1)(a) There shall be a license that may be issued to corporations,
25 associations, or persons operating as federally licensed commercial
26 common passenger carriers engaged in interstate commerce, in or over
27 territorial limits of the state of Washington on passenger trains,
28 vessels, or airplanes. Such license shall permit the sale of
29 spirituous liquor, wine, and beer at retail for passenger consumption
30 within the state upon one such train passenger car, vessel, or
31 airplane, while in or over the territorial limits of the state. Such
32 license shall include the privilege of transporting into and storing
33 within the state such liquor for subsequent retail sale to passengers
34 in passenger train cars, vessels or airplanes. The fees for such
35 master license shall be seven hundred fifty dollars per annum (class
36 CCI-1): PROVIDED, That (~~where the sale and/or service of alcoholic~~
37 ~~beverages by such federally licensed common passenger carrier does not~~
38 ~~include spirituous liquor, the fee shall be two hundred fifty dollars~~

1 ~~per annum (class CCI-2): PROVIDED, FURTHER, That~~) upon payment of an
2 additional sum of five dollars per annum per car, or vessel, or
3 airplane, the privileges authorized by such license classes shall
4 extend to additional cars, or vessels, or airplanes operated by the
5 same licensee within the state, and a duplicate license for each
6 additional car, or vessel, or airplane shall be issued: PROVIDED,
7 FURTHER, That such licensee may make such sales and/or service upon
8 cars, or vessels, or airplanes in emergency for not more than five
9 consecutive days without such license: AND PROVIDED, FURTHER, That
10 such license shall be valid only while such cars, or vessels, or
11 airplanes are actively operated as common carriers for hire in
12 interstate commerce and not while they are out of such common carrier
13 service.

14 (b) Alcoholic beverages sold and/or served for consumption by such
15 interstate common carriers while within or over the territorial limits
16 of this state shall be subject to such board markup and state liquor
17 taxes in an amount to approximate the revenue that would have been
18 realized from such markup and taxes had the alcoholic beverages been
19 purchased in Washington: PROVIDED, That the board's markup shall be
20 applied on spirituous liquor only. Such common carriers shall report
21 such sales and/or service and pay such markup and taxes in accordance
22 with procedures prescribed by the board.

23 ~~(2) ((Where such an interstate federally licensed common carrier
24 does not sell spirituous liquor, wine, or beer at retail for passenger
25 consumption while within or over the territorial limits of this state,
26 but the business operation of the interstate common carrier requires
27 the bringing in and storing of liquor within the state the license fee
28 shall be five hundred dollars per annum (class CCI-3): PROVIDED, That
29 where such transporting and/or storage of alcoholic beverages by such
30 common carrier does not include spirituous liquor, the license fee
31 shall be one hundred twenty five dollars per annum (class CCI-4).~~

32 ~~(3))~~ Alcoholic beverages sold and delivered in this state to
33 interstate common carriers for use under the provisions of this section
34 shall be considered exported from the state, subject to the conditions
35 provided in subsection (1)(b) of this section. The storage facilities
36 for liquor within the state by common carriers licensed under this
37 section shall be subject to written approval by the board.

1 **Sec. 26.** RCW 66.24.400 and 1987 c 196 s 1 are each amended to read
2 as follows:

3 There shall be a retailer's license, to be known and designated as
4 ~~((class H))~~ a full service restaurant license, to sell spirituous
5 liquor by the individual glass, beer, and wine, at retail, for
6 consumption on the premises, including mixed drinks and cocktails
7 compounded or mixed on the premises only: PROVIDED, That a hotel, or
8 club licensed under chapter 70.62 RCW with overnight sleeping
9 accommodations, that is licensed under this section may sell liquor by
10 the bottle to registered guests of the hotel or club for consumption in
11 guest rooms, hospitality rooms, or at banquets in the hotel or club:
12 PROVIDED FURTHER, That a patron of a bona fide hotel, restaurant, or
13 club licensed under this section may remove from the premises recorked
14 or recapped in its original container any portion of wine which was
15 purchased for consumption with a meal, and registered guests who have
16 purchased liquor from the hotel or club by the bottle may remove from
17 the premises any unused portion of such liquor in its original
18 container. Such ~~((class H))~~ license may be issued only to bona fide
19 restaurants, hotels and clubs, and to dining, club and buffet cars on
20 passenger trains, and to dining places on passenger boats and
21 airplanes, and to dining places at ~~((publicly owned))~~ civic centers
22 with facilities for sports, entertainment, and conventions, and to such
23 other establishments operated and maintained primarily for the benefit
24 of tourists, vacationers and travelers as the board shall determine are
25 qualified to have, and in the discretion of the board should have, a
26 ~~((class H))~~ full service restaurant license under the provisions and
27 limitations of this title.

28 **Sec. 27.** RCW 66.24.420 and 1996 c 218 s 4 are each amended to read
29 as follows:

30 (1) The ~~((class H))~~ full service restaurant license shall be issued
31 in accordance with the following schedule of annual fees:

32 (a) ~~((The annual fee for said license, if issued to a club, whether
33 inside or outside of incorporated cities and towns, shall be seven
34 hundred dollars.~~

35 **(b))** The annual fee for ~~((said))~~ a full service restaurant
36 license ~~((, if issued to any other class H licensee in incorporated
37 cities and towns,))~~ shall be graduated according to the ~~((population~~

1 thereof)) dedicated dining area and type of service provided as
2 follows:

3	((Incorporated	
4	Cities and towns	Fees
5	Less than 20,000	\$1,200
6	20,000 or over	\$2,000))
7	<u>Less than 50% dedicated dining area</u>	<u>\$2,000</u>
8	<u>50% or more dedicated dining area</u>	<u>\$1,600</u>
9	<u>Service bar only</u>	<u>\$1,000</u>

10 ((~~e~~)) (b) The annual fee for said license when issued to any
11 other ((~~class H~~)) full service restaurant licensee outside of
12 incorporated cities and towns shall be(~~Two thousand dollars; this~~
13 ~~fee shall be~~) prorated according to the calendar quarters, or portion
14 thereof, during which the licensee is open for business, except in case
15 of suspension or revocation of the license.

16 ((~~d~~)) (c) Where the license shall be issued to any corporation,
17 association or person operating a bona fide restaurant in an airport
18 terminal facility providing service to transient passengers with more
19 than one place where liquor is to be dispensed and sold, such license
20 shall be issued upon the payment of the annual fee, which shall be a
21 master license and shall permit such sale within and from one such
22 place. Such license may be extended to additional places on the
23 premises at the discretion of the board and a duplicate license may be
24 issued for each such additional place: PROVIDED, That the holder of a
25 master license for a restaurant in an airport terminal facility shall
26 be required to maintain in a substantial manner at least one place on
27 the premises for preparing, cooking, and serving of complete meals, and
28 such food service shall be available on request in other licensed
29 places on the premises: PROVIDED, FURTHER, That an additional license
30 fee of twenty-five percent of the annual master license fee shall be
31 required for such duplicate licenses.

32 ((~~e~~)) (d) Where the license shall be issued to any corporation,
33 association, or person operating dining places at a publicly or
34 privately owned civic or convention center with facilities for sports,
35 entertainment, or conventions, or a combination thereof, with more than
36 one place where liquor is to be dispensed and sold, such license shall
37 be issued upon the payment of the annual fee, which shall be a master
38 license and shall permit such sale within and from one such place.

1 Such license may be extended to additional places on the premises at
2 the discretion of the board and a duplicate license may be issued for
3 each such additional place: PROVIDED, That the holder of a master
4 license for a dining place at such a publicly or privately owned civic
5 or convention center shall be required to maintain in a substantial
6 manner at least one place on the premises for preparing, cooking, and
7 serving of complete meals, and food service shall be available on
8 request in other licensed places on the premises: PROVIDED FURTHER,
9 That an additional license fee of ten dollars shall be required for
10 such duplicate licenses.

11 ~~((f))~~ (e) Where the license shall be issued to any corporation,
12 association or person operating more than one building containing
13 dining places at privately owned facilities which are open to the
14 public and where there is a continuity of ownership of all adjacent
15 property, such license shall be issued upon the payment of an annual
16 fee which shall be a master license and shall permit such sale within
17 and from one such place. Such license may be extended to the
18 additional dining places on the property or, in the case of a ~~((class~~
19 ~~H))~~ full service restaurant licensed hotel, property owned or
20 controlled by leasehold interest by that hotel for use as a conference
21 or convention center or banquet facility open to the general public for
22 special events in the same metropolitan area, at the discretion of the
23 board and a duplicate license may be issued for each additional place:
24 PROVIDED, That the holder of the master license for the dining place
25 shall not offer alcoholic beverages for sale, service, and consumption
26 at the additional place unless food service is available at both the
27 location of the master license and the duplicate license: PROVIDED
28 FURTHER, That an additional license fee of twenty dollars shall be
29 required for such duplicate licenses.

30 (2) The board, so far as in its judgment is reasonably possible,
31 shall confine ~~((class-H))~~ full service restaurant licenses to the
32 business districts of cities and towns and other communities, and not
33 grant such licenses in residential districts, nor within the immediate
34 vicinity of schools, without being limited in the administration of
35 this subsection to any specific distance requirements.

36 (3) The board shall have discretion to issue ~~((class-H))~~ full
37 service restaurant licenses outside of cities and towns in the state of
38 Washington. The purpose of this subsection is to enable the board, in
39 its discretion, to license in areas outside of cities and towns and

1 other communities, establishments which are operated and maintained
2 primarily for the benefit of tourists, vacationers and travelers, and
3 also golf and country clubs, and common carriers operating dining, club
4 and buffet cars, or boats.

5 (4) The total number of (~~class H~~) full service restaurant
6 licenses issued in the state of Washington by the board, not including
7 (~~those class H~~) full service private club licenses (~~issued to~~
8 ~~clubs~~), shall not in the aggregate at any time exceed one license for
9 each fifteen hundred of population in the state, determined according
10 to the yearly population determination developed by the office of
11 financial management pursuant to RCW 43.62.030.

12 (5) Notwithstanding the provisions of subsection (4) of this
13 section, the board shall refuse a (~~class H~~) full service restaurant
14 license to any applicant if in the opinion of the board the (~~class H~~)
15 full service restaurant licenses already granted for the particular
16 locality are adequate for the reasonable needs of the community.

17 (6) The board may issue a caterer's endorsement to this license to
18 allow the licensee to remove the liquor stocks at the licensed
19 premises, for use as liquor for sale and service at special occasion
20 locations at a specified date and place not currently licensed by the
21 board. The privilege of selling and serving liquor under such
22 endorsement is limited to members and guests of a society or
23 organization as defined in RCW 66.24.375. Cost of the endorsement is
24 three hundred fifty dollars.

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

31 (b) If attendance at the function will be limited to members and
32 invited guests of the sponsoring society or organization, the
33 requirement that the society or organization be within the definition
34 of RCW 66.24.375 is waived.

35 **Sec. 28.** RCW 66.24.425 and 1982 c 85 s 3 are each amended to read
36 as follows:

37 (1) The board may, in its discretion, issue a (~~class H~~) full
38 service restaurant license to a business which qualifies as a

1 "restaurant" as that term is defined in RCW 66.24.410 in all respects
2 except that the business does not serve the general public but, through
3 membership qualification, selectively restricts admission to the
4 business. For purposes of RCW 66.24.400 and 66.24.420, all licenses
5 issued under this section shall be considered (~~class-H~~) full service
6 restaurant licenses and shall be subject to all requirements, fees, and
7 qualifications in this title, or in rules adopted by the board, as are
8 applicable to (~~class-H~~) full service restaurant licenses generally
9 except that no service to the general public may be required.

10 (2) No license shall be issued under this section to a business:

11 (a) Which shall not have been in continuous operation for at least
12 one year immediately prior to the date of its application; or

13 (b) Which denies membership or admission to any person because of
14 race, creed, color, national origin, sex, or the presence of any
15 sensory, mental, or physical handicap.

16 **Sec. 29.** RCW 66.24.440 and 1949 c 5 s 5 are each amended to read
17 as follows:

18 Each (~~class-H~~) full service restaurant, full service private
19 club, and sports entertainment facility licensee shall be entitled to
20 purchase any spirituous liquor items salable under such (~~class-H~~)
21 license from the board at a discount of not less than fifteen percent
22 from the retail price fixed by the board, together with all taxes.

23 **Sec. 30.** RCW 66.24.450 and 1981 1st ex.s. c 5 s 18 are each
24 amended to read as follows:

25 (1) No club shall be entitled to a (~~class-H~~) full service private
26 club license:

27 (~~(1)~~) (a) Unless such private club has been in continuous
28 operation for at least one year immediately prior to the date of its
29 application for such license;

30 (~~(2)~~) (b) Unless the private club premises be constructed and
31 equipped, conducted, managed, and operated to the satisfaction of the
32 board and in accordance with this title and the regulations made
33 thereunder;

34 (~~(3)~~) (c) Unless the board shall have determined pursuant to any
35 regulations made by it with respect to private clubs, that such private
36 club is a bona fide private club; it being the intent of this section
37 that license shall not be granted to a club which is, or has been,

1 primarily formed or activated to obtain a license to sell liquor, but
2 solely to a bona fide private club, where the sale of liquor is
3 incidental to the main purposes of the private club, as defined in RCW
4 66.04.010(~~(+5)~~) (7).

5 (2) The annual fee for a full service private club license, whether
6 inside or outside of an incorporated city or town, is seven hundred
7 twenty dollars per year.

8 NEW SECTION. Sec. 31. A new section is added to chapter 66.24 RCW
9 to read as follows:

10 (1) There shall be a beer and wine license to be issued to a
11 private club for sale of beer and wine for on-premises consumption.

12 (2) Beer and wine sold by the licensee may be on tap or by open
13 bottles or cans.

14 (3) The fee for the private club beer and wine license is one
15 hundred eighty dollars per year.

16 **Sec. 32.** RCW 66.24.455 and 1994 c 201 s 2 are each amended to read
17 as follows:

18 Subject to approval by the board, holders of (~~class A, B, C, D, or~~
19 ~~H~~) beer and wine restaurant, tavern, snack bar, full service
20 restaurant, full service private club, or beer and wine private club
21 licenses may extend their premises for the sale, service, and
22 consumption of liquor authorized under their respective licenses to the
23 concourse or lane areas in a bowling establishment where the concourse
24 or lane areas are adjacent to the food preparation service facility.

25 **Sec. 33.** RCW 66.24.495 and 1981 c 142 s 1 are each amended to read
26 as follows:

27 (1) There shall be a (~~retailer's~~) license to be designated as
28 (~~class B~~) a nonprofit arts organization license. This shall be a
29 special license to be issued to any nonprofit arts organization which
30 sponsors and presents productions or performances of an artistic or
31 cultural nature in a specific theater or other appropriate designated
32 indoor premises approved by the board. The license shall permit the
33 licensee to sell liquor to patrons of productions or performances for
34 consumption on the premises at these events. The fee for the license
35 shall be two hundred fifty dollars per annum.

1 (2) For the purposes of this section, the term "nonprofit arts
2 organization" means an organization which is organized and operated for
3 the purpose of providing artistic or cultural exhibitions,
4 presentations, or performances or cultural or art education programs,
5 as defined in subsection (3) of this section, for viewing or attendance
6 by the general public. The organization must be a not-for-profit
7 corporation under chapter 24.03 RCW and managed by a governing board of
8 not less than eight individuals none of whom is a paid employee of the
9 organization or by a corporation sole under chapter 24.12 RCW. In
10 addition, the corporation must satisfy the following conditions:

11 (a) No part of its income may be paid directly or indirectly to its
12 members, stockholders, officers, directors, or trustees except in the
13 form of services rendered by the corporation in accordance with its
14 purposes and bylaws;

15 (b) Salary or compensation paid to its officers and executives must
16 be only for actual services rendered, and at levels comparable to the
17 salary or compensation of like positions within the state;

18 (c) Assets of the corporation must be irrevocably dedicated to the
19 activities for which the license is granted and, on the liquidation,
20 dissolution, or abandonment by the corporation, may not inure directly
21 or indirectly to the benefit of any member or individual except a
22 nonprofit organization, association, or corporation;

23 (d) The corporation must be duly licensed or certified when
24 licensing or certification is required by law or regulation;

25 (e) The proceeds derived from sales of liquor, except for
26 reasonable operating costs, must be used in furtherance of the purposes
27 of the organization;

28 (f) Services must be available regardless of race, color, national
29 origin, or ancestry; and

30 (g) The liquor control board shall have access to its books in
31 order to determine whether the corporation is entitled to a license.

32 (3) The term "artistic or cultural exhibitions, presentations, or
33 performances or cultural or art education programs" includes and is
34 limited to:

35 (a) An exhibition or presentation of works of art or objects of
36 cultural or historical significance, such as those commonly displayed
37 in art or history museums;

38 (b) A musical or dramatic performance or series of performances; or

1 (c) An educational seminar or program, or series of such programs,
2 offered by the organization to the general public on an artistic,
3 cultural, or historical subject.

4 **Sec. 34.** RCW 66.24.540 and 1993 c 511 s 1 are each amended to read
5 as follows:

6 There shall be a retailer's license to be designated as (~~class M~~)
7 a motel license. The (~~class M~~) motel license may be issued to a
8 motel that holds no other class of license under this title. No
9 license may be issued to a motel offering rooms to its guests on an
10 hourly basis. The license authorizes the licensee to sell, at retail,
11 in locked honor bars, spirits in individual bottles not to exceed fifty
12 milliliters, beer in individual cans or bottles not to exceed twelve
13 ounces, and wine in individual bottles not to exceed one hundred
14 eighty-seven milliliters, to registered guests of the motel for
15 consumption in guest rooms. Each honor bar must also contain snack
16 foods. No more than one-half of the guest rooms may have honor bars.
17 The board shall charge a reasonable fee for this license. All spirits
18 to be sold under the license must be purchased from the board. The
19 licensee shall require proof of age from the guest renting a guest room
20 and requesting the use of an honor bar. The guest shall also execute
21 an affidavit verifying that no one under twenty-one years of age shall
22 have access to the spirits, beer, and wine in the honor bar. "Motel"
23 as used in this section means a facility or place offering three or
24 more self-contained units designated by number, letter, or some other
25 method of identification to travelers and transient guests. As used in
26 this section, "spirits," "beer," and "wine" have the meanings defined
27 in RCW 66.04.010.

28 **Sec. 35.** RCW 66.24.550 and 1989 c 149 s 1 are each amended to read
29 as follows:

30 There shall be a beer and wine retailer's license to be designated
31 as (~~class P~~) a beer and wine gift delivery license to solicit, take
32 orders for, sell, and deliver beer and/or wine in bottles and original
33 packages to persons other than the person placing the order. A (~~class~~
34 ~~P~~) beer and wine gift delivery license may be issued only to a
35 business solely engaged in the sale or sale and delivery of gifts at
36 retail which holds no other class of license under this title or to a
37 person in the business of selling flowers or floral arrangements at

1 retail. No minimum beer and/or wine inventory requirement shall apply
2 to holders of ~~((class P))~~ beer and wine gift delivery licenses. The
3 fee for this license is seventy-five dollars per year. Delivery of
4 beer and/or wine under ~~((a class P))~~ a beer and wine gift delivery
5 license shall be made in accordance with all applicable provisions of
6 this title and the rules of the board, and no beer and/or wine so
7 delivered shall be opened on any premises licensed under this title.
8 A ~~((class P))~~ beer and wine gift delivery license does not authorize
9 door-to-door solicitation of gift wine delivery orders. Deliveries of
10 beer and/or wine under a ~~((class P))~~ beer and wine gift delivery
11 license shall be made only in conjunction with gifts or flowers.

12 **Sec. 36.** RCW 66.24.570 and 1996 c 218 s 1 are each amended to read
13 as follows:

14 (1) There is a license for sports entertainment facilities to be
15 designated as a ~~((class R))~~ sports/entertainment facility license to
16 sell beer, wine, and spirits at retail, for consumption upon the
17 premises only, the license to be issued to the entity providing food
18 and beverage service at a sports entertainment facility as defined in
19 this section. The cost of the license is two thousand five hundred
20 dollars per annum.

21 (2) For purposes of this section, a sports entertainment facility
22 includes a publicly or privately owned arena, coliseum, stadium, or
23 facility where sporting events are presented for a price of admission.
24 The facility does not have to be exclusively used for sporting events.

25 (3) The board may impose reasonable requirements upon a licensee
26 under this section, such as requirements for the availability of food
27 and victuals including but not limited to hamburgers, sandwiches,
28 salads, or other snack food. The board may also restrict the type of
29 events at a sports entertainment facility at which beer, wine, and
30 spirits may be served. When imposing conditions for a licensee, the
31 board must consider the seating accommodations, eating facilities, and
32 circulation patterns in such a facility, and other amenities available
33 at a sports entertainment facility.

34 (4) The board may issue a caterer's endorsement to the license
35 under this section to allow the licensee to remove from the liquor
36 stocks at the licensed premises, for use as liquor for sale and service
37 at special occasion locations at a specified date and place not
38 currently licensed by the board. The privilege of selling and serving

1 liquor under the endorsement is limited to members and guests of a
2 society or organization as defined in RCW 66.24.375. Cost of the
3 endorsement is three hundred fifty dollars.

4 (a) The holder of this license with catering endorsement shall, if
5 requested by the board, notify the board or its designee of the date,
6 time, place, and location of any catered event. Upon request, the
7 licensee shall provide to the board all necessary or requested
8 information concerning the society or organization that will be holding
9 the function at which the endorsed license will be utilized.

10 (b) If attendance at the function will be limited to members and
11 invited guests of the sponsoring society or organization, the
12 requirement that the society or organization be within the definition
13 of RCW 66.24.375 is waived.

14 **Sec. 37.** RCW 66.04.010 and 1991 c 192 s 1 are each amended to read
15 as follows:

16 In this title, unless the context otherwise requires:

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

26 (2) "Beer" means any malt beverage or malt liquor as these terms
27 are defined in this chapter.

28 (3) "Beer distributor" means a person who buys beer from a brewer
29 or brewery located either within or beyond the boundaries of the state,
30 beer importers, or foreign produced beer from a source outside the
31 state of Washington, for the purpose of selling the same pursuant to
32 this title, or who represents such brewer or brewery as agent.

33 (4) "Beer importer" means a person or business within Washington
34 who purchases beer from a United States brewery holding a certificate
35 of approval (B5) or foreign produced beer from a source outside the
36 state of Washington for the purpose of selling the same pursuant to
37 this title.

1 (5) "Brewer" means any person engaged in the business of
2 manufacturing beer and malt liquor.

3 ~~((+4))~~ (6) "Board" means the liquor control board, constituted
4 under this title.

5 ~~((+5))~~ (7) "Club" means an organization of persons, incorporated
6 or unincorporated, operated solely for fraternal, benevolent,
7 educational, athletic or social purposes, and not for pecuniary gain.

8 ~~((+6))~~ (8) "Consume" includes the putting of liquor to any use,
9 whether by drinking or otherwise.

10 ~~((+7))~~ (9) "Dentist" means a practitioner of dentistry duly and
11 regularly licensed and engaged in the practice of his profession within
12 the state pursuant to chapter 18.32 RCW.

13 ~~((+8))~~ (10) "Distiller" means a person engaged in the business of
14 distilling spirits.

15 ~~((+9))~~ (11) "Domestic winery" means a place where wines are
16 manufactured or produced within the state of Washington.

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

21 ~~((+10))~~ (13) "Drug store" means a place whose principal business
22 is, the sale of drugs, medicines and pharmaceutical preparations and
23 maintains a regular prescription department and employs a registered
24 pharmacist during all hours the drug store is open.

25 ~~((+11))~~ (14) "Employee" means any person employed by the board,
26 including a vendor, as hereinafter in this section defined.

27 ~~((+12))~~ (15) "Fund" means 'liquor revolving fund.'

28 ~~((+13))~~ (16) "Hotel" means every building or other structure kept,
29 used, maintained, advertised or held out to the public to be a place
30 where food is served and sleeping accommodations are offered for pay to
31 transient guests, in which twenty or more rooms are used for the
32 sleeping accommodation of such transient guests and having one or more
33 dining rooms where meals are served to such transient guests, such
34 sleeping accommodations and dining rooms being conducted in the same
35 building and buildings, in connection therewith, and such structure or
36 structures being provided, in the judgment of the board, with adequate
37 and sanitary kitchen and dining room equipment and capacity, for
38 preparing, cooking and serving suitable food for its guests: PROVIDED
39 FURTHER, That in cities and towns of less than five thousand

1 population, the board shall have authority to waive the provisions
2 requiring twenty or more rooms.

3 ~~((14))~~ (17) "Importer" means a person who buys distilled spirits
4 from a distillery outside the state of Washington and imports such
5 spirituous liquor into the state for sale to the board or for export.

6 (18) "Imprisonment" means confinement in the county jail.

7 ~~((15))~~ (19) "Liquor" includes the four varieties of liquor herein
8 defined (alcohol, spirits, wine and beer), and all fermented,
9 spirituous, vinous, or malt liquor, or combinations thereof, and mixed
10 liquor, a part of which is fermented, spirituous, vinous or malt
11 liquor, or otherwise intoxicating; and every liquid or solid or
12 semisolid or other substance, patented or not, containing alcohol,
13 spirits, wine or beer, and all drinks or drinkable liquids and all
14 preparations or mixtures capable of human consumption, and any liquid,
15 semisolid, solid, or other substance, which contains more than one
16 percent of alcohol by weight shall be conclusively deemed to be
17 intoxicating. Liquor does not include confections or food products
18 that contain one percent or less of alcohol by weight.

19 ~~((16))~~ (20) "Manufacturer" means a person engaged in the
20 preparation of liquor for sale, in any form whatsoever.

21 ~~((17))~~ (21) "Malt beverage" or "malt liquor" means any beverage
22 such as beer, ale, lager beer, stout, and porter obtained by the
23 alcoholic fermentation of an infusion or decoction of pure hops, or
24 pure extract of hops and pure barley malt or other wholesome grain or
25 cereal in pure water containing not more than eight percent of alcohol
26 by weight, and not less than one-half of one percent of alcohol by
27 volume. For the purposes of this title, any such beverage containing
28 more than eight percent of alcohol by weight shall be referred to as
29 "strong beer."

30 ~~((18))~~ (22) "Package" means any container or receptacle used for
31 holding liquor.

32 ~~((19))~~ (23) "Permit" means a permit for the purchase of liquor
33 under this title.

34 ~~((20))~~ (24) "Person" means an individual, copartnership,
35 association, or corporation.

36 ~~((21))~~ (25) "Physician" means a medical practitioner duly and
37 regularly licensed and engaged in the practice of his profession within
38 the state pursuant to chapter 18.71 RCW.

1 (~~(22)~~) (26) "Prescription" means a memorandum signed by a
2 physician and given by him to a patient for the obtaining of liquor
3 pursuant to this title for medicinal purposes.

4 (~~(23)~~) (27) "Public place" includes streets and alleys of
5 incorporated cities and towns; state or county or township highways or
6 roads; buildings and grounds used for school purposes; public dance
7 halls and grounds adjacent thereto; those parts of establishments where
8 beer may be sold under this title, soft drink establishments, public
9 buildings, public meeting halls, lobbies, halls and dining rooms of
10 hotels, restaurants, theatres, stores, garages and filling stations
11 which are open to and are generally used by the public and to which the
12 public is permitted to have unrestricted access; railroad trains,
13 stages, and other public conveyances of all kinds and character, and
14 the depots and waiting rooms used in conjunction therewith which are
15 open to unrestricted use and access by the public; publicly owned
16 bathing beaches, parks, and/or playgrounds; and all other places of
17 like or similar nature to which the general public has unrestricted
18 right of access, and which are generally used by the public.

19 (~~(24)~~) (28) "Regulations" means regulations made by the board
20 under the powers conferred by this title.

21 (~~(25)~~) (29) "Restaurant" means any establishment provided with
22 special space and accommodations where, in consideration of payment,
23 food, without lodgings, is habitually furnished to the public, not
24 including drug stores and soda fountains.

25 (~~(26)~~) (30) "Sale" and "sell" include exchange, barter, and
26 traffic; and also include the selling or supplying or distributing, by
27 any means whatsoever, of liquor, or of any liquid known or described as
28 beer or by any name whatever commonly used to describe malt or brewed
29 liquor or of wine, by any person to any person; and also include a sale
30 or selling within the state to a foreign consignee or his agent in the
31 state. "Sale" and "sell" shall not include the giving, at no charge,
32 of a reasonable amount of liquor by a person not licensed by the board
33 to a person not licensed by the board, for personal use only. "Sale"
34 and "sell" also does not include a raffle authorized under RCW
35 9.46.0315: PROVIDED, That the nonprofit organization conducting the
36 raffle has obtained the appropriate permit from the board.

37 (~~(27)~~) (31) "Soda fountain" means a place especially equipped
38 with apparatus for the purpose of dispensing soft drinks, whether mixed
39 or otherwise.

1 ~~((28))~~ (32) "Spirits" means any beverage which contains alcohol
2 obtained by distillation, including wines exceeding twenty-four percent
3 of alcohol by volume.

4 ~~((29))~~ (33) "Store" means a state liquor store established under
5 this title.

6 ~~((30))~~ (34) "Tavern" means any establishment with special space
7 and accommodation for sale by the glass and for consumption on the
8 premises, of beer, as herein defined.

9 ~~((31))~~ (35) "Vendor" means a person employed by the board as a
10 store manager under this title.

11 ~~((32))~~ (36) "Winery" means a business conducted by any person for
12 the manufacture of wine for sale, other than a domestic winery.

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

15 ~~(34))~~ (37) "Wine" means any alcoholic beverage obtained by
16 fermentation of fruits (grapes, berries, apples, et cetera) or other
17 agricultural product containing sugar, to which any saccharine
18 substances may have been added before, during or after fermentation,
19 and containing not more than twenty-four percent of alcohol by volume,
20 including sweet wines fortified with wine spirits, such as port,
21 sherry, muscatel and angelica, not exceeding twenty-four percent of
22 alcohol by volume and not less than one-half of one percent of alcohol
23 by volume. For purposes of this title, any beverage containing no more
24 than fourteen percent of alcohol by volume when bottled or packaged by
25 the manufacturer shall be referred to as "table wine," and any beverage
26 containing alcohol in an amount more than fourteen percent by volume
27 when bottled or packaged by the manufacturer shall be referred to as
28 "fortified wine." However, "fortified wine" shall not include: (a)
29 Wines that are both sealed or capped by cork closure and aged two years
30 or more; and (b) wines that contain more than fourteen percent alcohol
31 by volume solely as a result of the natural fermentation process and
32 that have not been produced with the addition of wine spirits, brandy,
33 or alcohol.

34 This subsection shall not be interpreted to require that any wine
35 be labeled with the designation "table wine" or "fortified wine."

36 ~~((35) "Beer wholesaler" means a person who buys beer from a brewer
37 or brewery located either within or beyond the boundaries of the state
38 for the purpose of selling the same pursuant to this title, or who
39 represents such brewer or brewery as agent.~~

1 ~~(36))~~ (38) "Wine (~~wholesaler~~) distributor" means a person who
2 buys wine from a vintner or winery located either within or beyond the
3 boundaries of the state for the purpose of selling the same not in
4 violation of this title, or who represents such vintner or winery as
5 agent.

6 (39) "Wine importer" means a person or business within Washington
7 who purchases wine from a United States winery holding a certificate of
8 approval (W7) or foreign produced wine from a source outside the state
9 of Washington for the purpose of selling the same pursuant to this
10 title.

11 **Sec. 38.** RCW 66.28.200 and 1993 c 21 s 2 are each amended to read
12 as follows:

13 Licensees holding a (~~class A or B~~) limited service restaurant or
14 a tavern license in combination with (~~a class E~~) an off-premises beer
15 and wine retailer's license may sell malt liquor in kegs or other
16 containers capable of holding four gallons or more of liquid. Under a
17 special endorsement from the board, a grocery store licensee may sell
18 malt liquor in containers no larger than five and one-half gallons.
19 The sale of any container holding four gallons or more must comply with
20 the provisions of this section and RCW 66.28.210 through 66.28.240.
21 Any person who sells or offers for sale the contents of kegs or other
22 containers containing four gallons or more of malt liquor, or leases
23 kegs or other containers that will hold four gallons of malt liquor, to
24 consumers who are not licensed under chapter 66.24 RCW shall do the
25 following for any transaction involving the container:

26 (1) Require the purchaser of the malt liquor to sign a declaration
27 and receipt for the keg or other container or beverage in substantially
28 the form provided in RCW 66.28.220;

29 (2) Require the purchaser to provide one piece of identification
30 pursuant to RCW 66.16.040;

31 (3) Require the purchaser to sign a sworn statement, under penalty
32 of perjury, that:

33 (a) The purchaser is of legal age to purchase, possess, or use malt
34 liquor;

35 (b) The purchaser will not allow any person under the age of
36 twenty-one years to consume the beverage except as provided by RCW
37 66.44.270;

1 (c) The purchaser will not remove, obliterate, or allow to be
2 removed or obliterated, the identification required under RCW 66.28.220
3 to be affixed to the container;

4 (4) Require the purchaser to state the particular address where the
5 malt liquor will be consumed, or the particular address where the keg
6 or other container will be physically located; and

7 (5) Require the purchaser to maintain a copy of the declaration and
8 receipt next to or adjacent to the keg or other container, in no event
9 a distance greater than five feet, and visible without a physical
10 barrier from the keg, during the time that the keg or other container
11 is in the purchaser's possession or control.

12 **Sec. 39.** RCW 66.24.210 and 1996 c 118 s 1 are each amended to read
13 as follows:

14 (1) There is hereby imposed upon all wines except cider sold to
15 wine (~~wholesalers~~) distributors and the Washington state liquor
16 control board, within the state a tax at the rate of twenty and one-
17 fourth cents per liter and there is hereby imposed on all cider sold to
18 wine (~~wholesalers~~) distributors and the Washington state liquor
19 control board within the state a tax at the rate of three and fifty-
20 nine one-hundredths cents per liter: PROVIDED, HOWEVER, That wine sold
21 or shipped in bulk from one winery to another winery shall not be
22 subject to such tax. The tax provided for in this section shall be
23 collected by direct payments based on wine purchased by wine
24 (~~wholesalers~~) distributors. Every person purchasing wine under the
25 provisions of this section shall on or before the twentieth day of each
26 month report to the board all purchases during the preceding calendar
27 month in such manner and upon such forms as may be prescribed by the
28 board, and with such report shall pay the tax due from the purchases
29 covered by such report unless the same has previously been paid. Any
30 such purchaser of wine whose applicable tax payment is not postmarked
31 by the twentieth day following the month of purchase will be assessed
32 a penalty at the rate of two percent a month or fraction thereof. The
33 board may require that every such person shall execute to and file with
34 the board a bond to be approved by the board, in such amount as the
35 board may fix, securing the payment of the tax. If any such person
36 fails to pay the tax when due, the board may forthwith suspend or
37 cancel the license until all taxes are paid.

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

6 (3) An additional tax is imposed on wines subject to tax under
7 subsection (1) of this section, at the rate of one-fourth of one cent
8 per liter for wine sold after June 30, 1987. After June 30, 1996, such
9 additional tax does not apply to cider. An additional tax of five one-
10 hundredths of one cent per liter is imposed on cider sold after June
11 30, 1996. The additional taxes imposed by this subsection (3) shall
12 cease to be imposed on July 1, 2001. All revenues collected under this
13 subsection (3) shall be disbursed quarterly to the Washington wine
14 commission for use in carrying out the purposes of chapter 15.88 RCW.

15 (4) An additional tax is imposed on all wine subject to tax under
16 subsection (1) of this section. The additional tax is equal to twenty-
17 three and forty-four one-hundredths cents per liter on fortified wine
18 as defined in RCW 66.04.010(~~(+34+)~~) (37) when bottled or packaged by
19 the manufacturer, one cent per liter on all other wine except cider,
20 and eighteen one-hundredths of one cent per liter on cider. All
21 revenues collected during any month from this additional tax shall be
22 deposited in the violence reduction and drug enforcement account under
23 RCW 69.50.520 by the twenty-fifth day of the following month.

24 (5)(a) An additional tax is imposed on all cider subject to tax
25 under subsection (1) of this section. The additional tax is equal to
26 two and four one-hundredths cents per liter of cider sold after June
27 30, 1996, and before July 1, 1997, and is equal to four and seven one-
28 hundredths cents per liter of cider sold after June 30, 1997.

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

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

1 **Sec. 40.** RCW 15.88.030 and 1988 c 254 s 12 are each amended to
2 read as follows:

3 (1) There is created an agricultural commodity commission to be
4 known and designated as the Washington wine commission. Except as
5 provided in RCW 15.88.100(2), the commission shall be composed of
6 eleven voting members; five voting members shall be growers, five
7 voting members shall be wine producers, and one voting member shall be
8 a wine (~~wholesaler~~) distributor licensed under RCW 66.24.200. Of the
9 grower members, at least one shall be a person who does not have over
10 fifty acres of vinifera grapes in production, at least one shall be a
11 person who has over one hundred acres of vinifera grapes in production,
12 and two may be persons who produce and sell their own wine. Of the
13 wine producer members, at least one shall be a person producing not
14 more than twenty-five thousand gallons of wine annually, at least one
15 shall be a person producing over one million gallons of wine annually,
16 and at least two shall be persons who produce wine from their own
17 grapes. In addition, at least one member shall be a wine producer
18 located in western Washington and at least two members shall be wine
19 producers located in eastern Washington.

20 (2) In addition to the voting members identified in subsection (1)
21 of this section, the commission shall have one nonvoting member who is
22 a wine producer in this state whose principal wine or wines are
23 produced from fruit other than vinifera grapes. The director of
24 agriculture, or the director's designee, shall serve as an ex officio,
25 nonvoting member.

26 (3) Except as provided in RCW 15.88.100(2), seven voting members of
27 the commission constitute a quorum for the transaction of any business
28 of the commission.

29 (4) Each voting member of the commission shall be a citizen and
30 resident of this state and over the age of twenty-one years. Each
31 voting member, except the member holding position eleven, must be or
32 must have been engaged in that phase of the grower or wine producer
33 industry that he or she is appointed to represent, and must during his
34 or her term of office derive a substantial portion of income therefrom,
35 or have a substantial investment in the growing of vinifera grapes or
36 the production of wine from vinifera grapes as an owner, lessee,
37 partner, or a stockholder owning at least ten percent of the voting
38 stock in a corporation engaged in the growing of vinifera grapes or
39 wine production from vinifera grapes; or the manager or executive

1 officer of such a corporation. These qualifications apply throughout
2 each member's term of office.

3 **Sec. 41.** RCW 19.126.020 and 1984 c 169 s 2 are each amended to
4 read as follows:

5 The definitions set forth in this section apply throughout this
6 chapter unless the context clearly requires otherwise.

7 (1) "Agreement of distributorship" means any contract, agreement,
8 commercial relationship, license, association, or any other
9 arrangement, for a definite or indefinite period, between a supplier
10 and ((~~wholesale~~)) distributor.

11 (2) "((~~Wholesale~~)) Distributor" means any person, including but not
12 limited to a component of a supplier's distribution system constituted
13 as an independent business, importing or causing to be imported into
14 this state, or purchasing or causing to be purchased within this state,
15 any malt beverage or wine for sale or resale to retailers licensed
16 under the laws of this state, regardless of whether the business of
17 such person is conducted under the terms of any agreement with a malt
18 beverage or wine manufacturer.

19 (3) "Supplier" means any malt beverage or wine manufacturer or
20 importer who enters into or is a party to any agreement of
21 distributorship with a wholesale distributor. "Supplier" does not
22 include: (a) Any domestic winery licensed pursuant to RCW 66.24.170;
23 (b) any winery or manufacturer of wine producing less than three
24 hundred thousand gallons of wine annually and holding a certificate of
25 approval issued pursuant to RCW 66.24.206; (c) any domestic brewer or
26 microbrewer licensed under RCW 66.24.240 and producing less than fifty
27 thousand barrels of malt liquor annually; or (d) any brewer or
28 manufacturer of malt liquor producing less than fifty thousand barrels
29 of malt liquor annually and holding a certificate of approval issued
30 under RCW 66.24.270.

31 (4) "Malt beverage manufacturer" means every brewer, fermenter,
32 processor, bottler, or packager of malt beverages located within or
33 outside this state, or any other person, whether located within or
34 outside this state, who enters into an agreement of distributorship for
35 the resale of malt beverages in this state with any wholesale
36 distributor doing business in the state of Washington.

37 (5) "Wine manufacturer" means every winery, processor, bottler, or
38 packager of wine located within or outside this state, or any other

1 person, whether located within or outside this state who enters into an
2 agreement of distributorship for the resale of wine in this state with
3 any wine wholesale distributor doing business in the state of
4 Washington.

5 (6) "Importer" means any (~~wholesale~~) distributor importing beer
6 or wine into this state for sale to retailer accounts or for sale to
7 other wholesalers designated as "subjobbers" for resale.

8 (7) "Person" means any natural person, corporation, partnership,
9 trust, agency, or other entity, as well as any individual officers,
10 directors, or other persons in active control of the activities of such
11 entity.

12 **Sec. 42.** RCW 66.16.100 and 1987 c 386 s 5 are each amended to read
13 as follows:

14 No state liquor store in a county with a population over three
15 hundred thousand may sell fortified wine if the board finds that the
16 sale would be against the public interest based on the factors in RCW
17 (~~66.24.370~~) 66.24.360. The burden of establishing that the sale
18 would be against the public interest is on those persons objecting.

19 **Sec. 43.** RCW 66.20.010 and 1984 c 78 s 6 and 1984 c 45 s 1 are
20 each reenacted and amended to read as follows:

21 Upon application in the prescribed form being made to any employee
22 authorized by the board to issue permits, accompanied by payment of the
23 prescribed fee, and upon the employee being satisfied that the
24 applicant should be granted a permit under this title, the employee
25 shall issue to the applicant under such regulations and at such fee as
26 may be prescribed by the board a permit of the class applied for, as
27 follows:

28 (1) Where the application is for a special permit by a physician or
29 dentist, or by any person in charge of an institution regularly
30 conducted as a hospital or sanitorium for the care of persons in ill
31 health, or as a home devoted exclusively to the care of aged people, a
32 special liquor purchase permit;

33 (2) Where the application is for a special permit by a person
34 engaged within the state in mechanical or manufacturing business or in
35 scientific pursuits requiring alcohol for use therein, or by any
36 private individual, a special permit to purchase alcohol for the
37 purpose named in the permit;

1 (3) Where the application is for a special permit to consume liquor
2 at a banquet, at a specified date and place, a special permit to
3 purchase liquor for consumption at such banquet, to such applicants as
4 may be fixed by the board;

5 (4) Where the application is for a special permit to consume liquor
6 on the premises of a business not licensed under this title, a special
7 permit to purchase liquor for consumption thereon for such periods of
8 time and to such applicants as may be fixed by the board;

9 (5) Where the application is for a special permit by a manufacturer
10 to import or purchase within the state alcohol, malt, and other
11 materials containing alcohol to be used in the manufacture of liquor,
12 or other products, a special permit;

13 (6) Where the application is for a special permit by a person
14 operating a drug store to purchase liquor at retail prices only, to be
15 thereafter sold by such person on the prescription of a physician, a
16 special liquor purchase permit;

17 (7) Where the application is for a special permit by an authorized
18 representative of a military installation operated by or for any of the
19 armed forces within the geographical boundaries of the state of
20 Washington, a special permit to purchase liquor for use on such
21 military installation at prices to be fixed by the board;

22 (8) Where the application is for a special permit by a
23 manufacturer, importer, (~~wholesaler~~) or distributor, or (~~agent~~)
24 representative thereof, to serve liquor without charge to delegates and
25 guests at a convention of a trade association composed of licensees of
26 the board, when the said liquor is served in a hospitality room or from
27 a booth in a board-approved suppliers' display room at the convention,
28 and when the liquor so served is for consumption in the said
29 hospitality room or display room during the convention, anything in
30 Title 66 RCW to the contrary notwithstanding. Any such spirituous
31 liquor shall be purchased from the board or a (~~class-H~~) full service
32 restaurant licensee and any such beer and wine shall be subject to the
33 taxes imposed by RCW 66.24.290 and 66.24.210;

34 (9) Where the application is for a special permit by a
35 manufacturer, importer, (~~wholesaler~~) or distributor, or (~~agent~~)
36 representative thereof, to donate liquor for a reception, breakfast,
37 luncheon, or dinner for delegates and guests at a convention of a trade
38 association composed of licensees of the board, when the liquor so
39 donated is for consumption at the said reception, breakfast, luncheon,

1 or dinner during the convention, anything in Title 66 RCW to the
2 contrary notwithstanding. Any such spirituous liquor shall be
3 purchased from the board or a class H licensee and any such beer and
4 wine shall be subject to the taxes imposed by RCW 66.24.290 and
5 66.24.210;

6 (10) Where the application is for a special permit by a
7 manufacturer, importer, (~~wholesaler~~) or distributor, or (~~agent~~)
8 representative thereof, to donate and/or serve liquor without charge to
9 delegates and guests at an international trade fair, show, or
10 exposition held under the auspices of a federal, state, or local
11 governmental entity or organized and promoted by a nonprofit
12 organization, anything in Title 66 RCW to the contrary notwithstanding.
13 Any such spirituous liquor shall be purchased from the board and any
14 such beer or wine shall be subject to the taxes imposed by RCW
15 66.24.290 and 66.24.210;

16 (11) Where the application is for an annual special permit by a
17 person operating a bed and breakfast lodging facility to donate or
18 serve wine or beer without charge to overnight guests of the facility
19 if the wine or beer is for consumption on the premises of the facility.
20 "Bed and breakfast lodging facility," as used in this subsection, means
21 a hotel or similar facility offering from one to eight lodging units
22 and breakfast to travelers and guests.

23 **Sec. 44.** RCW 66.20.300 and 1996 c 218 s 2 are each amended to read
24 as follows:

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

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

28 (2) "Alcohol server" means any person serving or selling alcohol,
29 spirits, wines, or beer for consumption at an on-premises retail
30 licensed facility as a regular requirement of his or her employment,
31 and includes those persons eighteen years of age or older permitted by
32 the liquor laws of this state to serve alcoholic beverages with meals.

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

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

37 (5) "Retail licensed premises" means any premises licensed to sell
38 alcohol by the glass or by the drink, or in original containers

1 primarily for consumption on the premises as authorized by RCW
2 66.24.320, 66.24.330, (~~66.24.340~~) 66.24.350, 66.24.400, 66.24.425,
3 66.24.450, and 66.24.570.

4 **Sec. 45.** RCW 66.20.310 and 1996 c 311 s 1 and 1996 c 218 s 3 are
5 each reenacted and amended to read 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.

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

14 (2)(a) Effective January 1, 1997, except as provided in (d) of this
15 subsection, every person employed, under contract or otherwise, by an
16 annual retail liquor licensee holding a license as authorized by RCW
17 66.24.320, 66.24.330, (~~66.24.340~~) 66.24.350, 66.24.400, 66.24.425,
18 66.24.450, or 66.24.570, who as part of his or her employment
19 participates in any manner in the sale or service of alcoholic
20 beverages 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
22 the name of the applicant and no other person may use the permit of
23 another permit holder. The holder shall present the permit upon
24 request to inspection by a representative of the board or a peace
25 officer. The class 12 or class 13 permit shall be valid for employment
26 at any retail licensed premises described in (a) of this subsection.

27 (c) No licensee described in (a) of this subsection, except as
28 provided in (d) of this subsection, may employ or accept the services
29 of any person without the person first having a valid class 12 or class
30 13 permit.

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

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

37 (3) A permit issued by a training entity under this section is
38 valid for employment at any retail licensed premises described in

1 subsection (2)(a) of this section for a period of five years unless
2 suspended by the board.

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

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

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

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

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

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

25 (7) (~~Establishments~~) Grocery stores licensed under RCW
26 (~~66.24.320 and 66.24.340~~) 66.24.360, the primary commercial activity
27 of which is the sale of grocery products and for which the sale and
28 service of beer and wine for on-premises consumption with food is
29 incidental to the primary business, and employees of such
30 establishments, are exempt from RCW 66.20.300 through 66.20.350.

31 **Sec. 46.** RCW 66.28.010 and 1996 c 224 s 3 and 1996 c 106 s 1 are
32 each reenacted and amended to read as follows:

33 (1)(a) No manufacturer, importer, or (~~wholesaler~~) distributor, or
34 person financially interested, directly or indirectly, in such
35 business; whether resident or nonresident, shall have any financial
36 interest, direct or indirect, in any licensed retail business; nor
37 shall any manufacturer, importer, or (~~wholesaler~~) distributor own any
38 of the property upon which such licensed persons conduct their

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

32 (b) Nothing in this section shall prohibit a licensed ((~~brewer~~))
33 domestic brewery or microbrewery from being licensed as a retailer
34 pursuant to chapter 66.24 RCW for the purpose of selling beer or wine
35 at retail on the brewery premises and nothing in this section shall
36 prohibit a domestic winery from being licensed as a retailer pursuant
37 to chapter 66.24 RCW for the purpose of selling beer or wine at retail
38 on the winery premises. Such beer and wine so sold at retail shall be
39 subject to the taxes imposed by RCW 66.24.290 and 66.24.210 and to

1 reporting and bonding requirements as prescribed by regulations adopted
2 by the board pursuant to chapter 34.05 RCW, and beer and wine that is
3 not produced by the brewery or winery shall be purchased from a
4 licensed beer or wine (~~wholesaler~~) distributor.

5 (c) Nothing in this section shall prohibit a licensed (~~brewer or~~)
6 domestic brewery, microbrewery, domestic winery, or a lessee of a
7 licensed domestic brewer, microbrewery, or domestic winery, from being
8 licensed as a (~~class H~~) full service restaurant pursuant to chapter
9 66.24 RCW for the purpose of selling liquor at a (~~class H~~) full
10 service restaurant premises on the property on which the primary
11 manufacturing facility of the licensed domestic brewer, microbrewery,
12 or domestic winery is located or on contiguous property owned by the
13 licensed domestic brewer, microbrewery, or domestic winery as
14 prescribed by (~~regulations~~) rules adopted by the board pursuant to
15 chapter 34.05 RCW.

16 (2) Financial interest, direct or indirect, as used in this
17 section, shall include any interest, whether by stock ownership,
18 mortgage, lien, or through interlocking directors, or otherwise.
19 Pursuant to rules promulgated by the board in accordance with chapter
20 34.05 RCW manufacturers, (~~wholesalers~~) distributors, and importers
21 may perform, and retailers may accept the service of building, rotating
22 and restocking case displays and stock room inventories; rotating and
23 rearranging can and bottle displays of their own products; provide
24 point of sale material and brand signs; price case goods of their own
25 brands; and perform such similar normal business services as the board
26 may by regulation prescribe.

27 (3)(a) This section does not prohibit a manufacturer, importer, or
28 (~~wholesaler~~) distributor from providing services to a (~~class G or J~~
29 ~~retail~~) special occasion licensee for: (i) Installation of draft beer
30 dispensing equipment or advertising, (ii) advertising, pouring, or
31 dispensing of beer or wine at a beer or wine tasting exhibition or
32 judging event, or (iii) a (~~class G or J retail~~) special occasion
33 licensee from receiving any such services as may be provided by a
34 manufacturer, importer, or (~~wholesaler~~) distributor. Nothing in this
35 section shall prohibit a retail licensee, or any person financially
36 interested, directly or indirectly, in such a retail licensee from
37 having a financial interest, direct or indirect, in a business which
38 provides, for a compensation commensurate in value to the services
39 provided, bottling, canning or other services to a manufacturer, so

1 long as the retail licensee or person interested therein has no direct
2 financial interest in or control of said manufacturer.

3 (b) A person holding contractual rights to payment from selling a
4 liquor (~~((wholesaler's))~~) distributor's business and transferring the
5 license shall not be deemed to have a financial interest under this
6 section if the person (i) lacks any ownership in or control of the
7 (~~((wholesaler))~~) distributor, (ii) is not employed by the (~~((wholesaler))~~)
8 distributor, and (iii) does not influence or attempt to influence
9 liquor purchases by retail liquor licensees from the (~~((wholesaler))~~)
10 distributor.

11 (c) The board shall adopt such rules as are deemed necessary to
12 carry out the purposes and provisions of subsection (3)(a) of this
13 section in accordance with the administrative procedure act, chapter
14 34.05 RCW.

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

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

20 **Sec. 47.** RCW 66.28.030 and 1975 1st ex.s. c 173 s 8 are each
21 amended to read as follows:

22 Every licensed brewer, domestic brewer and microbrewer, domestic
23 winery, manufacturer holding a certificate of approval, licensed wine
24 importer, and licensed beer importer shall be responsible for the
25 conduct of any licensed beer or wine (~~((wholesaler))~~) distributor in
26 selling, or contracting to sell, to retail licensees, beer or wine
27 manufactured by such brewer, domestic brewer and microbrewer, domestic
28 winery, manufacturer holding a certificate of approval, or imported by
29 such beer or wine importer. Where the board finds that any licensed
30 beer or wine (~~((wholesaler))~~) distributor has violated any of the
31 provisions of this title or of the regulations of the board in selling
32 or contracting to sell beer or wine to retail licensees, the board may,
33 in addition to any punishment inflicted or imposed upon such
34 (~~((wholesaler))~~) distributor, prohibit the sale of the brand or brands of
35 beer or wine involved in such violation to any or all retail licensees
36 within the trade territory usually served by such (~~((wholesaler))~~)
37 distributor for such period of time as the board may fix, irrespective
38 of whether the brewer manufacturing such beer or the beer importer

1 importing such beer or the domestic winery manufacturing such wine or
2 the wine importer importing such wine or the certificate of approval
3 holder manufacturing such beer or wine actually participated in such
4 violation.

5 **Sec. 48.** RCW 66.28.040 and 1987 c 452 s 15 are each amended to
6 read as follows:

7 Except as permitted by the board under RCW 66.20.010, no (~~brewer,~~
8 ~~wholesaler~~) brewery, distributor, distiller, winery, importer,
9 rectifier, or other manufacturer of liquor shall, within the state,
10 (~~by himself, his clerk, servant, or agent,~~) give or allow any
11 employee or representative to give to any person any liquor; but
12 nothing in this section nor in RCW 66.28.010 shall prevent a (~~brewer,~~
13 ~~wholesaler~~) brewery, distributor, winery, or importer from furnishing
14 samples of beer or wine to authorized licensees for the purpose of
15 negotiating a sale, in accordance with regulations adopted by the
16 liquor control board, provided that the samples are subject to taxes
17 imposed by RCW 66.24.290 and 66.24.210; nothing in this section shall
18 prevent the furnishing of samples of liquor to the board for the
19 purpose of negotiating the sale of liquor to the state liquor control
20 board; nothing in this section shall prevent a brewery, winery, or
21 (~~wholesaler~~) distributor from furnishing beer or wine for
22 instructional purposes under RCW 66.28.150; nothing in this section
23 shall prevent a winery or (~~wholesaler~~) distributor from furnishing
24 wine without charge to a not-for-profit group organized and operated
25 solely for the purpose of enology or the study of viticulture which has
26 been in existence for at least six months and any wine so furnished
27 shall be used solely for such educational purposes, provided that the
28 wine furnished shall be subject to the taxes imposed by RCW 66.24.210;
29 nothing in this section shall prevent a brewer from serving beer
30 without charge, on the brewery premises; nothing in this section shall
31 prevent donations of wine for the purposes of RCW 66.12.180; and
32 nothing in this section shall prevent a domestic winery from serving
33 wine without charge, on the winery premises.

34 **Sec. 49.** RCW 66.28.050 and 1982 c 85 s 11 are each amended to read
35 as follows:

36 No person shall canvass for, solicit, receive, or take orders for
37 the purchase or sale of any liquor, or act as (~~agent~~) representative

1 for the purchase or sale of liquor except as authorized by RCW
2 66.24.310 ((as now or hereafter amended)) or by RCW 66.24.550.
3 ((Nothing in this section contained shall apply to agents dealing with
4 the board or to the receipt or transmission of a telegram or letter by
5 any telegraph agent or operator or post office employee in the ordinary
6 course of his employment as such agent, operator or employee.))

7 **Sec. 50.** RCW 66.28.170 and 1985 c 226 s 3 are each amended to read
8 as follows:

9 It is unlawful for a manufacturer of wine or malt beverages holding
10 a certificate of approval issued under RCW 66.24.270 or 66.24.206, a
11 ((brewer's)) brewery license, or a domestic winery license to
12 discriminate in price in selling to any purchaser for resale in the
13 state.

14 **Sec. 51.** RCW 66.28.180 and 1995 c 232 s 10 are each amended to
15 read as follows:

16 It is unlawful for a person, firm, or corporation holding a
17 certificate of approval issued under RCW 66.24.270 or 66.24.206, a beer
18 ((wholesaler's)) distributor's license, a domestic brewer's license, a
19 microbrewer's license, a beer importer's license, a beer distributor's
20 license, a domestic winery license, a wine importer's license, or a
21 wine ((wholesaler's)) distributor's license within the state of
22 Washington to modify any prices without prior notification to and
23 approval of the board.

24 (1) Intent. This section is enacted, pursuant to the authority of
25 this state under the twenty-first amendment to the United States
26 Constitution, to promote the public's interest in fostering the orderly
27 and responsible distribution of malt beverages and wine towards
28 effective control of consumption; to promote the fair and efficient
29 three-tier system of distribution of such beverages; and to confirm
30 existing board rules as the clear expression of state policy to
31 regulate the manner of selling and pricing of wine and malt beverages
32 by licensed suppliers and ((wholesalers)) distributors.

33 (2) Beer and wine ((wholesale)) distributor price posting.

34 (a) Every beer or wine ((wholesaler)) distributor shall file with
35 the board at its office in Olympia a price posting showing the
36 wholesale prices at which any and all brands of beer and wine sold by

1 such beer and/or wine (~~wholesaler~~) distributor shall be sold to
2 retailers within the state.

3 (b) Each price posting shall be made on a form prepared and
4 furnished by the board, or a reasonable facsimile thereof, and shall
5 set forth:

6 (i) All brands, types, packages, and containers of beer offered for
7 sale by such beer and/or wine (~~wholesaler~~) distributor;

8 (ii) The wholesale prices thereof to retail licensees, including
9 allowances, if any, for returned empty containers.

10 (c) No beer and/or wine (~~wholesaler~~) distributor may sell or
11 offer to sell any package or container of beer or wine to any retail
12 licensee at a price differing from the price for such package or
13 container as shown in the price posting filed by the beer and/or wine
14 (~~wholesaler~~) distributor and then in effect, according to rules
15 adopted by the board.

16 (d) Quantity discounts are prohibited. No price may be posted that
17 is below acquisition cost plus ten percent of acquisition cost.
18 However, the board is empowered to review periodically, as it may deem
19 appropriate, the amount of the percentage of acquisition cost as a
20 minimum mark-up over cost and to modify such percentage by rule of the
21 board, except such percentage shall be not less than ten percent.

22 (e) (~~Wholesale~~) Distributor prices on a "close-out" item shall be
23 accepted by the board if the item to be discontinued has been listed on
24 the state market for a period of at least six months, and upon the
25 further condition that the (~~wholesaler~~) distributor who posts such a
26 close-out price shall not restock the item for a period of one year
27 following the first effective date of such close-out price.

28 (f) The board may reject any price posting that it deems to be in
29 violation of this section or any rule, or portion thereof, or that
30 would tend to disrupt the orderly sale and distribution of beer and
31 wine. Whenever the board rejects any posting, the licensee submitting
32 the posting may be heard by the board and shall have the burden of
33 showing that the posting is not in violation of this section or a rule
34 or does not tend to disrupt the orderly sale and distribution of beer
35 and wine. If the posting is accepted, it shall become effective at the
36 time fixed by the board. If the posting is rejected, the last
37 effective posting shall remain in effect until such time as an amended
38 posting is filed and approved, in accordance with the provisions of
39 this section.

1 (g) All price postings filed as required by this section shall at
2 all times be open to inspection to all trade buyers within the state of
3 Washington and shall not in any sense be considered confidential.

4 (h) Any beer and/or wine (~~((wholesaler))~~) distributor or employee
5 authorized by the (~~((wholesaler))~~) distributor-employer may sell beer
6 and/or wine at the (~~((wholesaler's))~~) distributor's posted prices to any
7 (~~((class A, B, C, D, E, F, H, G, or J))~~) annual or special occasion
8 retail licensee upon presentation to the (~~((wholesaler))~~) distributor or
9 employee at the time of purchase of a special permit issued by the
10 board to such licensee.

11 (i) Every (~~((class A, B, C, D, E, F, H, G, or J))~~) annual or special
12 occasion retail licensee, upon purchasing any beer and/or wine from a
13 (~~((wholesaler))~~) distributor, shall immediately cause such beer or wine
14 to be delivered to the licensed premises, and the licensee shall not
15 thereafter permit such beer to be disposed of in any manner except as
16 authorized by the license.

17 (ii) Beer and wine sold as provided in this section shall be
18 delivered by the (~~((wholesaler))~~) distributor or an authorized employee
19 either to the retailer's licensed premises or directly to the retailer
20 at the (~~((wholesaler's))~~) distributor's licensed premises. A
21 (~~((wholesaler's))~~) distributor's prices to retail licensees shall be the
22 same at both such places of delivery.

23 (3) Beer and wine suppliers' price filings, contracts, and
24 memoranda.

25 (a) Every brewery and winery offering beer and/or wine for sale
26 within the state shall file with the board at its office in Olympia a
27 copy of every written contract and a memorandum of every oral agreement
28 which such brewery or winery may have with any beer or wine
29 (~~((wholesaler))~~) distributor, which contracts or memoranda shall contain
30 a schedule of prices charged to (~~((wholesalers))~~) distributors for all
31 items and all terms of sale, including all regular and special
32 discounts; all advertising, sales and trade allowances, and incentive
33 programs; and all commissions, bonuses or gifts, and any and all other
34 discounts or allowances. Whenever changed or modified, such revised
35 contracts or memoranda shall forthwith be filed with the board as
36 provided for by rule. The provisions of this section also apply to
37 certificate of approval holders, beer and/or wine importers, and beer
38 and/or wine (~~((wholesalers))~~) distributors who sell to other beer and/or
39 wine (~~((wholesalers))~~) distributors.

1 Each price schedule shall be made on a form prepared and furnished
2 by the board, or a reasonable facsimile thereof, and shall set forth
3 all brands, types, packages, and containers of beer or wine offered for
4 sale by such licensed brewery or winery; all additional information
5 required may be filed as a supplement to the price schedule forms.

6 (b) Prices filed by a brewery or winery shall be uniform prices to
7 all (~~wholesalers~~) distributors on a state-wide basis less bona fide
8 allowances for freight differentials. Quantity discounts are
9 prohibited. No price shall be filed that is below acquisition/
10 production cost plus ten percent of that cost, except that acquisition
11 cost plus ten percent of acquisition cost does not apply to sales of
12 beer or wine between a beer or wine importer who sells beer or wine to
13 another beer or wine importer or to a beer or wine (~~wholesaler~~)
14 distributor, or to a beer or wine (~~wholesaler~~) distributor who sells
15 beer or wine to another beer or wine (~~wholesaler~~) distributor.
16 However, the board is empowered to review periodically, as it may deem
17 appropriate, the amount of the percentage of acquisition/production
18 cost as a minimum mark-up over cost and to modify such percentage by
19 rule of the board, except such percentage shall be not less than ten
20 percent.

21 (c) No brewery, winery, certificate of approval holder, beer or
22 wine importer, or beer or wine (~~wholesaler~~) distributor may sell or
23 offer to sell any beer or wine to any persons whatsoever in this state
24 until copies of such written contracts or memoranda of such oral
25 agreements are on file with the board.

26 (d) No brewery or winery may sell or offer to sell any package or
27 container of beer or wine to any (~~wholesaler~~) distributor at a price
28 differing from the price for such package or container as shown in the
29 schedule of prices filed by the (~~brewer~~) brewery or (~~domestic~~)
30 winery and then in effect, according to rules adopted by the board.

31 (e) The board may reject any supplier's price filing, contract, or
32 memorandum of oral agreement, or portion thereof that it deems to be in
33 violation of this section or any rule or that would tend to disrupt the
34 orderly sale and distribution of beer or wine. Whenever the board
35 rejects any such price filing, contract, or memorandum, the licensee
36 submitting the price filing, contract, or memorandum may be heard by
37 the board and shall have the burden of showing that the price filing,
38 contract, or memorandum is not in violation of this section or a rule
39 or does not tend to disrupt the orderly sale and distribution of beer

1 or wine. If the price filing, contract, or memorandum is accepted, it
2 shall become effective at a time fixed by the board. If the price
3 filing, contract, or memorandum, or portion thereof, is rejected, the
4 last effective price filing, contract, or memorandum shall remain in
5 effect until such time as an amended price filing, contract, or
6 memorandum is filed and approved, in accordance with the provisions of
7 this section.

8 (f) All prices, contracts, and memoranda filed as required by this
9 section shall at all times be open to inspection to all trade buyers
10 within the state of Washington and shall not in any sense be considered
11 confidential.

12 **Sec. 52.** RCW 66.28.190 and 1988 c 50 s 1 are each amended to read
13 as follows:

14 RCW 66.28.010 notwithstanding, persons licensed under RCW 66.24.200
15 as wine (~~((wholesalers))~~) distributors and persons licensed under RCW
16 66.24.250 as beer (~~((wholesalers))~~) distributors may sell at wholesale
17 nonliquor food products on thirty-day credit terms to persons licensed
18 as retailers under this title, but complete and separate accounting
19 records shall be maintained on all sales of nonliquor food products to
20 ensure that such persons are in compliance with RCW 66.28.010.

21 For the purpose of this section, "nonliquor food products"
22 (~~((include[s]))~~) includes all food products for human consumption as
23 defined in RCW 82.08.0293 as it exists on July 1, 1987, except that for
24 the purposes of this section bottled water and carbonated beverages,
25 whether liquid or frozen, shall be considered food products.

26 **Sec. 53.** RCW 66.44.310 and 1994 c 201 s 8 are each amended to read
27 as follows:

28 (1) Except as otherwise provided by RCW 66.44.316 and 66.44.350, it
29 shall be a misdemeanor:

30 (a) To serve or allow to remain in any area classified by the board
31 as off-limits to any person under the age of twenty-one years;

32 (b) For any person under the age of twenty-one years to enter or
33 remain in any area classified as off-limits to such a person, but
34 persons under twenty-one years of age may pass through a restricted
35 area in a facility holding a (~~((class-H))~~) private club full service
36 license;

1 (c) For any person under the age of twenty-one years to represent
2 his or her age as being twenty-one or more years for the purpose of
3 purchasing liquor or securing admission to, or remaining in any area
4 classified by the board as off-limits to such a person.

5 (2) The Washington state liquor control board shall have the power
6 and it shall be its duty to classify licensed premises or portions of
7 licensed premises as off-limits to persons under the age of twenty-one
8 years of age.

9 **Sec. 54.** RCW 66.98.060 and 1949 c 5 s 14 are each amended to read
10 as follows:

11 Notwithstanding any provisions of chapter 62 (~~of the~~), Laws of
12 1933(~~(, extraordinary session)~~) ex. sess., as last amended, or of any
13 provisions of any other law which may otherwise be applicable, it shall
14 be lawful for the holder of a (~~class H~~) full service restaurant
15 license to sell beer, wine, and spirituous liquor in this state in
16 accordance with the terms of (~~this act~~) chapter 5, Laws of 1949.

17 **Sec. 55.** RCW 82.08.150 and 1994 sp.s. c 7 s 903 are each amended
18 to read as follows:

19 (1) There is levied and shall be collected a tax upon each retail
20 sale of spirits, or strong beer in the original package at the rate of
21 fifteen percent of the selling price. The tax imposed in this
22 subsection shall apply to all such sales including sales by the
23 Washington state liquor stores and agencies, but excluding sales to
24 (~~class H~~) full service restaurant licensees.

25 (2) There is levied and shall be collected a tax upon each sale of
26 spirits, or strong beer in the original package at the rate of ten
27 percent of the selling price on sales by Washington state liquor stores
28 and agencies to (~~class H~~) full service restaurant licensees.

29 (3) There is levied and shall be collected an additional tax upon
30 each retail sale of spirits in the original package at the rate of one
31 dollar and seventy-two cents per liter. The additional tax imposed in
32 this subsection shall apply to all such sales including sales by
33 Washington state liquor stores and agencies, and including sales to
34 (~~class H~~) full service restaurant licensees.

35 (4) An additional tax is imposed equal to fourteen percent
36 multiplied by the taxes payable under subsections (1), (2), and (3) of
37 this section.

1 (5) An additional tax is imposed upon each retail sale of spirits
2 in the original package at the rate of seven cents per liter. The
3 additional tax imposed in this subsection shall apply to all such sales
4 including sales by Washington state liquor stores and agencies, and
5 including sales to ((~~class-H~~)) full service restaurant licensees. All
6 revenues collected during any month from this additional tax shall be
7 deposited in the violence reduction and drug enforcement account under
8 RCW 69.50.520 by the twenty-fifth day of the following month.

9 (6)(a) An additional tax is imposed upon retail sale of spirits in
10 the original package at the rate of one and seven-tenths percent of the
11 selling price through June 30, 1995, two and six-tenths percent of the
12 selling price for the period July 1, 1995, through June 30, 1997, and
13 three and four-tenths of the selling price thereafter. This additional
14 tax applies to all such sales including sales by Washington state
15 liquor stores and agencies, but excluding sales to ((~~class-H~~)) full
16 service restaurant licensees.

17 (b) An additional tax is imposed upon retail sale of spirits in the
18 original package at the rate of one and one-tenth percent of the
19 selling price through June 30, 1995, one and seven-tenths percent of
20 the selling price for the period July 1, 1995, through June 30, 1997,
21 and two and three-tenths of the selling price thereafter. This
22 additional tax applies to all such sales to ((~~class-H~~)) full service
23 restaurant licensees.

24 (c) An additional tax is imposed upon each retail sale of spirits
25 in the original package at the rate of twenty cents per liter through
26 June 30, 1995, thirty cents per liter for the period July 1, 1995,
27 through June 30, 1997, and forty-one cents per liter thereafter. This
28 additional tax applies to all such sales including sales by Washington
29 state liquor stores and agencies, and including sales to ((~~class-H~~))
30 full service restaurant licensees.

31 (d) All revenues collected during any month from additional taxes
32 under this subsection shall be deposited in the health services account
33 created under RCW 43.72.900 by the twenty-fifth day of the following
34 month.

35 (7) The tax imposed in RCW 82.08.020 shall not apply to sales of
36 spirits or strong beer in the original package.

37 (8) The taxes imposed in this section shall be paid by the buyer to
38 the seller, and each seller shall collect from the buyer the full
39 amount of the tax payable in respect to each taxable sale under this

1 section. The taxes required by this section to be collected by the
2 seller shall be stated separately from the selling price and for
3 purposes of determining the tax due from the buyer to the seller, it
4 shall be conclusively presumed that the selling price quoted in any
5 price list does not include the taxes imposed by this section.

6 (9) As used in this section, the terms, "spirits," "strong beer,"
7 and "package" shall have the meaning ascribed to them in chapter 66.04
8 RCW.

9 NEW SECTION. **Sec. 56.** The liquor control board may adopt
10 appropriate rules pursuant to chapter 34.05 RCW for the purpose of
11 carrying out the provisions of this act.

12 **Sec. 57.** RCW 66.08.180 and 1995 c 398 s 16 are each amended to
13 read as follows:

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

20 (1) All license fees, penalties and forfeitures derived under this
21 act from class H licenses or class H licensees shall every three months
22 be disbursed by the board as follows:

23 (a) Three hundred thousand dollars per biennium, to the University
24 of Washington for the forensic investigations council to conduct the
25 state toxicological laboratory pursuant to RCW 68.50.107; and

26 (b) Of the remaining funds:

27 (i) 6.06 percent to the University of Washington and 4.04 percent
28 to Washington State University for alcoholism and drug abuse research
29 and for the dissemination of such research; and

30 (ii) 89.9 percent to the general fund to be used by the department
31 of social and health services solely to carry out the purposes of RCW
32 70.96A.050;

33 (2) The first fifty-five dollars per license fee provided in RCW
34 66.24.320 and 66.24.330 up to a maximum of one hundred fifty thousand
35 dollars annually shall be disbursed every three months by the board to
36 the general fund to be used for juvenile alcohol and drug prevention

1 programs for kindergarten through third grade to be administered by the
2 superintendent of public instruction;

3 (3) Twenty percent of the remaining total amount derived from
4 license fees pursuant to RCW 66.24.320, 66.24.330, (~~66.24.340,~~)
5 66.24.350, and 66.24.360, (~~and 66.24.370,~~) shall be transferred to
6 the general fund to be used by the department of social and health
7 services solely to carry out the purposes of RCW 70.96A.050; and

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

18 **Sec. 58.** RCW 66.16.100 and 1987 c 386 s 5 are each amended to read
19 as follows:

20 No state liquor store in a county with a population over three
21 hundred thousand may sell fortified wine if the board finds that the
22 sale would be against the public interest based on the factors in RCW
23 (~~66.24.370~~) 66.24.360. The burden of establishing that the sale
24 would be against the public interest is on those persons objecting.

25 **Sec. 59.** RCW 66.20.300 and 1996 c 218 s 2 are each amended to read
26 as follows:

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

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

30 (2) "Alcohol server" means any person serving or selling alcohol,
31 spirits, wines, or beer for consumption at an on-premises retail
32 licensed facility as a regular requirement of his or her employment,
33 and includes those persons eighteen years of age or older permitted by
34 the liquor laws of this state to serve alcoholic beverages with meals.

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

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

4 (5) "Retail licensed premises" means any premises licensed to sell
5 alcohol by the glass or by the drink, or in original containers
6 primarily for consumption on the premises as authorized by RCW
7 66.24.320, 66.24.330, (~~66.24.340~~) 66.24.350, 66.24.400, 66.24.425,
8 66.24.450, and 66.24.570.

9 **Sec. 60.** RCW 66.20.310 and 1996 c 311 s 1 and 1996 c 218 s 3 are
10 each reenacted and amended to read as follows:

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

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

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

19 (2)(a) Effective January 1, 1997, except as provided in (d) of this
20 subsection, every person employed, under contract or otherwise, by an
21 annual retail liquor licensee holding a license as authorized by RCW
22 66.24.320, 66.24.330, (~~66.24.340~~) 66.24.350, 66.24.400, 66.24.425,
23 66.24.450, or 66.24.570, who as part of his or her employment
24 participates in any manner in the sale or service of alcoholic
25 beverages shall have issued to them a class 12 or class 13 permit.

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

32 (c) No licensee described in (a) of this subsection, except as
33 provided in (d) of this subsection, may employ or accept the services
34 of any person without the person first having a valid class 12 or class
35 13 permit.

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

1 (e) No person may perform duties that include the sale or service
2 of alcoholic beverages on a retail licensed premises without possessing
3 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.

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

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

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

30 (7) Establishments licensed under RCW 66.24.320 (~~and 66.24.340~~),
31 the primary commercial activity of which is the sale of grocery
32 products and for which the sale and service of beer and wine is
33 incidental to the primary business, and employees of such
34 establishments, are exempt from RCW 66.20.300 through 66.20.350.

35 **Sec. 61.** RCW 66.24.375 and 1981 c 287 s 2 are each amended to read
36 as follows:

37 "Society or organization" as used in RCW 66.24.380 (~~and 66.24.500~~
38 ~~and "nonprofit organization" as used in RCW 66.24.510~~) means a not-

1 for-profit group organized and operated solely for charitable,
2 religious, social, political, educational, civic, fraternal, athletic,
3 or benevolent purposes. No portion of the profits from events
4 sponsored by a not-for-profit group may be paid directly or indirectly
5 to members, officers, directors, or trustees except for services
6 performed for the organization. Any compensation paid to its officers
7 and executives must be only for actual services and at levels
8 comparable to the compensation for like positions within the state. A
9 society or organization which is registered with the secretary of state
10 or the federal internal revenue service as a nonprofit organization may
11 submit such registration as proof that it is a not-for-profit group.

12 **Sec. 62.** RCW 66.44.190 and 1979 ex.s. c 104 s 1 are each amended
13 to read as follows:

14 Except at the faculty center as so designated by the university
15 board of regents to the Washington state liquor control board who may
16 issue a class H club license therefor, it shall be unlawful to sell any
17 intoxicating liquors, with or without a license on the grounds of the
18 University of Washington, otherwise known and described as follows:
19 Fractional section 16, township 25 north, range 4 east of Willamette
20 Meridian except to the extent allowed under banquet permits issued
21 pursuant to RCW (~~66.24.490~~) 66.24.481.

22 NEW SECTION. **Sec. 63.** The following acts or parts of acts are
23 each repealed:

24 (1) RCW 66.24.204 and 1981 1st ex.s. c 5 s 33 & 1969 ex.s. c 21 s
25 9;

26 (2) RCW 66.24.260 and 1981 1st ex.s. c 5 s 15 & 1937 c 217 s 1;

27 (3) RCW 66.24.340 and 1981 1st ex.s. c 5 s 39, 1981 c 94 s 1, 1977
28 ex.s. c 9 s 3, 1967 ex.s. c 75 s 4, 1941 c 220 s 3, & 1937 c 217 s 1;

29 (4) RCW 66.24.370 and 1992 c 42 s 1, 1987 c 386 s 4, 1981 1st ex.s.
30 c 5 s 42, 1981 c 182 s 1, 1973 1st ex.s. c 209 s 16, 1967 ex.s. c 75 s
31 7, & 1937 c 217 s 1;

32 (5) RCW 66.24.490 and 1995 c 232 s 9, 1994 c 201 s 3, 1987 c 386 s
33 6, 1985 c 306 s 1, 1981 1st ex.s. c 5 s 19, 1977 ex.s. c 9 s 5, 1969
34 ex.s. c 178 s 7, & 1967 c 55 s 1;

35 (6) RCW 66.24.500 and 1988 c 200 s 3 & 1982 c 85 s 6;

36 (7) RCW 66.24.510 and 1984 c 71 s 1, 1981 1st ex.s. c 5 s 47, &
37 1975 1st ex.s. c 173 s 12; and

1 (8) RCW 66.24.560 and 1994 c 201 s 4.

2 NEW SECTION. **Sec. 64.** This act takes effect July 1, 1998.

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