
SUBSTITUTE SENATE BILL 5731

State of Washington

63rd Legislature

2013 Regular Session

By Senate Commerce & Labor (originally sponsored by Senators Keiser, Conway, Fain, and Kline)

READ FIRST TIME 02/22/13.

1 AN ACT Relating to allowing beer and/or wine specialty shop
2 licensees to sell products made by distillers that produce sixty
3 thousand gallons or less of spirits per year; reenacting and amending
4 RCW 66.24.371; prescribing penalties; and providing an effective date.

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

6 **Sec. 1.** RCW 66.24.371 and 2011 c 195 s 4 and 2011 c 119 s 204 are
7 each reenacted and amended to read as follows:

8 (1) There (~~shall be~~) is a beer and/or wine retailer's license to
9 be designated as a beer and/or wine specialty shop license to sell
10 beer, strong beer, and/or wine at retail in bottles, cans, and original
11 containers, not to be consumed upon the premises where sold(~~(, at any~~
12 ~~store other than the state liquor stores. Licensees obtaining a~~
13 ~~written endorsement from the board may also sell malt liquor in kegs or~~
14 ~~other containers capable of holding four gallons or more of liquid)).~~
15 The annual fee for the beer and/or wine specialty shop license is one
16 hundred dollars for each store. (~~The sale of any container holding~~
17 ~~four gallons or more must comply with RCW 66.28.200 and 66.28.220.))~~

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

1 purpose of sales promotion. Sampling activities of licensees under
2 this section are subject to RCW 66.28.305 and 66.28.040 and the cost of
3 sampling under this section may not be borne, directly or indirectly,
4 by any manufacturer, importer, or distributor of liquor.

5 (3) Upon approval by the board, ~~((the))~~ a beer and/or wine
6 specialty shop licensee may obtain the following endorsements:

7 (a) A beer and/or wine specialty shop licensee that exceeds fifty
8 percent beer and/or wine sales may ~~((also))~~ receive an endorsement to
9 permit the sale of beer to a purchaser in a sanitary container brought
10 to the premises by the purchaser, or provided by the licensee or
11 manufacturer, and fill at the tap by the licensee at the time of sale.
12 If the beer and/or wine specialty shop licensee does not exceed fifty
13 percent beer and/or wine sales, the board may waive the fifty percent
14 beer and/or wine sale criteria if the beer and/or wine specialty shop
15 maintains alcohol inventory that exceeds fifteen thousand dollars;

16 (b) A beer and/or wine specialty shop licensee may receive an
17 endorsement to sell malt liquor in kegs or other containers capable of
18 holding four gallons or more of liquid. The sale of any container
19 holding four gallons or more must comply with RCW 66.28.200 and
20 66.28.220; and

21 (c) A beer and/or wine specialty shop licensee that exceeds fifty
22 percent liquor sales; maintains a minimum five thousand dollar
23 wholesale inventory of beer, strong beer, and/or wine; has a licensed
24 premises under ten thousand square feet; and has obtained his or her
25 beer and/or wine specialty shop license before January 1, 2013, may
26 receive an endorsement to sell spirits produced by a licensed craft
27 distiller or a licensed distiller that produces sixty thousand gallons
28 or less of spirits per year.

29 (i) A beer and/or wine specialty shop licensee with an endorsement
30 to sell spirits must pay to the board, for deposit into the liquor
31 revolving fund, an issuance fee equivalent to seventeen percent of all
32 spirits sales revenues, exclusive of taxes collected by the licensee
33 with such an endorsement and of sales of items on which a license fee
34 payable under RCW 66.24.630(4)(a) has otherwise been incurred. The
35 board must establish rules setting forth the timing of such payments
36 and reporting of sales dollar volume, with payments required quarterly
37 in arrears.

1 (ii) As a condition to receiving and renewing an endorsement to
2 sell spirits, a beer and/or wine specialty shop licensee must provide
3 training as prescribed by the board by rule for individuals who sell
4 spirits or who manage others who sell spirits regarding compliance with
5 laws and regulations regarding sale of spirits including, without
6 limitation, the prohibitions against sale of spirits to individuals who
7 are underage or visibly intoxicated. The training must be provided
8 before the individual first engages in the sale of spirits and must be
9 renewed at least every five years. Records must be maintained
10 documenting the nature and frequency of the training provided. An
11 employee training program is presumptively sufficient if it
12 incorporates a responsible vendor program adopted by the board.

13 (iii) The maximum penalties, fines, and suspensions prescribed by
14 the board for regulatory, public safety, license, and nonretail
15 violations are doubled for violations relating to the sale of spirits
16 by beer and/or wine specialty shop licensees with an endorsement to
17 sell spirits.

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

24 (a) The likelihood that the applicant will sell strong beer or
25 fortified wine to persons who are intoxicated;

26 (b) Law enforcement problems in the vicinity of the applicant's
27 establishment that may arise from persons purchasing strong beer or
28 fortified wine at the establishment; and

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

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

1 (5) Licensees holding a beer and/or wine specialty shop license
2 must maintain a minimum three thousand dollar wholesale inventory of
3 beer, strong beer, and/or wine.

4 (6) The board may adopt rules to implement this section.

5 NEW SECTION. **Sec. 2.** This act takes effect December 9, 2013.

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