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HOUSE BILL 2609

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State of Washington                      65th Legislature                      2018 Regular Session

By Representatives Tarleton, Young, Vick, Caldier, and Sullivan

Read first time 01/11/18.      Referred to Committee on Commerce & Gaming.

1            AN ACT Relating to modernizing and clarifying in-state distilled  
2 spirits production licenses and fees; amending RCW 66.04.010,  
3 66.24.140, 66.24.520, 66.24.630, 66.28.040, 66.28.295, 66.20.410,  
4 66.20.010, and 66.28.310; adding a new section to chapter 66.24 RCW;  
5 repealing RCW 66.24.145; providing an effective date; providing a  
6 contingent expiration date; and declaring an emergency.

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

8            **Sec. 1.** RCW 66.04.010 and 2015 c 193 s 3 are each amended to  
9 read as follows:

10            (~~In this title, unless the context otherwise requires:~~) The  
11 definitions in this section apply throughout this title unless the  
12 context clearly requires otherwise.

13            (1) "Alcohol" is that substance known as ethyl alcohol, hydrated  
14 oxide of ethyl, or spirit of wine, which is commonly produced by the  
15 fermentation or distillation of grain, starch, molasses, or sugar, or  
16 other substances including all dilutions and mixtures of this  
17 substance. The term "alcohol" does not include alcohol in the  
18 possession of a manufacturer or distiller of alcohol fuel, as  
19 described in RCW 66.12.130, which is intended to be denatured and  
20 used as a fuel for use in motor vehicles, farm implements, and  
21 machines or implements of husbandry.

1 (2) "Authorized representative" means a person who:  
2 (a) Is required to have a federal basic permit issued pursuant to  
3 the federal alcohol administration act, 27 U.S.C. Sec. 204;  
4 (b) Has its business located in the United States outside of the  
5 state of Washington;  
6 (c) Acquires ownership of beer or wine for transportation into  
7 and resale in the state of Washington; and which beer or wine is  
8 produced by a brewery or winery in the United States outside of the  
9 state of Washington; and  
10 (d) Is appointed by the brewery or winery referenced in (c) of  
11 this subsection as its authorized representative for marketing and  
12 selling its products within the United States in accordance with a  
13 written agreement between the authorized representative and such  
14 brewery or winery pursuant to this title.  
15 (3) "Beer" means any malt beverage, flavored malt beverage, or  
16 malt liquor as these terms are defined in this chapter.  
17 (4) "Beer distributor" means a person who buys beer from a  
18 domestic brewery, microbrewery, beer certificate of approval holder,  
19 or beer importers, or who acquires foreign produced beer from a  
20 source outside of the United States, for the purpose of selling the  
21 same pursuant to this title, or who represents such brewer or brewery  
22 as agent.  
23 (5) "Beer importer" means a person or business within Washington  
24 who purchases beer from a beer certificate of approval holder or who  
25 acquires foreign produced beer from a source outside of the United  
26 States for the purpose of selling the same pursuant to this title.  
27 (6) "Board" means the liquor (~~control~~) and cannabis board,  
28 constituted under this title.  
29 (7) "Brewer" or "brewery" means any person engaged in the  
30 business of manufacturing beer and malt liquor. Brewer includes a  
31 brand owner of malt beverages who holds a brewer's notice with the  
32 federal bureau of alcohol, tobacco, and firearms at a location  
33 outside the state and whose malt beverage is contract-produced by a  
34 licensed in-state brewery, and who may exercise within the state,  
35 under a domestic brewery license, only the privileges of storing,  
36 selling to licensed beer distributors, and exporting beer from the  
37 state.  
38 (8) "Club" means an organization of persons, incorporated or  
39 unincorporated, operated solely for fraternal, benevolent,

1 educational, athletic, or social purposes, and not for pecuniary  
2 gain.

3 (9) "Confection" means a preparation of sugar, honey, or other  
4 natural or artificial sweeteners in combination with chocolate,  
5 fruits, nuts, dairy products, or flavorings, in the form of bars,  
6 drops, or pieces.

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

9 (11) "Contract liquor store" means a business that sells liquor  
10 on behalf of the board through a contract with a contract liquor  
11 store manager.

12 (12) (~~"Craft distillery" means a distillery that pays the~~  
13 ~~reduced licensing fee under RCW 66.24.140.~~

14 ~~(13))~~ "Dentist" means a practitioner of dentistry duly and  
15 regularly licensed and engaged in the practice of his or her  
16 profession within the state pursuant to chapter 18.32 RCW.

17 (~~(14) "Distiller" means a person engaged in the business of~~  
18 ~~distilling spirits.~~) (13) "Distilled spirits brand owner" means a  
19 person or entity licensed under this title whose primary business is  
20 the marketing of one or more brands of distilled spirits without  
21 being substantially involved in the distillation, redistillation,  
22 rectification, blending, flavoring or merchant bottling of such  
23 spirits. The board shall establish rules for what constitutes being  
24 "substantially involved."

25 (14) "Distilled spirits producer" means a person whose primary  
26 business is distilling, redistilling, rectifying, blending, bottling,  
27 and warehousing of distilled spirits, as allowed in this chapter.

28 (15) "Domestic brewery" means a place where beer and malt liquor  
29 are manufactured or produced by a brewer within the state.

30 (16) "Domestic winery" means a place where wines are manufactured  
31 or produced within the state of Washington.

32 (17) "Drug store" means a place whose principal business is, the  
33 sale of drugs, medicines, and pharmaceutical preparations and  
34 maintains a regular prescription department and employs a registered  
35 pharmacist during all hours the drug store is open.

36 (18) "Druggist" means any person who holds a valid certificate  
37 and 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.

40 (19) "Employee" means any person employed by the board.

1 (20) "Flavored malt beverage" means:

2 (a) A malt beverage containing six percent or less alcohol by  
3 volume to which flavoring or other added nonbeverage ingredients are  
4 added that contain distilled spirits of not more than forty-nine  
5 percent of the beverage's overall alcohol content; or

6 (b) A malt beverage containing more than six percent alcohol by  
7 volume to which flavoring or other added nonbeverage ingredients are  
8 added that contain distilled spirits of not more than one and  
9 one-half percent of the beverage's overall alcohol content.

10 (21) "Fund" means 'liquor revolving fund.'

11 (22) "Hotel" means buildings, structures, and grounds, having  
12 facilities for preparing, cooking, and serving food, that are kept,  
13 used, maintained, advertised, or held out to the public to be a place  
14 where food is served and sleeping accommodations are offered for pay  
15 to transient guests, in which twenty or more rooms are used for the  
16 sleeping accommodation of such transient guests. The buildings,  
17 structures, and grounds must be located on adjacent property either  
18 owned or leased by the same person or persons.

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

22 (24) "Imprisonment" means confinement in the county jail.

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

35 (26) "Malt beverage" or "malt liquor" means any beverage such as  
36 beer, ale, lager beer, stout, and porter obtained by the alcoholic  
37 fermentation of an infusion or decoction of pure hops, or pure  
38 extract of hops and pure barley malt or other wholesome grain or  
39 cereal in pure water containing not more than eight percent of  
40 alcohol by weight, and not less than one-half of one percent of

1 alcohol by volume. For the purposes of this title, any such beverage  
2 containing more than eight percent of alcohol by weight shall be  
3 referred to as "strong beer."

4 (27) "Manufacturer" means a person engaged in the preparation of  
5 liquor for sale, in any form whatsoever.

6 (28) "Merchant bottler" means a person or entity whose primary  
7 business is to purchase distilled spirits in bulk from licensed  
8 distilled spirits producers for rectifying, diluting, blending, or  
9 flavoring such spirits and then packing the finished products into  
10 consumer bottles or packages without substantial additional  
11 distillation or redistillation by the licensee. For purposes of this  
12 subsection a licensee who does not own a still capable of producing  
13 at least fifty percent of the licensee's annual finished product  
14 volume sold through its in-state tasting rooms, inclusive of all the  
15 required heating and cooling apparatuses needed to properly operate  
16 the still, or a licensee who distills or redistills less than twenty  
17 percent of the equivalent total volume of distilled spirits it  
18 bottles on an annual basis for sale in its in-state tasting rooms,  
19 shall be deemed to fall into this definition. For distilled spirits  
20 products put out for sale inside this state that were bottled by a  
21 merchant bottler licensee the word "distillery," or any derivative  
22 thereof, may not be used on the label or packaging of such product,  
23 nor may the licensee itself use the word "distillery," nor any  
24 derivative thereof, in its brand or company name, provided that  
25 distilled spirits bottled under contract by an in-state merchant  
26 bottler licensee for a licensed distilled spirits producer with a  
27 board-approved "distiller" designation may use the distiller's brand  
28 name and the word "distillery," or any reasonable derivative thereof,  
29 on the label or packaging of those products.

30 (29) "Nightclub" means an establishment that provides  
31 entertainment and has as its primary source of revenue (a) the sale  
32 of alcohol for consumption on the premises, (b) cover charges, or (c)  
33 both.

34 ((+29+)) (30) "Package" means any container or receptacle used  
35 for holding liquor.

36 ((+30+)) (31) "Passenger vessel" means any boat, ship, vessel,  
37 barge, or other floating craft of any kind carrying passengers for  
38 compensation.

39 ((+31+)) (32) "Permit" means a permit for the purchase of liquor  
40 under this title.

1        ~~((32))~~ (33) "Person" means an individual, copartnership,  
2 association, or corporation.

3        ~~((33))~~ (34) "Physician" means a medical practitioner duly and  
4 regularly licensed and engaged in the practice of his or her  
5 profession within the state pursuant to chapter 18.71 RCW.

6        ~~((34))~~ (35) "Powdered alcohol" means any powder or crystalline  
7 substance containing alcohol that is produced for direct use or  
8 reconstitution.

9        ~~((35))~~ (36) "Prescription" means a memorandum signed by a  
10 physician and given by him or her to a patient for the obtaining of  
11 liquor pursuant to this title for medicinal purposes.

12        ~~((36))~~ (37) "Public place" includes streets and alleys of  
13 incorporated cities and towns; state or county or township highways  
14 or roads; buildings and grounds used for school purposes; public  
15 dance halls and grounds adjacent thereto; those parts of  
16 establishments where beer may be sold under this title, soft drink  
17 establishments, public buildings, public meeting halls, lobbies,  
18 halls and dining rooms of hotels, restaurants, theatres, stores,  
19 garages and filling stations (~~which~~) that are open to and are  
20 generally used by the public and to which the public is permitted to  
21 have unrestricted access; railroad trains, stages, and other public  
22 conveyances of all kinds and character, and the depots and waiting  
23 rooms used in conjunction therewith which are open to unrestricted  
24 use and access by the public; publicly owned bathing beaches, parks,  
25 and/or playgrounds; and all other places of like or similar nature to  
26 which the general public has unrestricted right of access, and which  
27 are generally used by the public.

28        ~~((37))~~ (38) "Regulations" means regulations made by the board  
29 under the powers conferred by this title.

30        ~~((38))~~ (39) "Restaurant" means any establishment provided with  
31 special space and accommodations where, in consideration of payment,  
32 food, without lodgings, is habitually furnished to the public, not  
33 including drug stores and soda fountains.

34        ~~((39))~~ (40) "Sale" and "sell" include exchange, barter, and  
35 traffic; and also include the selling or supplying or distributing,  
36 by any means whatsoever, of liquor, or of any liquid known or  
37 described as beer or by any name whatever commonly used to describe  
38 malt or brewed liquor or of wine, by any person to any person; and  
39 also include a sale or selling within the state to a foreign  
40 consignee or his or her agent in the state. "Sale" and "sell"

1 (~~shall~~) do not include the giving, at no charge, of a reasonable  
2 amount of liquor by a person not licensed by the board to a person  
3 not licensed by the board, for personal use only. "Sale" and "sell"  
4 also does not include a raffle authorized under RCW 9.46.0315(~~+~~  
5 ~~PROVIDED, That~~)). However, the nonprofit organization conducting the  
6 raffle has obtained the appropriate permit from the board.

7 (~~(40)~~) (41) "Service bar" means a fixed or portable table,  
8 counter, cart, or similar work station primarily used to prepare,  
9 mix, serve, and sell alcohol that is picked up by employees or  
10 customers. Customers may not be seated or allowed to consume food or  
11 alcohol at a service bar.

12 (~~(41)~~) (42) "Soda fountain" means a place especially equipped  
13 with apparatus for the purpose of dispensing soft drinks, whether  
14 mixed or otherwise.

15 (~~(42)~~) (43) "Spirits" means any beverage which contains alcohol  
16 obtained by distillation, except flavored malt beverages, but  
17 including wines exceeding twenty-four percent of alcohol by volume.

18 (~~(43)~~) (44) "Store" means a state liquor store established  
19 under this title.

20 (~~(44)~~) (45) "Tavern" means any establishment with special space  
21 and accommodation for sale by the glass and for consumption on the  
22 premises, of beer, as herein defined.

23 (~~(45)~~) (46) "VIP airport lounge" means an establishment within  
24 an international airport located beyond security checkpoints that  
25 provides a special space to sit, relax, read, work, and enjoy  
26 beverages where access is controlled by the VIP airport lounge  
27 operator and is generally limited to the following classifications of  
28 persons:

29 (a) Airline passengers of any age whose admission is based on a  
30 first-class, executive, or business class ticket;

31 (b) Airline passengers of any age who are qualified members or  
32 allowed guests of certain frequent flyer or other loyalty incentive  
33 programs maintained by airlines that have agreements describing the  
34 conditions for access to the VIP airport lounge;

35 (c) Airline passengers of any age who are qualified members or  
36 allowed guests of certain enhanced amenities programs maintained by  
37 companies that have agreements describing the conditions for access  
38 to the VIP airport lounge;

39 (d) Airport and airline employees, government officials, foreign  
40 dignitaries, and other attendees of functions held by the airport

1 authority or airlines related to the promotion of business objectives  
2 such as increasing international air traffic and enhancing foreign  
3 trade where access to the VIP airport lounge will be controlled by  
4 the VIP airport lounge operator; and

5 (e) Airline passengers of any age or airline employees whose  
6 admission is based on a pass issued or permission given by the  
7 airline for access to the VIP airport lounge.

8 ~~((46))~~ (47) "VIP airport lounge operator" means an airline,  
9 port district, or other entity operating a VIP airport lounge that:  
10 Is accountable for compliance with the alcohol beverage control act  
11 under this title; holds the license under chapter 66.24 RCW issued to  
12 the VIP airport lounge; and provides a point of contact for  
13 addressing any licensing and enforcement by the board.

14 ~~((47))~~ (48)(a) "Wine" means any alcoholic beverage obtained by  
15 fermentation of fruits (grapes, berries, apples, et cetera) or other  
16 agricultural product containing sugar, to which any saccharine  
17 substances may have been added before, during or after fermentation,  
18 and containing not more than twenty-four percent of alcohol by  
19 volume, including sweet wines fortified with wine spirits, such as  
20 port, sherry, muscatel, and angelica, not exceeding twenty-four  
21 percent of alcohol by volume and not less than one-half of one  
22 percent of alcohol by volume. For purposes of this title, any  
23 beverage containing no more than fourteen percent of alcohol by  
24 volume when bottled or packaged by the manufacturer (~~shall be~~) are  
25 referred to as "table wine," and any beverage containing alcohol in  
26 an amount more than fourteen percent by volume when bottled or  
27 packaged by the manufacturer (~~shall be~~) are referred to as  
28 "fortified wine." However, "fortified wine" (~~shall~~) does not  
29 include: (i) Wines that are both sealed or capped by cork closure and  
30 aged two years or more; and (ii) wines that contain more than  
31 fourteen percent alcohol by volume solely as a result of the natural  
32 fermentation process and that have not been produced with the  
33 addition of wine spirits, brandy, or alcohol.

34 (b) This subsection (~~shall~~) may not be interpreted to require  
35 that any wine be labeled with the designation "table wine" or  
36 "fortified wine."

37 ~~((48))~~ (49) "Wine distributor" means a person who buys wine  
38 from a domestic winery, wine certificate of approval holder, or wine  
39 importer, or who acquires foreign produced wine from a source outside  
40 of the United States, for the purpose of selling the same not in



1 violation of this title, or who represents such vintner or winery as  
2 agent.

3 ~~((49))~~ (50) "Wine importer" means a person or business within  
4 Washington who purchases wine from a wine certificate of approval  
5 holder or who acquires foreign produced wine from a source outside of  
6 the United States for the purpose of selling the same pursuant to  
7 this title.

8 ~~((50))~~ (51) "Winery" means a business conducted by any person  
9 for the manufacture of wine for sale, other than a domestic winery.

10 **Sec. 2.** RCW 66.24.140 and 2017 c 260 s 1 are each amended to  
11 read as follows:

12 (1) There is ~~((a license to distillers, including blending,~~  
13 ~~rectifying, and bottling; fee two thousand dollars per annum, unless~~  
14 ~~provided otherwise as follows:~~

15 ~~(a) For distillers producing one hundred fifty thousand gallons~~  
16 ~~or less of spirits with at least half of the raw materials used in~~  
17 ~~the production grown in Washington, the license fee must be reduced~~  
18 ~~to one hundred dollars per annum;~~

19 ~~(b))~~ an operational premises permit for manufacturers in this  
20 state who distill, redistill, rectify, age, blend, flavor, bottle,  
21 merchant bottle, or market as a distilled spirits brand owner,  
22 depending on the type of additional license and endorsements granted  
23 to the permittee; fee is one hundred dollars per permitted operational  
24 premises facility per annum. A permitted facility is to also have in  
25 addition to a state permit and appropriate state license a distilled  
26 spirits plant permit or related permitted activity issued by the  
27 federal government.

28 (a) Each facility permitted under this section may apply for one  
29 of the following licenses, each with its own additional rights,  
30 limitations, endorsements, and associated fees:

31 (i) For distilled spirits producers producing ten thousand proof  
32 gallons or less of spirits in a year the license fee is three hundred  
33 dollars per annum; for distilled spirits producers producing more  
34 than ten thousand proof gallons but not more than one hundred  
35 thousand proof gallons in a year the fee is one thousand dollars per  
36 annum; and for distilled spirits producers producing more than one  
37 hundred thousand proof gallons in a year the fee is five thousand  
38 dollars per annum. A distilled spirits producer has an obligation to  
39 distill or redistill no less than one-half of the stock keeping units

1 of product that are traditionally made through distillation or  
2 redistillation of its own production and that it sells in its in-  
3 state tasting rooms or to in-state retailers or in-state distributors  
4 under its own brand. There is no limit on the types of products  
5 allowed to be produced by a distilled spirits producer, provided all  
6 products produced meet federal requirements. The license and  
7 designation also allows the licensee to distill, redistill, rectify,  
8 blend, flavor, bottle, or merchant bottle distilled spirits under  
9 contract for another entity entitled to purchase or resell such  
10 spirits, or to produce distilled spirits for a merchant bottler or  
11 distilled spirits brand owner. The requirements and calculations for  
12 distillation or redistillation do not apply against finished  
13 distilled spirits products that can be produced via other traditional  
14 methods, such as but not limited to liqueurs or cordials. Licensees  
15 who held a valid in-state "distillery" or "craft distillery" license  
16 on the day before the effective date of this section, as those terms  
17 were defined prior to the effective date of this section, must  
18 automatically be granted the permits, licenses, endorsements, and  
19 privileges afforded under this act so long as they can demonstrate to  
20 the board that they otherwise meet the definitions required under  
21 this section.

22 (A) In addition to the license fee in (a) of this subsection, an  
23 endorsement may be granted to any licensed distilled spirits producer  
24 for any number of allowed privileges to promote, market, serve, and  
25 sell distilled spirits products. Unless otherwise provided, each  
26 endorsement on a distilled spirits producer's license is one hundred  
27 dollars per annum.

28 (B) Endorsements may grant one or more privileges to distilled  
29 spirits producers including but not limited to:

30 (I) Off-site retail locations for the sampling and service of  
31 spirits of the distilled spirits producer's production, or for the  
32 sale and service of other alcohol products otherwise allowed to be  
33 served and sold by such licensee under this chapter. During the first  
34 twenty-four months after the effective date of this section the  
35 number of off-site retail locations allowed per distilled spirits  
36 producer's licensed production facility must be one-half of the  
37 number of retail locations allowed under RCW 66.24.170(4)(b). Twenty-  
38 four months after the effective date of this section the number of  
39 off-site retail locations must be equal to the number allowed in RCW  
40 66.24.170(4)(b). Four years after the effective date of this section

1 the board may allow a number of additional off-site tasting rooms per  
2 licensed production facility by rule. Each off-site tasting room must  
3 be associated with a permitted distilled spirits production facility.  
4 At least twenty-five percent of the annual gross revenue generated in  
5 an on-site or off-site tasting room must come from bottle sales for  
6 off-premises consumption or the sale of other goods or services not  
7 associated with on-premises alcohol consumption. The fee for the  
8 first off-site tasting room is one hundred dollars per annum  
9 regardless of the production size of the licensee. The fee for every  
10 additional off-site tasting room of the licensee is one thousand  
11 dollars per annum. There is no fee for an initial tasting room;

12 (II) Unlimited warehousing for storage, blending, and bottling as  
13 allowed under RCW 66.24.695;

14 (III) During the first twenty-four months after the effective  
15 date of this section, hosting twelve licensed or permitted events per  
16 year; during the second twenty-four months after the effective date  
17 of this section, hosting twenty-four licensed or permitted events per  
18 year; and thereafter hosting any number of additional licensed or  
19 permitted events as allowed by rule. All licensed or permitted events  
20 may be held on or off the licensed premises of the licensee,  
21 including locations within this state otherwise licensed by the  
22 board. All such events may be for private guests by invitation or  
23 advertised to the general public;

24 (IV) Selling and serving samples and bottles at festivals in  
25 accordance with RCW 66.24.380 and farmers markets in accordance with  
26 RCW 66.24.175; and

27 (V) Any additional endorsements other than those listed in (a)(i)  
28 of this subsection (1) may be granted by rule making or by petition.

29 (ii)(A) For merchant bottlers bottling or packaging ten thousand  
30 proof gallons or less of spirits in a year the license fee is two  
31 thousand five hundred dollars per annum; for merchant bottlers  
32 bottling or packaging more than ten thousand proof gallons in a year  
33 the fee is five thousand dollars per annum. The license includes the  
34 right to store bulk and finished distilled spirits products in a  
35 warehouse covered by the permit under which it is issued.

36 (B) In addition to the fees required in (a)(iii)(A) of this  
37 subsection (1) each merchant bottler must pay on a monthly basis a  
38 production excise fee of twenty-five cents per liter of finished  
39 bottles or packages removed from bond tax determined or transferred  
40 in bond for its own sale. There shall be no production excise fee for

1 distilled spirits bottled by a merchant bottler under contract for a  
2 distilled spirits producer licensed in this state.

3 (iii)(A) For a distilled spirits brand owner selling ten thousand  
4 proof gallons or less of spirits in a year the license fee is two  
5 thousand five hundred dollars per annum; for a distilled spirits  
6 brand owner selling more than ten thousand proof gallons in a year  
7 the fee is five thousand dollars per annum. The license includes the  
8 right to store such product in a warehouse covered by the state  
9 permit to which it is issued under this title.

10 (B) A licensed distilled spirits brand owner must also hold a  
11 notice with the federal bureau of alcohol and tobacco tax and trade  
12 for the legal right to market, possess, and sell such distilled  
13 spirits products or brand.

14 (C) In addition to the fees required in (a)(iv)(A) of this  
15 subsection (1) each distilled spirits brand owner shall pay on a  
16 monthly basis a bond removal excise fee of twenty-five cents per  
17 liter of finished bottles or packages removed from bond tax  
18 determined or transferred in bond.

19 (iv) The sale of products produced under (a)(ii) and (iii) of  
20 this subsection (1) may only be sold as follows:

21 (A) The product may be sold through an entity licensed to  
22 distribute in this state;

23 (B) For export outside of this state, the product may be sold to  
24 a properly licensed entity; or

25 (C) If the product was produced under contract by a licensed in-  
26 state distilled spirits producer, then such product may be stored and  
27 sold through any approved distribution channel established by such  
28 distilled spirits producer for in-state wholesale or export  
29 transactions pursuant to this title;

30 (b) The board must license stills used and to be used solely and  
31 only by a commercial chemist for laboratory purposes, and not for the  
32 manufacture of liquor for sale, at a fee of twenty dollars per annum;

33 (c) The board must license stills used and to be used solely and  
34 only for laboratory purposes in any school, college, or educational  
35 institution in the state, without fee; and

36 (d) The board must license stills that have been duly licensed as  
37 fruit and/or wine distilleries by the federal government, used and to  
38 be used solely as fruit and/or wine distilleries in the production of  
39 fruit brandy and wine spirits, at a fee of two hundred dollars per  
40 annum.

1       ~~(2) Any ((distillery licensed under this section may:~~

2       ~~(a) Sell spirits of its own production for consumption off the~~  
3 ~~premises. A distillery selling spirits under this subsection must~~  
4 ~~comply with the applicable laws and rules relating to retailers;~~

5       ~~(b) Contract distilled spirits for, and sell contract distilled~~  
6 ~~spirits to, holders of distillers' or manufacturers' licenses,~~  
7 ~~including licenses issued under RCW 66.24.520, or for export; and~~

8       ~~(c) Provide samples subject to the following conditions:~~

9       ~~(i) For the purposes of this subsection, the maximum amount of~~  
10 ~~alcohol per person per day is two ounces;~~

11       ~~(ii) Provide free or for a charge one-half ounce or less samples~~  
12 ~~of spirits of its own production to persons on the premises of the~~  
13 ~~distillery. Spirits samples may be adulterated with nonalcoholic~~  
14 ~~mixers, mixers with alcohol of the distiller's own production, water,~~  
15 ~~and/or ice;~~

16       ~~(iii) Sell adulterated samples of spirits of their own~~  
17 ~~production, water, and/or ice to persons on the premises at the~~  
18 ~~distillery; and~~

19       ~~(iv) Every person who participates in any manner in the service~~  
20 ~~of these samples must obtain a class 12 alcohol server permit.))~~  
21 distilled spirits producer licensed under this chapter may:

22       (a) Sell spirits of its own production for consumption off the  
23 premises. A distilled spirits producer selling spirits under this  
24 subsection must comply with the applicable laws and rules relating to  
25 retailers;

26       (b) Contract distilled spirits for, and sell contract distilled  
27 spirits to, holders of a distilled spirits producer, merchant  
28 bottler, or distilled spirits brand owner license, including licenses  
29 issued under RCW 66.24.520, or to other entities licensed or  
30 permitted to purchase or handle such spirits or for export; and

31       (c) Serve spirits on the premises subject to the following  
32 conditions:

33       (i) Provide free or for a charge one-half ounce or less per  
34 sample of spirits entitled to be served and sold on the licensed  
35 premises. Spirits samples may be adulterated with nonalcoholic  
36 mixers, mixers with alcohol of the distiller's own production, water,  
37 and/or ice;

38       (ii) Sell servings of spirits entitled to be sold on the licensed  
39 premises adulterated with water, ice, other alcohol entitled to be

1 served on the licensed premises, or nonalcoholic mixers to persons  
2 for consumption on the premises; and

3 (iii) Sell any product made by any licensed Washington distilled  
4 spirits producer, winery, or brewery for on-premises or off-premises  
5 consumption. Products can also include nonalcoholic products for sale  
6 at retail.

7 (3)(a) A distilled spirits producer licensee may apply to the  
8 board for an endorsement to sample and sell spirits of its own  
9 production at retail for off-premises consumption at a qualifying  
10 farmers market. The annual fee for this endorsement is twenty-five  
11 dollars per farmers market per year.

12 (b) For each month during which a distilled spirits producer will  
13 sample or sell spirits at a qualifying farmers market, the distilled  
14 spirits producer must provide the board or its designee a list of the  
15 dates, times, and locations at which bottled spirits may be offered  
16 for sample or sale. This list must be received by the board before  
17 the spirits may be offered for sample or sale at a qualifying farmers  
18 market.

19 (c) Each approved location in a qualifying farmers market is to  
20 be treated as though it were part of the distilled spirits producer's  
21 license for the purpose of this title but may not impact the number  
22 of off-site tasting rooms a licensee is allowed to operate. The  
23 distilled spirits producer may not store spirits at a farmers market  
24 beyond the hours that the bottled spirits are offered for sale. The  
25 distilled spirits producer may not act as a distributor from a  
26 farmers market location.

27 (d)(i) Before a distilled spirits producer may sample or sell  
28 bottled spirits at a qualifying farmers market, the farmers market  
29 must apply to the board for authorization for any distilled spirits  
30 producer with an endorsement approved under this subsection to sample  
31 and sell bottled spirits at retail at the farmers market. The  
32 application under this subsection must include, at a minimum:

33 (A) A map of the farmers market showing all booths, stalls, or  
34 other designated locations at which an approved distilled spirits  
35 producer may sell bottled spirits; and

36 (B) The name and contact information for the on-site market  
37 managers who may be contacted by the board or its designee to verify  
38 the locations at which bottled spirits may be sampled and sold.  
39 Before authorizing a qualifying farmers market to allow an approved  
40 distilled spirits producer to sample and sell bottled spirits at

1 retail at its farmers market location, the board must notify the  
2 persons or entities of such application for authorization pursuant to  
3 RCW 66.24.010 (8) and (9).

4 (ii) An authorization granted under this subsection (3)(d) may be  
5 withdrawn by the board for any violation of this title or any rules  
6 adopted under this title.

7 (e) A farmers market may elect to not allow sampling of spirits  
8 as part of the condition of participation by the distilled spirits  
9 producer.

10 (f) For the purposes of this subsection (3), "qualifying farmers  
11 market" has the same meaning as defined in RCW 66.24.170.

12 (4) Every person who participates in any manner in the service of  
13 these samples must obtain a class 12 alcohol server permit.

14 (5) Distilled spirits production is an agricultural practice.

15 NEW SECTION. Sec. 3. A new section is added to chapter 66.24  
16 RCW to read as follows:

17 (1) Of the off-site tasting rooms allowed in this chapter, any  
18 in-state brewery, winery, distilled spirits producer, or any  
19 combination of licensees thereof, licensed under this chapter may  
20 jointly occupy and co-operate up to three off-site locations in which  
21 they may sample, serve, and sell products of their own production.  
22 The licensees must maintain separate storage of products and separate  
23 financials.

24 (2) Any in-state brewery, winery, or distilled spirits producer  
25 licensed under this chapter, or any combination of licensees thereof,  
26 whose property parcels or buildings are located in direct physical  
27 proximity to one another may share a standing or seated tasting area  
28 for patrons to use. Each licensee may sample, serve, and sell  
29 products of their own production for on-premises consumption in the  
30 jointly operated consumption area.

31 (3) Licensees operating under this section must comply with the  
32 applicable laws and rules relating to retailers.

33 (4) Licensees operating under this section must comply with all  
34 applicable laws and rules relating to sampling and serving, as may be  
35 allowed by their license type.

36 (5) All licensees who participate in:

37 (a) A jointly operated off-premises location allowed under  
38 subsection (1) of this section; or

1 (b) A conjoined consumption area allowed under subsection (2) of  
2 this section,  
3 must share staffing resources and each licensee is responsible in the  
4 event of any enforcement issues, even if the enforcement issue was  
5 only due to one licensee's conduct.

6 (6) Every person who participates in any manner in the service of  
7 these samples must obtain a class 12 alcohol server permit.

8 NEW SECTION. **Sec. 4.** RCW 66.24.145 (Craft distillery—Sales and  
9 samples of spirits) and 2015 c 194 s 2, 2014 c 92 s 1, 2013 c 98 s 1,  
10 2012 c 2 s 205, 2010 c 290 s 2, & 2008 c 94 s 2 are each repealed.

11 **Sec. 5.** RCW 66.24.520 and 2010 c 290 s 4 are each amended to  
12 read as follows:

13 There shall be a grower's license to sell wine or spirits made  
14 from grapes or other agricultural products owned at the time of  
15 vinification or distillation by the licensee in bulk to holders of  
16 domestic wineries', distillers', or manufacturers' licenses or for  
17 export. The wine or spirits (~~shall~~) must be (~~made~~) produced or  
18 manufactured upon the premises of a domestic winery or (~~craft~~  
19 ~~distillery~~) distilled spirits producer licensee and is referred to  
20 in this section as grower's wine or grower's spirits. A grower's  
21 license authorizes the agricultural product grower to contract for  
22 the manufacturing of wine or spirits from the grower's own  
23 agricultural product, store wine or spirits in bulk made from  
24 agricultural products produced by the holder of this license, and to  
25 sell wine or spirits in bulk made from the grower's own agricultural  
26 products to a winery or (~~distillery~~) distilled spirits producer in  
27 the state of Washington or to export in bulk for sale out-of-state.  
28 The annual fee for a grower's license shall be seventy-five dollars.  
29 For the purpose of chapter 66.28 RCW, a grower licensee (~~shall be~~)  
30 is deemed a manufacturer.

31 **Sec. 6.** RCW 66.24.630 and 2017 c 96 s 4 are each amended to read  
32 as follows:

33 (1) There is a spirits retail license to: Sell spirits in  
34 original containers to consumers for consumption off the licensed  
35 premises and to permit holders; sell spirits in original containers  
36 to retailers licensed to sell spirits for consumption on the  
37 premises, for resale at their licensed premises according to the



1 terms of their licenses, although no single sale may exceed twenty-  
2 four liters, unless the sale is by a licensee that was a contract  
3 liquor store manager of a contract liquor store at the location of  
4 its spirits retail licensed premises from which it makes such sales;  
5 and export spirits.

6 (2) For the purposes of this title, a spirits retail license is a  
7 retail license, and a sale by a spirits retailer is a retail sale  
8 only if not for resale. Nothing in this title authorizes sales by on-  
9 sale licensees to other retail licensees. The board must establish by  
10 rule an obligation of on-sale spirits retailers to:

11 (a) Maintain a schedule by stock-keeping unit of all their  
12 purchases of spirits from spirits retail licensees, including  
13 combination spirits, beer, and wine licensees holding a license  
14 issued pursuant to RCW 66.24.035, indicating the identity of the  
15 seller and the quantities purchased; and

16 (b) Provide, not more frequently than quarterly, a report for  
17 each scheduled item containing the identity of the purchasing on-  
18 premises licensee and the quantities of that scheduled item purchased  
19 since any preceding report to:

20 (i) A distributor authorized by the distiller to distribute a  
21 scheduled item in the on-sale licensee's geographic area; or

22 (ii) A distiller acting as distributor of the scheduled item in  
23 the area.

24 (3)(a) Except as otherwise provided in (c) of this subsection,  
25 the board may issue spirits retail licenses only for premises  
26 comprising at least ten thousand square feet of fully enclosed retail  
27 space within a single structure, including storerooms and other  
28 interior auxiliary areas but excluding covered or fenced exterior  
29 areas, whether or not attached to the structure, and only to  
30 applicants that the board determines will maintain systems for  
31 inventory management, employee training, employee supervision, and  
32 physical security of the product substantially as effective as those  
33 of stores currently operated by the board with respect to preventing  
34 sales to or pilferage by underage or inebriated persons.

35 (b) License issuances and renewals are subject to RCW 66.24.010  
36 and the regulations adopted thereunder, including without limitation  
37 rights of cities, towns, county legislative authorities, the public,  
38 churches, schools, and public institutions to object to or prevent  
39 issuance of local liquor licenses. However, existing grocery premises  
40 licensed to sell beer and/or wine are deemed to be premises "now

1 licensed" under RCW 66.24.010(9)(a) for the purpose of processing  
2 applications for spirits retail licenses.

3 (c) The board may not deny a spirits retail license to an  
4 otherwise qualified contract liquor store at its contract location or  
5 to the holder of former state liquor store operating rights sold at  
6 auction under RCW 66.24.620 on the grounds of location, nature, or  
7 size of the premises to be licensed. The board may not deny a spirits  
8 retail license to applicants that are not contract liquor stores or  
9 operating rights holders on the grounds of the size of the premises  
10 to be licensed, if such applicant is otherwise qualified and the  
11 board determines that:

12 (i) There is no spirits retail license holder in the trade area  
13 that the applicant proposes to serve;

14 (ii) The applicant meets, or upon licensure will meet, the  
15 operational requirements established by the board by rule; and

16 (iii) The licensee has not committed more than one public safety  
17 violation within the three years preceding application.

18 (d) A retailer authorized to sell spirits for consumption on or  
19 off the licensed premises may accept delivery of spirits at its  
20 licensed premises, at another licensed premises as designated by the  
21 retailer, or at one or more warehouse facilities registered with the  
22 board, which facilities may also warehouse and distribute nonliquor  
23 items, and from which the retailer may deliver to its own licensed  
24 premises and, pursuant to sales permitted under subsection (1) of  
25 this section:

26 (i) To other retailer premises licensed to sell spirits for  
27 consumption on the licensed premises;

28 (ii) To other registered facilities; or

29 (iii) To lawful purchasers outside the state. The facilities may  
30 be registered and utilized by associations, cooperatives, or  
31 comparable groups of retailers, including at least one retailer  
32 licensed to sell spirits.

33 (e) For purposes of negotiating volume discounts, a group of  
34 individual retailers authorized to sell spirits for consumption off  
35 the licensed premises may accept delivery of spirits at their  
36 individual licensed premises or at any one of the individual  
37 licensee's premises, or at a warehouse facility registered with the  
38 board.

39 (4)(a) Except as otherwise provided in RCW 66.24.632, or in (b)  
40 of this subsection, each spirits retail licensee must pay to the

1 board, for deposit into the liquor revolving fund, a license issuance  
2 fee equivalent to seventeen percent of all spirits sales revenues  
3 under the license, exclusive of taxes collected by the licensee and  
4 of sales of items on which a license fee payable under this section  
5 has otherwise been incurred. The board must establish rules setting  
6 forth the timing of such payments and reporting of sales dollar  
7 volume by the licensee, with payments required quarterly in arrears.  
8 The first payment is due October 1, 2012.

9 (b) (~~This subsection (4) does not apply to craft distilleries.~~)

10 (i) Pursuant to the legislature's plenary power to regulate the  
11 import, export, manufacture, sale, distribution, and taxation of  
12 alcohol into, inside of, and exported from the state of Washington,  
13 under the 21st Amendment of the United States Constitution, the  
14 legislature finds the following:

15 (A) The activity of being a distilled spirits producer licensed  
16 to produce in this state under this title is primarily that of  
17 manufacturing and agricultural in nature;

18 (B) The practice of producing spirits as a licensed distilled  
19 spirits producer in this state involves activities, costs, and  
20 responsibilities for such producers not otherwise borne by  
21 traditional licensed distributors or retailers; and

22 (C) The retail sale of spirits on the licensed premises of, or  
23 controlled by, a distilled spirits producer, or off the premises of a  
24 licensed distilled spirits producer pursuant to a license, permit,  
25 endorsement, certificate, or other right granted to such licensee  
26 under this title or by the board, are merely ancillary to the  
27 production of spirits and are not primarily retail in nature.

28 (ii) For the purposes of (a) of this subsection, distilled  
29 spirits producer licensees operating in this state are not considered  
30 spirits retail licensees; therefore, this subsection (4) does not  
31 apply:

32 (A) To any aging product put into barrels or other aging vessels  
33 prior to the effective date of this section by a distilled spirits  
34 producer who held a "craft distillery" license up to or on the day  
35 before the effective date of this section;

36 (B) During the first twenty months after the effective date of  
37 this section, to any distilled spirits product produced by, and in  
38 storage of, distilled spirits producers who held a "craft distillery"  
39 license in this state up to or on the day before the effective date  
40 of this section;

1 (C) To any spirits product already in finished packages or  
2 bottles produced by a distilled spirits producer who held a "craft  
3 distillery" license in this state up to or on the day before the  
4 effective date of this section;

5 (D) On or after the effective date of this section, to any newly  
6 licensed distilled spirits producer during its first thirty-six  
7 months of licensed operations so long as the amount of volume of  
8 products the licensee is making for aging or blending for future  
9 sales exceeds the amount of volume of finished products it samples,  
10 serves, and sells in its in-state tasting rooms that would otherwise  
11 not qualify for an exemption under this subsection (4)(b)(ii);

12 (E) On or after the effective date of this section, to distilled  
13 spirits producer producing spirits with at least ninety percent of  
14 the raw materials used in the production being grown in Washington;

15 (F) To distilled spirits producers producing spirits with less  
16 than ninety percent but at least fifty percent raw materials grown in  
17 Washington used in their production are allowed a credit of up to  
18 seventy-five percent against the fee in this subsection (4); and

19 (G) To distilled spirits producers producing spirits with less  
20 than fifty percent raw materials grown in Washington used in its  
21 production are allowed a credit of up to fifty percent against the  
22 fee in this subsection (4).

23 (iii) For purposes of the calculation of qualifying raw material  
24 percentages for (b)(ii)(E) through (G) of this subsection, such  
25 totals must:

26 (A) Exclude raw materials not commercially grown on a regular  
27 commercially available basis in Washington, as deemed by a finding by  
28 the director of the department of agriculture;

29 (B) Include the raw ingredients used to make the base spirit of  
30 the finished products or the flavorings blended or added to make  
31 finished products; and

32 (C) Exclude water, creams, and sugar or syrup derivatives.

33 (5) In addition to the payment required under subsection (4) of  
34 this section, each licensee must pay an annual license renewal fee of  
35 one hundred sixty-six dollars. The board must periodically review and  
36 adjust the renewal fee as may be required to maintain it as  
37 comparable to annual license renewal fees for licenses to sell beer  
38 and wine not for consumption on the licensed premises. If required by  
39 law at the time, any increase of the annual renewal fee becomes  
40 effective only upon ratification by the legislature.

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

13 (7) The maximum penalties prescribed by the board in WAC  
14 314-29-020 through 314-29-040 relating to fines and suspensions are  
15 doubled for violations relating to the sale of spirits by spirits  
16 retail licensees.

17 (8)(a) The board must adopt regulations concerning the adoption  
18 and administration of a compliance training program for spirits  
19 retail licensees, to be known as a "responsible vendor program," to  
20 reduce underage drinking, encourage licensees to adopt specific best  
21 practices to prevent sales to minors, and provide licensees with an  
22 incentive to give their employees ongoing training in responsible  
23 alcohol sales and service.

24 (b) Licensees who join the responsible vendor program under this  
25 section and maintain all of the program's requirements are not  
26 subject to the doubling of penalties provided in this section for a  
27 single violation in any period of twelve calendar months.

28 (c) The responsible vendor program must be free, voluntary, and  
29 self-monitoring.

30 (d) To participate in the responsible vendor program, licensees  
31 must submit an application form to the board. If the application  
32 establishes that the licensee meets the qualifications to join the  
33 program, the board must send the licensee a membership certificate.

34 (e) A licensee participating in the responsible vendor program  
35 must at a minimum:

36 (i) Provide ongoing training to employees;

37 (ii) Accept only certain forms of identification for alcohol  
38 sales;

39 (iii) Adopt policies on alcohol sales and checking  
40 identification;

1 (iv) Post specific signs in the business; and  
2 (v) Keep records verifying compliance with the program's  
3 requirements.

4 (f)(i) A spirits retail licensee that also holds a grocery store  
5 license under RCW 66.24.360 or a beer and/or wine specialty shop  
6 license under RCW 66.24.371 may, upon board approval and pursuant to  
7 board rules, transition to a combination spirits, beer, and wine  
8 license pursuant to RCW 66.24.035.

9 (ii) An applicant that would qualify for a spirits retail license  
10 under this section and that qualifies for a combination spirits,  
11 beer, and wine license pursuant to RCW 66.24.035 may apply for a  
12 license pursuant to RCW 66.24.035 instead of applying for a spirits  
13 retail license under this section.

14 **Sec. 7.** RCW 66.28.040 and 2016 c 235 s 15 are each amended to  
15 read as follows:

16 (1) Except as permitted by the board under RCW 66.20.010, no  
17 domestic brewery, microbrewery, distributor, distiller, domestic  
18 winery, importer, rectifier, certificate of approval holder, or other  
19 manufacturer of liquor may, within the state of Washington, give to  
20 any person any liquor(~~(+but)~~).

21 (2) Nothing in this section nor in RCW 66.28.305 prevents a  
22 domestic brewery, microbrewery, distributor, domestic winery,  
23 distiller, certificate of approval holder, or importer from  
24 furnishing samples of beer, wine, or spirituous liquor to authorized  
25 licensees for the purpose of negotiating a sale, in accordance with  
26 regulations adopted by the liquor and cannabis board, provided that  
27 the samples are subject to taxes imposed by RCW 66.24.290 and  
28 66.24.210(~~(+)~~).

29 (3) Nothing in this section prevents a domestic brewery,  
30 microbrewery, domestic winery, (~~(distillery)~~) distilled spirits  
31 producer, certificate of approval holder, or distributor from  
32 furnishing beer, wine, or spirituous liquor for instructional  
33 purposes under RCW 66.28.150(~~(+)~~).

34 (4) Nothing in this section prevents a domestic winery,  
35 certificate of approval holder, or distributor from furnishing wine  
36 without charge, subject to the taxes imposed by RCW 66.24.210, to a  
37 not-for-profit group organized and operated solely for the purpose of  
38 enology or the study of viticulture which has been in existence for  
39 at least six months and that uses wine so furnished solely for such

1 educational purposes or a domestic winery, or an out-of-state  
2 certificate of approval holder, from furnishing wine without charge  
3 or a domestic brewery, or an out-of-state certificate of approval  
4 holder, from furnishing beer without charge, subject to the taxes  
5 imposed by RCW 66.24.210 or 66.24.290, or a domestic distiller  
6 licensed under RCW 66.24.140 or an accredited representative of a  
7 distiller, manufacturer, importer, or distributor of spirituous  
8 liquor licensed under RCW 66.24.310, from furnishing spirits without  
9 charge, to a nonprofit charitable corporation or association  
10 recognized as a nonprofit by the secretary of state or that is exempt  
11 from taxation under 26 U.S.C. Sec. 501(c)(3) or (6) of the internal  
12 revenue code of 1986 for use consistent with the purpose or purposes  
13 entitling it to such exemption((+)).

14 (5) Nothing in this section prevents a domestic brewery or  
15 microbrewery from serving beer without charge, on the brewery  
16 premises((+)).

17 (6) Nothing in this section prevents donations of wine for the  
18 purposes of RCW 66.12.180((+)). Nothing in this section prevents a  
19 domestic winery from serving wine without charge, on the winery  
20 premises((+and)).

21 (8) Nothing in this section prevents a ((~~craft distillery from~~  
22 ~~serving spirits, on the distillery premises subject to RCW~~  
23 ~~66.24.145)) distilled spirits producer from serving spirits, on the  
24 distilled spirits producer premises subject to RCW 66.24.140.~~

25 **Sec. 8.** RCW 66.28.295 and 2011 c 66 s 2 are each amended to read  
26 as follows:

27 Nothing in RCW 66.28.290 ((~~shall~~)) prohibits:

28 (1) A licensed domestic brewery or microbrewery from being  
29 licensed as a retailer pursuant to chapter 66.24 RCW for the purpose  
30 of selling beer or wine at retail on the brewery premises and at one  
31 additional off-site retail only location.

32 (2) A domestic winery from being licensed as a retailer pursuant  
33 to chapter 66.24 RCW for the purpose of selling beer or wine at  
34 retail on the winery premises. Such beer and wine so sold at retail  
35 shall be subject to the taxes imposed by RCW 66.24.290 and 66.24.210  
36 and to reporting and bonding requirements as prescribed by  
37 regulations adopted by the board pursuant to chapter 34.05 RCW, and  
38 beer and wine that is not produced by the brewery or winery shall be  
39 purchased from a licensed beer or wine distributor.

1 (3) A microbrewery holding a beer and/or wine restaurant license  
2 under RCW 66.24.320 from holding the same privileges and endorsements  
3 attached to the beer and/or wine restaurant license.

4 (4) A licensed (~~craft distillery from selling spirits of its own~~  
5 ~~production under RCW 66.24.145.~~

6 ~~(5) A licensed distiller))~~ distilled spirits producer from  
7 selling spirits of its own production under RCW 66.24.140 or from  
8 hosting on behalf of itself or for a guest, group, or entity, on or  
9 off its licensed premises, for free or for an admission fee, an event  
10 covered by a special occasion license under RCW 66.24.380 or a  
11 private banquet permit authorized under RCW 66.20.010(3). Such event  
12 may be advertised to the public or to a private guest list.

13 (5) A licensed distilled spirits producer, domestic brewery,  
14 microbrewery, domestic winery, or a lessee of a licensed domestic  
15 brewer, microbrewery, or domestic winery, from being licensed as a  
16 spirits, beer, and wine restaurant pursuant to chapter 66.24 RCW for  
17 the purpose of selling liquor at a spirits, beer, and wine restaurant  
18 premises on the property on which the primary manufacturing facility  
19 of the licensed (~~distiller~~) distilled spirits producer, domestic  
20 brewer, microbrewery, or domestic winery is located or on contiguous  
21 property owned or leased by the licensed (~~distiller~~) distilled  
22 spirits producer, domestic brewer, microbrewery, or domestic winery  
23 as prescribed by rules adopted by the board pursuant to chapter 34.05  
24 RCW.

25 (6) A microbrewery holding a spirits, beer, and wine restaurant  
26 license under RCW 66.24.420 from holding the same privileges and  
27 endorsements attached to the spirits, beer, and wine restaurant  
28 license.

29 (7) A brewery or microbrewery holding a spirits, beer, and wine  
30 restaurant license or a beer and/or wine license under chapter 66.24  
31 RCW operated on the premises of the brewery or microbrewery from  
32 holding a second retail only license at a location separate from the  
33 premises of the brewery or microbrewery.

34 (8) Retail licensees with a caterer's endorsement issued under  
35 RCW 66.24.320 or 66.24.420 from operating on a domestic winery  
36 premises.

37 (9) An organization qualifying under RCW 66.24.375 formed for the  
38 purpose of constructing and operating a facility to promote  
39 Washington wines from holding retail licenses on the facility  
40 property or leasing all or any portion of such facility property to a



1 retail licensee on the facility property if the members of the board  
2 of directors or officers of the board for the organization include  
3 officers, directors, owners, or employees of a licensed domestic  
4 winery. Financing for the construction of the facility must include  
5 both public and private money.

6 (10) A bona fide charitable nonprofit society or association  
7 registered under Title 26 U.S.C. Sec. 501(c)(3) of the federal  
8 internal revenue code, or a local wine industry association  
9 registered under Title 26 U.S.C. Sec. 501(c)(6) of the federal  
10 internal revenue code as it existed on July 22, 2007, and having an  
11 officer, director, owner, or employee of a licensed domestic winery  
12 or a wine certificate of approval holder on its board of directors  
13 from holding a special occasion license under RCW 66.24.380.

14 (11) A person licensed pursuant to RCW 66.24.170, 66.24.240, or  
15 66.24.244 from exercising the privileges of distributing and selling  
16 at retail such person's own production or from exercising any other  
17 right or privilege that attaches to such license.

18 (12) A person holding a certificate of approval pursuant to RCW  
19 66.24.206 from obtaining an endorsement to act as a distributor of  
20 their own product or from shipping their own product directly to  
21 consumers as authorized by RCW 66.20.360.

22 (13) A person holding a wine shipper's permit pursuant to RCW  
23 66.20.375 from shipping their own product directly to consumers.

24 (14) A person holding a certificate of approval pursuant to RCW  
25 66.24.270(2) from obtaining an endorsement to act as a distributor of  
26 their own product.

27 (15) A domestic winery and a restaurant licensed under RCW  
28 66.24.320 or 66.24.400 from entering an arrangement to waive a  
29 corkage fee.

30 **Sec. 9.** RCW 66.20.410 and 2015 c 194 s 4 are each amended to  
31 read as follows:

32 (1) The holder of a license to operate a (~~distillery or craft~~  
33 ~~distillery~~) distilled spirits producer issued under RCW 66.24.140  
34 (~~or 66.24.145~~) may accept orders for spirits from, and deliver  
35 spirits to, customers if all of the following conditions are met for  
36 each sale:

37 (a) Spirits are not used for resale;

38 (b) Spirits come directly from the (~~distillery's or craft~~  
39 ~~distillery's~~) distilled spirits producer's possession prior to

1 shipment or delivery. All transactions are to be treated as if they  
2 were conducted in the retail location of the ((~~distillery or craft~~  
3 ~~distillery~~)) distilled spirits producer regardless of how they are  
4 received or processed;

5 (c) Spirits may be ordered in person at a licensed location, by  
6 mail, telephone, or internet, or by other similar methods; and

7 (d) Only a ((~~distillery or craft distillery~~)) distilled spirits  
8 producer licensee or a licensee's direct employees may accept and  
9 process orders and payments. A contractor may not do so on behalf of  
10 a d((~~istillery or craft distillery~~)) distilled spirits producer  
11 licensee, except for transmittal of payment through a third-party  
12 service. A third-party service may not solicit customer business on  
13 behalf of a ((~~distillery or craft distillery~~)) distilled spirits  
14 producer licensee.

15 (2) All orders and payments must be fully processed before  
16 spirits transfers ownership or, in the case of delivery, leaves a  
17 licensed ((~~distillery's or craft distillery's~~)) distilled spirits  
18 producer's possession.

19 (3) Payment methods include, but are not limited to: Cash, credit  
20 or debit card, check or money order, electronic funds transfer, or an  
21 existing prepaid account. An existing prepaid account may not have a  
22 negative balance.

23 (4) To sell spirits via the internet, a new ((~~distillery or craft~~  
24 ~~distillery~~)) distilled spirits producer license applicant must  
25 request internet-sales privileges in his or her application. An  
26 existing ((~~distillery or craft distillery~~)) distilled spirits  
27 producer licensee must notify the board prior to beginning internet  
28 sales. A corporate entity representing multiple licensees may notify  
29 the board in a single letter on behalf of affiliated ((~~distillery or~~  
30 ~~craft distillery~~)) distilled spirits producer licensees, as long as  
31 the liquor license numbers of all licensee locations utilizing  
32 internet sales privileges are clearly identified.

33 (5) Delivery may be made only to a residence or business that has  
34 an address recognized by the United States postal service; however,  
35 the board may grant an exception to this rule at its discretion. A  
36 residence includes a hotel room, a motel room, marina, or other  
37 similar lodging that temporarily serves as a residence.

38 (6) Spirits may be delivered each day of the week between the  
39 hours of 6:00 a.m. and 2:00 a.m. Delivery must be fully completed by  
40 2:00 a.m.

1 (7) Under chapter 66.44 RCW, any person under twenty-one years of  
2 age is prohibited from purchasing, delivering, or accepting delivery  
3 of liquor.

4 (a) A delivery person must verify the age of the person accepting  
5 delivery before handing over liquor.

6 (b) If no person twenty-one years of age or older is present to  
7 accept a liquor order at the time of delivery, the liquor must be  
8 returned.

9 (8) Delivery of liquor is prohibited to any person who shows  
10 signs of intoxication.

11 (9)(a) Individual units of spirits must be factory sealed in  
12 bottles. For the purposes of this subsection, "factory sealed" means  
13 that a unit is in one hundred percent resalable condition, with all  
14 manufacturer's seals intact.

15 (b) The outermost surface of a liquor package, delivered by a  
16 third party, must have language stating that:

17 (i) The package contains liquor;

18 (ii) The recipient must be twenty-one years of age or older; and

19 (iii) Delivery to intoxicated persons is prohibited.

20 (10)(a) Records and files must be retained at the licensed  
21 premises. Each delivery sales record must include the following:

22 (i) Name of the purchaser;

23 (ii) Name of the person who accepts delivery;

24 (iii) Street addresses of the purchaser and the delivery  
25 location; and

26 (iv) Time and date of purchase and delivery.

27 (b) A private carrier must obtain the signature of the person who  
28 receives liquor upon delivery.

29 (c) A sales record does not have to include the name of the  
30 delivery person, but it is encouraged.

31 (11) Web site requirements. When selling over the internet, all  
32 web site pages associated with the sale of liquor must display the  
33 (~~distillery or craft distillery~~) distilled spirits producer  
34 licensee's registered trade name.

35 (12) A (~~distillery or craft distillery~~) distilled spirits  
36 producer licensee is accountable for all deliveries of liquor made on  
37 its behalf.

38 (13) The board may impose administrative enforcement action upon  
39 a licensee, or suspend or revoke a licensee's delivery privileges, or

1 any combination thereof, should a licensee violate any condition,  
2 requirement, or restriction.

3 **Sec. 10.** RCW 66.20.010 and 2017 c 250 s 1 are each amended to  
4 read as follows:

5 Upon application in the prescribed form being made to any  
6 employee authorized by the board to issue permits, accompanied by  
7 payment of the prescribed fee, and upon the employee being satisfied  
8 that the applicant should be granted a permit under this title, the  
9 employee must issue to the applicant under such regulations and at  
10 such fee as may be prescribed by the board a permit of the class  
11 applied for, as follows:

12 (1) Where the application is for a special permit by a physician  
13 or dentist, or by any person in charge of an institution regularly  
14 conducted as a hospital or sanatorium for the care of persons in ill  
15 health, or as a home devoted exclusively to the care of aged people,  
16 a special liquor purchase permit, except that the governor may waive  
17 the requirement for a special liquor purchase permit under this  
18 subsection pursuant to an order issued under RCW 43.06.220(2);

19 (2) Where the application is for a special permit by a person  
20 engaged within the state in mechanical or manufacturing business or  
21 in scientific pursuits requiring alcohol for use therein, or by any  
22 private individual, a special permit to purchase alcohol for the  
23 purpose named in the permit, except that the governor may waive the  
24 requirement for a special liquor purchase permit under this  
25 subsection pursuant to an order issued under RCW 43.06.220(2);

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

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

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

38 (6) Where the application is for a special permit by a person  
39 operating a drug store to purchase liquor at retail prices only, to

1 be thereafter sold by such person on the prescription of a physician,  
2 a special liquor purchase permit, except that the governor may waive  
3 the requirement for a special liquor purchase permit under this  
4 subsection pursuant to an order issued under RCW 43.06.220(2);

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

10 (8) Where the application is for a special permit by a vendor  
11 that manufactures or sells a product which cannot be effectively  
12 presented to potential buyers without serving it with liquor or by a  
13 manufacturer, importer, or distributor, or representative thereof, to  
14 serve liquor without charge to delegates and guests at a convention  
15 of a trade association composed of licensees of the board, when the  
16 said liquor is served in a hospitality room or from a booth in a  
17 board-approved suppliers' display room at the convention, and when  
18 the liquor so served is for consumption in the said hospitality room  
19 or display room during the convention, anything in this title to the  
20 contrary notwithstanding. Any such spirituous liquor must be  
21 purchased from a spirits retailer or distributor, and any such liquor  
22 is subject to the taxes imposed by RCW 82.08.150, 66.24.290, and  
23 66.24.210;

24 (9) Where the application is for a special permit by a  
25 manufacturer, importer, or distributor, or representative thereof, to  
26 donate liquor for a reception, breakfast, luncheon, or dinner for  
27 delegates and guests at a convention of a trade association composed  
28 of licensees of the board, when the liquor so donated is for  
29 consumption at the said reception, breakfast, luncheon, or dinner  
30 during the convention, anything in this title to the contrary  
31 notwithstanding. Any such spirituous liquor must be purchased from a  
32 spirits retailer or distributor, and any such liquor is subject to  
33 the taxes imposed by RCW 82.08.150, 66.24.290, and 66.24.210;

34 (10) Where the application is for a special permit by a  
35 manufacturer, importer, or distributor, or representative thereof, to  
36 donate and/or serve liquor without charge to delegates and guests at  
37 an international trade fair, show, or exposition held under the  
38 auspices of a federal, state, or local governmental entity or  
39 organized and promoted by a nonprofit organization, anything in this  
40 title to the contrary notwithstanding. Any such spirituous liquor

1 must be purchased from a liquor spirits retailer or distributor, and  
2 any such liquor is subject to the taxes imposed by RCW 82.08.150,  
3 66.24.290, and 66.24.210;

4 (11) Where the application is for an annual special permit by a  
5 person operating a bed and breakfast lodging facility to donate or  
6 serve wine or beer without charge to overnight guests of the facility  
7 if the wine or beer is for consumption on the premises of the  
8 facility. "Bed and breakfast lodging facility," as used in this  
9 subsection, means a facility offering from one to eight lodging units  
10 and breakfast to travelers and guests;

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

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

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

22 (c) The alcohol served to any person in the degree-related  
23 programs under (b) of this subsection is tasted but not consumed for  
24 the purposes of educational training as part of the class curriculum  
25 with the approval of the educational provider;

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

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

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

35 (13) Where the application is for a special (~~permit by a~~  
36 ~~distillery or craft distillery~~) occasion license, private banquet  
37 permit or special permit by a distilled spirits producer for an event  
38 not open to the general public to be held or conducted at a specific  
39 place, including at the licensed premises of the applying  
40 (~~distillery or craft distillery~~) distilled spirits producer, upon a

1 specific date for the purpose of tasting and selling spirits of its  
2 own production. The (~~distillery or craft distillery~~) distilled  
3 spirits producer must obtain a permit for a fee of ten dollars per  
4 event. (~~An application for the permit must be submitted for private~~  
5 ~~banquet permits prior to the event and,~~) Once issued, the permit or  
6 license must be posted in a conspicuous place at the premises for  
7 which the permit was issued during all times the permit is in use(~~-~~  
8 ~~No licensee may receive more than twelve permits under this~~  
9 ~~subsection (13) each year~~);

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

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

30 (16) Where the application is for a special permit by an  
31 individual or business to sell a private collection of wine or  
32 spirits to an individual or business. The seller must obtain a permit  
33 at least five business days before the sale, for a fee of twenty-five  
34 dollars per sale. The seller must provide an inventory of products  
35 sold and the agreed price on a form provided by the board. The seller  
36 shall submit the report and taxes due to the board no later than  
37 twenty calendar days after the sale. A permit may be issued under  
38 this section to allow the sale of a private collection to licensees,  
39 but may not be issued to a licensee to sell to a private individual  
40 or business which is not otherwise authorized under the license held

1 by the seller. If the liquor is purchased by a licensee, all sales  
2 are subject to taxes assessed as on liquor acquired from any other  
3 source. The board may adopt rules to implement this section;

4 (17)(a) A special permit, where the application is for a special  
5 permit by a nonprofit organization to sell wine through an auction,  
6 not open to the public, to be conducted at a specific place, upon a  
7 specific date, and to allow wine tastings at the auction of the wine  
8 to be auctioned.

9 (b) A permit holder under this subsection (17) may at the  
10 specified event:

11 (i) Sell wine by auction for off-premises consumption; and

12 (ii) Allow tastings of samples of the wine to be auctioned at the  
13 event.

14 (c) An application is required for a permit under this subsection  
15 (17). The application must be submitted prior to the event and once  
16 issued must be posted in a conspicuous place at the premises for  
17 which the permit was issued during all times the permit is in use.

18 (d) Wine from more than one winery may be sold at the auction;  
19 however, each winery selling wine at the auction must be listed on  
20 the permit application. Only a single application form may be  
21 required for each auction, regardless of the number of wineries that  
22 are selling wine at the auction. The total fee per event for a permit  
23 issued under this subsection (17) is twenty-five dollars multiplied  
24 by the number of wineries that are selling wine at the auction.

25 (e) For the purposes of this subsection (17), "nonprofit  
26 organization" means an entity incorporated as a nonprofit  
27 organization under Washington state law.

28 (f) The board may adopt rules to implement this section.

29 **Sec. 11.** RCW 66.28.310 and 2015 c 94 s 1 are each amended to  
30 read as follows:

31 (1)(a) Nothing in RCW 66.28.305 prohibits an industry member from  
32 providing retailers branded promotional items which are of nominal  
33 value, singly or in the aggregate. Such items include but are not  
34 limited to: Trays, lighters, blotters, postcards, pencils, coasters,  
35 menu cards, meal checks, napkins, clocks, mugs, glasses, bottles or  
36 can openers, corkscrews, matches, printed recipes, shirts, hats,  
37 visors, and other similar items. Branded promotional items:

38 (i) Must be used exclusively by the retailer or its employees in  
39 a manner consistent with its license;



1 (ii) Must bear imprinted advertising matter of the industry  
2 member only, except imprinted advertising matter of the industry  
3 member can include the logo of a professional sports team which the  
4 industry member is licensed to use;

5 (iii) May be provided by industry members only to retailers and  
6 their employees and may not be provided by or through retailers or  
7 their employees to retail customers; and

8 (iv) May not be targeted to or appeal principally to youth.

9 (b) An industry member is not obligated to provide any such  
10 branded promotional items, and a retailer may not require an industry  
11 member to provide such branded promotional items as a condition for  
12 selling any alcohol to the retailer.

13 (c) Any industry member or retailer or any other person asserting  
14 that the provision of branded promotional items as allowed in (a) of  
15 this subsection has resulted or is more likely than not to result in  
16 undue influence or an adverse impact on public health and safety, or  
17 is otherwise inconsistent with the criteria in (a) of this subsection  
18 may file a complaint with the board. Upon receipt of a complaint the  
19 board may conduct such investigation as it deems appropriate in the  
20 circumstances. If the investigation reveals the provision of branded  
21 promotional items has resulted in or is more likely than not to  
22 result in undue influence or has resulted or is more likely than not  
23 to result in an adverse impact on public health and safety or is  
24 otherwise inconsistent with (a) of this subsection the board may  
25 issue an administrative violation notice to the industry member, to  
26 the retailer, or both. The recipient of the administrative violation  
27 notice may request a hearing under chapter 34.05 RCW.

28 (2) Nothing in RCW 66.28.305 prohibits:

29 (a) An industry member from providing to a special occasion  
30 licensee and a special occasion licensee from receiving services for:

31 (i) Installation of draft beer dispensing equipment or  
32 advertising;

33 (ii) Advertising, pouring, or dispensing of beer or wine at a  
34 beer or wine tasting exhibition or judging event; or

35 (iii) Pouring or dispensing of spirits by a licensed domestic  
36 distiller or the accredited representative of a distiller,  
37 manufacturer, importer, or distributor of spirituous liquor licensed  
38 under RCW 66.24.310; or

1 (b) Special occasion licensees from paying for beer, wine, or  
2 spirits immediately following the end of the special occasion event;  
3 or

4 (c) Wineries, breweries, or distilleries that are participating  
5 in a special occasion event from paying reasonable booth fees to the  
6 special occasion licensee.

7 (3) Nothing in RCW 66.28.305 prohibits industry members from  
8 performing, and retailers from accepting the service of building,  
9 rotating, and restocking displays and stockroom inventories; rotating  
10 and rearranging can and bottle displays of their own products;  
11 providing point of sale material and brand signs; pricing case goods  
12 of their own brands; and performing such similar business services  
13 consistent with board rules, or personal services as described in  
14 subsection (5) of this section.

15 (4) Nothing in RCW 66.28.305 prohibits:

16 (a) Industry members from listing on their internet web sites  
17 information related to retailers who sell or promote their products,  
18 including direct links to the retailers' internet web sites; and

19 (b) Retailers from listing on their internet web sites  
20 information related to industry members whose products those  
21 retailers sell or promote, including direct links to the industry  
22 members' web sites; or

23 (c) Industry members and retailers from producing, jointly or  
24 together with regional, state, or local industry associations,  
25 brochures and materials promoting tourism in Washington state which  
26 contain information regarding retail licensees, industry members, and  
27 their products.

28 (5) Nothing in RCW 66.28.305 prohibits the performance of  
29 personal services offered from time to time by a domestic winery or  
30 certificate of approval holder to retailers when the personal  
31 services are (a) conducted at a licensed premises, and (b) intended  
32 to inform, educate, or enhance customers' knowledge or experience of  
33 the manufacturer's products. The performance of personal services may  
34 include participation and pouring, bottle signing events, and other  
35 similar informational or educational activities at the premises of a  
36 retailer holding a spirits, beer, and wine restaurant license, a wine  
37 and/or beer restaurant license, a specialty wine shop license, a  
38 special occasion license, a grocery store license with a tasting  
39 endorsement, or a private club license. A domestic winery or  
40 certificate of approval holder is not obligated to perform any such

1 personal services, and a retail licensee may not require a domestic  
2 winery or certificate of approval holder to conduct any personal  
3 service as a condition for selling any alcohol to the retail  
4 licensee, or as a condition for including any product of the domestic  
5 winery or certificate of approval holder in any tasting conducted by  
6 the licensee. Except as provided in RCW 66.28.150, the cost of  
7 sampling may not be borne, directly or indirectly, by any domestic  
8 winery or certificate of approval holder or any distributor. Nothing  
9 in this section prohibits wineries, breweries, microbreweries,  
10 certificate of approval holders, and retail licensees from  
11 identifying the producers on private labels authorized under RCW  
12 66.24.400, 66.24.425, 66.24.450, 66.24.360, and 66.24.371.

13 (6) Nothing in RCW 66.28.305 prohibits an industry member from  
14 entering into an arrangement with any holder of a sports  
15 entertainment facility license or an affiliated business for brand  
16 advertising at the licensed facility or promoting events held at the  
17 sports entertainment facility as authorized under RCW 66.24.570.

18 (7) Nothing in RCW 66.28.305 prohibits the performance of  
19 personal services offered from time to time by a domestic brewery,  
20 microbrewery, or beer certificate of approval holder to grocery store  
21 licensees with a tasting endorsement when the personal services are  
22 (a) conducted at a licensed premises in conjunction with a tasting  
23 event, and (b) intended to inform, educate, or enhance customers'  
24 knowledge or experience of the manufacturer's products. The  
25 performance of personal services may include participation and  
26 pouring, bottle signing events, and other similar informational or  
27 educational activities. A domestic brewery, microbrewery, or beer  
28 certificate of approval holder is not obligated to perform any such  
29 personal services, and a grocery store licensee may not require the  
30 performance of any personal service as a condition for including any  
31 product in any tasting conducted by the licensee.

32 (8) Nothing in RCW 66.28.305 prohibits an arrangement between a  
33 domestic winery and a restaurant licensed under RCW 66.24.320 or  
34 66.24.400 to waive a corkage fee.

35 (9) Nothing in this section prohibits professional sports teams  
36 who hold a retail liquor license or their agents from accepting bona  
37 fide liquor advertising from manufacturers, importers, distributors,  
38 or their agents for use in the sporting arena. Professional sports  
39 teams who hold a retail liquor license or their agents may license  
40 the manufacturer, importer, distributor, or their agents to use the

1 name and trademarks of the professional sports team in their  
2 advertising and promotions, under the following conditions:

3 (a) Such advertising must be paid for by said manufacturer,  
4 importer, distributor, or their agent at the published advertising  
5 rate or at a reasonable fair market value.

6 (b) Such advertising may carry with it no express or implied  
7 offer on the part of the manufacturer, importer, distributor, or  
8 their agent, or promise on the part of the retail licensee whose  
9 operation is directly or indirectly part of the sporting arena, to  
10 stock or list any particular brand of liquor to the total or partial  
11 exclusion of any other brand.

12 (10) Nothing in RCW 66.28.305 prohibits a licensed domestic  
13 brewery or microbrewery from providing branded promotional items  
14 which are of nominal value, singly or in the aggregate, to a  
15 nonprofit charitable corporation or association exempt from taxation  
16 under 26 U.S.C. Sec. 501(c)(3) of the internal revenue code as it  
17 existed on July 24, 2015, for use consistent with the purpose or  
18 purposes entitling it to such exemption.

19 (11)(a) Nothing in RCW 66.28.305 prohibits the performance of  
20 personal services offered by an in-state distilled spirits producer  
21 to on-premises or off-premises retail licensees when the personal  
22 services are:

23 (i) Conducted at a licensed premises in conjunction with a  
24 licensed, permitted, or endorsed tasting event; and

25 (ii) Intended to inform, educate, or enhance customers' knowledge  
26 or experience of the manufacturer's products.

27 (b) The performance of personal services under this subsection  
28 (11) may include participation and pouring, bottle signing events,  
29 and other similar informational or educational activities. A  
30 distilled spirits producer is not obligated to perform any such  
31 personal services, and a retail licensee may not require the  
32 performance of any personal service as a condition for including any  
33 product in any tasting conducted by the licensee.

34 (12) Nothing in RCW 66.28.305 prohibits an in-state distilled  
35 spirits producer from providing branded promotional items which are  
36 of nominal value, singly or in the aggregate, to a retail licensee  
37 for its use or for use by its employees or patrons or to a nonprofit  
38 charitable corporation recognized by the secretary of state or that  
39 is exempt from taxation under Title 26 U.S.C. Sec. 501(c) of the  
40 federal internal revenue code of 1986, as amended, as of the

1 effective date of this section, for use consistent with the purpose  
2 or purposes entitling it to such exemption.

3 NEW SECTION. **Sec. 12.** If any provision of this act or its  
4 application to any person or circumstance is held invalid, the  
5 remainder of the act or the application of the provision to other  
6 persons or circumstances is not affected.

7 NEW SECTION. **Sec. 13.** (1) If RCW 66.24.630(4)(b) is found  
8 invalid in whole or in part by a court of competent jurisdiction in a  
9 final judgment, sections 1, 2, 4, 6, and 9 of this act expire on the  
10 date such final judgment is entered by the court.

11 (2) The Washington state liquor and cannabis board must provide  
12 written notice of the expiration date of sections 1, 2, 4, 6, and 9  
13 of this act to affected parties, the chief clerk of the house of  
14 representatives, the secretary of the senate, the office of the code  
15 reviser, and others as deemed appropriate by the department.

16 NEW SECTION. **Sec. 14.** This act is necessary for the immediate  
17 preservation of the public peace, health, or safety, or support of  
18 the state government and its existing public institutions, and takes  
19 effect June 1, 2018.

--- END ---