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

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

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

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

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

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

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

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

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

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

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

(8) Where the application is for a special permit by a
manufacturer, importer, or distributor, or representative thereof, to
serve liquor without charge to delegates and guests at a convention of
a trade association composed of licensees of the board, when the said
liquor is served in a hospitality room or from a booth in a board-
approved suppliers’ display room at the convention, and when the liquor
so served is for consumption in the said hospitality room or display
room during the convention, anything in Title 66 RCW to the contrary
notwithstanding. Any such spirituous liquor shall be purchased from
the board or a ((full-service)) spirits, beer, and wine restaurant
licensee and any such beer and wine shall be subject to the taxes imposed by RCW 66.24.290 and 66.24.210;

(9) Where the application is for a special permit by a manufacturer, importer, or distributor, or representative thereof, to donate liquor for a reception, breakfast, luncheon, or dinner for delegates and guests at a convention of a trade association composed of licensees of the board, when the liquor so donated is for consumption at the said reception, breakfast, luncheon, or dinner during the convention, anything in Title 66 RCW to the contrary notwithstanding. Any such spirituous liquor shall be purchased from the board or a 

((class H)) spirits, beer, and wine restaurant licensee and any such beer and wine shall be subject to the taxes imposed by RCW 66.24.290 and 66.24.210;

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

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

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

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

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

(a) A person who has not resided in the state for at least one
month prior to making application, except in cases of licenses issued
to dining places on railroads, boats, or aircraft;
(b) A copartnership, unless all of the members thereof are
qualified to obtain a license, as provided in this section;
(c) A person whose place of business is conducted by a manager or
agent, unless such manager or agent possesses the same qualifications
required of the licensee;
(d) A corporation or a limited liability company, unless it was
created under the laws of the state of Washington or holds a
certificate of authority to transact business in the state of
Washington.

(3)(a) The board may, in its discretion, subject to the provisions
of RCW 66.08.150, suspend or cancel any license; and all rights of the
licensee to keep or sell liquor thereunder shall be suspended or
terminated, as the case may be.
(b) The board shall immediately suspend the license or certificate
of a person who has been certified pursuant to RCW 74.20A.320 by the
department of social and health services as a person who is not in
compliance with a support order ((or a residential or visitation
order)). If the person has continued to meet all other requirements
for reinstatement during the suspension, reissuance of the license or
certificate shall be automatic upon the board’s receipt of a release
issued by the department of social and health services stating that the
licensee is in compliance with the order.
(c) The board may request the appointment of administrative law
judges under chapter 34.12 RCW who shall have power to administer
oaths, issue subpoenas for the attendance of witnesses and the
production of papers, books, accounts, documents, and testimony,
examine witnesses, and to receive testimony in any inquiry,
investigation, hearing, or proceeding in any part of the state, under such rules and regulations as the board may adopt.

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

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

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

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

(b) Unless sooner canceled, every license issued by the board shall expire at midnight of the thirtieth day of June of the fiscal year for which it was issued. However, if the board deems it feasible and desirable to do so, it may establish, by rule pursuant to chapter 34.05 RCW, a system for staggering the annual renewal dates for any and all licenses authorized by this chapter. If such a system of staggered annual renewal dates is established by the board, the license fees provided by this chapter shall be appropriately prorated during the first year that the system is in effect.
(6) Every license issued under this section shall be subject to all conditions and restrictions imposed by this title or by the regulations in force from time to time. All conditions and restrictions imposed by the board in the issuance of an individual license shall be listed on the face of the individual license along with the trade name, address, and expiration date.

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

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

(9) Before the board issues any license to any applicant, it shall give (a) due consideration to the location of the business to be conducted under such license with respect to the proximity of churches, schools, and public institutions and (b) written notice by certified mail of the application to churches, schools, and public institutions within five hundred feet of the premises to be licensed. The board shall issue no beer retailer license for either on-premises or off-premises consumption or wine retailer license for either on-premises or off-premises consumption or (full service) spirits, beer, and wine restaurant license covering any premises not now licensed, if such premises are within five hundred feet of the premises of any tax-
supported public elementary or secondary school measured along the most
direct route over or across established public walks, streets, or other
public passageway from the outer property line of the school grounds to
the nearest public entrance of the premises proposed for license, and
if, after receipt by the school or public institution of the notice as
provided in this subsection, the board receives written notice, within
twenty days after posting such notice, from an official representative
or representatives of the school within five hundred feet of said
proposed licensed premises, indicating to the board that there is an
objection to the issuance of such license because of proximity to a
school. For the purpose of this section, church shall mean a building
erected for and used exclusively for religious worship and schooling or
other activity in connection therewith. No liquor license may be
issued or reissued by the board to any motor sports facility or
licensee operating within the motor sports facility unless the motor
sports facility enforces a program reasonably calculated to prevent
alcohol or alcoholic beverages not purchased within the facility from
entering the facility and such program is approved by local law
enforcement agencies. It is the intent under this subsection that a
retail license shall not be issued by the board where doing so would,
in the judgment of the board, adversely affect a private school meeting
the requirements for private schools under Title 28A RCW, which school
is within five hundred feet of the proposed licensee. The board shall
fully consider and give substantial weight to objections filed by
private schools. If a license is issued despite the proximity of a
private school, the board shall state in a letter addressed to the
private school the board’s reasons for issuing the license.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(b) If attendance at the function will be limited to members and invited guests of the sponsoring society or organization, the requirement that the society or organization be within the definition of RCW 66.24.375 is waived.
Sec. 5. RCW 66.24.400 and 1997 c 321 s 26 are each amended to read as follows:

There shall be a retailer’s license, to be known and designated as a ((full-service)) spirits, beer, and wine restaurant license, to sell spirituous liquor by the individual glass, beer, and wine, at retail, for consumption on the premises, including mixed drinks and cocktails compounded or mixed on the premises only: PROVIDED, That a hotel, or club licensed under chapter 70.62 RCW with overnight sleeping accommodations, that is licensed under this section may sell liquor by the bottle to registered guests of the hotel or club for consumption in guest rooms, hospitality rooms, or at banquets in the hotel or club: PROVIDED FURTHER, That a patron of a bona fide hotel, restaurant, or club licensed under this section may remove from the premises recorked or recapped in its original container any portion of wine which was purchased for consumption with a meal, and registered guests who have purchased liquor from the hotel or club by the bottle may remove from the premises any unused portion of such liquor in its original container. Such license may be issued only to bona fide restaurants, hotels and clubs, and to dining, club and buffet cars on passenger trains, and to dining places on passenger boats and airplanes, and to dining places at civic centers with facilities for sports, entertainment, and conventions, and to such other establishments operated and maintained primarily for the benefit of tourists, vacationers and travelers as the board shall determine are qualified to have, and in the discretion of the board should have, a ((full-service)) spirits, beer, and wine restaurant license under the provisions and limitations of this title.

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

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

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

<table>
<thead>
<tr>
<th>Dedicated Dining Area</th>
<th>Annual Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 50%</td>
<td>$2,000</td>
</tr>
<tr>
<td>50% or more</td>
<td>$1,600</td>
</tr>
<tr>
<td>Service bar only</td>
<td>$1,000</td>
</tr>
</tbody>
</table>
(b) The annual fee for the license when issued to any other spirits, beer, and wine restaurant licensee outside of incorporated cities and towns shall be prorated according to the calendar quarters, or portion thereof, during which the licensee is open for business, except in case of suspension or revocation of the license.

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

(d) Where the license shall be issued to any corporation, association, or person operating dining places at a publicly or privately owned civic or convention center with facilities for sports, entertainment, or conventions, or a combination thereof, with more than one place where liquor is to be dispensed and sold, such license shall be issued upon the payment of the annual fee, which shall be a master license and shall permit such sale within and from one such place. Such license may be extended to additional places on the premises at the discretion of the board and a duplicate license may be issued for each such additional place: PROVIDED, That the holder of a master license for a dining place at such a publicly or privately owned civic or convention center shall be required to maintain in a substantial manner at least one place on the premises for preparing, cooking, and serving of complete meals, and food service shall be available on request in other licensed places on the premises: PROVIDED FURTHER, That an additional license fee of ten dollars shall be required for such duplicate licenses.
(e) Where the license shall be issued to any corporation, association or person operating more than one building containing dining places at privately owned facilities which are open to the public and where there is a continuity of ownership of all adjacent property, such license shall be issued upon the payment of an annual fee which shall be a master license and shall permit such sale within and from one such place. Such license may be extended to the additional dining places on the property or, in the case of a spirits, beer, and wine restaurant licensed hotel, property owned or controlled by leasehold interest by that hotel for use as a conference or convention center or banquet facility open to the general public for special events in the same metropolitan area, at the discretion of the board and a duplicate license may be issued for each additional place: PROVIDED, That the holder of the master license for the dining place shall not offer alcoholic beverages for sale, service, and consumption at the additional place unless food service is available at both the location of the master license and the duplicate license: PROVIDED FURTHER, That an additional license fee of twenty dollars shall be required for such duplicate licenses.

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

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

(4) The total number of spirits, beer, and wine restaurant licenses issued in the state of Washington by the board, not including spirits, beer, and wine private club licenses, shall not in the aggregate at any time exceed one license for each fifteen hundred of population in the state, determined according
to the yearly population determination developed by the office of financial management pursuant to RCW 43.62.030.

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

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

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

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

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

(1) The board may, in its discretion, issue a ((full service)) spirits, beer, and wine restaurant license to a business which qualifies as a "restaurant" as that term is defined in RCW 66.24.410 in all respects except that the business does not serve the general public but, through membership qualification, selectively restricts admission to the business. For purposes of RCW 66.24.400 and 66.24.420, all licenses issued under this section shall be considered ((full service)) spirits, beer, and wine restaurant licenses and shall be subject to all requirements, fees, and qualifications in this title, or in rules adopted by the board, as are applicable to ((full service)) spirits,
beer, and wine restaurant licenses generally except that no service to
the general public may be required.

(2) No license shall be issued under this section to a business:
(a) Which shall not have been in continuous operation for at least
one year immediately prior to the date of its application; or
(b) Which denies membership or admission to any person because of
race, creed, color, national origin, sex, or the presence of any
sensory, mental, or physical handicap.

Sec. 8. RCW 66.24.440 and 1997 c 321 s 29 are each amended to read
as follows:
Each (full service) spirits, beer, and wine restaurant, (full
service) spirits, beer, and wine private club, and sports
entertainment facility licensee shall be entitled to purchase any
spirits, beer, and wine restaurant licenses salable under such license from the board at a
discount of not less than fifteen percent from the retail price fixed
by the board, together with all taxes.

Sec. 9. RCW 66.24.450 and 1997 c 321 s 30 are each amended to read
as follows:
(1) No club shall be entitled to a (full service) spirits, beer,
and wine private club license:
(a) Unless such private club has been in continuous operation for
at least one year immediately prior to the date of its application for
such license;
(b) Unless the private club premises be constructed and equipped,
conducted, managed, and operated to the satisfaction of the board and
in accordance with this title and the regulations made thereunder;
(c) Unless the board shall have determined pursuant to any
regulations made by it with respect to private clubs, that such private
club is a bona fide private club; it being the intent of this section
that license shall not be granted to a club which is, or has been,
primarily formed or activated to obtain a license to sell liquor, but
solely to a bona fide private club, where the sale of liquor is
incidental to the main purposes of the private club, as defined in RCW
66.04.010(7).
(2) The annual fee for a (full service) spirits, beer, and wine
private club license, whether inside or outside of an incorporated city
or town, is seven hundred twenty dollars per year.
Sec. 10. RCW 66.24.455 and 1997 c 321 s 32 are each amended to read as follows:

Subject to approval by the board, holders of beer and/or wine restaurant, tavern, snack bar, spirits, beer, and wine restaurant, spirits, beer, and wine private club, or beer and wine private club licenses may extend their premises for the sale, service, and consumption of liquor authorized under their respective licenses to the concourse or lane areas in a bowling establishment where the concourse or lane areas are adjacent to the food preparation service facility.

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

(1)(a) No manufacturer, importer, or distributor, or person financially interested, directly or indirectly, in such business; whether resident or nonresident, shall have any financial interest, direct or indirect, in any licensed retail business; nor shall any manufacturer, importer, or distributor own any of the property upon which such licensed persons conduct their business; nor shall any such licensed person, under any arrangement whatsoever, conduct his or her business upon property in which any manufacturer, importer, or distributor has any interest unless title to that property is owned by a corporation in which a manufacturer has no direct stock ownership and there are no interlocking officers or directors, the retail license is held by an independent concessionaire which is not owned directly or indirectly by the manufacturer or property owner, the sales of liquor are incidental to the primary activity of operating the property as an amphitheater offering live musical and similar live entertainment activities to the public, alcoholic beverages produced by the manufacturer are not sold at the licensed premises, and the board reviews the ownership and proposed method of operation of all involved entities and determines that there will not be an unacceptable level of control or undue influence over the operation of the retail licensee. Except as provided in subsection (3) of this section, no manufacturer, importer, or distributor shall advance moneys or moneys’ worth to a licensed person under an arrangement, nor shall such licensed person receive, under an arrangement, an advance of moneys or moneys’ worth. "Person" as used in this section only shall not include those state or federally chartered banks, state or federally chartered savings and
loan associations, state or federally chartered mutual savings banks, or institutional investors which are not controlled directly or indirectly by a manufacturer, importer, or distributor as long as the bank, savings and loan association, or institutional investor does not influence or attempt to influence the purchasing practices of the retailer with respect to alcoholic beverages. No manufacturer, importer, or distributor shall be eligible to receive or hold a retail license under this title, nor shall such manufacturer, importer, or distributor sell at retail any liquor as herein defined.

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

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

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

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

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

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

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

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

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

Except as permitted by the board under RCW 66.20.010, no ((brewer, wholesaler)) brewery, distributor, distiller, winery, importer,
rectifier, or other manufacturer of liquor shall, within the state,  
((by himself or herself, a clerk, servant, or agent,)) give to any  
person any liquor; but nothing in this section nor in RCW 66.28.010  
shall prevent a ((brewer, wholesaler,)) brewery, distributor, winery,  
distiller, or importer from furnishing samples of beer, wine, or  
spirituous liquor to authorized licensees for the purpose of  
negotiating a sale, in accordance with regulations adopted by the  
liquor control board, provided that the samples are subject to taxes  
imposed by RCW 66.24.290 and 66.24.210, and in the case of spirituous  
liquor, any product used for samples must be purchased at retail from  
the board; nothing in this section shall prevent the furnishing of  
samples of liquor to the board for the purpose of negotiating the sale  
of liquor to the state liquor control board; nothing in this section  
shall prevent a brewery, winery, distillery, or ((wholesaler))  
distributor from furnishing beer, wine, or spirituous liquor for  
instructional purposes under RCW 66.28.150 and 66.28.155; nothing in  
this section shall prevent a winery or ((wholesaler)) distributor from  
furnishing wine without charge to a not-for-profit group organized and  
operated solely for the purpose of enology or the study of viticulture  
which has been in existence for at least six months and any wine so  
furnished shall be used solely for such educational purposes, provided  
that the wine furnished shall be subject to the taxes imposed by RCW  
66.24.210; nothing in this section shall prevent a brewer from serving  
beer without charge, on the brewery premises; nothing in this section  
shall prevent donations of wine for the purposes of RCW 66.12.180; and  
nothing in this section shall prevent a domestic winery from serving  
wine without charge, on the winery premises.

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

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

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

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

(3) Require the purchaser to sign a sworn statement, under penalty
of perjury, that:
   (a) The purchaser is of legal age to purchase, possess, or use malt
liquor;
   (b) The purchaser will not allow any person under the age of
twenty-one years to consume the beverage except as provided by RCW
66.44.270;
   (c) The purchaser will not remove, obliterate, or allow to be
removed or obliterated, the identification required under RCW 66.28.220
to be affixed to the container;

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

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

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

(1) Except as otherwise provided by RCW 66.44.316 and 66.44.350, it
shall be a misdemeanor:
   (a) To serve or allow to remain in any area classified by the board
as off-limits to any person under the age of twenty-one years;
   (b) For any person under the age of twenty-one years to enter or
remain in any area classified as off-limits to such a person, but
persons under twenty-one years of age may pass through a restricted
area in a facility holding a spirits, beer, and wine private club
((full-service)) license;
(c) For any person under the age of twenty-one years to represent his or her age as being twenty-one or more years for the purpose of purchasing liquor or securing admission to, or remaining in any area classified by the board as off-limits to such a person.

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

Sec. 15. RCW 66.98.060 and 1997 c 321 s 54 are each amended to read as follows:

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

Sec. 16. RCW 82.08.150 and 1997 c 321 s 55 are each amended to read as follows:

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

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

(3) There is levied and shall be collected an additional tax upon each retail sale of spirits in the original package at the rate of one dollar and seventy-two cents per liter. The additional tax imposed in this subsection shall apply to all such sales including sales by Washington state liquor stores and agencies, and including sales to spirits, beer, and wine restaurant licensees.
(4) An additional tax is imposed equal to fourteen percent multiplied by the taxes payable under subsections (1), (2), and (3) of this section.

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

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

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

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

(d) All revenues collected during any month from additional taxes under this subsection shall be deposited in the health services account created under RCW 43.72.900 by the twenty-fifth day of the following month.
(7) The tax imposed in RCW 82.08.020 shall not apply to sales of spirits or strong beer in the original package.

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

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

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