

CERTIFICATION OF ENROLLMENT

SENATE BILL 6539

Chapter 126, Laws of 1998

55th Legislature
1998 Regular Session

LIQUOR LICENSE DESIGNATIONS--TECHNICAL CHANGES

EFFECTIVE DATE: 7/1/98

Passed by the Senate February 13, 1998

YEAS 48 NAYS 0

BRAD OWEN

President of the Senate

Passed by the House March 10, 1998

YEAS 98 NAYS 0

CLYDE BALLARD

**Speaker of the
House of Representatives**

Approved March 23, 1998

CERTIFICATE

I, Mike O Connell, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **SENATE BILL 6539** as passed by the Senate and the House of Representatives on the dates hereon set forth.

MIKE O'CONNELL

Secretary

FILED

March 23, 1998 - 4:40 p.m.

GARY LOCKE

Governor of the State of Washington

**Secretary of State
State of Washington**

SENATE BILL 6539

Passed Legislature - 1998 Regular Session

State of Washington 55th Legislature 1998 Regular Session

By Senators Schow and Heavey; by request of Liquor Control Board

Read first time 01/21/98. Referred to Committee on Commerce & Labor.

1 AN ACT Relating to technical changes regarding designations for
2 liquor licenses; amending RCW 66.20.010, 66.24.244, 66.24.320,
3 66.24.400, 66.24.420, 66.24.425, 66.24.440, 66.24.450, 66.24.455,
4 66.28.010, 66.28.040, 66.28.200, 66.44.310, 66.98.060, and 82.08.150;
5 reenacting and amending RCW 66.24.010; and providing an effective date.

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

7 **Sec. 1.** RCW 66.20.010 and 1997 c 321 s 43 are each amended to read
8 as follows:

9 Upon application in the prescribed form being made to any employee
10 authorized by the board to issue permits, accompanied by payment of the
11 prescribed fee, and upon the employee being satisfied that the
12 applicant should be granted a permit under this title, the employee
13 shall issue to the applicant under such regulations and at such fee as
14 may be prescribed by the board a permit of the class applied for, as
15 follows:

16 (1) Where the application is for a special permit by a physician or
17 dentist, or by any person in charge of an institution regularly
18 conducted as a hospital or sanitorium for the care of persons in ill

1 health, or as a home devoted exclusively to the care of aged people, a
2 special liquor purchase permit;

3 (2) Where the application is for a special permit by a person
4 engaged within the state in mechanical or manufacturing business or in
5 scientific pursuits requiring alcohol for use therein, or by any
6 private individual, a special permit to purchase alcohol for the
7 purpose named in the permit;

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

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

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

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

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

29 (8) Where the application is for a special permit by a
30 manufacturer, importer, or distributor, or representative thereof, to
31 serve liquor without charge to delegates and guests at a convention of
32 a trade association composed of licensees of the board, when the said
33 liquor is served in a hospitality room or from a booth in a board-
34 approved suppliers' display room at the convention, and when the liquor
35 so served is for consumption in the said hospitality room or display
36 room during the convention, anything in Title 66 RCW to the contrary
37 notwithstanding. Any such spirituous liquor shall be purchased from
38 the board or a (~~full-service~~) spirits, beer, and wine restaurant

1 licensee and any such beer and wine shall be subject to the taxes
2 imposed by RCW 66.24.290 and 66.24.210;

3 (9) Where the application is for a special permit by a
4 manufacturer, importer, or distributor, or representative thereof, to
5 donate liquor for a reception, breakfast, luncheon, or dinner for
6 delegates and guests at a convention of a trade association composed of
7 licensees of the board, when the liquor so donated is for consumption
8 at the said reception, breakfast, luncheon, or dinner during the
9 convention, anything in Title 66 RCW to the contrary notwithstanding.
10 Any such spirituous liquor shall be purchased from the board or a
11 (~~class H~~) spirits, beer, and wine restaurant licensee and any such
12 beer and wine shall be subject to the taxes imposed by RCW 66.24.290
13 and 66.24.210;

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

23 (11) Where the application is for an annual special permit by a
24 person operating a bed and breakfast lodging facility to donate or
25 serve wine or beer without charge to overnight guests of the facility
26 if the wine or beer is for consumption on the premises of the facility.
27 "Bed and breakfast lodging facility," as used in this subsection, means
28 a hotel or similar facility offering from one to eight lodging units
29 and breakfast to travelers and guests.

30 **Sec. 2.** RCW 66.24.010 and 1997 c 321 s 1 and 1997 c 58 s 873 are
31 each reenacted and amended to read as follows:

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

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

1 revocation of any license, the liquor control board may consider any
2 prior criminal conduct of the applicant and the provisions of RCW
3 9.95.240 and of chapter 9.96A RCW shall not apply to such cases. The
4 board may, in its discretion, grant or refuse the license applied for.
5 Authority to approve an uncontested or unopposed license may be granted
6 by the board to any staff member the board designates in writing.
7 Conditions for granting such authority shall be adopted by rule. No
8 retail license of any kind may be issued to:

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

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

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

17 (d) A corporation or a limited liability company, unless it was
18 created under the laws of the state of Washington or holds a
19 certificate of authority to transact business in the state of
20 Washington.

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

25 (b) The board shall immediately suspend the license or certificate
26 of a person who has been certified pursuant to RCW 74.20A.320 by the
27 department of social and health services as a person who is not in
28 compliance with a support order (~~or a residential or visitation~~
29 ~~order~~). If the person has continued to meet all other requirements
30 for reinstatement during the suspension, reissuance of the license or
31 certificate shall be automatic upon the board's receipt of a release
32 issued by the department of social and health services stating that the
33 licensee is in compliance with the order.

34 (c) The board may request the appointment of administrative law
35 judges under chapter 34.12 RCW who shall have power to administer
36 oaths, issue subpoenas for the attendance of witnesses and the
37 production of papers, books, accounts, documents, and testimony,
38 examine witnesses, and to receive testimony in any inquiry,

1 investigation, hearing, or proceeding in any part of the state, under
2 such rules and regulations as the board may adopt.

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

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

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

26 (5)(a) At the time of the original issuance of a (~~full-service~~)
27 spirits, beer, and wine restaurant license, the board shall prorate the
28 license fee charged to the new licensee according to the number of
29 calendar quarters, or portion thereof, remaining until the first
30 renewal of that license is required.

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

1 (6) Every license issued under this section shall be subject to all
2 conditions and restrictions imposed by this title or by the regulations
3 in force from time to time. All conditions and restrictions imposed by
4 the board in the issuance of an individual license shall be listed on
5 the face of the individual license along with the trade name, address,
6 and expiration date.

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

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

29 (9) Before the board issues any license to any applicant, it shall
30 give (a) due consideration to the location of the business to be
31 conducted under such license with respect to the proximity of churches,
32 schools, and public institutions and (b) written notice by certified
33 mail of the application to churches, schools, and public institutions
34 within five hundred feet of the premises to be licensed. The board
35 shall issue no beer retailer license for either on-premises or off-
36 premises consumption or wine retailer license for either on-premises or
37 off-premises consumption or (~~full service~~) spirits, beer, and wine
38 restaurant license covering any premises not now licensed, if such
39 premises are within five hundred feet of the premises of any tax-

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

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

35 (11) Nothing in this section prohibits the board, in its
36 discretion, from issuing a temporary retail or distributor license to
37 an applicant assuming an existing retail or distributor license to
38 continue the operation of the retail or distributor premises during the

1 period the application for the license is pending and when the
2 following conditions exist:

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

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

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

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

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

18 Refusal by the board to issue or extend a temporary license shall
19 not entitle the applicant to request a hearing. A temporary license
20 may be canceled or suspended summarily at any time if the board
21 determines that good cause for cancellation or suspension exists. RCW
22 66.08.130 and chapter 34.05 RCW shall apply to temporary licenses.

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

27 **Sec. 3.** RCW 66.24.244 and 1997 c 321 s 12 are each amended to read
28 as follows:

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

32 (2) Any microbrewery license under this section may also act as a
33 distributor and/or retailer for beer of its own production. Any
34 microbrewery operating as a distributor and/or retailer under this
35 subsection shall comply with the applicable laws and rules relating to
36 distributors and/or retailers.

37 (3) The board may issue an endorsement to this license allowing for
38 on-premises consumption of beer, wine, or both of other manufacture if

1 purchased from a Washington state-licensed distributor. Each
2 endorsement shall cost two hundred dollars per year, or four hundred
3 dollars per year allowing the sale and service of both beer and wine.

4 (4) The microbrewer obtaining such endorsement must determine, at
5 the time the endorsement is issued, whether the licensed premises will
6 be operated either as a tavern with persons under twenty-one years of
7 age not allowed as provided for in RCW 66.24.330, or as a (~~limited~~
8 ~~service~~) beer and/or wine restaurant as described in RCW 66.24.320.

9 **Sec. 4.** RCW 66.24.320 and 1997 c 321 s 18 are each amended to read
10 as follows:

11 There shall be a (~~limited service~~) beer and/or wine restaurant
12 license to sell beer or wine, or both, at retail, for consumption on
13 the premises. A patron of the licensee may remove from the premises,
14 recorked or recapped in its original container, any portion of wine
15 that was purchased for consumption with a meal.

16 (1) The annual fee shall be two hundred dollars for the beer
17 license, two hundred dollars for the wine license, or four hundred
18 dollars for a combination beer and wine license.

19 (2) The board may issue a caterer's endorsement to this license to
20 allow the licensee to remove from the liquor stocks at the licensed
21 premises, only those types of liquor that are authorized under the on-
22 premises license privileges for sale and service at special occasion
23 locations at a specified date and place not currently licensed by the
24 board. The privilege of selling and serving liquor under the
25 endorsement is limited to members and guests of a society or
26 organization as defined in RCW 66.24.375. Cost of the endorsement is
27 three hundred fifty dollars.

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

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

1 **Sec. 5.** RCW 66.24.400 and 1997 c 321 s 26 are each amended to read
2 as follows:

3 There shall be a retailer's license, to be known and designated as
4 a (~~full-service~~) spirits, beer, and wine restaurant license, to sell
5 spirituous liquor by the individual glass, beer, and wine, at retail,
6 for 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 license may be issued only to bona fide restaurants,
19 hotels and clubs, and to dining, club and buffet cars on passenger
20 trains, and to dining places on passenger boats and airplanes, and to
21 dining places at civic centers with facilities for sports,
22 entertainment, and conventions, and to such other establishments
23 operated and maintained primarily for the benefit of tourists,
24 vacationers and travelers as the board shall determine are qualified to
25 have, and in the discretion of the board should have, a (~~full~~
26 ~~service~~) spirits, beer, and wine restaurant license under the
27 provisions and limitations of this title.

28 **Sec. 6.** RCW 66.24.420 and 1997 c 321 s 27 are each amended to read
29 as follows:

30 (1) The (~~full-service-restaurant~~) spirits, beer, and wine
31 restaurant license shall be issued in accordance with the following
32 schedule of annual fees:

33 (a) The annual fee for a (~~full-service~~) spirits, beer, and wine
34 restaurant license shall be graduated according to the dedicated dining
35 area and type of service provided as follows:

36	Less than 50% dedicated dining area	\$2,000
37	50% or more dedicated dining area	\$1,600
38	Service bar only	\$1,000

1 (b) The annual fee for (~~said~~) the license when issued to any
2 other (~~full-service~~) spirits, beer, and wine restaurant licensee
3 outside of incorporated cities and towns shall be prorated according to
4 the calendar quarters, or portion thereof, during which the licensee is
5 open for business, except in case of suspension or revocation of the
6 license.

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

23 (d) Where the license shall be issued to any corporation,
24 association, or person operating dining places at a publicly or
25 privately owned civic or convention center with facilities for sports,
26 entertainment, or conventions, or a combination thereof, with more than
27 one place where liquor is to be dispensed and sold, such license shall
28 be issued upon the payment of the annual fee, which shall be a master
29 license and shall permit such sale within and from one such place.
30 Such license may be extended to additional places on the premises at
31 the discretion of the board and a duplicate license may be issued for
32 each such additional place: PROVIDED, That the holder of a master
33 license for a dining place at such a publicly or privately owned civic
34 or convention center shall be required to maintain in a substantial
35 manner at least one place on the premises for preparing, cooking, and
36 serving of complete meals, and food service shall be available on
37 request in other licensed places on the premises: PROVIDED FURTHER,
38 That an additional license fee of ten dollars shall be required for
39 such duplicate licenses.

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

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

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

35 (4) The total number of ((full-service)) spirits, beer, and wine
36 restaurant licenses issued in the state of Washington by the board, not
37 including ((full-service)) spirits, beer, and wine private club
38 licenses, shall not in the aggregate at any time exceed one license for
39 each fifteen hundred of population in the state, determined according

1 to the yearly population determination developed by the office of
2 financial management pursuant to RCW 43.62.030.

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

9 (6) The board may issue a caterer's endorsement to this license to
10 allow the licensee to remove the liquor stocks at the licensed
11 premises, for use as liquor for sale and service at special occasion
12 locations at a specified date and place not currently licensed by the
13 board. The privilege of selling and serving liquor under such
14 endorsement is limited to members and guests of a society or
15 organization as defined in RCW 66.24.375. Cost of the endorsement is
16 three hundred fifty dollars.

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

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

27 **Sec. 7.** RCW 66.24.425 and 1997 c 321 s 28 are each amended to read
28 as follows:

29 (1) The board may, in its discretion, issue a (~~full-service~~)
30 spirits, beer, and wine restaurant license to a business which
31 qualifies as a "restaurant" as that term is defined in RCW 66.24.410 in
32 all respects except that the business does not serve the general public
33 but, through membership qualification, selectively restricts admission
34 to the business. For purposes of RCW 66.24.400 and 66.24.420, all
35 licenses issued under this section shall be considered (~~full-service~~)
36 spirits, beer, and wine restaurant licenses and shall be subject to all
37 requirements, fees, and qualifications in this title, or in rules
38 adopted by the board, as are applicable to (~~full-service~~) spirits,

1 beer, and wine restaurant licenses generally except that no service to
2 the general public may be required.

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

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

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

9 **Sec. 8.** RCW 66.24.440 and 1997 c 321 s 29 are each amended to read
10 as follows:

11 Each (~~full-service~~) spirits, beer, and wine restaurant, (~~full~~
12 ~~service~~) spirits, beer, and wine private club, and sports
13 entertainment facility licensee shall be entitled to purchase any
14 spirituous liquor items salable under such license from the board at a
15 discount of not less than fifteen percent from the retail price fixed
16 by the board, together with all taxes.

17 **Sec. 9.** RCW 66.24.450 and 1997 c 321 s 30 are each amended to read
18 as follows:

19 (1) No club shall be entitled to a (~~full-service~~) spirits, beer,
20 and wine private club license:

21 (a) Unless such private club has been in continuous operation for
22 at least one year immediately prior to the date of its application for
23 such license;

24 (b) Unless the private club premises be constructed and equipped,
25 conducted, managed, and operated to the satisfaction of the board and
26 in accordance with this title and the regulations made thereunder;

27 (c) Unless the board shall have determined pursuant to any
28 regulations made by it with respect to private clubs, that such private
29 club is a bona fide private club; it being the intent of this section
30 that license shall not be granted to a club which is, or has been,
31 primarily formed or activated to obtain a license to sell liquor, but
32 solely to a bona fide private club, where the sale of liquor is
33 incidental to the main purposes of the private club, as defined in RCW
34 66.04.010(7).

35 (2) The annual fee for a (~~full-service~~) spirits, beer, and wine
36 private club license, whether inside or outside of an incorporated city
37 or town, is seven hundred twenty dollars per year.

1 **Sec. 10.** RCW 66.24.455 and 1997 c 321 s 32 are each amended to
2 read as follows:

3 Subject to approval by the board, holders of beer (~~and~~) and/or
4 wine restaurant, tavern, snack bar, (~~full-service~~) spirits, beer, and
5 wine restaurant, (~~full-service~~) spirits, beer, and wine private club,
6 or beer and wine private club licenses may extend their premises for
7 the sale, service, and consumption of liquor authorized under their
8 respective licenses to the concourse or lane areas in a bowling
9 establishment where the concourse or lane areas are adjacent to the
10 food preparation service facility.

11 **Sec. 11.** RCW 66.28.010 and 1997 c 321 s 46 are each amended to
12 read as follows:

13 (1)(a) No manufacturer, importer, or distributor, or person
14 financially interested, directly or indirectly, in such business;
15 whether resident or nonresident, shall have any financial interest,
16 direct or indirect, in any licensed retail business; nor shall any
17 manufacturer, importer, or distributor own any of the property upon
18 which such licensed persons conduct their business; nor shall any such
19 licensed person, under any arrangement whatsoever, conduct his or her
20 business upon property in which any manufacturer, importer, or
21 distributor has any interest unless title to that property is owned by
22 a corporation in which a manufacturer has no direct stock ownership and
23 there are no interlocking officers or directors, the retail license is
24 held by an independent concessionaire which is not owned directly or
25 indirectly by the manufacturer or property owner, the sales of liquor
26 are incidental to the primary activity of operating the property as an
27 amphitheater offering live musical and similar live entertainment
28 activities to the public, alcoholic beverages produced by the
29 manufacturer are not sold at the licensed premises, and the board
30 reviews the ownership and proposed method of operation of all involved
31 entities and determines that there will not be an unacceptable level of
32 control or undue influence over the operation of the retail licensee.
33 Except as provided in subsection (3) of this section, no manufacturer,
34 importer, or distributor shall advance moneys or moneys' worth to a
35 licensed person under an arrangement, nor shall such licensed person
36 receive, under an arrangement, an advance of moneys or moneys' worth.
37 "Person" as used in this section only shall not include those state or
38 federally chartered banks, state or federally chartered savings and

1 loan associations, state or federally chartered mutual savings banks,
2 or institutional investors which are not controlled directly or
3 indirectly by a manufacturer, importer, or distributor as long as the
4 bank, savings and loan association, or institutional investor does not
5 influence or attempt to influence the purchasing practices of the
6 retailer with respect to alcoholic beverages. No manufacturer,
7 importer, or distributor shall be eligible to receive or hold a retail
8 license under this title, nor shall such manufacturer, importer, or
9 distributor sell at retail any liquor as herein defined.

10 (b) Nothing in this section shall prohibit a licensed domestic
11 brewery or microbrewery from being licensed as a retailer pursuant to
12 chapter 66.24 RCW for the purpose of selling beer or wine at retail on
13 the brewery premises and nothing in this section shall prohibit a
14 domestic winery from being licensed as a retailer pursuant to chapter
15 66.24 RCW for the purpose of selling beer or wine at retail on the
16 winery premises. Such beer and wine so sold at retail shall be subject
17 to the taxes imposed by RCW 66.24.290 and 66.24.210 and to reporting
18 and bonding requirements as prescribed by regulations adopted by the
19 board pursuant to chapter 34.05 RCW, and beer and wine that is not
20 produced by the brewery or winery shall be purchased from a licensed
21 beer or wine distributor.

22 (c) Nothing in this section shall prohibit a licensed domestic
23 brewery, microbrewery, domestic winery, or a lessee of a licensed
24 domestic brewer, microbrewery, or domestic winery, from being licensed
25 as a (~~full service~~) spirits, beer, and wine restaurant pursuant to
26 chapter 66.24 RCW for the purpose of selling liquor at a (~~full~~
27 ~~service~~) spirits, beer, and wine restaurant premises on the property
28 on which the primary manufacturing facility of the licensed domestic
29 brewer, microbrewery, or domestic winery is located or on contiguous
30 property owned by the licensed domestic brewer, microbrewery, or
31 domestic winery as prescribed by rules adopted by the board pursuant to
32 chapter 34.05 RCW.

33 (2) Financial interest, direct or indirect, as used in this
34 section, shall include any interest, whether by stock ownership,
35 mortgage, lien, or through interlocking directors, or otherwise.
36 Pursuant to rules promulgated by the board in accordance with chapter
37 34.05 RCW manufacturers, distributors, and importers may perform, and
38 retailers may accept the service of building, rotating and restocking
39 case displays and stock room inventories; rotating and rearranging can

1 and bottle displays of their own products; provide point of sale
2 material and brand signs; price case goods of their own brands; and
3 perform such similar normal business services as the board may by
4 regulation prescribe.

5 (3)(a) This section does not prohibit a manufacturer, importer, or
6 distributor from providing services to a special occasion licensee for:
7 (i) Installation of draft beer dispensing equipment or advertising,
8 (ii) advertising, pouring, or dispensing of beer or wine at a beer or
9 wine tasting exhibition or judging event, or (iii) a special occasion
10 licensee from receiving any such services as may be provided by a
11 manufacturer, importer, or distributor. Nothing in this section shall
12 prohibit a retail licensee, or any person financially interested,
13 directly or indirectly, in such a retail licensee from having a
14 financial interest, direct or indirect, in a business which provides,
15 for a compensation commensurate in value to the services provided,
16 bottling, canning or other services to a manufacturer, so long as the
17 retail licensee or person interested therein has no direct financial
18 interest in or control of said manufacturer.

19 (b) A person holding contractual rights to payment from selling a
20 liquor distributor's business and transferring the license shall not be
21 deemed to have a financial interest under this section if the person
22 (i) lacks any ownership in or control of the distributor, (ii) is not
23 employed by the distributor, and (iii) does not influence or attempt to
24 influence liquor purchases by retail liquor licensees from the
25 distributor.

26 (c) The board shall adopt such rules as are deemed necessary to
27 carry out the purposes and provisions of subsection (3)(a) of this
28 section in accordance with the administrative procedure act, chapter
29 34.05 RCW.

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

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

35 **Sec. 12.** RCW 66.28.040 and 1997 c 39 s 1 are each amended to read
36 as follows:

37 Except as permitted by the board under RCW 66.20.010, no (~~brewer,~~
38 ~~wholesaler,~~) brewery, distributor, distiller, winery, importer,

1 rectifier, or other manufacturer of liquor shall, within the state,
2 (~~by himself or herself, a clerk, servant, or agent,~~) give to any
3 person any liquor; but nothing in this section nor in RCW 66.28.010
4 shall prevent a (~~brewer, wholesaler,~~) brewery, distributor, winery,
5 distiller, or importer from furnishing samples of beer, wine, or
6 spirituous liquor to authorized licensees for the purpose of
7 negotiating a sale, in accordance with regulations adopted by the
8 liquor control board, provided that the samples are subject to taxes
9 imposed by RCW 66.24.290 and 66.24.210, and in the case of spirituous
10 liquor, any product used for samples must be purchased at retail from
11 the board; nothing in this section shall prevent the furnishing of
12 samples of liquor to the board for the purpose of negotiating the sale
13 of liquor to the state liquor control board; nothing in this section
14 shall prevent a brewery, winery, distillery, or (~~wholesaler~~)
15 distributor from furnishing beer, wine, or spirituous liquor for
16 instructional purposes under RCW 66.28.150 and 66.28.155; nothing in
17 this section shall prevent a winery or (~~wholesaler~~) distributor from
18 furnishing wine without charge to a not-for-profit group organized and
19 operated solely for the purpose of enology or the study of viticulture
20 which has been in existence for at least six months and any wine so
21 furnished shall be used solely for such educational purposes, provided
22 that the wine furnished shall be subject to the taxes imposed by RCW
23 66.24.210; nothing in this section shall prevent a brewer from serving
24 beer without charge, on the brewery premises; nothing in this section
25 shall prevent donations of wine for the purposes of RCW 66.12.180; and
26 nothing in this section shall prevent a domestic winery from serving
27 wine without charge, on the winery premises.

28 **Sec. 13.** RCW 66.28.200 and 1997 c 321 s 38 are each amended to
29 read as follows:

30 Licensees holding a (~~limited service~~) beer and/or wine restaurant
31 or a tavern license in combination with an off-premises beer and wine
32 retailer's license may sell malt liquor in kegs or other containers
33 capable of holding four gallons or more of liquid. Under a special
34 endorsement from the board, a grocery store licensee may sell malt
35 liquor in containers no larger than five and one-half gallons. The
36 sale of any container holding four gallons or more must comply with the
37 provisions of this section and RCW 66.28.210 through 66.28.240. Any
38 person who sells or offers for sale the contents of kegs or other

1 containers containing four gallons or more of malt liquor, or leases
2 kegs or other containers that will hold four gallons of malt liquor, to
3 consumers who are not licensed under chapter 66.24 RCW shall do the
4 following for any transaction involving the container:

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

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

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

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

14 (b) The purchaser will not allow any person under the age of
15 twenty-one years to consume the beverage except as provided by RCW
16 66.44.270;

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

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

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

28 **Sec. 14.** RCW 66.44.310 and 1997 c 321 s 53 are each amended to
29 read as follows:

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

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

34 (b) For any person under the age of twenty-one years to enter or
35 remain in any area classified as off-limits to such a person, but
36 persons under twenty-one years of age may pass through a restricted
37 area in a facility holding a spirits, beer, and wine private club
38 (~~full service~~) 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. 15.** RCW 66.98.060 and 1997 c 321 s 54 are each amended to
10 read as follows:

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

17 **Sec. 16.** RCW 82.08.150 and 1997 c 321 s 55 are each amended to
18 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 (~~full-service~~) spirits, beer, and wine 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 (~~full-service~~) spirits, beer, and wine restaurant
29 licensees.

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

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

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

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

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

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

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

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

3 (8) The taxes imposed in this section shall be paid by the buyer to
4 the seller, and each seller shall collect from the buyer the full
5 amount of the tax payable in respect to each taxable sale under this
6 section. The taxes required by this section to be collected by the
7 seller shall be stated separately from the selling price and for
8 purposes of determining the tax due from the buyer to the seller, it
9 shall be conclusively presumed that the selling price quoted in any
10 price list does not include the taxes imposed by this section.

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

14 NEW SECTION. **Sec. 17.** This act takes effect July 1, 1998.

Passed the Senate February 13, 1998.

Passed the House March 10, 1998.

Approved by the Governor March 23, 1998.

Filed in Office of Secretary of State March 23, 1998.