
HOUSE BILL 1020

State of Washington

65th Legislature

2017 Regular Session

By Representatives Johnson, Fey, Caldier, Cody, Appleton, Barkis, and Haler

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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; and prescribing penalties.

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
7 are each reenacted and amended to read as follows:

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

19 (2) Licensees under this section may provide, free or for a
20 charge, single-serving samples of two ounces or less to customers for
21 the purpose of sales promotion. Sampling activities of licensees

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

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

6 (a) A beer and/or wine specialty shop licensee that exceeds fifty
7 percent beer and/or wine sales may ~~((also))~~ receive an endorsement to
8 permit the sale of beer to a purchaser in a sanitary container
9 brought to the premises by the purchaser, or provided by the licensee
10 or manufacturer, and fill at the tap by the licensee at the time of
11 sale. If the beer and/or wine specialty shop licensee does not exceed
12 fifty percent beer and/or wine sales, the board may waive the fifty
13 percent beer and/or wine sale criteria if the beer and/or wine
14 specialty shop maintains alcohol inventory that exceeds fifteen
15 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
18 of 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 three 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, 2016, may
26 receive an endorsement to sell spirits produced by a craft distillery
27 or a distiller, licensed in the state of Washington, provided that
28 the distillery produces sixty thousand gallons or less of spirits per
29 year.

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

39 (ii) As a condition to receiving and renewing an endorsement to
40 sell spirits, a beer and/or wine specialty shop licensee must provide

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

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

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

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

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

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

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

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

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

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