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HOUSE BILL 2875

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State of Washington

56th Legislature

2000 Regular Session

By Representatives Dunn and DeBolt

Read first time 01/21/2000. Referred to Committee on Commerce & Labor.

1 AN ACT Relating to the wholesale and retail sale and distribution  
2 of alcoholic beverages; amending RCW 66.04.010, 66.08.020, 66.08.026,  
3 66.08.030, 66.08.050, 66.08.090, 66.08.095, 66.12.110, 66.12.120,  
4 66.12.140, 66.16.040, 66.16.100, 66.16.110, 66.20.170, 66.20.180,  
5 66.20.190, 66.20.200, 66.24.160, 66.24.210, 66.24.290, 66.24.310,  
6 66.24.360, 66.24.371, 66.24.380, 66.24.540, 66.28.030, 66.28.060,  
7 66.28.180, 66.28.190, 66.40.140, 66.44.150, 66.44.160, 66.44.318, and  
8 66.44.340; reenacting and amending RCW 66.28.040 and 66.28.070; adding  
9 new sections to chapter 66.24 RCW; creating new sections; repealing RCW  
10 66.08.070, 66.08.160, 66.08.235, 66.12.020, 66.16.010, 66.16.030,  
11 66.16.041, 66.16.050, 66.16.060, 66.16.070, 66.16.080, 66.16.090,  
12 66.20.160, 66.24.440, 66.32.010, and 66.44.120; and providing an  
13 effective date.

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

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

17 In this title, unless the context otherwise requires:

18 (1) "Alcohol" is that substance known as ethyl alcohol, hydrated  
19 oxide of ethyl, or spirit of wine, which is commonly produced by the

1 fermentation or distillation of grain, starch, molasses, or sugar, or  
2 other substances including all dilutions and mixtures of this  
3 substance. The term "alcohol" does not include alcohol in the  
4 possession of a manufacturer or distiller of alcohol fuel, as described  
5 in RCW 66.12.130, which is intended to be denatured and used as a fuel  
6 for use in motor vehicles, farm implements, and machines or implements  
7 of husbandry.

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

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

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

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

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

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

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

29 (9) "Dentist" means a practitioner of dentistry duly and regularly  
30 licensed and engaged in the practice of his profession within the state  
31 pursuant to chapter 18.32 RCW.

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

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

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

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

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

7 (15) "Fund" means 'liquor revolving fund.'

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

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

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

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

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

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

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

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

15 (24) "Person" means an individual, copartnership, association, or  
16 corporation.

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

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

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

38 (28) "Regulations" means regulations made by the board under the  
39 powers conferred by this title.

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

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

17 (31) "Soda fountain" means a place especially equipped with  
18 apparatus for the purpose of dispensing soft drinks, whether mixed or  
19 otherwise.

20 (32) "Spirits" means any beverage which contains alcohol obtained  
21 by distillation, including wines exceeding twenty-four percent of  
22 alcohol by volume.

23 ~~(33) ("Store" means a state liquor store established under this  
24 title.~~

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

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

30 ~~(36))~~ (34) "Winery" means a business conducted by any person for  
31 the manufacture of wine for sale, other than a domestic winery.

32 ~~((37))~~ (35) "Wine" means any alcoholic beverage obtained by  
33 fermentation of fruits (grapes, berries, apples, et cetera) or other  
34 agricultural product containing sugar, to which any saccharine  
35 substances may have been added before, during or after fermentation,  
36 and containing not more than twenty-four percent of alcohol by volume,  
37 including sweet wines fortified with wine spirits, such as port,  
38 sherry, muscatel and angelica, not exceeding twenty-four percent of  
39 alcohol by volume and not less than one-half of one percent of alcohol

1 by volume. For purposes of this title, any beverage containing no more  
2 than fourteen percent of alcohol by volume when bottled or packaged by  
3 the manufacturer shall be referred to as "table wine," and any beverage  
4 containing alcohol in an amount more than fourteen percent by volume  
5 when bottled or packaged by the manufacturer shall be referred to as  
6 "fortified wine." However, "fortified wine" shall not include: (a)  
7 Wines that are both sealed or capped by cork closure and aged two years  
8 or more; and (b) wines that contain more than fourteen percent alcohol  
9 by volume solely as a result of the natural fermentation process and  
10 that have not been produced with the addition of wine spirits, brandy,  
11 or alcohol.

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

14 ~~((+38+))~~ (36) "Wine distributor" means a person who buys wine from  
15 a vintner or winery located either within or beyond the boundaries of  
16 the state for the purpose of selling the same not in violation of this  
17 title, or who represents such vintner or winery as agent.

18 ~~((+39+))~~ (37) "Wine importer" means a person or business within  
19 Washington who purchases wine from a United States winery holding a  
20 certificate of approval (W7) or foreign produced wine from a source  
21 outside the state of Washington for the purpose of selling the same  
22 pursuant to this title.

23 **Sec. 2.** RCW 66.08.020 and 1933 ex.s. c 62 s 5 are each amended to  
24 read as follows:

25 The administration of this title(~~(, including the general control,~~  
26 ~~management and supervision of all liquor stores,)~~) shall be vested in  
27 the liquor control board, constituted under this title.

28 **Sec. 3.** RCW 66.08.026 and 1998 c 265 s 2 are each amended to read  
29 as follows:

30 All administrative expenses of the board incurred on and after  
31 April 1, 1963 shall be appropriated and paid from the liquor revolving  
32 fund. These administrative expenses shall include, but not be limited  
33 to: The salaries and expenses of the board and its employees, (~~the~~  
34 ~~cost of establishing, leasing, maintaining, and operating state liquor~~  
35 ~~stores and warehouses,)~~) legal services, pilot projects, annual or  
36 other audits, and other general costs of conducting the business of the  
37 board(~~(, and the costs of supplying, installing, and maintaining~~

1 ~~equipment used in state liquor stores and agency liquor vendor stores~~  
2 ~~for the purchase of liquor by nonlicensees using debit or credit~~  
3 ~~cards)). The administrative expenses shall not, however, be deemed to~~  
4 ~~include ((costs of liquor and lottery tickets purchased, the cost of~~  
5 ~~transportation and delivery to the point of distribution, other costs~~  
6 ~~pertaining to the acquisition and receipt of liquor and lottery~~  
7 ~~tickets, packaging and repackaging of liquor, transaction fees~~  
8 ~~associated with credit or debit card purchases for liquor in state~~  
9 ~~liquor stores and in the stores of agency liquor vendors pursuant to~~  
10 ~~RCW 66.16.040 and 66.16.041,)) sales tax, and those amounts distributed~~  
11 ~~pursuant to RCW 66.08.180, 66.08.190, 66.08.200, 66.08.210 and~~  
12 ~~66.08.220.~~

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

15 (1) For the purpose of carrying into effect the provisions of this  
16 title according to their true intent or of supplying any deficiency  
17 therein, the board may make such regulations not inconsistent with the  
18 spirit of this title as are deemed necessary or advisable. All  
19 regulations so made shall be a public record and shall be filed in the  
20 office of the code reviser, and thereupon shall have the same force and  
21 effect as if incorporated in this title. Such regulations, together  
22 with a copy of this title, shall be published in pamphlets and shall be  
23 distributed as directed by the board.

24 (2) Without thereby limiting the generality of the provisions  
25 contained in subsection (1), it is declared that the power of the board  
26 to make regulations in the manner set out in that subsection shall  
27 extend to:

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

32 ~~(b))~~ Prescribing the duties of the employees of the board, and  
33 regulating their conduct in the discharge of their duties;

34 ~~((c) governing the purchase of liquor by the state and the~~  
35 ~~furnishing of liquor to stores established under this title;~~

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

1       ~~(e))~~ (b) Prescribing(~~(, subject to RCW 66.16.080,)~~) the hours  
2 during which ~~((the state liquor stores shall be kept open for the sale~~  
3 ~~of))~~ retail licensees may sell liquor;

4       ~~((f) providing for the issuing and distributing of price lists~~  
5 ~~showing the price to be paid by purchasers for each variety of liquor~~  
6 ~~kept for sale under this title;~~

7       ~~(g) prescribing an official seal and official labels and stamps and~~  
8 ~~determining the manner in which they shall be attached to every package~~  
9 ~~of liquor sold or sealed under this title, including the prescribing of~~  
10 ~~different official seals or different official labels for different~~  
11 ~~classes of liquor;~~

12       ~~(h) providing for the payment by the board in whole or in part of~~  
13 ~~the carrying charges on liquor shipped by freight or express;~~

14       ~~(i))~~ (c) Prescribing forms to be used for purposes of this title  
15 or the regulations, and the terms and conditions to be contained in  
16 permits and licenses issued under this title;

17       ~~((j))~~ (d) Prescribing the fees payable in respect of permits and  
18 licenses issued under this title for which no fees are prescribed in  
19 this title, and prescribing the fees for anything done or permitted to  
20 be done under the regulations;

21       ~~((k))~~ (e) Prescribing the kinds and quantities of liquor which  
22 may be kept on hand by the holder of a special permit for the purposes  
23 named in the permit, regulating the manner in which the same shall be  
24 kept and disposed of, and providing for the inspection of the same at  
25 any time at the instance of the board;

26       ~~((l))~~ (f) Regulating the sale of liquor kept by the holders of  
27 licenses which entitle the holder to purchase and keep liquor for sale;

28       ~~((m))~~ (g) Prescribing the records of purchases or sales of liquor  
29 kept by the holders of licenses, and the reports to be made thereon to  
30 the board, and providing for inspection of the records so kept;

31       ~~((n))~~ (h) Prescribing the kinds and quantities of liquor for  
32 which a prescription may be given, and the number of prescriptions  
33 which may be given to the same patient within a stated period;

34       ~~((o))~~ (i) Prescribing the manner of giving and serving notices  
35 required by this title or the regulations, where not otherwise provided  
36 for in this title;

37       ~~((p))~~ (j) Regulating premises in which liquor is kept for export  
38 from the state, or from which liquor is exported, prescribing the books  
39 and records to be kept therein and the reports to be made thereon to



1 the board, and providing for the inspection of the premises and the  
2 books, records and the liquor so kept;

3 ~~((+q))~~ (k) Prescribing the conditions and qualifications requisite  
4 for the obtaining of club licenses and the books and records to be kept  
5 and the returns to be made by clubs, prescribing the manner of  
6 licensing clubs in any municipality or other locality, and providing  
7 for the inspection of clubs;

8 ~~((+r))~~ (l) Prescribing the conditions, accommodations and  
9 qualifications requisite for the obtaining of licenses to sell beer  
10 ~~((and))~~, wines, and spirits, and regulating the sale of beer ~~((and))~~,  
11 wines ~~((thereunder))~~, and spirits;

12 ~~((+s))~~ (m) Specifying and regulating the time and periods when,  
13 and the manner, methods and means by which manufacturers shall deliver  
14 liquor within the state; and the time and periods when, and the manner,  
15 methods and means by which liquor may lawfully be conveyed or carried  
16 within the state;

17 ~~((+t))~~ (n) Providing for the making of returns by brewers of their  
18 sales of beer shipped within the state, or from the state, showing the  
19 gross amount of such sales and providing for the inspection of brewers'  
20 books and records, and for the checking of the accuracy of any such  
21 returns;

22 ~~((+u))~~ (o) Providing for the making of returns by the  
23 ~~((wholesalers))~~ distributors of beer whose breweries are located beyond  
24 the boundaries of the state;

25 ~~((+v))~~ (p) Providing for the making of returns by any other liquor  
26 manufacturers, showing the gross amount of liquor produced or  
27 purchased, the amount sold within and exported from the state, and to  
28 whom so sold or exported, and providing for the inspection of the  
29 premises of any such liquor manufacturers, their books and records, and  
30 for the checking of any such return;

31 ~~((+w))~~ (q) Providing for the giving of fidelity bonds by any or  
32 all of the employees of the board: PROVIDED, That the premiums  
33 therefor shall be paid by the board;

34 ~~((+x))~~ (r) Providing for the shipment by mail or common carrier of  
35 liquor to any person holding a permit and residing in any unit which  
36 has, by election pursuant to this title, prohibited the sale of liquor  
37 therein;

38 ~~((+y))~~ (s) Prescribing methods of manufacture, conditions of  
39 sanitation, standards of ingredients, quality and identity of alcoholic

1 beverages manufactured, sold, bottled, or handled by licensees ((and  
2 the board)); and conducting from time to time, in the interest of the  
3 public health and general welfare, scientific studies and research  
4 relating to alcoholic beverages and the use and effect thereof;

5 (({z})) (t) Seizing, confiscating and destroying all alcoholic  
6 beverages manufactured, sold or offered for sale within this state  
7 which do not conform in all respects to the standards prescribed by  
8 this title or the regulations of the board: PROVIDED, Nothing herein  
9 contained shall be construed as authorizing the liquor board to  
10 prescribe, alter, limit or in any way change the present law as to the  
11 quantity or percentage of alcohol used in the manufacturing of wine or  
12 other alcoholic beverages.

13 **Sec. 5.** RCW 66.08.050 and 1997 c 228 s 1 are each amended to read  
14 as follows:

15 The board, subject to the provisions of this title and the rules,  
16 shall:

17 (1) ~~((Determine the localities within which state liquor stores  
18 shall be established throughout the state, and the number and situation  
19 of the stores within each locality;~~

20 (2) ~~Appoint in cities and towns and other communities, in which no  
21 state liquor store is located, liquor vendors. In addition, the board  
22 may appoint, in its discretion, a manufacturer that also manufactures  
23 liquor products other than wine under a license under this title, as a  
24 vendor for the purpose of sale of liquor products of its own  
25 manufacture on the licensed premises only. Such liquor vendors shall  
26 be agents of the board and be authorized to sell liquor to such  
27 persons, firms or corporations as provided for the sale of liquor from  
28 a state liquor store, and such vendors shall be subject to such  
29 additional rules and regulations consistent with this title as the  
30 board may require;~~

31 (3) ~~Establish all necessary warehouses for the storing and  
32 bottling, diluting and rectifying of stocks of liquors for the purposes  
33 of this title;~~

34 (4) ~~Provide for the leasing for periods not to exceed ten years of  
35 all premises required for the conduct of the business; and for  
36 remodeling the same, and the procuring of their furnishings, fixtures,  
37 and supplies; and for obtaining options of renewal of such leases by~~

1 the lessee. The terms of such leases in all other respects shall be  
2 subject to the direction of the board;

3 ~~(5) Determine the nature, form and capacity of all packages to be~~  
4 ~~used for containing liquor kept for sale under this title;~~

5 ~~(6))~~ Execute or cause to be executed, all contracts, papers, and  
6 documents in the name of the board, under such regulations as the board  
7 may fix;

8 ~~((7))~~ (2) Pay all customs, duties, excises, charges and  
9 obligations whatsoever relating to the business of the board;

10 ~~((8))~~ (3) Require bonds from all employees in the discretion of  
11 the board, and to determine the amount of fidelity bond of each such  
12 employee;

13 ~~((9) Perform services for the state lottery commission to such~~  
14 ~~extent, and for such compensation, as may be mutually agreed upon~~  
15 ~~between the board and the commission;~~

16 ~~(10))~~ (4) Accept and deposit into the general fund-local account  
17 and disburse, subject to appropriation, federal grants or other funds  
18 or donations from any source for the purpose of improving public  
19 awareness of the health risks associated with alcohol consumption by  
20 youth and the abuse of alcohol by adults in Washington state. The  
21 board's alcohol awareness program shall cooperate with federal and  
22 state agencies, interested organizations, and individuals to effect an  
23 active public beverage alcohol awareness program;

24 ~~((11))~~ (5) Perform all other matters and things, whether similar  
25 to the foregoing or not, to carry out the provisions of this title, and  
26 shall have full power to do each and every act necessary to the conduct  
27 of its business, including all buying, selling, preparation and  
28 approval of forms, and every other function of the business whatsoever,  
29 subject only to audit by the state auditor: PROVIDED, That the board  
30 shall have no authority to regulate the content of spoken language on  
31 licensed premises where wine and other liquors are served and where  
32 there is not a clear and present danger of disorderly conduct being  
33 provoked by such language.

34 **Sec. 6.** RCW 66.08.090 and 1933 ex.s. c 62 s 31 are each amended to  
35 read as follows:

36 No employee shall sell liquor in any ~~((other))~~ place, nor at any  
37 other time, nor otherwise than as authorized by the board under this  
38 title and the regulations.

1       **Sec. 7.** RCW 66.08.095 and 1993 c 26 s 3 are each amended to read  
2 as follows:

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

8       **Sec. 8.** RCW 66.12.110 and 1999 c 281 s 3 are each amended to read  
9 as follows:

10       A person twenty-one years of age or over may bring into the state  
11 from without the United States, free of tax (~~((and markup))~~), for his or  
12 her personal or household use such alcoholic beverages as have been  
13 declared and permitted to enter the United States duty free under  
14 federal law.

15       Such entry of alcoholic beverages in excess of that herein provided  
16 may be authorized by the board upon payment of an equivalent (~~((markup~~  
17 ~~and))~~) tax as would be applicable to the purchase of the same or similar  
18 liquor at retail from a (~~((Washington state))~~) retail liquor (~~((store))~~)  
19 licensee. The board shall adopt appropriate regulations pursuant to  
20 chapter 34.05 RCW for the purpose of carrying out the provisions of  
21 this section. The board may issue a spirits, beer, and wine private  
22 club license to a charitable or nonprofit corporation of the state of  
23 Washington, the majority of the officers and directors of which are  
24 United States citizens and the minority of the officers and directors  
25 of which are citizens of the Dominion of Canada, and where the location  
26 of the premises for such spirits, beer, and wine private club license  
27 is not more than ten miles south of the border between the United  
28 States and the province of British Columbia.

29       **Sec. 9.** RCW 66.12.120 and 1995 c 100 s 1 are each amended to read  
30 as follows:

31       Notwithstanding any other provision of Title 66 RCW, a person  
32 twenty-one years of age or over may, free of tax (~~((and markup))~~), for  
33 personal or household use, bring into the state of Washington from  
34 another state no more than once per calendar month up to two liters of  
35 spirits or wine or two hundred eighty-eight ounces of beer.  
36 Additionally, such person may be authorized by the board to bring into  
37 the state of Washington from another state a reasonable amount of

1 alcoholic beverages in excess of that provided in this section for  
2 personal or household use only upon payment of an equivalent ((markup  
3 and)) tax as would be applicable to the purchase of the same or similar  
4 liquor at retail from a ((state)) retail liquor ((store)) licensee.  
5 The board shall adopt appropriate regulations pursuant to chapter 34.05  
6 RCW for the purpose of carrying into effect the provisions of this  
7 section.

8       **Sec. 10.** RCW 66.12.140 and 1982 c 85 s 8 are each amended to read  
9 as follows:

10       (1) Nothing in this title shall prevent the use of beer, wine,  
11 and/or spirituous liquor, for cooking purposes only, in conjunction  
12 with a culinary or restaurant course offered by a college, university,  
13 community college, area vocational technical institute, or private  
14 vocational school. Further, nothing in this title shall prohibit the  
15 making of beer or wine in food fermentation courses offered by a  
16 college, university, community college, area vocational technical  
17 institute, or private vocational school.

18       (2) "Culinary or restaurant course" as used in this section means  
19 a course of instruction which includes practical experience in food  
20 preparation under the supervision of an instructor who is twenty-one  
21 years of age or older.

22       (3) Persons under twenty-one years of age participating in culinary  
23 or restaurant courses may handle beer, wine, or spirituous liquor for  
24 purposes of participating in the courses, but nothing in this section  
25 shall be construed to authorize consumption of liquor by persons under  
26 twenty-one years of age or to authorize possession of liquor by persons  
27 under twenty-one years of age at any time or place other than while  
28 preparing food under the supervision of the course instructor.

29       (4) Beer, wine, and/or spirituous liquor to be used in culinary or  
30 restaurant courses shall be purchased at retail from ((the board or))  
31 a retailer licensed under this title. All such liquor shall be  
32 securely stored in the food preparation area and shall not be displayed  
33 in an area open to the general public.

34       (5) Colleges, universities, community colleges, area vocational  
35 technical institutes, and private vocational schools shall obtain the  
36 prior written approval of the board for use of beer, wine, and/or  
37 spirituous liquor for cooking purposes in their culinary or restaurant  
38 courses.

1       **Sec. 11.** RCW 66.16.040 and 1996 c 291 s 1 are each amended to read  
2 as follows:

3       Except as otherwise provided by law, an employee ~~((in))~~ of a  
4 ~~((state))~~ retail liquor ~~((store or agency))~~ licensee may sell liquor to  
5 any person of legal age to purchase alcoholic beverages and may also  
6 sell to holders of permits such liquor as may be purchased under such  
7 permits.

8       Where there may be a question of a person's right to purchase  
9 liquor by reason of age, such person shall be required to present any  
10 one of the following officially issued cards of identification which  
11 shows his/her correct age and bears his/her signature and photograph:

12       (1) Liquor control authority card of identification of any state or  
13 province of Canada.

14       (2) Driver's license, instruction permit or identification card of  
15 any state or province of Canada, or "identocard" issued by the  
16 Washington state department of licensing pursuant to RCW 46.20.117.

17       (3) United States armed forces identification card issued to active  
18 duty, reserve, and retired personnel and the personnel's dependents.

19       (4) Passport.

20       (5) Merchant Marine identification card issued by the United States  
21 Coast Guard.

22       The board may adopt such regulations as it deems proper covering  
23 the acceptance of such cards of identification.

24       ~~((No liquor sold under this section shall be delivered until the  
25 purchaser has paid for the liquor in cash, except as allowed under RCW  
26 66.16.041. The use of a personal credit card does not rely upon the  
27 credit of the state as prohibited by Article VIII, section 5 of the  
28 state Constitution.))~~

29       **Sec. 12.** RCW 66.16.100 and 1997 c 321 s 42 are each amended to  
30 read as follows:

31       No ~~((state))~~ retail liquor ~~((store))~~ licensee in a county with a  
32 population over three hundred thousand may sell fortified wine if the  
33 board finds that the sale would be against the public interest based on  
34 the factors in RCW 66.24.360. The burden of establishing that the sale  
35 would be against the public interest is on those persons objecting.

36       **Sec. 13.** RCW 66.16.110 and 1993 c 422 s 2 are each amended to read  
37 as follows:

1       The board shall cause to be posted in conspicuous places, in a  
2 number determined by the board, within each (~~state~~) licensed retail  
3 liquor (~~store~~) establishment, notices in print not less than one inch  
4 high warning persons that consumption of alcohol shortly before  
5 conception or during pregnancy may cause birth defects, including fetal  
6 alcohol syndrome and fetal alcohol effects.

7       **Sec. 14.** RCW 66.20.170 and 1973 1st ex.s. c 209 s 5 are each  
8 amended to read as follows:

9       A card of identification may for the purpose of this title and for  
10 the purpose of procuring liquor, be accepted as an identification card  
11 by any licensee (~~or store employee~~) and as evidence of legal age of  
12 the person presenting such card, provided the licensee (~~or store~~  
13 ~~employee~~) complies with the conditions and procedures prescribed  
14 herein and such regulations as may be made by the board.

15       **Sec. 15.** RCW 66.20.180 and 1973 1st ex.s. c 209 s 6 are each  
16 amended to read as follows:

17       A card of identification shall be presented by the holder thereof  
18 upon request of any licensee, (~~store employee,~~) peace officer, or  
19 enforcement officer of the board for the purpose of aiding the  
20 licensee, (~~store employee,~~) peace officer, or enforcement officer of  
21 the board to determine whether or not such person is of legal age to  
22 purchase liquor when such person desires to procure liquor from a  
23 licensed establishment (~~or state liquor store or agency~~).

24       **Sec. 16.** RCW 66.20.190 and 1981 1st ex.s. c 5 s 9 are each amended  
25 to read as follows:

26       In addition to the presentation by the holder and verification by  
27 the licensee (~~or store employee~~) of such card of identification, the  
28 licensee (~~or store employee~~) who is still in doubt about the true age  
29 of the holder shall require the person whose age may be in question to  
30 sign a certification card and record an accurate description and serial  
31 number of his or her card of identification thereon. Such statement  
32 shall be upon a five-inch by eight-inch file card, which card shall be  
33 filed alphabetically by the licensee (~~or store employee~~) at or before  
34 the close of business on the day on which the statement is executed, in  
35 the file box containing a suitable alphabetical index and the card  
36 shall be subject to examination by any peace officer or agent or

1 employee of the board at all times. The certification card shall also  
2 contain in bold-face type a statement stating that the signer  
3 understands that conviction for unlawful purchase of alcoholic  
4 beverages or misuse of the certification card may result in criminal  
5 penalties including imprisonment or fine or both.

6 **Sec. 17.** RCW 66.20.200 and 1994 c 201 s 1 are each amended to read  
7 as follows:

8 It shall be unlawful for the owner of a card of identification to  
9 transfer the card to any other person for the purpose of aiding such  
10 person to procure alcoholic beverages from any licensee (~~or store~~  
11 ~~employee~~). Any person who shall permit his or her card of  
12 identification to be used by another or transfer such card to another  
13 for the purpose of aiding such transferee to obtain alcoholic beverages  
14 from a licensee (~~or store employee~~) or gain admission to a premises  
15 or portion of a premises classified by the board as off-limits to  
16 persons under twenty-one years of age, shall be guilty of a misdemeanor  
17 punishable as provided by RCW 9A.20.021, except that a minimum fine of  
18 two hundred fifty dollars shall be imposed and any sentence requiring  
19 community service shall require not fewer than twenty-five hours of  
20 such service. Any person not entitled thereto who unlawfully procures  
21 or has issued or transferred to him or her a card of identification,  
22 and any person who possesses a card of identification not issued to him  
23 or her, and any person who makes any false statement on any  
24 certification card required by RCW 66.20.190, as now or hereafter  
25 amended, to be signed by him or her, shall be guilty of a misdemeanor  
26 punishable as provided by RCW 9A.20.021, except that a minimum fine of  
27 two hundred fifty dollars shall be imposed and any sentence requiring  
28 community service shall require not fewer than twenty-five hours of  
29 such service.

30 NEW SECTION. **Sec. 18.** A new section is added to chapter 66.24 RCW  
31 to read as follows:

32 There shall be a license for spirits distributors to sell  
33 spirituous liquor, purchased from licensed Washington manufacturers,  
34 spirituous liquor certificate of approval holders, licensed liquor  
35 importers, or suppliers of foreign liquor located outside the state of  
36 Washington, to retailers licensed for off-premises consumption and  
37 other spirits distributors and to export spirits from the state of



1 Washington. The fee for this license shall be six hundred sixty  
2 dollars per year for each distributing unit.

3 NEW SECTION. **Sec. 19.** A new section is added to chapter 66.24 RCW  
4 to read as follows:

5 A manufacturer of spirits located outside the state of Washington  
6 must hold a certificate of approval to allow sales and shipment of the  
7 certificate of approval holder's spirituous liquor to licensed  
8 Washington spirits distributors or liquor importers. The certificate  
9 of approval shall not be granted unless the manufacturer of spirituous  
10 liquor has made a written agreement with the board to furnish to the  
11 board, on or before the twentieth day of each month, a report under  
12 oath, on a form to be prescribed by the board, showing the quantity of  
13 spirits sold or delivered to each licensed spirits distributor or  
14 liquor importer during the preceding month, and has further agreed with  
15 the board that the manufacturers, all general sales corporations or  
16 agencies maintained by them, and all of their trade representatives,  
17 will faithfully comply with all laws of the state of Washington  
18 pertaining to the sale of intoxicating liquors and with all rules and  
19 regulations of the Washington state liquor control board. A violation  
20 of the terms of this agreement will authorize the board to take action  
21 to suspend or revoke such certificate.

22 The fee for the certificate of approval, issued under the  
23 provisions of this title shall be one hundred dollars per year, which  
24 sum must accompany the application for the certificate.

25 **Sec. 20.** RCW 66.24.160 and 1981 1st ex.s. c 5 s 30 are each  
26 amended to read as follows:

27 A liquor importer's license may be issued to any qualified person,  
28 firm or corporation, entitling the holder thereof to import into the  
29 state any liquor other than beer or wine; to store the same within the  
30 state, and to sell and export the same from the state; fee six hundred  
31 dollars per annum. Such liquor importer's license shall be subject to  
32 all conditions and restrictions imposed by this title or by the rules  
33 and regulations of the board, and shall be issued only upon such terms  
34 and conditions as may be imposed by the board. ((No liquor importer's  
35 license shall be required in sales to the Washington state liquor  
36 control board.))

1       **Sec. 21.** RCW 66.24.210 and 1997 c 321 s 8 are each amended to read  
2 as follows:

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

26       (2) An additional tax is imposed equal to the rate specified in RCW  
27 82.02.030 multiplied by the tax payable under subsection (1) of this  
28 section. All revenues collected during any month from this additional  
29 tax shall be transferred to the state general fund by the twenty-fifth  
30 day of the following month.

31       (3) An additional tax is imposed on wines subject to tax under  
32 subsection (1) of this section, at the rate of one-fourth of one cent  
33 per liter for wine sold after June 30, 1987. After June 30, 1996, such  
34 additional tax does not apply to cider. An additional tax of five one-  
35 hundredths of one cent per liter is imposed on cider sold after June  
36 30, 1996. The additional taxes imposed by this subsection (3) shall  
37 cease to be imposed on July 1, 2001. All revenues collected under this  
38 subsection (3) shall be disbursed quarterly to the Washington wine  
39 commission for use in carrying out the purposes of chapter 15.88 RCW.

1 (4) An additional tax is imposed on all wine subject to tax under  
2 subsection (1) of this section. The additional tax is equal to twenty-  
3 three and forty-four one-hundredths cents per liter on fortified wine  
4 as defined in RCW 66.04.010(~~(+37+)~~) (36) when bottled or packaged by  
5 the manufacturer, one cent per liter on all other wine except cider,  
6 and eighteen one-hundredths of one cent per liter on cider. All  
7 revenues collected during any month from this additional tax shall be  
8 deposited in the violence reduction and drug enforcement account under  
9 RCW 69.50.520 by the twenty-fifth day of the following month.

10 (5)(a) An additional tax is imposed on all cider subject to tax  
11 under subsection (1) of this section. The additional tax is equal to  
12 two and four one-hundredths cents per liter of cider sold after June  
13 30, 1996, and before July 1, 1997, and is equal to four and seven one-  
14 hundredths cents per liter of cider sold after June 30, 1997.

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

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

24 **Sec. 22.** RCW 66.24.290 and 1999 c 281 s 14 are each amended to  
25 read as follows:

26 (1) Any microbrewer or domestic brewery or beer distributor  
27 licensed under this title may sell and deliver beer to holders of  
28 authorized licenses direct, but to no other person, (~~(other than the~~  
29 ~~board+)~~) and every such brewery or beer distributor shall report all  
30 sales to the board monthly, pursuant to the regulations, and shall pay  
31 to the board as an added tax for the privilege of manufacturing and  
32 selling the beer within the state a tax of one dollar and thirty cents  
33 per barrel of thirty-one gallons on sales to licensees within the state  
34 and on sales to licensees within the state of bottled and canned beer  
35 shall pay a tax computed in gallons at the rate of one dollar and  
36 thirty cents per barrel of thirty-one gallons. Any brewery or beer  
37 distributor whose applicable tax payment is not postmarked by the  
38 twentieth day following the month of sale will be assessed a penalty at

1 the rate of two percent per month or fraction thereof. Beer shall be  
2 sold by breweries and distributors in sealed barrels or packages. The  
3 moneys collected under this subsection shall be distributed as follows:  
4 (a) Three-tenths of a percent shall be distributed to border areas  
5 under RCW 66.08.195; and (b) of the remaining moneys: (i) Twenty  
6 percent shall be distributed to counties in the same manner as under  
7 RCW 66.08.200; and (ii) eighty percent shall be distributed to  
8 incorporated cities and towns in the same manner as under RCW  
9 66.08.210.

10 (2) An additional tax is imposed on all beer subject to tax under  
11 subsection (1) of this section. The additional tax is equal to two  
12 dollars per barrel of thirty-one gallons. All revenues collected  
13 during any month from this additional tax shall be deposited in the  
14 violence reduction and drug enforcement account under RCW 69.50.520 by  
15 the twenty-fifth day of the following month.

16 (3)(a) An additional tax is imposed on all beer subject to tax  
17 under subsection (1) of this section. The additional tax is equal to  
18 ninety-six cents per barrel of thirty-one gallons through June 30,  
19 1995, two dollars and thirty-nine cents per barrel of thirty-one  
20 gallons for the period July 1, 1995, through June 30, 1997, and four  
21 dollars and seventy-eight cents per barrel of thirty-one gallons  
22 thereafter.

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

29 (c) All revenues collected from the additional tax imposed under  
30 this subsection (3) shall be deposited in the health services account  
31 under RCW 43.72.900.

32 (4) An additional tax is imposed on all beer that is subject to tax  
33 under subsection (1) of this section that is in the first sixty  
34 thousand barrels of beer by breweries that are entitled to a reduced  
35 rate of tax under 26 U.S.C. Sec. 5051, as existing on July 1, 1993, or  
36 such subsequent date as may be provided by the board by rule consistent  
37 with the purposes of the exemption under subsection (3)(b) of this  
38 section. The additional tax is equal to one dollar and forty-eight and  
39 two-tenths cents per barrel of thirty-one gallons. By the twenty-fifth

1 day of the following month, three percent of the revenues collected  
2 from this additional tax shall be distributed to border areas under RCW  
3 66.08.195 and the remaining moneys shall be transferred to the state  
4 general fund.

5 (5) The board may make refunds for all taxes paid on beer exported  
6 from the state for use outside the state.

7 (6) The board may require filing with the board of a bond to be  
8 approved by it, in such amount as the board may fix, securing the  
9 payment of the tax. If any licensee fails to pay the tax when due, the  
10 board may forthwith suspend or cancel his or her license until all  
11 taxes are paid.

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

14 **Sec. 23.** RCW 66.24.310 and 1997 c 321 s 17 are each amended to  
15 read as follows:

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

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

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

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

6 (4) The fee for a representative's license shall be twenty-five  
7 dollars per year;

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

13 NEW SECTION. **Sec. 24.** A new section is added to chapter 66.24 RCW  
14 to read as follows:

15 (1) There shall be a spirits, beer, and wine retailer's license to  
16 be designated as a beverage store license to sell spirits, beer, and  
17 wine at retail in bottles, cans, and original containers, not to be  
18 consumed upon the premises where sold.

19 (2)(a) For a beverage store with annual retail sales of spirits  
20 less than five hundred thousand dollars, the annual fee is five hundred  
21 twenty dollars for each store.

22 (b) For a beverage store with annual retail sales of spirits  
23 greater than five hundred thousand dollars, the annual fee is two  
24 thousand dollars.

25 (3) Licensees holding a beverage store license may not exceed a  
26 three thousand dollar inventory of retail consumer goods and food  
27 products for human consumption excluding spirits, beer, and wine.

28 **Sec. 25.** RCW 66.24.360 and 1997 c 321 s 22 are each amended to  
29 read as follows:

30 There shall be a spirits, beer, and/or wine retailer's license to  
31 be designated as a grocery store license to sell spirits, beer, and/or  
32 wine at retail in bottles, cans, and original containers, not to be  
33 consumed upon the premises where sold, at any store (~~other than the~~  
34 ~~state liquor stores~~)).

35 (1) Licensees obtaining a written endorsement from the board may  
36 also sell malt liquor in kegs or other containers capable of holding  
37 less than five and one-half gallons of liquid.

1 (2)(a) The annual fee for the grocery store license is one hundred  
2 fifty dollars for each store selling beer or wine but not spirits.

3 (b) The annual fee for the grocery store license is one hundred  
4 fifty dollars for each store selling spirits in addition to the annual  
5 fee in (a) of this subsection.

6 (3) The board shall issue a restricted grocery store license  
7 authorizing the licensee to sell beer and only table wine, if the board  
8 finds upon issuance or renewal of the license that the sale of  
9 fortified wine would be against the public interest. In determining  
10 the public interest, the board shall consider at least the following  
11 factors:

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

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

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

20 If the board receives no evidence or objection that the sale of  
21 fortified wine would be against the public interest, it shall issue or  
22 renew the license without restriction, as applicable. The burden of  
23 establishing that the sale of fortified wine by the licensee would be  
24 against the public interest is on those persons objecting.

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

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

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

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

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

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

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

7 **Sec. 26.** RCW 66.24.371 and 1997 c 321 s 23 are each amended to  
8 read as follows:

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

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

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

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

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

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



1 If the board receives no evidence or objection that the sale of  
2 fortified wine would be against the public interest, it shall issue or  
3 renew the license without restriction, as applicable. The burden of  
4 establishing that the sale of fortified wine by the licensee would be  
5 against the public interest is on those persons objecting.

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

9 **Sec. 27.** RCW 66.24.380 and 1997 c 321 s 24 are each amended to  
10 read as follows:

11 There shall be a retailer's license to be designated as a special  
12 occasion license to be issued to a not-for-profit society or  
13 organization to sell spirits, beer, and wine by the individual serving  
14 for on-premises consumption at a specified event, such as at picnics or  
15 other special occasions, at a specified date and place; fee sixty  
16 dollars per day.

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

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

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

24 (4) Spirituous liquor sold under this special occasion license must  
25 be purchased (~~at a state liquor store or agency without discount at~~  
26 ~~retail prices, including all taxes~~) from a licensed spirits  
27 distributor.

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

31 **Sec. 28.** RCW 66.24.540 and 1999 c 129 s 1 are each amended to read  
32 as follows:

33 There shall be a retailer's license to be designated as a motel  
34 license. The motel license may be issued to a motel regardless of  
35 whether it holds any other class of license under this title. No  
36 license may be issued to a motel offering rooms to its guests on an  
37 hourly basis. The license authorizes the licensee to:

1 (1) Sell, at retail, in locked honor bars, spirits in individual  
2 bottles not to exceed fifty milliliters, beer in individual cans or  
3 bottles not to exceed twelve ounces, and wine in individual bottles not  
4 to exceed one hundred eighty-seven milliliters, to registered guests of  
5 the motel for consumption in guest rooms.

6 (a) Each honor bar must also contain snack foods. No more than  
7 one-half of the guest rooms may have honor bars.

8 (b) All spirits to be sold under the license must be purchased from  
9 (~~the board~~) a licensed spirits distributor.

10 (c) The licensee shall require proof of age from the guest renting  
11 a guest room and requesting the use of an honor bar. The guest shall  
12 also execute an affidavit verifying that no one under twenty-one years  
13 of age shall have access to the spirits, beer, and wine in the honor  
14 bar.

15 (2) Provide without additional charge, to overnight guests of the  
16 motel, beer and wine by the individual serving for on-premises  
17 consumption at a specified regular date, time, and place as may be  
18 fixed by the board. Self-service by attendees is prohibited. All beer  
19 and wine service must be done by an alcohol server as defined in RCW  
20 66.20.300 and comply with RCW 66.20.310.

21 The annual fee for a motel license is five hundred dollars.

22 "Motel" as used in this section means a transient accommodation  
23 licensed under chapter 70.62 RCW.

24 As used in this section, "spirits," "beer," and "wine" have the  
25 meanings defined in RCW 66.04.010.

26 NEW SECTION. Sec. 29. A new section is added to chapter 66.24 RCW  
27 to read as follows:

28 (1) There shall be a spirits retailer's license that may be  
29 combined with a retail liquor license allowing the licensee to sell  
30 spirituous liquor by the individual glass for consumption on the  
31 premises. The fee for this license is an amount equal to the license  
32 fee charged annually for the retail license to which the spirits  
33 retailer's license is combined.

34 (2) There shall be a spirits retailer's license that may be  
35 combined with a retail liquor license allowing the licensee to sell  
36 spirituous liquor in its original manufacturer's package for  
37 consumption off-premises. The fee for this license is an amount equal

1 to the license fee charged annually for the retail license to which the  
2 spirits retailer's license is combined.

3 (3) A licensee holding a combined license must comply with all  
4 requirements and rules of the board dealing with the retail sale of  
5 spirits.

6 (4) The board may impose conditions upon the issuance of the  
7 license under subsections (1) and (2) of this section to best protect  
8 the health, safety, and welfare of the public.

9 **Sec. 30.** RCW 66.28.030 and 1997 c 321 s 47 are each amended to  
10 read as follows:

11 Every licensed brewer, domestic brewer and microbrewer, domestic  
12 winery, manufacturer holding a certificate of approval, licensed wine  
13 importer, and licensed beer importer shall be responsible for the  
14 conduct of any licensed spirits, beer, or wine distributor in selling,  
15 or contracting to sell, to retail licensees, spirits, beer, or wine  
16 manufactured by such brewer, domestic brewer and microbrewer, domestic  
17 winery, manufacturer holding a certificate of approval, or imported by  
18 such liquor, beer, or wine importer. Where the board finds that any  
19 licensed spirits, beer, or wine distributor has violated any of the  
20 provisions of this title or of the regulations of the board in selling  
21 or contracting to sell spirits, beer, or wine to retail licensees, the  
22 board may, in addition to any punishment inflicted or imposed upon such  
23 distributor, prohibit the sale of the brand or brands of spirits, beer,  
24 or wine involved in such violation to any or all retail licensees  
25 within the trade territory usually served by such distributor for such  
26 period of time as the board may fix, irrespective of whether the brewer  
27 manufacturing such beer or the beer importer importing such beer or the  
28 domestic winery manufacturing such wine or the wine importer importing  
29 such wine or the certificate of approval holder manufacturing such  
30 spirits, beer, or wine actually participated in such violation.

31 **Sec. 31.** RCW 66.28.040 and 1998 c 256 s 1 and 1998 c 126 s 12 are  
32 each reenacted and amended to read as follows:

33 Except as permitted by the board under RCW 66.20.010, no brewery,  
34 distributor, distiller, winery, importer, rectifier, or other  
35 manufacturer of liquor shall, within the state, give to any person any  
36 liquor; but nothing in this section nor in RCW 66.28.010 shall prevent  
37 a brewery, distributor, winery, distiller, or importer from furnishing

1 samples of beer, wine, or spirituous liquor to authorized licensees for  
2 the purpose of negotiating a sale, in accordance with regulations  
3 adopted by the liquor control board, provided that the samples are  
4 subject to taxes imposed by RCW 66.24.290 and 66.24.210, and in the  
5 case of spirituous liquor, any product used for samples must be  
6 purchased at retail from ~~((the board; nothing in this section shall  
7 prevent the furnishing of samples of liquor to the board for the  
8 purpose of negotiating the sale of liquor to the state liquor control  
9 board))~~ a retail liquor licensee; nothing in this section shall prevent  
10 a brewery, winery, distillery, or distributor from furnishing beer,  
11 wine, or spirituous liquor for instructional purposes under RCW  
12 66.28.150 and 66.28.155; nothing in this section shall prevent a winery  
13 or distributor from furnishing wine without charge, subject to the  
14 taxes imposed by RCW 66.24.210, to a not-for-profit group organized and  
15 operated solely for the purpose of enology or the study of viticulture  
16 which has been in existence for at least six months and that uses wine  
17 so furnished solely for such educational purposes or a domestic winery  
18 from furnishing wine without charge or a domestic brewery from  
19 furnishing beer without charge, subject to the taxes imposed by RCW  
20 66.24.210 or 66.24.290, to a nonprofit charitable corporation or  
21 association exempt from taxation under section 501(c)(3) of the  
22 internal revenue code of 1986 (26 U.S.C. Sec. 501(c)(3)) for use  
23 consistent with the purpose or purposes entitling it to such exemption;  
24 nothing in this section shall prevent a brewer from serving beer  
25 without charge, on the brewery premises; nothing in this section shall  
26 prevent donations of wine for the purposes of RCW 66.12.180; and  
27 nothing in this section shall prevent a domestic winery from serving  
28 wine without charge, on the winery premises.

29 **Sec. 32.** RCW 66.28.060 and 1933 ex.s. c 62 s 26 are each amended  
30 to read as follows:

31 Every distillery licensed under this title shall make monthly  
32 reports to the board pursuant to the regulations. No such distillery  
33 shall make any sale of spirits within the state of Washington except to  
34 ~~((the board))~~ a licensed spirits distributor.

35 **Sec. 33.** RCW 66.28.070 and 1994 c 201 s 5 and 1994 c 63 s 2 are  
36 each reenacted and amended to read as follows:

1 (1) Except as provided in subsection (2) of this section, it shall  
2 be unlawful for any retail spirits, beer, or wine licensee to purchase  
3 spirits, beer, or wine, except from a duly licensed (~~wholesaler or the~~  
4 ~~board~~) distributor, and it shall be unlawful for any brewer, winery,  
5 or spirits, beer, or wine (~~wholesaler~~) distributor to purchase  
6 spirits, beer, or wine, except from a duly licensed spirits, beer, or  
7 wine (~~wholesaler~~) distributor or importer.

8 (2) A spirits, beer, or wine retailer licensee may purchase  
9 spirits, beer, or wine from a government agency which has lawfully  
10 seized spirits, beer, or wine from a licensed spirits, beer, or wine  
11 retailer, or from a board-authorized retailer, or from a licensed  
12 retailer which has discontinued business if the (~~wholesaler~~)  
13 distributor has refused to accept spirits, beer, or wine from that  
14 retailer for return and refund. Spirits, beer, and wine purchased  
15 under this subsection shall meet the quality standards set by its  
16 manufacturer.

17 (3) Special occasion licensees holding (~~either a class G or J~~)  
18 a special occasion license may only purchase beer or wine from a beer  
19 or wine retailer duly licensed to sell beer or wine for off-premises  
20 consumption(~~, the board,~~) or from a duly licensed beer or wine  
21 (~~wholesaler~~) distributor.

22 **Sec. 34.** RCW 66.28.180 and 1997 c 321 s 51 are each amended to  
23 read as follows:

24 It is unlawful for a person, firm, or corporation holding a  
25 certificate of approval issued under RCW 66.24.270 or 66.24.206, a  
26 spirits distributor's license, a beer distributor's license, a domestic  
27 brewer's license, a microbrewer's license, a beer importer's license,  
28 a beer distributor's license, a domestic winery license, a wine  
29 importer's license, or a wine distributor's license within the state of  
30 Washington to modify any prices without prior notification to and  
31 approval of the board.

32 (1) Intent. This section is enacted, pursuant to the authority of  
33 this state under the twenty-first amendment to the United States  
34 Constitution, to promote the public's interest in fostering the orderly  
35 and responsible distribution of (~~malt~~) alcoholic beverages (~~and~~  
36 ~~wine~~) towards effective control of consumption; to promote the fair  
37 and efficient three-tier system of distribution of such beverages; and  
38 to confirm existing board rules as the clear expression of state policy

1 to regulate the manner of selling and pricing of (~~wine and malt~~)  
2 alcoholic beverages by licensed suppliers and distributors.

3 (2) Spirits, beer, and wine distributor price posting.

4 (a) Every spirits, beer, or wine distributor shall file with the  
5 board at its office in Olympia a price posting showing the wholesale  
6 prices at which any and all brands of spirits, beer, and wine sold by  
7 such (~~beer and/or wine~~) distributor shall be sold to retailers within  
8 the state.

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

12 (i) All brands, types, packages, and containers of beer offered for  
13 sale by such beer and/or wine distributor;

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

16 (c) No spirits, beer, and/or wine distributor may sell or offer to  
17 sell any package or container of spirits, beer, or wine to any retail  
18 licensee at a price differing from the price for such package or  
19 container as shown in the price posting filed by the (~~beer and/or~~  
20 ~~wine~~) distributor and then in effect, according to rules adopted by  
21 the board.

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

28 (e) Distributor prices on a "close-out" item shall be accepted by  
29 the board if the item to be discontinued has been listed on the state  
30 market for a period of at least six months, and upon the further  
31 condition that the distributor who posts such a close-out price shall  
32 not restock the item for a period of one year following the first  
33 effective date of such close-out price.

34 (f) The board may reject any price posting that it deems to be in  
35 violation of this section or any rule, or portion thereof, or that  
36 would tend to disrupt the orderly sale and distribution of beer,  
37 spirits, and wine. Whenever the board rejects any posting, the  
38 licensee submitting the posting may be heard by the board and shall  
39 have the burden of showing that the posting is not in violation of this

1 section or a rule or does not tend to disrupt the orderly sale and  
2 distribution of spirits, beer, and wine. If the posting is accepted,  
3 it shall become effective at the time fixed by the board. If the  
4 posting is rejected, the last effective posting shall remain in effect  
5 until such time as an amended posting is filed and approved, in  
6 accordance with the provisions of this section.

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

10 (h) Any spirits, beer, and/or wine distributor or employee  
11 authorized by the distributor-employer may sell spirits, beer, and/or  
12 wine at the distributor's posted prices to any annual or special  
13 occasion retail licensee upon presentation to the distributor or  
14 employee at the time of purchase of a special permit issued by the  
15 board to such licensee.

16 (i) Every annual or special occasion retail licensee, upon  
17 purchasing any beer and/or wine from a distributor, shall immediately  
18 cause such beer or wine to be delivered to the licensed premises, and  
19 the licensee shall not thereafter permit such beer to be disposed of in  
20 any manner except as authorized by the license.

21 (ii) Spirits, beer, and wine sold as provided in this section shall  
22 be delivered by the distributor or an authorized employee either to the  
23 retailer's licensed premises or directly to the retailer at the  
24 distributor's licensed premises. A distributor's prices to retail  
25 licensees shall be the same at both such places of delivery.

26 (3) Beer and wine suppliers' price filings, contracts, and  
27 memoranda.

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

1 holders, beer and/or wine importers, and beer and/or wine distributors  
2 who sell to other beer and/or wine distributors.

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

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

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

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

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



1 or does not tend to disrupt the orderly sale and distribution of beer  
2 or wine. If the price filing, contract, or memorandum is accepted, it  
3 shall become effective at a time fixed by the board. If the price  
4 filing, contract, or memorandum, or portion thereof, is rejected, the  
5 last effective price filing, contract, or memorandum shall remain in  
6 effect until such time as an amended price filing, contract, or  
7 memorandum is filed and approved, in accordance with the provisions of  
8 this section.

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

13 **Sec. 35.** RCW 66.28.190 and 1997 c 321 s 52 are each amended to  
14 read as follows:

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

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

28 **Sec. 36.** RCW 66.40.140 and 1933 ex.s. c 62 s 88 are each amended  
29 to read as follows:

30 Whenever a majority of qualified voters voting upon said question  
31 in any such unit shall have voted "Against sale of liquor", the county  
32 auditor shall file with the liquor control board a certificate showing  
33 the result of the canvass at such election; and thereafter, except as  
34 hereinafter provided, it shall not be lawful for ~~((a liquor store to be~~  
35 ~~operated therein nor for))~~ licensees to maintain and operate licensed  
36 premises therein except as hereinafter provided:

1 (1) (~~As to any stores maintained by the board within any such unit~~  
2 ~~at the time of such licensing, the board shall have a period of thirty~~  
3 ~~days from and after the date of the canvass of the vote upon such~~  
4 ~~election to continue operation of its store or stores therein.~~

5 (2)) As to any premises licensed hereunder within any such unit at  
6 the time of such election, such licensee shall have a period of sixty  
7 days from and after the date of the canvass of the vote upon such  
8 election in which to discontinue operation of its store or stores  
9 therein.

10 ((~~3~~)) (2) Nothing herein contained shall prevent any distillery,  
11 brewery, rectifying plant or winery or the licensed operators thereof  
12 from selling its manufactured product, manufactured within such unit,  
13 outside the boundaries thereof.

14 ((~~4~~)) (3) Nothing herein contained shall prevent any person  
15 residing in any unit in which the sale of liquor shall have been  
16 forbidden by popular vote as herein provided, who is otherwise  
17 qualified to receive and hold a permit under this title, from lawfully  
18 purchasing without the unit and transporting into or receiving within  
19 the unit, liquor lawfully purchased by him outside the boundaries of  
20 such unit.

21 **Sec. 37.** RCW 66.44.150 and 1955 c 289 s 5 are each amended to read  
22 as follows:

23 ((~~If~~)) Any person in this state who buys alcoholic beverages from  
24 any person other than ((the board,)) a ((state liquor store,)) licensee  
25 or some person authorized by the board to sell ((them, he shall be)) it  
26 is guilty of a misdemeanor.

27 **Sec. 38.** RCW 66.44.160 and 1955 c 289 s 6 are each amended to read  
28 as follows:

29 Except as otherwise provided in this title, any person who has or  
30 keeps or transports alcoholic beverages other than those purchased from  
31 ((the board,)) a ((state liquor store,)) licensee or some person  
32 authorized by the board to sell ((them, shall be)) it is guilty of a  
33 violation of this title.

34 **Sec. 39.** RCW 66.44.318 and 1995 c 100 s 2 are each amended to read  
35 as follows:

1 Licensees holding nonretail class liquor licenses are permitted to  
2 allow their employees between (~~{the}~~) the ages of eighteen and  
3 twenty-one to stock, merchandise, and handle spirits, beer, or wine on  
4 or about the nonretail premises if there is an adult twenty-one years  
5 of age or older on duty supervising such activities on the premises.

6 **Sec. 40.** RCW 66.44.340 and 1999 c 281 s 11 are each amended to  
7 read as follows:

8 Employers holding (~~(grocery store or beer and/or wine specialty~~  
9 ~~shop)) retail liquor licenses exclusively for off-premises consumption  
10 are permitted to allow their employees, between the ages of eighteen  
11 and twenty-one years, to sell, stock, and handle spirits, beer, or wine  
12 in, on, or about any establishment holding (~~(a grocery store or beer~~  
13 ~~and/or wine specialty shop)) such license exclusively: PROVIDED, That  
14 there is an adult twenty-one years of age or older on duty supervising  
15 the sale of liquor at the licensed premises: PROVIDED, That minor  
16 employees may make deliveries of spirits, beer, and/or wine purchased  
17 from licensees holding (~~(grocery store or beer and/or wine specialty~~  
18 ~~shop)) retail liquor licenses exclusively for off-premises consumption,  
19 when delivery is made to cars of customers adjacent to such licensed  
20 premises but only, however, when the minor employee is accompanied by  
21 the purchaser.~~~~~~

22 NEW SECTION. **Sec. 41.** (1) The liquor control board shall begin  
23 the process of terminating its operations involving the retail sale and  
24 wholesale distribution of liquor. The board and the office of  
25 financial management shall determine those actions necessary to  
26 terminate the board's direct involvement in the retail sale and  
27 wholesale distribution of liquor by July 1, 2001, and make  
28 recommendations to the legislature by December 1, 2000, on the  
29 following:

30 (a) Disposition of equipment and inventory under the control of the  
31 liquor control board used in the operation of state liquor stores and  
32 agency vendor stores;

33 (b) Disposition of all warehousing facilities and other equipment  
34 and vehicles used in the wholesale distribution of liquor;

35 (c) The status of contracts and other obligations;

1 (d) Determine the impact on sales and availability of spirits to  
2 the public during the period of decreasing state liquor store operation  
3 and the implementation of private retail and wholesaling of spirits;

4 (e) Identification of issues and a plan for treatment of personnel;  
5 and

6 (f) Any other actions determined necessary by the reporting  
7 agencies.

8 (2) The board is authorized to take actions necessary to implement  
9 the spirits distributor's license and the spirits retail license for  
10 grocery stores by July 1, 2001.

11 (3) The board shall exercise due diligence to reduce any  
12 liabilities associated with discontinuing board retailing and  
13 wholesaling operations including contract commitments for the  
14 acquisition of alcoholic beverages or interests in real estate used for  
15 the retailing and wholesaling of alcoholic beverages past July 1, 2001.

16 NEW SECTION. **Sec. 42.** By July 1, 2002, liquor vendors who were  
17 appointed by the liquor control board under RCW 66.08.050 and who seek  
18 a license under section 24 of this act to continue in operation as a  
19 liquor retailer shall have the option to obtain any equipment used in  
20 their liquor sales operation that is being disposed of by the liquor  
21 control board and any inventory located at their business location on  
22 the effective date of this section.

23 NEW SECTION. **Sec. 43.** The following acts or parts of acts are  
24 each repealed:

25 (1) RCW 66.08.070 (Purchase of liquor by board--Consignment not  
26 prohibited--Warranty or affirmation not required for wine or malt  
27 purchases) and 1985 c 226 s 2, 1973 1st ex.s. c 209 s 1, & 1933 ex.s.  
28 c 62 s 67;

29 (2) RCW 66.08.160 (Acquisition of warehouse authorized) and 1947 c  
30 134 s 1;

31 (3) RCW 66.08.235 (Liquor control board construction and  
32 maintenance account) and 1997 c 75 s 1;

33 (4) RCW 66.12.020 (Sales of liquor to board) and 1933 ex.s. c 62 s  
34 48;

35 (5) RCW 66.16.010 (Board may establish--Price standards--Prices in  
36 special instances) and 1939 c 172 s 10, 1937 c 62 s 1, & 1933 ex.s. c  
37 62 s 4;

1 (6) RCW 66.16.030 (Vendor to be in charge) and 1933 ex.s. c 62 s 6;  
2 (7) RCW 66.16.041 (Credit and debit card purchases--Rules--  
3 Provision, installation, maintenance of equipment by board--  
4 Consideration of offsetting liquor revolving fund balance reduction--  
5 Report to legislature) and 1998 c 265 s 3, 1997 c 148 s 2, & 1996 c 291  
6 s 2;

7 (8) RCW 66.16.050 (Sale of beer and wine to person licensed to  
8 sell) and 1933 ex.s. c 62 s 8;

9 (9) RCW 66.16.060 (Sealed packages may be required, exception) and  
10 1943 c 216 s 1 & 1933 ex.s. c 62 s 9;

11 (10) RCW 66.16.070 (Liquor cannot be opened or consumed on store  
12 premises) and 1933 ex.s. c 62 s 10;

13 (11) RCW 66.16.080 (Sunday closing) and 1988 c 101 s 1 & 1933 ex.s.  
14 c 62 s 11;

15 (12) RCW 66.16.090 (Record of individual purchases confidential--  
16 Penalty for disclosure) and 1933 ex.s. c 62 s 89;

17 (13) RCW 66.20.160 ("Card of identification", "licensee", "store  
18 employee" defined for certain purposes) and 1973 1st ex.s. c 209 s 4,  
19 1971 ex.s. c 15 s 2, 1959 c 111 s 4, & 1949 c 67 s 1;

20 (14) RCW 66.24.440 (Liquor by the drink, spirits, beer, and wine  
21 restaurant, spirits, beer, and wine private club, and sports  
22 entertainment facility license--Purchase of liquor by licensees--  
23 Discount) and 1998 c 126 s 8, 1997 c 321 s 29, & 1949 c 5 s 5;

24 (15) RCW 66.32.010 (Possession of contraband liquor) and 1955 c 39  
25 s 3; and

26 (16) RCW 66.44.120 (Unlawful use of seal) and 1992 c 7 s 42 & 1933  
27 ex.s. c 62 s 47.

28 NEW SECTION. **Sec. 44.** If any provision of this act or its  
29 application to any person or circumstance is held invalid, the  
30 remainder of the act or the application of the provision to other  
31 persons or circumstances is not affected.

32 NEW SECTION. **Sec. 45.** Sections 1 through 40 and 43 of this act  
33 take effect July 1, 2001.

--- END ---