
HOUSE BILL 2701

State of Washington 64th Legislature 2016 Regular Session

By Representatives Wylie, Vick, Springer, Hickel, and Fey

Read first time 01/19/16. Referred to Committee on Commerce & Gaming.

1 AN ACT Relating to the regulation of alcoholic beverages;
2 amending RCW 66.24.380, 66.12.110, 66.12.120, 66.12.240, 66.20.170,
3 66.20.180, 66.20.190, 66.20.200, 66.20.210, 66.24.210, 66.28.030,
4 66.28.035, 66.28.040, and 66.44.350; reenacting and amending RCW
5 66.24.170 and 66.20.010; and repealing RCW 66.24.440.

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

7 **Sec. 1.** RCW 66.24.170 and 2014 c 105 s 1 and 2014 c 27 s 1 are
8 each reenacted and amended to read as follows:

9 (1) There (~~shall be~~) is a license for domestic wineries; fee to
10 be computed only on the liters manufactured: Less than two hundred
11 fifty thousand liters per year, one hundred dollars per year; and two
12 hundred fifty thousand liters or more per year, four hundred dollars
13 per year.

14 (2) The license allows for the manufacture of wine in Washington
15 state from grapes or other agricultural products.

16 (3) Any domestic winery licensed under this section may also act
17 as a retailer of wine of its own production. Any domestic winery
18 licensed under this section may act as a distributor of its own
19 production. Notwithstanding any language in this title to the
20 contrary, a domestic winery may use a common carrier to deliver up to
21 one hundred cases of its own production, in the aggregate, per month

1 to licensed Washington retailers. A domestic winery may not arrange
2 for any such common carrier shipments to licensed retailers of wine
3 not of its own production. Except as provided in this section, any
4 winery operating as a distributor and/or retailer under this
5 subsection must comply with the applicable laws and rules relating to
6 distributors and/or retailers, except that a winery operating as a
7 distributor may maintain a warehouse off the premises of the winery
8 for the distribution of wine of its own production provided that: (a)
9 The warehouse has been approved by the board under RCW 66.24.010; and
10 (b) the number of warehouses off the premises of the winery does not
11 exceed one.

12 (4) A domestic winery licensed under this section, at locations
13 separate from any of its production or manufacturing sites, may serve
14 samples of its own products, with or without charge, may sell wine of
15 its own production at retail, and may sell for off-premises
16 consumption wines of its own production in kegs or sanitary
17 containers meeting the applicable requirements of federal law brought
18 to the premises by the purchaser or furnished by the licensee and
19 filled at the tap at the time of sale, provided that: (a) Each
20 additional location has been approved by the board under RCW
21 66.24.010; (b) the total number of additional locations does not
22 exceed two; (c) a winery may not act as a distributor at any such
23 additional location; and (d) any person selling or serving wine at an
24 additional location for (~~on-premise~~ [~~on-premises~~]) on-premises
25 consumption must obtain a class 12 or class 13 alcohol server permit.
26 Each additional location is deemed to be part of the winery license
27 for the purpose of this title. At additional locations operated by
28 multiple wineries under this section, if the board cannot connect a
29 violation of RCW 66.44.200 or 66.44.270 to a single licensee, the
30 board may hold all licensees operating the additional location
31 jointly liable. Nothing in this subsection may be construed to
32 prevent a domestic winery from holding multiple domestic winery
33 licenses.

34 (5)(a) A domestic winery licensed under this section may apply to
35 the board for an endorsement to sell wine of its own production at
36 retail for off-premises consumption at a qualifying farmers market.
37 The annual fee for this endorsement is seventy-five dollars. An
38 endorsement issued pursuant to this subsection does not count toward
39 the two additional retail locations limit specified in this section.

1 (b) For each month during which a domestic winery will sell wine
2 at a qualifying farmers market, the winery must provide the board or
3 its designee a list of the dates, times, and locations at which
4 bottled wine may be offered for sale. This list must be received by
5 the board before the winery may offer wine for sale at a qualifying
6 farmers market.

7 (c) The wine sold at qualifying farmers markets must be made
8 entirely from grapes grown in a recognized Washington appellation or
9 from other agricultural products grown in this state.

10 (d) Each approved location in a qualifying farmers market is
11 deemed to be part of the winery license for the purpose of this
12 title. The approved locations under an endorsement granted under this
13 subsection include tasting or sampling privileges subject to the
14 conditions pursuant to RCW 66.24.175. The winery may not store wine
15 at a farmers market beyond the hours that the winery offers bottled
16 wine for sale. The winery may not act as a distributor from a farmers
17 market location.

18 (e) Before a winery may sell bottled wine at a qualifying farmers
19 market, the farmers market must apply to the board for authorization
20 for any winery with an endorsement approved under this subsection to
21 sell bottled wine at retail at the farmers market. This application
22 shall include, at a minimum: (i) A map of the farmers market showing
23 all booths, stalls, or other designated locations at which an
24 approved winery may sell bottled wine; and (ii) the name and contact
25 information for the on-site market managers who may be contacted by
26 the board or its designee to verify the locations at which bottled
27 wine may be sold. Before authorizing a qualifying farmers market to
28 allow an approved winery to sell bottled wine at retail at its
29 farmers market location, the board (~~shall~~) must notify the persons
30 or entities of such application for authorization pursuant to RCW
31 66.24.010 (8) and (9). An authorization granted under this subsection
32 (5)(e) may be withdrawn by the board for any violation of this title
33 or any rules adopted under this title.

34 (f) The board may adopt rules establishing the application and
35 approval process under this section and such additional rules as may
36 be necessary to implement this section.

37 (g) For the purposes of this subsection:

38 (i) "Qualifying farmers market" means an entity that sponsors a
39 regular assembly of vendors at a defined location for the purpose of
40 promoting the sale of agricultural products grown or produced in this

1 state directly to the consumer under conditions that meet the
2 following minimum requirements:

3 (A) There are at least five participating vendors who are farmers
4 selling their own agricultural products;

5 (B) The total combined gross annual sales of vendors who are
6 farmers exceeds the total combined gross annual sales of vendors who
7 are processors or resellers. However, if a farmers market does not
8 satisfy this subsection (5)(g)(i)(B), a farmers market is still
9 considered a "qualifying farmers market" if the total combined gross
10 annual sales of farmers and processors at the farmers market is one
11 million dollars or more;

12 (C) The total combined gross annual sales of vendors who are
13 farmers, processors, or resellers exceeds the total combined gross
14 annual sales of vendors who are not farmers, processors, or
15 resellers;

16 (D) The sale of imported items and secondhand items by any vendor
17 is prohibited; and

18 (E) No vendor is a franchisee.

19 (ii) "Farmer" means a natural person who sells, with or without
20 processing, agricultural products that he or she raises on land he or
21 she owns or leases in this state or in another state's county that
22 borders this state.

23 (iii) "Processor" means a natural person who sells processed food
24 that he or she has personally prepared on land he or she owns or
25 leases in this state or in another state's county that borders this
26 state.

27 (iv) "Reseller" means a natural person who buys agricultural
28 products from a farmer and resells the products directly to the
29 consumer.

30 (6) A domestic winery licensed under this section may apply to
31 the board for an endorsement to sell wine of its own production at
32 retail for off-premises consumption at an event which holds a special
33 occasion license under RCW 66.24.380. The domestic winery is entitled
34 to the proceeds of its retail sales at the licensed event. At such an
35 event, the winery must comply with all applicable laws relating to
36 the retail sale of alcohol for off-premises consumption. The annual
37 fee for this endorsement is seventy-five dollars.

38 (7) Wine produced in Washington state by a domestic winery
39 licensee may be shipped out-of-state for the purpose of making it
40 into sparkling wine and then returned to such licensee for resale.

1 Such wine (~~shall be~~) is deemed wine manufactured in the state of
2 Washington for the purposes of RCW 66.24.206, and shall not require a
3 special license.

4 **Sec. 2.** RCW 66.24.380 and 2012 c 2 s 112 are each amended to
5 read as follows:

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

12 (1) The not-for-profit society or organization is limited to
13 sales of no more than twelve calendar days per year. For the purposes
14 of this subsection, special occasion licensees that are "agricultural
15 area fairs" or "agricultural county, district, and area fairs," as
16 defined by RCW 15.76.120, that receive a special occasion license
17 may, once per calendar year, count as one event fairs that last
18 multiple days, so long as alcohol sales are at set dates, times, and
19 locations, and the board receives prior notification of the dates,
20 times, and locations. The special occasion license applicant will pay
21 the sixty dollars per day for this event.

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

25 (3) In addition to offering the sale of wine by the individual
26 serving for on-premises consumption, the licensee may sell wine in
27 original, unopened containers for on-premises consumption if
28 permission is obtained from the board prior to the event.

29 (4) Sale, service, and consumption of spirits, beer, and wine is
30 to be confined to specified premises or designated areas only.

31 (~~(4)~~) (5) Liquor sold under this special occasion license must
32 be purchased from a licensee of the board.

33 (~~(5)~~) (6) Any violation of this section is a class 1 civil
34 infraction having a maximum penalty of two hundred fifty dollars as
35 provided for in chapter 7.80 RCW.

36 **Sec. 3.** RCW 66.12.110 and 2012 c 117 s 272 are each amended to
37 read as follows:

1 A person twenty-one years of age or over may bring into the state
2 from without the United States, free of tax and markup, for his or
3 her personal or household use such alcoholic beverages as have been
4 declared and permitted to enter the United States duty free under
5 federal law.

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

20 **Sec. 4.** RCW 66.12.120 and 1995 c 100 s 1 are each amended to
21 read as follows:

22 Notwithstanding any other provision of this title (~~66 RCW~~), a
23 person twenty-one years of age or over may, free of tax (~~and~~
24 ~~markup~~), for personal or household use, bring into the state of
25 Washington from another state no more than once per calendar month up
26 to two liters of spirits or wine or two hundred eighty-eight ounces
27 of beer. Additionally, such person may be authorized by the board to
28 bring into the state of Washington from another state a reasonable
29 amount of alcoholic beverages in excess of that provided in this
30 section for personal or household use only upon payment of an
31 equivalent (~~markup and~~) tax as would be applicable to the purchase
32 of the same or similar liquor at retail (~~from a state liquor store~~)
33 in this state. The board (~~shall~~) must adopt appropriate regulations
34 pursuant to chapter 34.05 RCW for the purpose of carrying into effect
35 the provisions of this section.

36 **Sec. 5.** RCW 66.12.240 and 2009 c 361 s 1 are each amended to
37 read as follows:

1 (1) Nothing in this title applies to or prevents a wedding
2 boutique or art gallery from offering or supplying without charge
3 wine or beer by the individual glass to a customer for consumption on
4 the premises. However, the customer must be at least twenty-one years
5 of age and may only be offered one glass of wine or beer, and wine or
6 beer served or consumed (~~shall~~) must be purchased from a Washington
7 state licensed retailer (~~or a Washington state liquor store or~~
8 ~~agency~~) at full retail price. A wedding boutique or art gallery
9 offering wine or beer without charge may not advertise the service of
10 complimentary wine or beer and may not sell wine or beer in any
11 manner. Any employee involved in the service of wine or beer must
12 complete a board-approved limited alcohol server training program.

13 (2) (~~For the purposes of this section:~~) The definitions in this
14 subsection apply throughout this section unless the context clearly
15 requires otherwise.

16 (a) "Art gallery" means a room or building devoted to the
17 exhibition and/or sale of the works of art.

18 (b) "Wedding boutique" means a business primarily engaged in the
19 sale of wedding merchandise.

20 **Sec. 6.** RCW 66.20.010 and 2015 c 195 s 1, 2015 c 194 s 3, and
21 2015 c 59 s 1 are each reenacted and amended to read as follows:

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

29 (1) Where the application is for a special permit by a physician
30 or dentist, or by any person in charge of an institution regularly
31 conducted as a hospital or sanitorium for the care of persons in ill
32 health, or as a home devoted exclusively to the care of aged people,
33 a special liquor purchase permit, except that the governor may waive
34 the requirement for a special liquor purchase permit under this
35 subsection pursuant to an order issued under RCW 43.06.220(2);

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

1 purpose named in the permit, except that the governor may waive the
2 requirement for a special liquor purchase permit under this
3 subsection pursuant to an order issued under RCW 43.06.220(2);

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

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

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

16 (6) Where the application is for a special permit by a person
17 operating a drug store to purchase liquor at retail prices only, to
18 be thereafter sold by such person on the prescription of a physician,
19 a special liquor purchase permit, except that the governor may waive
20 the requirement for a special liquor purchase permit under this
21 subsection pursuant to an order issued under RCW 43.06.220(2);

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

27 (8) Where the application is for a special permit by a vendor
28 that manufactures or sells a product which cannot be effectively
29 presented to potential buyers without serving it with liquor or by a
30 manufacturer, importer, or distributor, or representative thereof, to
31 serve liquor without charge to delegates and guests at a convention
32 of a trade association composed of licensees of the board, when the
33 said liquor is served in a hospitality room or from a booth in a
34 board-approved suppliers' display room at the convention, and when
35 the liquor so served is for consumption in the said hospitality room
36 or display room during the convention, anything in this title to the
37 contrary notwithstanding. Any such spirituous liquor must be
38 purchased from a spirits retailer or distributor, and any such liquor
39 is subject to the taxes imposed by RCW 82.08.150, 66.24.290, and
40 66.24.210;

1 (9) Where the application is for a special permit by a
2 manufacturer, importer, or distributor, or representative thereof, to
3 donate liquor for a reception, breakfast, luncheon, or dinner for
4 delegates and guests at a convention of a trade association composed
5 of licensees of the board, when the liquor so donated is for
6 consumption at the said reception, breakfast, luncheon, or dinner
7 during the convention, anything in this title to the contrary
8 notwithstanding. Any such spirituous liquor must be purchased from a
9 spirits retailer or distributor, and any such liquor is subject to
10 the taxes imposed by RCW 82.08.150, 66.24.290, and 66.24.210;

11 (10) Where the application is for a special permit by a
12 manufacturer, importer, or distributor, or representative thereof, to
13 donate and/or serve liquor without charge to delegates and guests at
14 an international trade fair, show, or exposition held under the
15 auspices of a federal, state, or local governmental entity or
16 organized and promoted by a nonprofit organization, anything in this
17 title to the contrary notwithstanding. Any such spirituous liquor
18 must be purchased from a liquor spirits retailer or distributor, and
19 any such liquor is subject to the taxes imposed by RCW 82.08.150,
20 66.24.290, and 66.24.210;

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

28 (12) Where the application is for a special permit to allow
29 tasting of alcohol by persons at least eighteen years of age under
30 the following circumstances:

31 (a) The application is from a community or technical college as
32 defined in RCW 28B.50.030, a regional university, or a state
33 university;

34 (b) The person who is permitted to taste under this subsection is
35 enrolled as a student in a required or elective class that is part of
36 a culinary, sommelier, wine business, enology, viticulture, wine
37 technology, beer technology, or spirituous technology-related degree
38 program;

39 (c) The alcohol served to any person in the degree-related
40 programs under (b) of this subsection is tasted but not consumed for

1 the purposes of educational training as part of the class curriculum
2 with the approval of the educational provider;

3 (d) The service and tasting of alcoholic beverages is supervised
4 by a faculty or staff member of the educational provider who is
5 twenty-one years of age or older. The supervising faculty or staff
6 member shall possess a class 12 or 13 alcohol server permit under the
7 provisions of RCW 66.20.310;

8 (e) The enrolled student permitted to taste the alcoholic
9 beverages does not purchase the alcoholic beverages; and

10 (f) The permit fee for the special permit provided for in this
11 subsection (12) must be waived by the board;

12 (13) Where the application is for a special permit by a
13 distillery or craft distillery for an event not open to the general
14 public to be held or conducted at a specific place, including at the
15 licensed premise of the applying distillery or craft distillery, upon
16 a specific date for the purpose of tasting and selling spirits of its
17 own production. The distillery or craft distillery must obtain a
18 permit for a fee of ten dollars per event. An application for the
19 permit must be submitted for private banquet permits prior to the
20 event and, once issued, must be posted in a conspicuous place at the
21 premises for which the permit was issued during all times the permit
22 is in use. No licensee may receive more than twelve permits under
23 this subsection (13) each year;

24 (14) Where the application is for a special permit by a
25 manufacturer of wine for an event not open to the general public to
26 be held or conducted at a specific place upon a specific date for the
27 purpose of tasting and selling wine of its own production. The winery
28 must obtain a permit for a fee of ten dollars per event. An
29 application for the permit must be submitted at least ten days before
30 the event and once issued, must be posted in a conspicuous place at
31 the premises for which the permit was issued during all times the
32 permit is in use. No more than twelve events per year may be held by
33 a single manufacturer under this subsection;

34 (15) Where the application is for a special permit by an
35 individual or business to sell a private collection of wine or
36 spirits to an individual or business. The seller must obtain a permit
37 at least five business days before the sale, for a fee of twenty-five
38 dollars per sale. The seller must provide an inventory of products
39 sold and the agreed price on a form provided by the board. The seller
40 shall submit the report and taxes due to the board no later than

1 twenty calendar days after the sale. A permit may be issued under
2 this section to allow the sale of a private collection to licensees,
3 but may not be issued to a licensee to sell to a private individual
4 or business which is not otherwise authorized under the license held
5 by the seller. If the liquor is purchased by a licensee, all sales
6 are subject to taxes assessed as on liquor acquired from any other
7 source. The board may adopt rules to implement this section.

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

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

16 **Sec. 8.** RCW 66.20.180 and 2005 c 151 s 9 are each amended to
17 read as follows:

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

28 **Sec. 9.** RCW 66.20.190 and 2012 c 117 s 280 are each amended to
29 read as follows:

30 In addition to the presentation by the holder and verification by
31 the licensee (~~(or store employee)~~) of such card of identification,
32 the licensee (~~(or store employee)~~) who is still in doubt about the
33 true age of the holder (~~(shall)~~) must require the person whose age
34 may be in question to sign a certification card and record an
35 accurate description and serial number of his or her card of
36 identification thereon. Such statement (~~(shall)~~) must be upon a five-
37 inch by eight-inch file card, which card (~~(shall)~~) must be filed

1 alphabetically by the licensee (~~or store employee~~) at or before the
2 close of business on the day on which the statement is executed, in
3 the file box containing a suitable alphabetical index and the card
4 (~~shall~~) must be subject to examination by any peace officer or
5 agent or employee of the board at all times. The certification card
6 (~~shall~~) must also contain in bold-face type a statement stating
7 that the signer understands that conviction for unlawful purchase of
8 alcoholic beverages or misuse of the certification card may result in
9 criminal penalties including imprisonment or fine or both.

10 **Sec. 10.** RCW 66.20.200 and 2003 c 53 s 295 are each amended to
11 read as follows:

12 (1) It (~~shall be~~) is unlawful for the owner of a card of
13 identification to transfer the card to any other person for the
14 purpose of aiding such person to procure alcoholic beverages from any
15 licensee (~~or store employee~~). Any person who (~~shall~~) permits his
16 or her card of identification to be used by another or transfer such
17 card to another for the purpose of aiding such transferee to obtain
18 alcoholic beverages from a licensee (~~or store employee~~) or gain
19 admission to a premises or portion of a premises classified by the
20 board as off-limits to persons under twenty-one years of age, (~~shall~~
21 ~~be~~) is guilty of a misdemeanor punishable as provided by RCW
22 9A.20.021, except that a minimum fine of two hundred fifty dollars
23 (~~shall~~) must be imposed and any sentence requiring community
24 restitution (~~shall~~) must require not fewer than twenty-five hours
25 of community restitution.

26 (2) Any person not entitled thereto who unlawfully procures or
27 has issued or transferred to him or her a card of identification, and
28 any person who possesses a card of identification not issued to him
29 or her, and any person who makes any false statement on any
30 certification card required by RCW 66.20.190, to be signed by him or
31 her, (~~shall be~~) is guilty of a misdemeanor punishable as provided
32 by RCW 9A.20.021, except that a minimum fine of two hundred fifty
33 dollars (~~shall~~) must be imposed and any sentence requiring
34 community restitution (~~shall~~) must require not fewer than twenty-
35 five hours of community restitution.

36 **Sec. 11.** RCW 66.20.210 and 1973 1st ex.s. c 209 s 9 are each
37 amended to read as follows:

1 (1) No licensee or the agent or employee of the licensee(~~(, or~~
2 ~~store employee, shall))~~ may be prosecuted criminally or be sued in
3 any civil action for serving liquor to a person under legal age to
4 purchase liquor if such person has presented a card of identification
5 in accordance with RCW 66.20.180, and has signed a certification card
6 as provided in RCW 66.20.190.

7 (2) Such card in the possession of a licensee may be offered as a
8 defense in any hearing held by the board for serving liquor to the
9 person who signed the card and may be considered by the board as
10 evidence that the licensee acted in good faith.

11 **Sec. 12.** RCW 66.24.210 and 2012 c 20 s 2 are each amended to
12 read as follows:

13 (1) There is hereby imposed upon all wines except cider sold to
14 wine distributors (~~(and the Washington state liquor control board,~~)
15 within the state a tax at the rate of twenty and one-fourth cents per
16 liter. Any domestic winery or certificate of approval holder acting
17 as a distributor of its own production (~~(shall))~~) must pay taxes
18 imposed by this section. There is hereby imposed on all cider sold to
19 wine distributors (~~(and the Washington state liquor control board))~~)
20 within the state a tax at the rate of three and fifty-nine one-
21 hundredths cents per liter. However, wine sold or shipped in bulk
22 from one winery to another winery (~~(shall))~~) is not (~~(be))~~) subject to
23 such tax.

24 (a) The tax provided for in this section shall be collected by
25 direct payments based on wine purchased by wine distributors.

26 (b) Except as provided in subsection (7) of this section, every
27 person purchasing wine under the provisions of this section (~~(shall))~~)
28 must on or before the twentieth day of each month report to the board
29 all purchases during the preceding calendar month in such manner and
30 upon such forms as may be prescribed by the board, and with such
31 report (~~(shall))~~) must pay the tax due from the purchases covered by
32 such report unless the same has previously been paid. Any such
33 purchaser of wine whose applicable tax payment is not postmarked by
34 the twentieth day following the month of purchase will be assessed a
35 penalty at the rate of two percent a month or fraction thereof. The
36 board may require that every such person shall execute to and file
37 with the board a bond to be approved by the board, in such amount as
38 the board may fix, securing the payment of the tax. If any such

1 person fails to pay the tax when due, the board may (~~forthwith~~)
2 suspend or cancel the license until all taxes are paid.

3 (c) Any licensed retailer authorized to purchase wine from a
4 certificate of approval holder with a direct shipment endorsement or
5 a domestic winery (~~shall~~) must make monthly reports to the liquor
6 (~~control~~) and cannabis board on wine purchased during the preceding
7 calendar month in the manner and upon such forms as may be prescribed
8 by the board.

9 (2) An additional tax is imposed equal to the rate specified in
10 RCW 82.02.030 multiplied by the tax payable under subsection (1) of
11 this section. All revenues collected during any month from this
12 additional tax (~~shall~~) must be transferred to the state general
13 fund by the twenty-fifth day of the following month.

14 (3) An additional tax is imposed on wines subject to tax under
15 subsection (1) of this section, at the rate of one-fourth of one cent
16 per liter for wine sold after June 30, 1987. After June 30, 1996,
17 such additional tax does not apply to cider. An additional tax of
18 five one-hundredths of one cent per liter is imposed on cider sold
19 after June 30, 1996. All revenues collected under this subsection (3)
20 shall be disbursed quarterly to the Washington wine commission for
21 use in carrying out the purposes of chapter 15.88 RCW.

22 (4) An additional tax is imposed on all wine subject to tax under
23 subsection (1) of this section. The additional tax is equal to
24 twenty-three and forty-four one-hundredths cents per liter on
25 fortified wine as defined in RCW 66.04.010 when bottled or packaged
26 by the manufacturer, one cent per liter on all other wine except
27 cider, and eighteen one-hundredths of one cent per liter on cider.
28 All revenues collected during any month from this additional tax
29 shall be deposited in the state general fund by the twenty-fifth day
30 of the following month.

31 (5)(a) An additional tax is imposed on all cider subject to tax
32 under subsection (1) of this section. The additional tax is equal to
33 two and four one-hundredths cents per liter of cider sold after June
34 30, 1996, and before July 1, 1997, and is equal to four and seven
35 one-hundredths cents per liter of cider sold after June 30, 1997.

36 (b) All revenues collected from the additional tax imposed under
37 this subsection (5) (~~shall~~) must be deposited in the state general
38 fund.

39 (6) For the purposes of this section, "cider" means table wine
40 that contains not less than one-half of one percent of alcohol by

1 volume and not more than seven percent of alcohol by volume and is
2 made from the normal alcoholic fermentation of the juice of sound,
3 ripe apples or pears. "Cider" includes, but is not limited to,
4 flavored, sparkling, or carbonated cider and cider made from
5 condensed apple or pear must.

6 (7) For the purposes of this section, out-of-state wineries
7 (~~shall~~) must pay taxes under this section on wine sold and shipped
8 directly to Washington state residents in a manner consistent with
9 the requirements of a wine distributor under subsections (1) through
10 (4) of this section, except wineries shall be responsible for the tax
11 and not the resident purchaser.

12 (8) Notwithstanding any other provision of this section, any
13 domestic winery or wine certificate of approval holder acting as a
14 distributor of its own production that had total taxable sales of
15 wine in Washington state of six thousand gallons or less during the
16 calendar year preceding the date on which the tax would otherwise be
17 due is not required to pay taxes under this section more often than
18 annually.

19 **Sec. 13.** RCW 66.28.030 and 2012 c 2 s 113 are each amended to
20 read as follows:

21 Every domestic distillery, brewery, and microbrewery, domestic
22 winery, certificate of approval holder, licensed (~~liquor~~) spirits
23 importer, licensed wine importer, and licensed beer importer is
24 responsible for the conduct of any licensed spirits, beer, or wine
25 distributor in selling, or contracting to sell, to retail licensees,
26 spirits, beer, or wine manufactured by such domestic distillery,
27 brewery, microbrewery, domestic winery, manufacturer holding a
28 certificate of approval, sold by an authorized representative holding
29 a certificate of approval, or imported by such (~~liquor~~) spirits,
30 beer, or wine importer. Where the board finds that any licensed
31 spirits, beer, or wine distributor has violated any of the provisions
32 of this title or of the regulations of the board in selling or
33 contracting to sell spirits, beer, or wine to retail licensees, the
34 board may, in addition to any punishment inflicted or imposed upon
35 such distributor, prohibit the sale of the brand or brands of
36 spirits, beer, or wine involved in such violation to any or all
37 retail licensees within the trade territory usually served by such
38 distributor for such period of time as the board may fix,
39 irrespective of whether the distiller manufacturing such spirits or

1 the (~~liquor~~) spirits importer importing such spirits, brewer
2 manufacturing such beer or the beer importer importing such beer, or
3 the domestic winery manufacturing such wine or the wine importer
4 importing such wine or the certificate of approval holder
5 manufacturing such spirits, beer, or wine or acting as authorized
6 representative actually participated in such violation.

7 **Sec. 14.** RCW 66.28.035 and 2012 c 39 s 7 are each amended to
8 read as follows:

9 (1) By the (~~15th~~) 20th day of each month, all spirits
10 certificate of approval holders must file with the board, in a form
11 and manner required by the board, a report of all spirits delivered
12 to purchasers in this state during the preceding month (~~along with a~~
13 ~~copy~~). Copies of the invoices for all such purchases or other
14 information required by the board that would disclose the identity of
15 the purchasers must be made available upon request.

16 (2) A spirits certificate of approval holder may not ship or
17 cause to be transported into this state any spirits unless the
18 purchaser to whom the spirits are to be delivered is:

19 (a) Licensed by the board to sell spirits in this state, and the
20 license is in good standing; or

21 (b) Otherwise legally authorized to sell spirits in this state.

22 (3) The liquor (~~control~~) and cannabis board must maintain on
23 its web site a list of all purchasers that meet the conditions of
24 subsection (2) of this section.

25 (4) A violation of this section is grounds for suspension of a
26 spirits certificate of approval license in accordance with RCW
27 66.08.150, in addition to any punishment as may be authorized by RCW
28 66.28.030.

29 **Sec. 15.** RCW 66.28.040 and 2014 c 92 s 2 are each amended to
30 read as follows:

31 Except as permitted by the board under RCW 66.20.010, no domestic
32 brewery, microbrewery, distributor, distiller, domestic winery,
33 importer, rectifier, certificate of approval holder, or other
34 manufacturer of liquor may, within the state of Washington, give to
35 any person any liquor; but nothing in this section nor in RCW
36 66.28.305 prevents a domestic brewery, microbrewery, distributor,
37 domestic winery, distiller, certificate of approval holder, or
38 importer from furnishing samples of beer, wine, or spirituous liquor

1 to authorized licensees for the purpose of negotiating a sale, in
2 accordance with regulations adopted by the liquor (~~control~~) and
3 cannabis board, provided that the samples are subject to taxes
4 imposed by RCW 66.24.290 and 66.24.210; nothing in this section
5 prevents a domestic brewery, microbrewery, domestic winery,
6 distillery, certificate of approval holder, or distributor from
7 furnishing beer, wine, or spirituous liquor for instructional
8 purposes under RCW 66.28.150; nothing in this section prevents a
9 domestic winery, certificate of approval holder, or distributor from
10 furnishing wine without charge, subject to the taxes imposed by RCW
11 66.24.210, to a not-for-profit group organized and operated solely
12 for the purpose of enology or the study of viticulture which has been
13 in existence for at least six months and that uses wine so furnished
14 solely for such educational purposes or a domestic winery, or an out-
15 of-state certificate of approval holder, from furnishing wine without
16 charge or a domestic brewery, or an out-of-state certificate of
17 approval holder, from furnishing beer without charge, subject to the
18 taxes imposed by RCW 66.24.210 or 66.24.290, or a domestic distiller
19 licensed under RCW 66.24.140 or an accredited representative of a
20 distiller, manufacturer, importer, or distributor of spirituous
21 liquor licensed under RCW 66.24.310, from furnishing spirits without
22 charge, to a nonprofit charitable corporation or association exempt
23 from taxation under 26 U.S.C. Sec. 501(c)(3) or (6) of the internal
24 revenue code of 1986 for use consistent with the purpose or purposes
25 entitling it to such exemption; nothing in this section prevents a
26 domestic brewery or microbrewery from serving beer without charge, on
27 the brewery premises; nothing in this section prevents donations of
28 wine for the purposes of RCW 66.12.180; nothing in this section
29 prevents a domestic winery from serving wine without charge, on the
30 winery premises; and nothing in this section prevents a craft
31 distillery from serving spirits, on the distillery premises subject
32 to RCW 66.24.145.

33 **Sec. 16.** RCW 66.44.350 and 2014 c 29 s 4 are each amended to
34 read as follows:

35 Notwithstanding provisions of RCW 66.44.310, employees of
36 businesses holding beer and/or wine restaurant; beer and/or wine
37 private club; snack bar; spirits, beer, and wine restaurant; spirits,
38 beer, and wine private club; catering; and sports entertainment
39 facility licenses who are (~~licensees~~) between eighteen and twenty-

1 one years of age (~~and over~~) may take orders for, serve, and sell
2 liquor in any part of the licensed premises except cocktail lounges,
3 bars, or other areas classified by the Washington state liquor
4 (~~control~~) and cannabis board as off-limits to persons under twenty-
5 one years of age: PROVIDED, That such employees may enter such
6 restricted areas to perform work assignments including picking up
7 liquor for service in other parts of the licensed premises,
8 performing clean up work, setting up and arranging tables, delivering
9 supplies, delivering messages, serving food, and seating patrons:
10 PROVIDED FURTHER, That such employees (~~shall~~) remain in the areas
11 off-limits to minors no longer than is necessary to carry out their
12 aforementioned duties: PROVIDED FURTHER, That such employees
13 (~~shall~~) are not be permitted to perform activities or functions of
14 a bartender.

15 NEW SECTION. **Sec. 17.** RCW 66.24.440 (Liquor by the drink,
16 spirits, beer, and wine restaurant, spirits, beer, and wine private
17 club, hotel, spirits, beer, and wine nightclub, sports entertainment
18 facility, and VIP airport lounge license—Purchase of liquor by
19 licensees—Discount) and 2011 c 325 s 3, 2009 c 271 s 8, 2007 c 370 s
20 20, 1998 c 126 s 8, 1997 c 321 s 29, & 1949 c 5 s 5 are each
21 repealed.

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