
HOUSE BILL 2218

State of Washington 56th Legislature 1999 Regular Session

By Representatives Romero and D. Schmidt; by request of Governor Locke

Read first time 02/22/1999. Referred to Committee on State Government.

1 AN ACT Relating to the reorganization of the liquor control board;
2 amending RCW 66.04.010, 66.08.012, 66.08.014, 66.08.016, 66.08.020,
3 66.08.020, 66.08.022, 66.08.024, 66.08.026, 66.08.030, 66.08.055,
4 66.08.060, 66.08.070, 66.08.075, 66.08.080, 66.08.090, 66.08.095,
5 66.08.100, 66.08.130, 66.08.140, 66.08.150, 66.08.170, 66.08.220,
6 66.08.235, 10.93.020, 19.02.050, 42.17.2401, 43.17.020, and 43.82.010;
7 reenacting and amending RCW 66.08.180 and 43.17.010; adding new
8 sections to chapter 66.08 RCW; creating new sections; repealing RCW
9 66.08.016 and 66.08.050; and providing an effective date.

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

11 **Sec. 1.** RCW 66.04.010 and 1997 c 321 s 37 are each amended to read
12 as follows:

13 In this title, unless the context otherwise requires:

14 (1) "Alcohol" is that substance known as ethyl alcohol, hydrated
15 oxide of ethyl, or spirit of wine, which is commonly produced by the
16 fermentation or distillation of grain, starch, molasses, or sugar, or
17 other substances including all dilutions and mixtures of this
18 substance. The term "alcohol" does not include alcohol in the
19 possession of a manufacturer or distiller of alcohol fuel, as described

1 in RCW 66.12.130, which is intended to be denatured and used as a fuel
2 for use in motor vehicles, farm implements, and machines or implements
3 of husbandry.

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

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

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

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

18 (6) "Board" means the liquor control board, constituted under this
19 title.

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

23 (8) "Consume" includes the putting of liquor to any use, whether by
24 drinking or otherwise.

25 (9) "Dentist" means a practitioner of dentistry duly and regularly
26 licensed and engaged in the practice of his or her profession within
27 the state pursuant to chapter 18.32 RCW.

28 (10) "Department" means the department of liquor control created in
29 section 2 of this act.

30 (11) "Director" means the director of the department.

31 (12) "Distiller" means a person engaged in the business of
32 distilling spirits.

33 (~~(11)~~) (13) "Domestic winery" means a place where wines are
34 manufactured or produced within the state of Washington.

35 (~~(12)~~) (14) "Druggist" means any person who holds a valid
36 certificate and is a registered pharmacist and is duly and regularly
37 engaged in carrying on the business of pharmaceutical chemistry
38 pursuant to chapter 18.64 RCW.

1 (~~(13)~~) (15) "Drug store" means a place whose principal business
2 is, the sale of drugs, medicines and pharmaceutical preparations and
3 maintains a regular prescription department and employs a registered
4 pharmacist during all hours the drug store is open.

5 (~~(14)~~) (16) "Employee" means any person employed by the (~~board~~)
6 director, including a vendor, as (~~hereinafter~~) defined in this
7 section (~~defined~~).

8 (~~(15)~~) (17) "Fund" means (~~(^)~~) the liquor revolving fund. (~~(^~~

9 ~~(16)~~) (18) "Hotel" means every building or other structure kept,
10 used, maintained, advertised or held out to the public to be a place
11 where food is served and sleeping accommodations are offered for pay to
12 transient guests, in which twenty or more rooms are used for the
13 sleeping accommodation of such transient guests and having one or more
14 dining rooms where meals are served to such transient guests, such
15 sleeping accommodations and dining rooms being conducted in the same
16 building and buildings, in connection therewith, and such structure or
17 structures being provided, in the judgment of the (~~board~~) director,
18 with adequate and sanitary kitchen and dining room equipment and
19 capacity, for preparing, cooking and serving suitable food for its
20 guests: PROVIDED FURTHER, That in cities and towns of less than five
21 thousand population, the (~~board~~) director shall have authority to
22 waive the provisions requiring twenty or more rooms.

23 (~~(17)~~) (19) "Importer" means a person who buys distilled spirits
24 from a distillery outside the state of Washington and imports such
25 spirituous liquor into the state for sale to the board or for export.

26 (~~(18)~~) (20) "Imprisonment" means confinement in the county jail.

27 (~~(19)~~) (21) "Liquor" includes the four varieties of liquor herein
28 defined (alcohol, spirits, wine and beer), and all fermented,
29 spirituous, vinous, or malt liquor, or combinations thereof, and mixed
30 liquor, a part of which is fermented, spirituous, vinous or malt
31 liquor, or otherwise intoxicating; and every liquid or solid or
32 semisolid or other substance, patented or not, containing alcohol,
33 spirits, wine or beer, and all drinks or drinkable liquids and all
34 preparations or mixtures capable of human consumption, and any liquid,
35 semisolid, solid, or other substance, which contains more than one
36 percent of alcohol by weight shall be conclusively deemed to be
37 intoxicating. Liquor does not include confections or food products
38 that contain one percent or less of alcohol by weight.

1 (~~(20)~~) (22) "Manufacturer" means a person engaged in the
2 preparation of liquor for sale, in any form whatsoever.

3 (~~(21)~~) (23) "Malt beverage" or "malt liquor" means any beverage
4 such as beer, ale, lager beer, stout, and porter obtained by the
5 alcoholic fermentation of an infusion or decoction of pure hops, or
6 pure extract of hops and pure barley malt or other wholesome grain or
7 cereal in pure water containing not more than eight percent of alcohol
8 by weight, and not less than one-half of one percent of alcohol by
9 volume. For the purposes of this title, any such beverage containing
10 more than eight percent of alcohol by weight shall be referred to as
11 "strong beer."

12 (~~(22)~~) (24) "Package" means any container or receptacle used for
13 holding liquor.

14 (~~(23)~~) (25) "Permit" means a permit for the purchase of liquor
15 under this title.

16 (~~(24)~~) (26) "Person" means an individual, copartnership,
17 association, or corporation.

18 (~~(25)~~) (27) "Physician" means a medical practitioner duly and
19 regularly licensed and engaged in the practice of his or her profession
20 within the state pursuant to chapter 18.71 RCW.

21 (~~(26)~~) (28) "Prescription" means a memorandum signed by a
22 physician and given by (~~him~~) the physician to a patient for the
23 obtaining of liquor pursuant to this title for medicinal purposes.

24 (~~(27)~~) (29) "Public place" includes streets and alleys of
25 incorporated cities and towns; state or county or township highways or
26 roads; buildings and grounds used for school purposes; public dance
27 halls and grounds adjacent thereto; those parts of establishments where
28 beer may be sold under this title, soft drink establishments, public
29 buildings, public meeting halls, lobbies, halls and dining rooms of
30 hotels, restaurants, theatres, stores, garages and filling stations
31 which are open to and are generally used by the public and to which the
32 public is permitted to have unrestricted access; railroad trains,
33 stages, and other public conveyances of all kinds and character, and
34 the depots and waiting rooms used in conjunction therewith which are
35 open to unrestricted use and access by the public; publicly owned
36 bathing beaches, parks, and/or playgrounds; and all other places of
37 like or similar nature to which the general public has unrestricted
38 right of access, and which are generally used by the public.

1 ~~((28))~~ "Regulations" means regulations made by the board under the
2 powers conferred by this title.

3 ~~(29))~~ (30) "Restaurant" means any establishment provided with
4 special space and accommodations where, in consideration of payment,
5 food, without lodgings, is habitually furnished to the public, not
6 including drug stores and soda fountains.

7 ~~((30))~~ (31) "Rules" means rules adopted in accordance with
8 chapter 34.05 RCW by the board under the powers conferred by this
9 title.

10 (32) "Sale" and "sell" include exchange, barter, and traffic; and
11 also include the selling or supplying or distributing, by any means
12 whatsoever, of liquor, or of any liquid known or described as beer or
13 by any name whatever commonly used to describe malt or brewed liquor or
14 of wine, by any person to any person; and also include a sale or
15 selling within the state to a foreign consignee or his or her agent in
16 the state. "Sale" and "sell" shall not include the giving, at no
17 charge, of a reasonable amount of liquor by a person not licensed by
18 the ~~((board))~~ department to a person not licensed by the ~~((board))~~
19 department, for personal use only. "Sale" and "sell" also does not
20 include a raffle authorized under RCW 9.46.0315: PROVIDED, That the
21 nonprofit organization conducting the raffle has obtained the
22 appropriate permit from the ~~((board))~~ department.

23 ~~((31))~~ (33) "Soda fountain" means a place especially equipped
24 with apparatus for the purpose of dispensing soft drinks, whether mixed
25 or otherwise.

26 ~~((32))~~ (34) "Spirits" means any beverage which contains alcohol
27 obtained by distillation, including wines exceeding twenty-four percent
28 of alcohol by volume.

29 ~~((33))~~ (35) "Store" means a state liquor store established under
30 this title.

31 ~~((34))~~ (36) "Tavern" means any establishment with special space
32 and accommodation for sale by the glass and for consumption on the
33 premises, of beer, as herein defined.

34 ~~((35))~~ (37) "Vendor" means a person employed by the ~~((board))~~
35 department as a store manager under this title.

36 ~~((36))~~ (38) "Winery" means a business conducted by any person for
37 the manufacture of wine for sale, other than a domestic winery.

38 ~~((37))~~ (39) "Wine" means any alcoholic beverage obtained by
39 fermentation of fruits (grapes, berries, apples, et cetera) or other

1 agricultural product containing sugar, to which any saccharine
2 substances may have been added before, during or after fermentation,
3 and containing not more than twenty-four percent of alcohol by volume,
4 including sweet wines fortified with wine spirits, such as port,
5 sherry, muscatel and angelica, not exceeding twenty-four percent of
6 alcohol by volume and not less than one-half of one percent of alcohol
7 by volume. For purposes of this title, any beverage containing no more
8 than fourteen percent of alcohol by volume when bottled or packaged by
9 the manufacturer shall be referred to as "table wine," and any beverage
10 containing alcohol in an amount more than fourteen percent by volume
11 when bottled or packaged by the manufacturer shall be referred to as
12 "fortified wine." However, "fortified wine" shall not include: (a)
13 Wines that are both sealed or capped by cork closure and aged two years
14 or more; and (b) wines that contain more than fourteen percent alcohol
15 by volume solely as a result of the natural fermentation process and
16 that have not been produced with the addition of wine spirits, brandy,
17 or alcohol.

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

20 (~~(+38+)~~) (40) "Wine distributor" means a person who buys wine from
21 a vintner or winery located either within or beyond the boundaries of
22 the state for the purpose of selling the same not in violation of this
23 title, or who represents such vintner or winery as agent.

24 (~~(+39+)~~) (41) "Wine importer" means a person or business within
25 Washington who purchases wine from a United States winery holding a
26 certificate of approval (W7) or foreign produced wine from a source
27 outside the state of Washington for the purpose of selling the same
28 pursuant to this title.

29 NEW SECTION. **Sec. 2.** A new section is added to chapter 66.08 RCW
30 to read as follows:

31 There is created an agency of state government known as the
32 Washington state department of liquor control.

33 The executive head of the department is the director. The director
34 shall be appointed by, and serve at the pleasure of, the governor. The
35 appointment of the director is subject to confirmation by the senate.
36 The director shall be paid a salary to be fixed by the governor in
37 accordance with RCW 43.03.040. The director shall have management
38 experience in a public agency and an understanding of the distribution

1 and retail sales operations of Washington's controlled sales
2 environment.

3 NEW SECTION. **Sec. 3.** All powers, duties, and functions vested by
4 law in the liquor control board are transferred to the director of the
5 department, except those powers, duties, and functions that are
6 expressly directed to remain with the board. This transfer shall take
7 place on the effective date of this section. This act does not create
8 a new agency, but provides for a new administrative structure within
9 the renamed agency.

10 **Sec. 4.** RCW 66.08.012 and 1961 c 307 s 7 are each amended to read
11 as follows:

12 There shall be a board, known as the "Washington state liquor
13 control board," consisting of three members, to be appointed by the
14 governor, with the consent of the senate, who shall each be (~~paid an~~
15 ~~annual salary to be fixed by the governor in accordance with the~~
16 ~~provisions of RCW 43.03.040~~) compensated in accordance with RCW
17 43.03.250 and shall be reimbursed for travel expenses in accordance
18 with RCW 43.03.050 and 43.03.060. The governor may, in his or her
19 discretion, appoint one of the members as (~~chairman~~) chair of the
20 board, and a majority of the members shall constitute a quorum of the
21 board. The board shall meet once a month or at such times as the chair
22 may designate.

23 **Sec. 5.** RCW 66.08.014 and 1986 c 105 s 1 are each amended to read
24 as follows:

25 (1) The members of the board to be appointed after December 2,
26 1948, shall be appointed for terms beginning January 15, 1949, and
27 expiring as follows: One member of the board for a term of three years
28 from January 15, 1949; one member of the board for a term of six years
29 from January 15, 1949; and one member of the board for a term of nine
30 years from January 15, 1949. Each of the members of the board
31 appointed hereunder shall hold office until his or her successor is
32 appointed and qualified. After June 11, 1986, the term that began on
33 January 15, 1985, will end on January 15, 1989, the term beginning on
34 January 15, 1988, will end on January 15, 1993, and the term beginning
35 on January 15, 1991, will end on January 15, 1997. Thereafter, upon
36 the expiration of the term of any member appointed after June 11, 1986,

1 each succeeding member of the board shall be appointed and hold office
2 for the term of six years. The unexpired terms of board members
3 serving on the effective date of this section shall be completed by the
4 members appointed to serve part time after the effective date of this
5 section. In case of a vacancy, it shall be filled by appointment by
6 the governor for the unexpired portion of the term in which said
7 vacancy occurs. No vacancy in the membership of the board shall impair
8 the right of the remaining member or members to act, except as herein
9 otherwise provided.

10 (2) The principal office of the (~~board~~) department shall be at
11 the state (~~capitol~~) capital, and it may establish such other offices
12 as it may deem necessary.

13 (3) Any member of the board may be removed for inefficiency,
14 malfeasance or misfeasance in office, upon specific written charges
15 filed by the governor, who shall transmit such written charges to the
16 member accused and to the chief justice of the supreme court. The
17 chief justice shall thereupon designate a tribunal composed of three
18 judges of the superior court to hear and adjudicate the charges. Such
19 tribunal shall fix the time of the hearing, which shall be public, and
20 the procedure for the hearing, and the decision of such tribunal shall
21 be final and not subject to review by the supreme court. Removal of
22 any member of the board by the tribunal shall disqualify such member
23 for reappointment.

24 (4) Each member of the board shall (~~devote his entire time to the~~
25 ~~duties of his office~~) serve part time and no member of the board shall
26 hold any other public office. Before entering upon the duties of his
27 or her office, each of (~~said~~) the members of the board shall enter
28 into a surety bond executed by a surety company authorized to do
29 business in this state, payable to the state of Washington, to be
30 approved by the governor in the penal sum of fifty thousand dollars
31 conditioned upon the faithful performance of his or her duties, and
32 shall take and subscribe to the oath of office prescribed for elective
33 state officers, which oath and bond shall be filed with the secretary
34 of state. The premium for (~~said~~) the bond shall be paid by the
35 (~~board~~) department.

36 **Sec. 6.** RCW 66.08.016 and 1961 c 1 s 30 are each amended to read
37 as follows:

1 The (~~board~~) chair may employ such number of employees as in its
2 judgment are required from time to time.

3 **Sec. 7.** RCW 66.08.020 and 1933 ex.s. c 62 s 5 are each amended to
4 read as follows:

5 (1) The administration of this title, including the general
6 control, management, and supervision of all liquor stores, shall be
7 vested in the (~~liquor control board, constituted under this title~~)
8 chair.

9 (2) Until July 1, 2001, duties in RCW 66.08.030, 66.08.050, and
10 66.08.150 shall remain with the board.

11 **Sec. 8.** RCW 66.08.020 and 1999 c . . . s 7 (section 7 of this act)
12 are each amended to read as follows:

13 (~~(1)~~) The administration of this title, including the general
14 control, management, and supervision of all liquor stores, shall be
15 vested in the (~~chair~~) director, who shall carry out this
16 administrative function in accordance with the rules adopted by the
17 board.

18 In addition to any other powers granted or transferred to the
19 director, the director shall have the following powers and duties as
20 may be necessary to carry out the purposes of this title:

21 (1) Supervise and administer the operations of the department in
22 accordance with the provisions of this title;

23 (2) Employ personnel in accordance with chapter 41.06 RCW and
24 prescribe their duties;

25 (3) Appoint such assistant directors and special assistants as may
26 be necessary to administer the department, who shall be exempt from
27 chapter 41.06 RCW;

28 (4) Enter into contracts on behalf of the department;

29 (5) Accept and expend donations, grants, or other funds;

30 (6) Delegate powers, duties, and functions of the department to
31 employees of the department as the director deems necessary to ensure
32 efficient administration;

33 (7) Appoint advisory committees and undertake studies, research,
34 and analysis necessary to support activities of the department; and

35 (8) Perform such other duties as are consistent with this title.

36 (~~(2) Until July 1, 2001, duties in RCW 66.08.030, 66.08.050, and~~
37 66.08.150 shall remain with the board.))

1 **Sec. 9.** RCW 66.08.022 and 1961 ex.s. c 6 s 2 are each amended to
2 read as follows:

3 The attorney general shall be the general counsel of the ((~~liquor~~
4 ~~control board~~)) department and he or she shall institute and prosecute
5 all actions and proceedings which may be necessary in the enforcement
6 and carrying out of the provisions of this chapter and Title 66 RCW.

7 He or she shall assign such assistants as may be necessary to the
8 exclusive duty of assisting the liquor control board in the enforcement
9 of Title 66 RCW.

10 **Sec. 10.** RCW 66.08.024 and 1987 c 74 s 1 are each amended to read
11 as follows:

12 The state auditor shall audit the books, records, and affairs of
13 the ((~~board~~)) department annually. The ((~~board~~)) department may
14 provide for additional audits by certified public accountants. All
15 such audits shall be public records of the state. The payment of the
16 audits provided for in this section shall be paid as provided in RCW
17 66.08.026 for other administrative expenses.

18 **Sec. 11.** RCW 66.08.026 and 1998 c 265 s 2 are each amended to read
19 as follows:

20 All administrative expenses of the ((~~board~~)) department incurred on
21 and after April 1, 1963 shall be appropriated and paid from the liquor
22 revolving fund. These administrative expenses shall include, but not
23 be limited to: The salaries and expenses of the ((~~board~~)) department
24 and its employees, the cost of establishing, leasing, maintaining, and
25 operating state liquor stores and warehouses, legal services, pilot
26 projects, annual or other audits, and other general costs of conducting
27 the business of the ((~~board~~)) department, and the costs of supplying,
28 installing, and maintaining equipment used in state liquor stores and
29 agency liquor vendor stores for the purchase of liquor by nonlicensees
30 using debit or credit cards. The administrative expenses shall not,
31 however, be deemed to include costs of liquor and lottery tickets
32 purchased, the cost of transportation and delivery to the point of
33 distribution, other costs pertaining to the acquisition and receipt of
34 liquor and lottery tickets, packaging and repackaging of liquor,
35 transaction fees associated with credit or debit card purchases for
36 liquor in state liquor stores and in the stores of agency liquor
37 vendors pursuant to RCW 66.16.040 and 66.16.041, sales tax, and those

1 amounts distributed pursuant to RCW 66.08.180, 66.08.190, 66.08.200,
2 66.08.210 and 66.08.220.

3 **Sec. 12.** RCW 66.08.030 and 1977 ex.s. c 115 s 1 are each amended
4 to read as follows:

5 (1) For the purpose of carrying into effect the provisions of this
6 title according to their true intent or of supplying any deficiency
7 therein, the board may ~~((make))~~ adopt such ~~((regulations))~~ rules in
8 accordance with chapter 34.05 RCW not inconsistent with the spirit of
9 this title as are deemed necessary or advisable. All ~~((regulations))~~
10 rules so made shall be a public record and shall be filed in the office
11 of the code reviser, and thereupon shall have the same force and effect
12 as if incorporated in this title. Such ~~((regulations))~~ rules, together
13 with a copy of this title, shall be published in pamphlets and shall be
14 distributed as directed by the board.

15 (2) Without thereby limiting the generality of the provisions
16 ~~((contained))~~ in subsection (1) of this section, it is declared that
17 the power of the board to make ~~((regulations))~~ rules in the manner set
18 out in that subsection shall extend to:

19 ~~((a))~~ ~~((regulating the equipment and management of stores and~~
20 ~~warehouses in which state liquor is sold or kept, and prescribing the~~
21 ~~books and records to be kept therein and the reports to be made thereon~~
22 ~~to the board;~~

23 ~~((b))~~ ~~prescribing the duties of the employees of the board, and~~
24 ~~regulating their conduct in the discharge of their duties;~~

25 ~~((c))~~ Governing the purchase of liquor by the state and the
26 furnishing of liquor to stores established under this title;

27 ~~((d))~~ ~~determining the classes, varieties, and brands of liquor to~~
28 ~~be kept for sale at any store;~~

29 ~~((e))~~ (b) Prescribing, subject to RCW 66.16.080, the hours during
30 which the state liquor stores shall be kept open for the sale of
31 liquor;

32 ~~((f))~~ (c) Providing for the issuing and distributing of price
33 lists showing the price to be paid by purchasers for each variety of
34 liquor kept for sale under this title;

35 ~~((g))~~ (d) Prescribing an official seal and official labels and
36 stamps and determining the manner in which they shall be attached to
37 every package of liquor sold or sealed under this title, including the

1 prescribing of different official seals or different official labels
2 for different classes of liquor;

3 ~~((h))~~ (e) Providing for the payment by the ~~((board))~~ department
4 in whole or in part of the carrying charges on liquor shipped by
5 freight or express;

6 ~~((i))~~ (f) Prescribing ~~((forms to be used for purposes of this~~
7 ~~title or the regulations, and))~~ the terms and conditions to be
8 contained in permits and licenses issued under this title;

9 ~~((j))~~ (g) Prescribing the fees payable in respect of permits and
10 licenses issued under this title for which no fees are prescribed in
11 this title, and prescribing the fees for anything done or permitted to
12 be done under the ~~((regulations))~~ rules;

13 ~~((k))~~ (h) Prescribing the kinds and quantities of liquor which
14 may be kept on hand by the holder of a special permit for the purposes
15 named in the permit, regulating the manner in which the same shall be
16 kept and disposed of, and providing for the inspection of the same at
17 any time at the instance of the ~~((board))~~ department;

18 ~~((l))~~ (i) Regulating the sale of liquor kept by the holders of
19 licenses which entitle the holder to purchase and keep liquor for sale;

20 ~~((m))~~ (j) Prescribing the records of purchases or sales of liquor
21 kept by the holders of licenses, and the reports to be made thereon to
22 the ~~((board))~~ department, and providing for inspection of the records
23 so kept;

24 ~~((n))~~ (k) Prescribing the kinds and quantities of liquor for
25 which a prescription may be given, and the number of prescriptions
26 which may be given to the same patient within a stated period;

27 ~~((o))~~ (l) Prescribing the manner of giving and serving notices
28 required by this title or the ~~((regulations))~~ rules, where not
29 otherwise provided for in this title;

30 ~~((p))~~ (m) Regulating premises in which liquor is kept for export
31 from the state, or from which liquor is exported, prescribing the books
32 and records to be kept therein and the reports to be made thereon to
33 the ~~((board))~~ department, and providing for the inspection of the
34 premises and the books, records and the liquor so kept;

35 ~~((q))~~ (n) Prescribing the conditions and qualifications requisite
36 for the obtaining of club licenses and the books and records to be kept
37 and the returns to be made by clubs, prescribing the manner of
38 licensing clubs in any municipality or other locality, and providing
39 for the inspection of clubs;

1 (~~(r)~~) (o) Prescribing the conditions, accommodations, and
2 qualifications requisite for the obtaining of licenses to sell beer and
3 wines, and regulating the sale of beer and wines thereunder;

4 (~~(s)~~) (p) Specifying and regulating the time and periods when,
5 and the manner, methods, and means by which manufacturers shall deliver
6 liquor within the state; and the time and periods when, and the manner,
7 methods, and means by which liquor may lawfully be conveyed or carried
8 within the state;

9 (~~(t)~~) (q) Providing for the making of returns by brewers of their
10 sales of beer shipped within the state, or from the state, showing the
11 gross amount of such sales and providing for the inspection of brewers'
12 books and records, and for the checking of the accuracy of any such
13 returns;

14 (~~(u)~~) (r) Providing for the making of returns by the wholesalers
15 of beer whose breweries are located beyond the boundaries of the state;

16 (~~(v)~~) (s) Providing for the making of returns by any other liquor
17 manufacturers, showing the gross amount of liquor produced or
18 purchased, the amount sold within and exported from the state, and to
19 whom so sold or exported, and providing for the inspection of the
20 premises of any such liquor manufacturers, their books and records, and
21 for the checking of any such return;

22 (~~(w)~~) (t) Providing for the giving of fidelity bonds by any or
23 all of the employees of the (~~board~~) department: PROVIDED, That the
24 premiums therefor shall be paid by the (~~board~~) department;

25 (~~(x)~~) (u) Providing for the shipment by mail or common carrier of
26 liquor to any person holding a permit and residing in any unit which
27 has, by election pursuant to this title, prohibited the sale of liquor
28 therein;

29 (~~(y)~~) (v) Prescribing methods of manufacture, conditions of
30 sanitation, standards of ingredients, quality, and identity of
31 alcoholic beverages manufactured, sold, bottled, or handled by
32 licensees and the (~~board~~) department; and conducting from time to
33 time, in the interest of the public health and general welfare,
34 scientific studies and research relating to alcoholic beverages and the
35 use and effect thereof; and

36 (~~(z)~~) (w) Seizing, confiscating, and destroying all alcoholic
37 beverages manufactured, sold, or offered for sale within this state
38 which do not conform in all respects to the standards prescribed by
39 this title or the (~~regulations~~) rules of the board: PROVIDED,

1 Nothing (~~herein contained~~) in this section shall be construed as
2 authorizing the (~~liquor~~) board to prescribe, alter, limit, or in any
3 way change the present law as to the quantity or percentage of alcohol
4 used in the manufacturing of wine or other alcoholic beverages.

5 NEW SECTION. Sec. 13. A new section is added to chapter 66.08 RCW
6 to read as follows:

7 The director, subject to the provisions of this title and the rules
8 adopted under this title, shall:

9 (1) Establish and operate all necessary warehouses for the storing
10 and bottling, diluting, and rectifying of stocks of liquors for the
11 purposes of this title;

12 (2) Provide for the leasing for periods not to exceed ten years of
13 all premises required for the conduct of the business; and for
14 remodeling the same, and the procuring of their furnishings, fixtures,
15 and supplies; and for obtaining options of renewal of such leases by
16 the lessee. The terms of such leases in all other respects shall be
17 subject to the direction of the director;

18 (3) Execute or cause to be executed, all contracts, papers, and
19 documents in the name of the department, under such rules as the board
20 may adopt;

21 (4) Pay all customs, duties, excises, charges, and obligations
22 whatsoever relating to the business of the department;

23 (5) Require bonds from all employees in the discretion of the
24 director, and to determine the amount of fidelity bond of each such
25 employee;

26 (6) Perform services for the state lottery commission to such
27 extent, and for such compensation, as may be mutually agreed upon
28 between the director and the commission;

29 (7) Perform all other matters and things, whether similar to the
30 foregoing or not, to carry out the provisions of this title, and have
31 full power to do each and every act necessary to the conduct of its
32 business, including all buying, selling, preparation and approval of
33 forms, and every other function of the business whatsoever, subject
34 only to audit by the state auditor: PROVIDED, That the director has no
35 authority to regulate the content of spoken language on licensed
36 premises where wine and other liquors are served and where there is not
37 a clear and present danger of disorderly conduct being provoked by such
38 language;

1 (8) Determine the localities within which state liquor stores shall
2 be established throughout the state, and the number and situation of
3 the stores within each locality;

4 (9) Appoint in cities and towns and other communities, in which no
5 state liquor store is located, liquor vendors. Such liquor vendors
6 shall be agents of the liquor control agency and be authorized to sell
7 liquor to such persons, firms, or corporations as provided for the sale
8 of liquor from a state liquor store, and such vendors shall be subject
9 to such additional rules consistent with this title; and

10 (10) Determine the nature, form, and capacity of all packages to be
11 used for containing liquor kept for sale under this title.

12 NEW SECTION. **Sec. 14.** A new section is added to chapter 66.08 RCW
13 to read as follows:

14 The director shall cause the preparation, update, and execution of
15 an integrated liquor plan that includes, but is not limited to, the
16 following elements:

17 (1) A program to achieve efficiencies, implement quality service
18 improvements, and ensure operational integration of regulatory,
19 merchandising, and administrative services;

20 (2) A program of public and consumer information and coordination
21 with other public agencies and private organizations that emphasizes
22 alcohol abuse prevention and responsible consumption; and

23 (3) A strategy for implementation of the plan.

24 **Sec. 15.** RCW 66.08.055 and 1933 ex.s. c 62 s 80 are each amended
25 to read as follows:

26 Every member of the board, and every employee authorized by the
27 ((board)) department to issue permits under this title, may administer
28 any oath and take and receive any affidavit or declaration required
29 under this title or the ((regulations)) rules.

30 **Sec. 16.** RCW 66.08.060 and 1933 ex.s. c 62 s 43 are each amended
31 to read as follows:

32 The ((board)) department shall not advertise liquor in any form or
33 through any medium whatsoever. The board shall have power to adopt any
34 and all reasonable ((regulations)) rules as to the kind, character, and
35 location of advertising of liquor.

1 **Sec. 17.** RCW 66.08.070 and 1985 c 226 s 2 are each amended to read
2 as follows:

3 (1) Every order for the purchase of liquor shall be authorized by
4 the ~~((board))~~ director, and no order for liquor shall be valid or
5 binding unless it is so authorized and signed by the ~~((board))~~ director
6 or ~~((its))~~ the director's authorized designee.

7 (2) A duplicate of every such order shall be kept on file in the
8 office of the ~~((board))~~ director.

9 (3) All cancellations of such orders made by the ~~((board))~~ director
10 shall be signed in the same manner and duplicates thereof kept on file
11 in the office of the ~~((board))~~ director. Nothing in this title shall
12 be construed as preventing the ~~((board))~~ department from accepting
13 liquor on consignment.

14 (4) In the purchase of wine or malt beverages the ~~((board))~~
15 department shall not require, as a term or condition of purchase, any
16 warranty or affirmation with respect to the relationship of the price
17 charged the ~~((board))~~ department to any price charged any other buyer.

18 **Sec. 18.** RCW 66.08.075 and 1937 c 217 s 5 are each amended to read
19 as follows:

20 No official or employee of the ~~((liquor control board of the state~~
21 ~~of Washington))~~ department shall, during his or her term of office or
22 employment, or for a period of two years immediately following the
23 termination thereof, represent directly or indirectly any manufacturer
24 or wholesaler of liquor in the sale of liquor to the ~~((board))~~
25 department.

26 **Sec. 19.** RCW 66.08.080 and 1994 c 154 s 313 are each amended to
27 read as follows:

28 Except as provided by chapter 42.52 RCW, no member of the board and
29 no employee of the ~~((board))~~ department shall have any interest,
30 directly or indirectly, in the manufacture of liquor or in any liquor
31 sold under this title, or derive any profit or remuneration from the
32 sale of liquor, other than the salary or wages payable to him or her in
33 respect of his or her office or position, and shall receive no gratuity
34 from any person in connection with such business.

35 **Sec. 20.** RCW 66.08.090 and 1933 ex.s. c 62 s 31 are each amended
36 to read as follows:

1 No employee shall sell liquor in any other place, nor at any other
2 time, nor otherwise than as authorized by the (~~board~~) director under
3 this title and the (~~regulations~~) rules.

4 **Sec. 21.** RCW 66.08.095 and 1993 c 26 s 3 are each amended to read
5 as follows:

6 The (~~liquor control board~~) department may provide liquor at no
7 charge, including liquor forfeited under chapter 66.32 RCW, to
8 recognized law enforcement agencies within the state when the law
9 enforcement agency will be using the liquor for bona fide law
10 enforcement training or investigation purposes.

11 **Sec. 22.** RCW 66.08.100 and 1935 c 174 s 9 are each amended to read
12 as follows:

13 No court of the state of Washington other than the superior court
14 of Thurston county shall have jurisdiction over any action or
15 proceeding against the board or department or any member thereof for
16 anything done or omitted to be done in or arising out of the
17 performance of (~~his or their~~) the member's duties under this title.
18 Neither the board, the director, the department, nor any member or
19 members (~~thereof~~) of the board or department shall be personally
20 liable in any action at law for damages sustained by any person because
21 of any acts performed or done or omitted to be done by the board, the
22 director, or the department or any employee of the board, the director,
23 or the department in the performance of his or her duties and in the
24 administration of this title.

25 **Sec. 23.** RCW 66.08.130 and 1981 1st ex.s. c 5 s 4 are each amended
26 to read as follows:

27 For the purpose of obtaining information concerning any matter
28 relating to the administration or enforcement of this title, the board,
29 the director, or any person appointed by (~~it~~) the director in writing
30 for the purpose, may inspect the books and records of:

- 31 (1) Any manufacturer;
- 32 (2) Any license holder;
- 33 (3) Any drug store holding a permit to sell on prescriptions;
- 34 (4) The freight and express books and records and all waybills,
35 bills of lading, receipts, and documents in the possession of any
36 common carrier doing business within the state, containing any

1 information or record relating to any goods shipped or carried, or
2 consigned or received for shipment or carriage within the state. Every
3 manufacturer, license holder, drug store holding a permit to sell on
4 prescriptions, and common carrier, and every owner or officer or
5 employee of the foregoing, who neglects or refuses to produce and
6 submit for inspection any book, record, or document referred to in this
7 section when requested to do so by the board, the director, or by a
8 person so appointed by ~~((it))~~ the director shall be guilty of a
9 violation of this title.

10 **Sec. 24.** RCW 66.08.140 and 1945 c 48 s 1 are each amended to read
11 as follows:

12 For the purpose of obtaining information concerning any matter
13 relating to the administration or enforcement of this title, the board,
14 the director, or any person appointed by it in writing for the purpose,
15 may inspect the books, documents, and records of any person lending
16 money to or in any manner financing any license, holder, or applicant
17 for license insofar as such books, documents, and/or records pertain to
18 the financial transaction involved. Every person who neglects or
19 refuses to produce and submit for inspection any book, record, or
20 document as required by this section when requested to do so by the
21 board or by a person duly appointed by it shall be guilty of a
22 violation of this title.

23 **Sec. 25.** RCW 66.08.150 and 1989 c 175 s 122 are each amended to
24 read as follows:

25 The action, order, or decision of the ~~((board))~~ director as to any
26 denial of an application for the reissuance of a permit or license or
27 as to any revocation, suspension, or modification of any permit or
28 license shall be an adjudicative proceeding and subject to the
29 applicable provisions of chapter 34.05 RCW. The final decision in any
30 adjudicative proceeding commenced under this section or chapter 34.05
31 RCW shall be made by the board.

32 (1) An opportunity for a hearing may be provided an applicant for
33 the reissuance of a permit or license prior to the disposition of the
34 application, and if no such opportunity for a prior hearing is provided
35 then an opportunity for a hearing to reconsider the application must be
36 provided the applicant.

1 (2) An opportunity for a hearing must be provided a permittee or
2 licensee prior to a revocation or modification of any permit or license
3 and, except as provided in subsection (4) of this section, prior to the
4 suspension of any permit or license.

5 (3) No hearing shall be required until demanded by the applicant,
6 permittee, or licensee.

7 (4) The ((board)) director may summarily suspend a license or
8 permit for a period of up to thirty days without a prior hearing if it
9 finds that public health, safety, or welfare imperatively require
10 emergency action, and incorporates a finding to that effect in its
11 order; and proceedings for revocation or other action must be promptly
12 instituted and determined.

13 **Sec. 26.** RCW 66.08.170 and 1961 ex.s. c 6 s 1 are each amended to
14 read as follows:

15 There shall be a fund, known as the "liquor revolving fund", which
16 shall consist of all license fees, permit fees, penalties, forfeitures,
17 and all other moneys, income, or revenue received by the ((board))
18 department. The state treasurer shall be custodian of the fund. All
19 moneys received by the ((board)) department or any employee thereof,
20 except for change funds and an amount of petty cash as fixed by the
21 ((board)) department within the authority of law shall be deposited
22 each day in a depository approved by the state treasurer and
23 transferred to the state treasurer to be credited to the liquor
24 revolving fund. Disbursements from the revolving fund shall be on
25 authorization of the ((board)) director or a duly authorized
26 representative thereof. In order to maintain an effective expenditure
27 and revenue control the liquor revolving fund shall be subject in all
28 respects to chapter 43.88 RCW but no appropriation shall be required to
29 permit expenditures and payment of obligations from such fund.

30 **Sec. 27.** RCW 66.08.180 and 1997 c 451 s 3 and 1997 c 321 s 57 are
31 each reenacted and amended to read as follows:

32 Except as provided in RCW 66.24.290(1), moneys in the liquor
33 revolving fund shall be distributed by the ((board)) director at least
34 once every three months in accordance with RCW 66.08.190, 66.08.200 and
35 66.08.210: PROVIDED, That the ((board)) director shall reserve from
36 distribution such amount not exceeding five hundred thousand dollars as
37 may be necessary for the proper administration of this title.

1 (1) All license fees, penalties and forfeitures derived under this
2 act from (~~class H~~) spirits, beer, and wine restaurant licenses or
3 (~~class H~~) spirits, beer, and wine restaurant licensees shall every
4 three months be disbursed by the (~~board~~) director as follows:

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

8 (b) Of the remaining funds:

9 (i) 6.06 percent to the University of Washington and 4.04 percent
10 to Washington State University for alcoholism and drug abuse research
11 and for the dissemination of such research; and

12 (ii) 89.9 percent to the general fund to be used by the department
13 of social and health services solely to carry out the purposes of RCW
14 70.96A.050;

15 (2) The first fifty-five dollars per license fee provided in RCW
16 66.24.320 and 66.24.330 up to a maximum of one hundred fifty thousand
17 dollars annually shall be disbursed every three months by the (~~board~~)
18 director to the general fund to be used for juvenile alcohol and drug
19 prevention programs for kindergarten through third grade to be
20 administered by the superintendent of public instruction;

21 (3) Twenty percent of the remaining total amount derived from
22 license fees pursuant to RCW 66.24.320, 66.24.330, 66.24.350, and
23 66.24.360, shall be transferred to the general fund to be used by the
24 department of social and health services solely to carry out the
25 purposes of RCW 70.96A.050; and

26 (4) One-fourth cent per liter of the tax imposed by RCW 66.24.210
27 shall every three months be disbursed by the (~~board~~) director to
28 Washington State University solely for wine and wine grape research,
29 extension programs related to wine and wine grape research, and
30 resident instruction in both wine grape production and the processing
31 aspects of the wine industry in accordance with RCW 28B.30.068. The
32 director of financial management shall prescribe suitable accounting
33 procedures to ensure that the funds transferred to the general fund to
34 be used by the department of social and health services and
35 appropriated are separately accounted for.

36 **Sec. 28.** RCW 66.08.220 and 1949 c 5 s 11 are each amended to read
37 as follows:

1 The ((~~board~~)) director shall set aside in a separate account in the
2 liquor revolving fund an amount equal to ten percent of its gross sales
3 of liquor to ((~~class H~~)) spirits, beer, and wine restaurant licensees;
4 and the moneys in said separate account shall be distributed in
5 accordance with the provisions of RCW 66.08.190, 66.08.200 and
6 66.08.210: PROVIDED, HOWEVER, That no election unit in which the sale
7 of liquor under ((~~class H~~)) spirits, beer, and wine restaurant licenses
8 is unlawful shall be entitled to share in the distribution of moneys
9 from such separate account.

10 **Sec. 29.** RCW 66.08.235 and 1997 c 75 s 1 are each amended to read
11 as follows:

12 The liquor control ((~~board~~)) construction and maintenance account
13 is created within the state treasury. The ((~~liquor control board~~))
14 director shall deposit into this account a portion of the ((~~board's~~))
15 department's markup, as authorized by chapter 66.16 RCW, placed upon
16 liquor as determined by the board. Moneys in the account may be spent
17 only after appropriation. The ((~~liquor control board~~)) department
18 shall use deposits to this account to fund construction and maintenance
19 of a centralized distribution center for liquor products intended for
20 sale through the ((~~board's~~)) department's liquor store and vendor
21 system.

22 **Sec. 30.** RCW 10.93.020 and 1994 c 264 s 3 are each amended to read
23 as follows:

24 As used in this chapter, the following terms have the meanings
25 indicated unless the context clearly requires otherwise.

26 (1) "General authority Washington law enforcement agency" means any
27 agency, department, or division of a municipal corporation, political
28 subdivision, or other unit of local government of this state, and any
29 agency, department, or division of state government, having as its
30 primary function the detection and apprehension of persons committing
31 infractions or violating the traffic or criminal laws in general, as
32 distinguished from a limited authority Washington law enforcement
33 agency, and any other unit of government expressly designated by
34 statute as a general authority Washington law enforcement agency. The
35 Washington state patrol is a general authority Washington law
36 enforcement agency.

1 (2) "Limited authority Washington law enforcement agency" means any
2 agency, political subdivision, or unit of local government of this
3 state, and any agency, department, or division of state government,
4 having as one of its functions the apprehension or detection of persons
5 committing infractions or violating the traffic or criminal laws
6 relating to limited subject areas, including but not limited to, the
7 state departments of natural resources, fish and wildlife, and social
8 and health services, the state gambling commission, the state lottery
9 commission, the state parks and recreation commission, the state
10 utilities and transportation commission, the ((state)) department of
11 liquor control ((board)), and the state department of corrections.

12 (3) "General authority Washington peace officer" means any full-
13 time, fully compensated and elected, appointed, or employed officer of
14 a general authority Washington law enforcement agency who is
15 commissioned to enforce the criminal laws of the state of Washington
16 generally.

17 (4) "Limited authority Washington peace officer" means any full-
18 time, fully compensated officer of a limited authority Washington law
19 enforcement agency empowered by that agency to detect or apprehend
20 violators of the laws in some or all of the limited subject areas for
21 which that agency is responsible. A limited authority Washington peace
22 officer may be a specially commissioned Washington peace officer if
23 otherwise qualified for such status under this chapter.

24 (5) "Specially commissioned Washington peace officer", for the
25 purposes of this chapter, means any officer, whether part-time or full-
26 time, compensated or not, commissioned by a general authority
27 Washington law enforcement agency to enforce some or all of the
28 criminal laws of the state of Washington, who does not qualify under
29 this chapter as a general authority Washington peace officer for that
30 commissioning agency, specifically including reserve peace officers,
31 and specially commissioned full-time, fully compensated peace officers
32 duly commissioned by the states of Oregon or Idaho or any such peace
33 officer commissioned by a unit of local government of Oregon or Idaho.
34 A reserve peace officer is an individual who is an officer of a
35 Washington law enforcement agency who does not serve such agency on a
36 full-time basis but who, when called by the agency into active service,
37 is fully commissioned on the same basis as full-time peace officers to
38 enforce the criminal laws of the state.

1 (6) "Federal peace officer" means any employee or agent of the
2 United States government who has the authority to carry firearms and
3 make warrantless arrests and whose duties involve the enforcement of
4 criminal laws of the United States.

5 (7) "Agency with primary territorial jurisdiction" means a city or
6 town police agency which has responsibility for police activity within
7 its boundaries; or a county police or sheriff's department which has
8 responsibility with regard to police activity in the unincorporated
9 areas within the county boundaries; or a statutorily authorized port
10 district police agency or four-year state college or university police
11 agency which has responsibility for police activity within the
12 statutorily authorized enforcement boundaries of the port district,
13 state college, or university.

14 (8) "Primary commissioning agency" means (a) the employing agency
15 in the case of a general authority Washington peace officer, a limited
16 authority Washington peace officer, an Indian tribal peace officer, or
17 a federal peace officer, and (b) the commissioning agency in the case
18 of a specially commissioned Washington peace officer (i) who is
19 performing functions within the course and scope of the special
20 commission and (ii) who is not also a general authority Washington
21 peace officer, a limited authority Washington peace officer, an Indian
22 tribal peace officer, or a federal peace officer.

23 (9) "Primary function of an agency" means that function to which
24 greater than fifty percent of the agency's resources are allocated.

25 (10) "Mutual law enforcement assistance" includes, but is not
26 limited to, one or more law enforcement agencies aiding or assisting
27 one or more other such agencies through loans or exchanges of personnel
28 or of material resources, for law enforcement purposes.

29 **Sec. 31.** RCW 19.02.050 and 1997 c 391 s 11 are each amended to
30 read as follows:

31 The legislature hereby directs the full participation by the
32 following agencies in the implementation of this chapter:

- 33 (1) Department of agriculture;
- 34 (2) Secretary of state;
- 35 (3) Department of social and health services;
- 36 (4) Department of revenue;
- 37 (5) Department of fish and wildlife;
- 38 (6) Department of employment security;

- 1 (7) Department of labor and industries;
- 2 (8) Department of community, trade, and economic development;
- 3 (9) Department of liquor control ((~~board~~));
- 4 (10) Department of health;
- 5 (11) Department of licensing;
- 6 (12) Parks and recreation commission;
- 7 (13) Utilities and transportation commission; and
- 8 (14) Other agencies as determined by the governor.

9 **Sec. 32.** RCW 42.17.2401 and 1996 c 186 s 504 are each amended to
10 read as follows:

11 For the purposes of RCW 42.17.240, the term "executive state
12 officer" includes:

13 (1) The chief administrative law judge, the director of
14 agriculture, the administrator of the office of marine safety, the
15 administrator of the Washington basic health plan, the director of the
16 department of services for the blind, the director of the state system
17 of community and technical colleges, the director of community, trade,
18 and economic development, the secretary of corrections, the director of
19 ecology, the commissioner of employment security, the chairman of the
20 energy facility site evaluation council, the secretary of the state
21 finance committee, the director of financial management, the director
22 of fish and wildlife, the executive secretary of the forest practices
23 appeals board, the director of the gambling commission, the director of
24 general administration, the secretary of health, the administrator of
25 the Washington state health care authority, the executive secretary of
26 the health care facilities authority, the executive secretary of the
27 higher education facilities authority, the executive secretary of the
28 horse racing commission, the executive secretary of the human rights
29 commission, the executive secretary of the indeterminate sentence
30 review board, the director of the department of information services,
31 the director of the interagency committee for outdoor recreation, the
32 executive director of the state investment board, the director of labor
33 and industries, the director of licensing, the director of the
34 department of liquor control, the director of the lottery commission,
35 the director of the office of minority and women's business
36 enterprises, the director of parks and recreation, the director of
37 personnel, the executive director of the public disclosure commission,
38 the director of retirement systems, the director of revenue, the

1 secretary of social and health services, the chief of the Washington
2 state patrol, the executive secretary of the board of tax appeals, the
3 secretary of transportation, the secretary of the utilities and
4 transportation commission, the director of veterans affairs, the
5 president of each of the regional and state universities and the
6 president of The Evergreen State College, each district and each campus
7 president of each state community college;

8 (2) Each professional staff member of the office of the governor;

9 (3) Each professional staff member of the legislature; and

10 (4) Central Washington University board of trustees, board of
11 trustees of each community college, each member of the state board for
12 community and technical colleges, state convention and trade center
13 board of directors, committee for deferred compensation, Eastern
14 Washington University board of trustees, Washington economic
15 development finance authority, The Evergreen State College board of
16 trustees, executive ethics board, forest practices appeals board,
17 forest practices board, gambling commission, Washington health care
18 facilities authority, each member of the Washington health services
19 commission, higher education coordinating board, higher education
20 facilities authority, horse racing commission, state housing finance
21 commission, human rights commission, indeterminate sentence review
22 board, board of industrial insurance appeals, information services
23 board, interagency committee for outdoor recreation, state investment
24 board, commission on judicial conduct, legislative ethics board, liquor
25 control board, lottery commission, marine oversight board, Pacific
26 Northwest electric power and conservation planning council, parks and
27 recreation commission, personnel appeals board, board of pilotage
28 commissioners, pollution control hearings board, public disclosure
29 commission, public pension commission, shorelines hearing board, public
30 employees' benefits board, board of tax appeals, transportation
31 commission, University of Washington board of regents, utilities and
32 transportation commission, Washington state maritime commission,
33 Washington personnel resources board, Washington public power supply
34 system executive board, Washington State University board of regents,
35 Western Washington University board of trustees, and fish and wildlife
36 commission.

37 **Sec. 33.** RCW 43.17.010 and 1993 sp.s. c 2 s 16, 1993 c 472 s 17,
38 and 1993 c 280 s 18 are each reenacted and amended to read as follows:

1 There shall be departments of the state government which shall be
2 known as (1) the department of social and health services, (2) the
3 department of ecology, (3) the department of labor and industries, (4)
4 the department of agriculture, (5) the department of fish and wildlife,
5 (6) the department of transportation, (7) the department of licensing,
6 (8) the department of general administration, (9) the department of
7 community, trade, and economic development, (10) the department of
8 veterans affairs, (11) the department of revenue, (12) the department
9 of retirement systems, (13) the department of corrections, ((and)) (14)
10 the department of health, ((and)) (15) the department of financial
11 institutions, and (16) the department of liquor control, which shall be
12 charged with the execution, enforcement, and administration of such
13 laws, and invested with such powers and required to perform such
14 duties, as the legislature may provide.

15 **Sec. 34.** RCW 43.17.020 and 1995 1st sp.s. c 2 s 2 are each amended
16 to read as follows:

17 There shall be a chief executive officer of each department to be
18 known as: (1) The secretary of social and health services, (2) the
19 director of ecology, (3) the director of labor and industries, (4) the
20 director of agriculture, (5) the director of fish and wildlife, (6) the
21 secretary of transportation, (7) the director of licensing, (8) the
22 director of general administration, (9) the director of community,
23 trade, and economic development, (10) the director of veterans affairs,
24 (11) the director of revenue, (12) the director of retirement systems,
25 (13) the secretary of corrections, ((and)) (14) the secretary of
26 health, ((and)) (15) the director of financial institutions, and (16)
27 the director of liquor control.

28 Such officers, except the secretary of transportation and the
29 director of fish and wildlife, shall be appointed by the governor, with
30 the consent of the senate, and hold office at the pleasure of the
31 governor. The secretary of transportation shall be appointed by the
32 transportation commission as prescribed by RCW 47.01.041. The director
33 of fish and wildlife shall be appointed by the fish and wildlife
34 commission as prescribed by RCW 77.04.055.

35 **Sec. 35.** RCW 43.82.010 and 1997 c 117 s 1 are each amended to read
36 as follows:

1 (1) The director of general administration, on behalf of the agency
2 involved, shall purchase, lease, lease purchase, rent, or otherwise
3 acquire all real estate, improved or unimproved, as may be required by
4 elected state officials, institutions, departments, commissions,
5 boards, and other state agencies, or federal agencies where joint state
6 and federal activities are undertaken and may grant easements and
7 transfer, exchange, sell, lease, or sublease all or part of any surplus
8 real estate for those state agencies which do not otherwise have the
9 specific authority to dispose of real estate. This section does not
10 transfer financial liability for the acquired property to the
11 department of general administration.

12 (2) Except for real estate occupied by federal agencies, the
13 director shall determine the location, size, and design of any real
14 estate or improvements thereon acquired or held pursuant to subsection
15 (1) of this section. Facilities acquired or held pursuant to this
16 chapter, and any improvements thereon, shall conform to standards
17 adopted by the director and approved by the office of financial
18 management governing facility efficiency unless a specific exemption
19 from such standards is provided by the director of general
20 administration. The director of general administration shall report to
21 the office of financial management annually on any exemptions granted
22 pursuant to this subsection.

23 (3) The director of general administration may fix the terms and
24 conditions of each lease entered into under this chapter, except that
25 no lease shall extend greater than twenty years in duration. The
26 director of general administration may enter into a long-term lease
27 greater than ten years in duration upon a determination by the director
28 of the office of financial management that the long-term lease provides
29 a more favorable rate than would otherwise be available, it appears to
30 a substantial certainty that the facility is necessary for use by the
31 state for the full length of the lease term, and the facility meets the
32 standards adopted pursuant to subsection (2) of this section. The
33 director of general administration may enter into a long-term lease
34 greater than ten years in duration if an analysis shows that the life-
35 cycle cost of leasing the facility is less than the life-cycle cost of
36 purchasing or constructing a facility in lieu of leasing the facility.

37 (4) Except as permitted under chapter 39.94 RCW, no lease for or on
38 behalf of any state agency may be used or referred to as collateral or
39 security for the payment of securities offered for sale through a

1 public offering. Except as permitted under chapter 39.94 RCW, no lease
2 for or on behalf of any state agency may be used or referred to as
3 collateral or security for the payment of securities offered for sale
4 through a private placement without the prior written approval of the
5 state treasurer. However, this limitation shall not prevent a lessor
6 from assigning or encumbering its interest in a lease as security for
7 the repayment of a promissory note provided that the transaction would
8 otherwise be an exempt transaction under RCW 21.20.320. The state
9 treasurer shall adopt rules that establish the criteria under which any
10 such approval may be granted. In establishing such criteria the state
11 treasurer shall give primary consideration to the protection of the
12 state's credit rating and the integrity of the state's debt management
13 program. If it appears to the state treasurer that any lease has been
14 used or referred to in violation of this subsection or rules adopted
15 under this subsection, then he or she may recommend that the governor
16 cause such lease to be terminated. The department of general
17 administration shall promptly notify the state treasurer whenever it
18 may appear to the department that any lease has been used or referred
19 to in violation of this subsection or rules adopted under this
20 subsection.

21 (5) It is the policy of the state to encourage the colocation and
22 consolidation of state services into single or adjacent facilities,
23 whenever appropriate, to improve public service delivery, minimize
24 duplication of facilities, increase efficiency of operations, and
25 promote sound growth management planning.

26 (6) The director of general administration shall provide
27 coordinated long-range planning services to identify and evaluate
28 opportunities for colocating and consolidating state facilities. Upon
29 the renewal of any lease, the inception of a new lease, or the purchase
30 of a facility, the director of general administration shall determine
31 whether an opportunity exists for colocating the agency or agencies in
32 a single facility with other agencies located in the same geographic
33 area. If a colocation opportunity exists, the director of general
34 administration shall consult with the affected state agencies and the
35 office of financial management to evaluate the impact colocation would
36 have on the cost and delivery of agency programs, including whether
37 program delivery would be enhanced due to the centralization of
38 services. The director of general administration, in consultation with

1 the office of financial management, shall develop procedures for
2 implementing colocation and consolidation of state facilities.

3 (7) The director of general administration is authorized to
4 purchase, lease, rent, or otherwise acquire improved or unimproved real
5 estate as owner or lessee and to lease or sublet all or a part of such
6 real estate to state or federal agencies. The director of general
7 administration shall charge each using agency its proportionate rental
8 which shall include an amount sufficient to pay all costs, including,
9 but not limited to, those for utilities, janitorial and accounting
10 services, and sufficient to provide for contingencies; which shall not
11 exceed five percent of the average annual rental, to meet unforeseen
12 expenses incident to management of the real estate.

13 (8) If the director of general administration determines that it is
14 necessary or advisable to undertake any work, construction, alteration,
15 repair, or improvement on any real estate acquired pursuant to
16 subsection (1) or (7) of this section, the director shall cause plans
17 and specifications thereof and an estimate of the cost of such work to
18 be made and filed in his or her office and the state agency benefiting
19 thereby is hereby authorized to pay for such work out of any available
20 funds: PROVIDED, That the cost of executing such work shall not exceed
21 the sum of twenty-five thousand dollars. Work, construction,
22 alteration, repair, or improvement in excess of twenty-five thousand
23 dollars, other than that done by the owner of the property if other
24 than the state, shall be performed in accordance with the public works
25 law of this state.

26 (9) In order to obtain maximum utilization of space, the director
27 of general administration shall make space utilization studies, and
28 shall establish standards for use of space by state agencies. Such
29 studies shall include the identification of opportunities for
30 colocation and consolidation of state agency office and support
31 facilities.

32 (10) The director of general administration may construct new
33 buildings on, or improve existing facilities, and furnish and equip,
34 all real estate under his or her management. Prior to the construction
35 of new buildings or major improvements to existing facilities or
36 acquisition of facilities using a lease purchase contract, the director
37 of general administration shall conduct an evaluation of the facility
38 design and budget using life-cycle cost analysis, value-engineering,

1 and other techniques to maximize the long-term effectiveness and
2 efficiency of the facility or improvement.

3 (11) All conveyances and contracts to purchase, lease, rent,
4 transfer, exchange, or sell real estate and to grant and accept
5 easements shall be approved as to form by the attorney general, signed
6 by the director of general administration or the director's designee,
7 and recorded with the county auditor of the county in which the
8 property is located.

9 (12) The director of general administration may delegate any or all
10 of the functions specified in this section to any agency upon such
11 terms and conditions as the director deems advisable.

12 (13) This section does not apply to the acquisition of real estate
13 by:

14 (a) The state college and universities for research or experimental
15 purposes;

16 (b) The ((state)) department of liquor control ((board)) for liquor
17 stores and warehouses; and

18 (c) The department of natural resources, the department of fish and
19 wildlife, the department of transportation, and the state parks and
20 recreation commission for purposes other than the leasing of offices,
21 warehouses, and real estate for similar purposes.

22 (14) Notwithstanding any provision in this chapter to the contrary,
23 the department of general administration may negotiate ground leases
24 for public lands on which property is to be acquired under a financing
25 contract pursuant to chapter 39.94 RCW under terms approved by the
26 state finance committee.

27 NEW SECTION. Sec. 36. The following acts or parts of acts, as now
28 existing or hereafter amended, are each repealed, effective July 1,
29 2001:

30 (1) RCW 66.08.016 (Employees of the board) and 1999 c . . . s 6
31 (section 6 of this act), 1961 c 1 s 30, 1947 c 113 s 2, & 1933 ex.s. c
32 62 s 65; and

33 (2) RCW 66.08.050 (Powers of board in general) and 1997 c 228 s 1,
34 1993 c 25 s 1, 1986 c 214 s 2, 1983 c 160 s 1, 1975 1st ex.s. c 173 s
35 1, 1969 ex.s. c 178 s 1, 1963 c 239 s 3, 1935 c 174 s 10, & 1933 ex.s.
36 c 62 s 69.

1 NEW SECTION. **Sec. 37.** Nothing in this act requires the liquor
2 control agency to discard stationery or signs, rename its facilities or
3 stores, or incur similar expenses attributable to the renaming of the
4 agency.

5 NEW SECTION. **Sec. 38.** The code reviser shall prepare and present
6 to the 2000 legislature a bill that corrects references to the liquor
7 control board that are rendered inaccurate by this act.

8 NEW SECTION. **Sec. 39.** Sections 1 through 5 and 8 through 37 of
9 this act take effect July 1, 2001.

10 NEW SECTION. **Sec. 40.** If any provision of this act or its
11 application to any person or circumstance is held invalid, the
12 remainder of the act or the application of the provision to other
13 persons or circumstances is not affected.

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