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SENATE BILL 6531

State of Washington

66th Legislature

2020 Regular Session

By Senators Braun, Takko, and Schoesler

- 1 AN ACT Relating to the performance of personal services by a 2 craft distillery, distiller, spirits certificate of approval holder,
- 3 or distributor; and amending RCW 66.28.310.
- 4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 5 **Sec. 1.** RCW 66.28.310 and 2019 c 149 s 1 are each amended to 6 read as follows:
- (1) (a) Nothing in RCW 66.28.305 prohibits an industry member from providing retailers branded promotional items which are of nominal value, singly or in the aggregate. Such items include but are not limited to: Trays, lighters, blotters, postcards, pencils, coasters, menu cards, meal checks, napkins, clocks, mugs, glasses, bottles or can openers, corkscrews, matches, printed recipes, shirts, hats, visors, and other similar items. Branded promotional items:
- 14 (i) Must be used exclusively by the retailer or its employees in a manner consistent with its license;
- 16 (ii) Must bear imprinted advertising matter of the industry
 17 member only, except imprinted advertising matter of the industry
 18 member can include the logo of a professional sports team which the
 19 industry member is licensed to use;

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

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- (iv) May not be targeted to or appeal principally to youth.
- (b) An industry member is not obligated to provide any such branded promotional items, and a retailer may not require an industry member to provide such branded promotional items as a condition for selling any alcohol to the retailer.
- (c) Any industry member or retailer or any other person asserting that the provision of branded promotional items as allowed in (a) of this subsection has resulted or is more likely than not to result in undue influence or an adverse impact on public health and safety, or is otherwise inconsistent with the criteria in (a) of this subsection may file a complaint with the board. Upon receipt of a complaint the board may conduct such investigation as it deems appropriate in the circumstances. If the investigation reveals the provision of branded promotional items has resulted in or is more likely than not to result in undue influence or has resulted or is more likely than not to result in an adverse impact on public health and safety or is otherwise inconsistent with (a) of this subsection the board may issue an administrative violation notice to the industry member, to the retailer, or both. The recipient of the administrative violation notice may request a hearing under chapter 34.05 RCW.
 - (2) Nothing in RCW 66.28.305 prohibits:
- (a) An industry member from providing to a special occasion licensee and a special occasion licensee from receiving services for:
- (i) Installation of draft beer dispensing equipment or advertising;
- (ii) Advertising, pouring, or dispensing of beer or wine at a beer or wine tasting exhibition or judging event; or
- 31 (iii) Pouring or dispensing of spirits by a licensed domestic 32 distiller or the accredited representative of a distiller, 33 manufacturer, importer, or distributor of spirituous liquor licensed 34 under RCW 66.24.310; or
- 35 (b) Special occasion licensees from paying for beer, wine, or 36 spirits immediately following the end of the special occasion event; 37 or
- 38 (c) Wineries, breweries, or distilleries that are participating 39 in a special occasion event from paying reasonable booth fees to the 40 special occasion licensee.

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

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- (a) Industry members from listing on their internet web sites information related to retailers who sell or promote their products, including direct links to the retailers' internet web sites;
- (b) Retailers from listing on their internet web sites information related to industry members whose products those retailers sell or promote, including direct links to the industry members' web sites;
- (C) Manufacturers, distributors, or their licensed representatives from using web sites or social media accounts in their name to post, repost, or share promotional information or images about events featuring a product of the manufacturer's own production or a product sold by the distributor, held at an onpremises licensed liquor retailer's location or a licensed special occasion event. The promotional information may include links to purchase event tickets. Manufacturers, distributors, or their licensed representatives may not pay a third party to enhance viewership of a specific post. Industry members, or their licensed representatives, are not obligated to post, repost, or share information or images on a web site or on social media. A licensed liquor retailer may not require an industry member or their licensed representative to post, repost, or share information or images on a web site or on social media as a condition for selling any alcohol to the retailer or participating in a retailer's event; or
- (d) Industry members and retailers from producing, jointly or together with regional, state, or local industry associations, brochures and materials promoting tourism in Washington state which contain information regarding retail licensees, industry members, and their products.
- (5) Nothing in RCW 66.28.305 prohibits the performance of personal services offered from time to time by a domestic winery or certificate of approval holder to retailers when the personal

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1 services are (a) conducted at a licensed premises, and (b) intended to inform, educate, or enhance customers' knowledge or experience of 2 the manufacturer's products. The performance of personal services may 3 include participation and pouring, bottle signing events, and other 4 similar informational or educational activities at the premises of a 5 6 retailer holding a spirits, beer, and wine restaurant license, a wine 7 and/or beer restaurant license, a specialty wine shop license, a special occasion license, a grocery store license with a tasting 8 endorsement, or a private club license. A domestic winery or 9 certificate of approval holder is not obligated to perform any such 10 11 personal services, and a retail licensee may not require a domestic 12 winery or certificate of approval holder to conduct any personal service as a condition for selling any alcohol to the retail 13 licensee, or as a condition for including any product of the domestic 14 winery or certificate of approval holder in any tasting conducted by 15 16 the licensee. Except as provided in RCW 66.28.150, the cost of 17 sampling may not be borne, directly or indirectly, by any domestic winery or certificate of approval holder or any distributor. Nothing 18 19 in this section prohibits wineries, breweries, microbreweries, certificate of approval holders, and retail licensees 20 21 identifying the producers on private labels authorized under RCW 66.24.400, 66.24.425, 66.24.450, 66.24.360, and 66.24.371. 22

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

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(7) Nothing in RCW 66.28.305 prohibits the performance of personal services offered from time to time by a domestic brewery, microbrewery, or beer certificate of approval holder to grocery store licensees with a tasting endorsement when the personal services are (a) conducted at a licensed premises in conjunction with a tasting event, and (b) intended to inform, educate, or enhance customers' knowledge or experience of the manufacturer's products. The performance of personal services may include participation and pouring, bottle signing events, and other similar informational or educational activities. A domestic brewery, microbrewery, or beer certificate of approval holder is not obligated to perform any such personal services, and a grocery store licensee may not require the

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performance of any personal service as a condition for including any product in any tasting conducted by the licensee.

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- (8) Nothing in RCW 66.28.305 prohibits the performance of 3 personal services offered from time to time by a craft distillery, 4 distiller, spirits certificate of approval holder, or distributor to 5 6 retailers when the personal services are: (a) Conducted at a licensed premises, and (b) intended to inform, educate, or enhance customers' 7 knowledge or experience of the manufacturer's products. The 8 performance of personal services may include participation and 9 10 pouring, bottle signing events, and other similar informational or educational activities at the premises of a restaurant holding a 11 spirits, beer, and wine license, a special occasion license, or a 12 private club license. A craft distillery, distiller, spirits 13 certificate of approval holder, or distributor is not obligated to 14 perform any such personal services, and a retail licensee may not 15 require a craft distillery, distiller, spirits certificate of 16 17 approval holder, or distributor to conduct any personal service as a condition for selling any alcohol to the retail licensee, or as a 18 condition for including any product of the craft distillery, 19 distiller, spirits certificate of approval holder, or distributor in 20 any tasting conducted by the licensee. The instruction of consumers 21 may include the furnishing of not more than three tastings to any 22 23 individual in one day. A single tasting of distilled spirits may not 24 exceed one-half ounce.
 - (9) Nothing in RCW 66.28.305 prohibits an arrangement between a domestic winery and a restaurant licensed under RCW 66.24.320 or 66.24.400 to waive a corkage fee.
 - (((9))) <u>(10)</u> Nothing in this section prohibits professional sports teams who hold a retail liquor license or their agents from accepting bona fide liquor advertising from manufacturers, importers, distributors, or their agents for use in the sporting arena. Professional sports teams who hold a retail liquor license or their agents may license the manufacturer, importer, distributor, or their agents to use the name and trademarks of the professional sports team in their advertising and promotions, under the following conditions:
 - (a) Such advertising must be paid for by said manufacturer, importer, distributor, or their agent at the published advertising rate or at a reasonable fair market value.
 - (b) Such advertising may carry with it no express or implied offer on the part of the manufacturer, importer, distributor, or

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their agent, or promise on the part of the retail licensee whose operation is directly or indirectly part of the sporting arena, to stock or list any particular brand of liquor to the total or partial exclusion of any other brand.

 (((10))) <u>(11)</u> Nothing in RCW 66.28.305 prohibits a licensed domestic brewery or microbrewery from providing branded promotional items which are of nominal value, singly or in the aggregate, to a nonprofit charitable corporation or association exempt from taxation under 26 U.S.C. Sec. 501(c)(3) of the internal revenue code as it existed on July 24, 2015, for use consistent with the purpose or purposes entitling it to such exemption.

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