
SUBSTITUTE HOUSE BILL 1036

State of Washington 52nd Legislature 1991 Regular Session

By House Committee on State Government (originally sponsored by Representatives Valle, McLean, H. Sommers, Vance, Wineberry, Sheldon and Anderson; by request of Governor Gardner).

Read first time March 6, 1991.

1 AN ACT Relating to the organization of the liquor control board;
2 amending RCW 66.04.010, 66.08.012, 66.08.014, 66.08.020, 66.08.030,
3 66.08.050, 66.08.150, 10.93.020, 19.02.050, 43.03.028, 43.17.010,
4 43.17.020, 42.17.2401, and 43.82.010; reenacting and amending RCW
5 42.17.2401; adding new sections to chapter 66.08 RCW; creating new
6 sections; repealing RCW 66.08.016; and providing an effective date.

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

8 **Sec. 1.** RCW 66.04.010 and 1987 c 386 s 3 are each amended to read
9 as follows:

10 In this title, unless the context otherwise requires:

11 (1) "Agency" means the liquor control agency, the state agency
12 established under section 2 of this act.

13 (2) "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

1 other substances including all dilutions and mixtures of this
2 substance. The term "alcohol" does not include alcohol in the
3 possession of a manufacturer or distiller of alcohol fuel, as described
4 in RCW 66.12.130, which is intended to be denatured and used as a fuel
5 for use in motor vehicles, farm implements, and machines or implements
6 of husbandry.

7 ~~((+2))~~ (3) "Beer" means any malt beverage or malt liquor as these
8 terms are defined in this chapter.

9 ~~((+3))~~ (4) "Brewer" means any person engaged in the business of
10 manufacturing beer and malt liquor.

11 ~~((+4))~~ (5) "Board" means the liquor control board, the rule-making
12 and quasi-judicial body constituted under this title.

13 ~~((+5))~~ (6) "Club" means an organization of persons, incorporated
14 or unincorporated, operated solely for fraternal, benevolent,
15 educational, athletic or social purposes, and not for pecuniary gain.

16 ~~((+6))~~ (7) "Consume" includes the putting of liquor to any use,
17 whether by drinking or otherwise.

18 ~~((+7))~~ (8) "Dentist" means a practitioner of dentistry duly and
19 regularly licensed and engaged in the practice of his or her profession
20 within the state pursuant to chapter 18.32 RCW.

21 ~~((+8))~~ (9) "Director" means the director of the liquor control
22 agency.

23 (10) "Distiller" means a person engaged in the business of
24 distilling spirits.

25 ~~((+9))~~ (11) "Druggist" means any person who holds a valid
26 certificate and is a registered pharmacist and is duly and regularly
27 engaged in carrying on the business of pharmaceutical chemistry
28 pursuant to chapter 18.64 RCW.

29 ~~((+10))~~ (12) "Drug store" means a place whose principal business
30 is, the sale of drugs, medicines and pharmaceutical preparations and

1 maintains a regular prescription department and employs a registered
2 pharmacist during all hours the drug store is open.

3 ~~((11))~~ (13) "Employee" means any person employed by the ~~((board))~~
4 director, including a vendor, as hereinafter in this section defined.

5 ~~((12))~~ (14) "Fund" means 'liquor revolving fund.'

6 ~~((13))~~ (15) "Hotel" means every building or other structure kept,
7 used, maintained, advertised or held out to the public to be a place
8 where food is served and sleeping accommodations are offered for pay to
9 transient guests, in which twenty or more rooms are used for the
10 sleeping accommodation of such transient guests and having one or more
11 dining rooms where meals are served to such transient guests, such
12 sleeping accommodations and dining rooms being conducted in the same
13 building and buildings, in connection therewith, and such structure or
14 structures being provided, in the judgment of the board, with adequate
15 and sanitary kitchen and dining room equipment and capacity, for
16 preparing, cooking and serving suitable food for its guests: PROVIDED
17 FURTHER, That in cities and towns of less than five thousand
18 population, the board shall have authority to waive the provisions
19 requiring twenty or more rooms.

20 ~~((14))~~ (16) "Imprisonment" means confinement in the county jail.

21 ~~((15))~~ (17) "Liquor" includes the four varieties of liquor herein
22 defined (alcohol, spirits, wine and beer), and all fermented,
23 spirituous, vinous, or malt liquor, or combinations thereof, and mixed
24 liquor, a part of which is fermented, spirituous, vinous or malt
25 liquor, or otherwise intoxicating; and every liquid or solid or
26 semisolid or other substance, patented or not, containing alcohol,
27 spirits, wine or beer, and all drinks or drinkable liquids and all
28 preparations or mixtures capable of human consumption, and any liquid,
29 semisolid, solid, or other substance, which contains more than one
30 percent of alcohol by weight shall be conclusively deemed to be

1 intoxicating. Liquor does not include confections or food products
2 that contain one percent or less of alcohol by weight.

3 ~~((16))~~ (18) "Manufacturer" means a person engaged in the
4 preparation of liquor for sale, in any form whatsoever.

5 ~~((17))~~ (19) "Malt beverage" or "malt liquor" means any beverage
6 such as beer, ale, lager beer, stout, and porter obtained by the
7 alcoholic fermentation of an infusion or decoction of pure hops, or
8 pure extract of hops and pure barley malt or other wholesome grain or
9 cereal in pure water containing not more than eight percent of alcohol
10 by weight, and not less than one-half of one percent of alcohol by
11 volume. For the purposes of this title, any such beverage containing
12 more than eight percent of alcohol by weight shall be referred to as
13 "strong beer."

14 ~~((18))~~ (20) "Package" means any container or receptacle used for
15 holding liquor.

16 ~~((19))~~ (21) "Permit" means a permit for the purchase of liquor
17 under this title.

18 ~~((20))~~ (22) "Person" means an individual, copartnership,
19 association, or corporation.

20 ~~((21))~~ (23) "Physician" means a medical practitioner duly and
21 regularly licensed and engaged in the practice of his or her profession
22 within the state pursuant to chapter 18.71 RCW.

23 ~~((22))~~ (24) "Prescription" means a memorandum signed by a
24 physician and given by him or her to a patient for the obtaining of
25 liquor pursuant to this title for medicinal purposes.

26 ~~((23))~~ (25) "Public place" includes streets and alleys of
27 incorporated cities and towns; state or county or township highways or
28 roads; buildings and grounds used for school purposes; public dance
29 halls and grounds adjacent thereto; those parts of establishments where
30 beer may be sold under this title, soft drink establishments, public

1 buildings, public meeting halls, lobbies, halls and dining rooms of
2 hotels, restaurants, theatres, stores, garages and filling stations
3 which are open to and are generally used by the public and to which the
4 public is permitted to have unrestricted access; railroad trains,
5 stages, and other public conveyances of all kinds and character, and
6 the depots and waiting rooms used in conjunction therewith which are
7 open to unrestricted use and access by the public; publicly owned
8 bathing beaches, parks, and/or playgrounds; and all other places of
9 like or similar nature to which the general public has unrestricted
10 right of access, and which are generally used by the public.

11 ~~((24))~~ (26) "Regulations" or "rules" means ~~((regulations made))~~
12 rules adopted pursuant to chapter 34.05 RCW by the board under the
13 powers conferred by this title.

14 ~~((25))~~ (27) "Restaurant" means any establishment provided with
15 special space and accommodations where, in consideration of payment,
16 food, without lodgings, is habitually furnished to the public, not
17 including drug stores and soda fountains.

18 ~~((26))~~ (28) "Sale" and "sell" include exchange, barter, and
19 traffic; and also include the selling or supplying or distributing, by
20 any means whatsoever, of liquor, or of any liquid known or described as
21 beer or by any name whatever commonly used to describe malt or brewed
22 liquor or of wine, by any person to any person; and also include a sale
23 or selling within the state to a foreign consignee or his or her agent
24 in the state.

25 ~~((27))~~ (29) "Soda fountain" means a place especially equipped
26 with apparatus for the purpose of dispensing soft drinks, whether mixed
27 or otherwise.

28 ~~((28))~~ (30) "Spirits" means any beverage which contains alcohol
29 obtained by distillation, including wines exceeding twenty-four percent
30 of alcohol by volume.

1 (~~(29)~~) (31) "Store" means a state liquor store established under
2 this title.

3 (~~(30)~~) (32) "Tavern" means any establishment with special space
4 and accommodation for sale by the glass and for consumption on the
5 premises, of beer, as herein defined.

6 (~~(31)~~) (33) "Vendor" means a person employed by the (~~board~~)
7 liquor control agency as a store manager under this title.

8 (~~(32)~~) (34) "Winery" means a business conducted by any person for
9 the manufacture of wine for sale, other than a domestic winery.

10 (~~(33)~~) (35) "Domestic winery" means a place where wines are
11 manufactured or produced within the state of Washington.

12 (~~(34)~~) (36) "Wine" means any alcoholic beverage obtained by
13 fermentation of fruits (grapes, berries, apples, et cetera) or other
14 agricultural product containing sugar, to which any saccharine
15 substances may have been added before, during or after fermentation,
16 and containing not more than twenty-four percent of alcohol by volume,
17 including sweet wines fortified with wine spirits, such as port,
18 sherry, muscatel and angelica, not exceeding twenty-four percent of
19 alcohol by volume and not less than one-half of one percent of alcohol
20 by volume. For purposes of this title, any beverage containing less
21 than fourteen percent of alcohol by volume when bottled or packaged by
22 the manufacturer shall be referred to as "table wine," and any beverage
23 containing alcohol in an amount equal to or more than fourteen percent
24 by volume when bottled or packaged by the manufacturer shall be
25 referred to as "fortified wine." However, "fortified wine" shall not
26 include: (a) Wines that are both sealed or capped by cork closure and
27 aged two years or more; and (b) wines that contain fourteen percent or
28 more alcohol by volume solely as a result of the natural fermentation
29 process and that have not been produced with the addition of wine
30 spirits, brandy, or alcohol.

1 This subsection shall not be interpreted to require that any wine
2 be labeled with the designation "table wine" or "fortified wine."

3 (~~(35)~~) (37) "Beer wholesaler" means a person who buys beer from
4 a brewer or brewery located either within or beyond the boundaries of
5 the state for the purpose of selling the same pursuant to this title,
6 or who represents such brewer or brewery as agent.

7 (~~(36)~~) (38) "Wine wholesaler" means a person who buys wine from
8 a vintner or winery located either within or beyond the boundaries of
9 the state for the purpose of selling the same not in violation of this
10 title, or who represents such vintner or winery as agent.

11 NEW SECTION. **Sec. 2.** A new section is added to chapter 66.08 RCW
12 to read as follows:

13 There is an agency of state government known as the "Washington
14 state liquor control agency."

15 The executive head of the liquor control agency is the director.
16 The director is appointed by, and serves at the pleasure of, the
17 governor. The appointment of the director is subject to confirmation
18 by the senate. The director is paid a salary to be fixed by the
19 governor in accordance with RCW 43.03.040. The director shall have
20 management experience in a public agency and a business enterprise.

21 NEW SECTION. **Sec. 3.** All powers, duties, and functions vested
22 by law in the liquor control board are transferred to the director of
23 the liquor control agency, except those powers, duties, and functions
24 which are expressly directed to remain with the board. This transfer
25 shall take place January 1, 1992. This act does not create a new
26 agency, but renames the Washington State liquor control board and
27 provides for a new administrative structure within the renamed agency.

1 **Sec. 4.** RCW 66.08.012 and 1961 c 307 s 7 are each amended to read
2 as follows:

3 There shall be a board, known as the "Washington state liquor
4 control board," consisting of three members, to be appointed by the
5 governor, with the consent of the senate, who shall each be (~~paid an~~
6 ~~annual salary to be fixed by the governor in accordance with the~~
7 ~~provisions of RCW 43.03.040~~) compensated in accordance with RCW
8 43.03.250 and shall be reimbursed for subsistence and mileage in
9 accordance with RCW 43.03.050 and 43.03.060. The governor may, in his
10 or her discretion, appoint one of the members as (~~chairman~~) chair of
11 the board, and a majority of the members shall constitute a quorum of
12 the board. The board shall meet once a month or at such times as the
13 chair may designate.

14 **Sec. 5.** RCW 66.08.014 and 1986 c 105 s 1 are each amended to read
15 as follows:

16 (1) The members of the board to be appointed after December 2,
17 1948, shall be appointed for terms beginning January 15, 1949, and
18 expiring as follows: One member of the board for a term of three years
19 from January 15, 1949; one member of the board for a term of six years
20 from January 15, 1949; and one member of the board for a term of nine
21 years from January 15, 1949. Each of the members of the board
22 appointed hereunder shall hold office until his or her successor is
23 appointed and qualified. After June 11, 1986, the term that began on
24 January 15, 1985, will end on January 15, 1989, the term beginning on
25 January 15, 1988, will end on January 15, 1993, and the term beginning
26 on January 15, 1991, will end on January 15, 1997. Thereafter, upon
27 the expiration of the term of any member appointed after June 11, 1986,
28 each succeeding member of the board shall be appointed and hold office
29 for the term of six years. The unexpired terms of board members

1 serving on the effective date of this act shall be completed by members
2 appointed to serve part time after the effective date of this act. In
3 case of a vacancy, it shall be filled by appointment by the governor
4 for the unexpired portion of the term in which said vacancy occurs. No
5 vacancy in the membership of the board shall impair the right of the
6 remaining member or members to act, except as herein otherwise
7 provided.

8 (2) The principal office of the (~~board~~) liquor control agency
9 shall be at the state capitol, and it may establish such other offices
10 as it may deem necessary.

11 (3) Any member of the board may be removed for inefficiency,
12 malfeasance or misfeasance in office, upon specific written charges
13 filed by the governor, who shall transmit such written charges to the
14 member accused and to the chief justice of the supreme court. The
15 chief justice shall thereupon designate a tribunal composed of three
16 judges of the superior court to hear and adjudicate the charges. Such
17 tribunal shall fix the time of the hearing, which shall be public, and
18 the procedure for the hearing, and the decision of such tribunal shall
19 be final and not subject to review by the supreme court. Removal of
20 any member of the board by the tribunal shall disqualify such member
21 for reappointment.

22 (4) Each member of the board shall (~~devote his entire time to the~~
23 ~~duties of his office~~) serve part time and no member of the board shall
24 hold any other public office. Before entering upon the duties of his
25 or her office, each of (~~said~~) the members of the board shall enter
26 into a surety bond executed by a surety company authorized to do
27 business in this state, payable to the state of Washington, to be
28 approved by the governor in the penal sum of fifty thousand dollars
29 conditioned upon the faithful performance of his or her duties, and
30 shall take and subscribe to the oath of office prescribed for elective

1 state officers, which oath and bond shall be filed with the secretary
2 of state. The premium for (~~said~~) the bond shall be paid by the
3 (~~board~~) liquor control agency.

4 **Sec. 6.** RCW 66.08.020 and 1933 ex.s. c 62 s 5 are each amended to
5 read as follows:

6 The administration of this title, including the general control,
7 management, and supervision of all liquor stores, shall be vested in
8 the (~~liquor control board, constituted under this title.~~) director,
9 who shall carry out this administrative function in accordance with the
10 rules adopted by the board.

11 In addition to any other powers granted or transferred to the
12 director, the director shall have the following powers and duties as
13 may be necessary to carry out the purposes of this title:

14 (1) Supervise and administer the operations of the liquor control
15 agency in accordance with the provisions of this title;

16 (2) Appoint personnel and prescribe their duties;

17 (3) Enter into contracts on behalf of the agency;

18 (4) Accept and expend donations, grants, or other funds;

19 (5) Delegate powers, duties, and functions of the liquor control
20 agency to employees of the agency as the director deems necessary to
21 ensure efficient administration;

22 (6) Appoint advisory committees and undertake studies, research,
23 and analysis necessary to support activities of the agency; and

24 (7) Perform such other duties as are consistent with this title.

25 **Sec. 7.** RCW 66.08.030 and 1977 ex.s. c 115 s 1 are each amended to
26 read as follows:

27 (1) For the purpose of carrying into effect the provisions of this
28 title according to their true intent or of supplying any deficiency

1 therein, the board may make such (~~regulations~~) rules not inconsistent
2 with the spirit of this title as are deemed necessary or advisable.
3 All (~~regulations~~) rules so made shall be a public record and shall be
4 filed in the office of the code reviser, and thereupon shall have the
5 same force and effect as if incorporated in this title. Such
6 (~~regulations~~) rules, together with a copy of this title, shall be
7 published in pamphlets and shall be distributed as directed by the
8 board.

9 (2) Without thereby limiting the generality of the provisions
10 contained in subsection (1) of this section, it is declared that the
11 power of the board to make (~~regulations~~) rules in the manner set out
12 in that subsection shall extend to:

13 (~~(a) (~~regulating the equipment and management of stores and~~~~
14 ~~warehouses in which state liquor is sold or kept, and prescribing the~~
15 ~~books and records to be kept therein and the reports to be made thereon~~
16 ~~to the board;~~

17 (~~(b) prescribing the duties of the employees of the board, and~~
18 ~~regulating their conduct in the discharge of their duties;~~

19 (~~(c) Governing the purchase of liquor by the state and the~~
20 ~~furnishing of liquor to stores established under this title;~~

21 (~~(d) Determining the classes, varieties, and brands of~~
22 ~~liquor to be kept for sale at any store;~~

23 (~~(e) Prescribing, subject to RCW 66.16.080, the hours during~~
24 ~~which the state liquor stores shall be kept open for the sale of~~
25 ~~liquor;~~

26 (~~(f) Providing for the issuing and distributing of price~~
27 ~~lists showing the price to be paid by purchasers for each variety of~~
28 ~~liquor kept for sale under this title;~~

29 (~~(g) Prescribing an official seal and official labels and~~
30 ~~stamps and determining the manner in which they shall be attached to~~

1 every package of liquor sold or sealed under this title, including the
2 prescribing of different official seals or different official labels
3 for different classes of liquor;

4 ~~((h))~~ (f) Providing for the payment by the ~~((board))~~ liquor
5 control agency in whole or in part of the carrying charges on liquor
6 shipped by freight or express;

7 ~~((i))~~ (g) Prescribing forms to be used for purposes of this title
8 or the ~~((regulations))~~ rules, and the terms and conditions to be
9 contained in permits and licenses issued under this title;

10 ~~((j))~~ (h) Prescribing the fees payable in respect of permits and
11 licenses issued under this title for which no fees are prescribed in
12 this title, and prescribing the fees for anything done or permitted to
13 be done under the ~~((regulations))~~ rules;

14 ~~((k))~~ (i) Prescribing the kinds and quantities of liquor which
15 may be kept on hand by the holder of a special permit for the purposes
16 named in the permit, regulating the manner in which the same shall be
17 kept and disposed of, and providing for the inspection of the same at
18 any time at the instance of the board;

19 ~~((l))~~ (j) Regulating the sale of liquor kept by the holders of
20 licenses which entitle the holder to purchase and keep liquor for sale;

21 ~~((m))~~ (k) Prescribing the records of purchases or sales of liquor
22 kept by the holders of licenses, and the reports to be made thereon to
23 the board, and providing for inspection of the records so kept;

24 ~~((n))~~ (l) Prescribing the kinds and quantities of liquor for
25 which a prescription may be given, and the number of prescriptions
26 which may be given to the same patient within a stated period;

27 ~~((o))~~ (m) Prescribing the manner of giving and serving notices
28 required by this title or the ~~((regulations))~~ rules, where not
29 otherwise provided for in this title;

1 (~~(p)~~) (n) Regulating premises in which liquor is kept for export
2 from the state, or from which liquor is exported, prescribing the books
3 and records to be kept therein and the reports to be made thereon to
4 the board, and providing for the inspection of the premises and the
5 books, records and the liquor so kept;

6 (~~(q)~~) (o) Prescribing the conditions and qualifications requisite
7 for the obtaining of club licenses and the books and records to be kept
8 and the returns to be made by clubs, prescribing the manner of
9 licensing clubs in any municipality or other locality, and providing
10 for the inspection of clubs;

11 (~~(r)~~) (p) Prescribing the conditions, accommodations, and
12 qualifications requisite for the obtaining of licenses to sell beer and
13 wines, and regulating the sale of beer and wines thereunder;

14 (~~(s)~~) (q) Specifying and regulating the time and periods when,
15 and the manner, methods, and means by which manufacturers shall deliver
16 liquor within the state; and the time and periods when, and the manner,
17 methods, and means by which liquor may lawfully be conveyed or carried
18 within the state;

19 (~~(t)~~) (r) Providing for the making of returns by brewers of their
20 sales of beer shipped within the state, or from the state, showing the
21 gross amount of such sales and providing for the inspection of brewers'
22 books and records, and for the checking of the accuracy of any such
23 returns;

24 (~~(u)~~) (s) Providing for the making of returns by the wholesalers
25 of beer whose breweries are located beyond the boundaries of the state;

26 (~~(v)~~) (t) Providing for the making of returns by any other liquor
27 manufacturers, showing the gross amount of liquor produced or
28 purchased, the amount sold within and exported from the state, and to
29 whom so sold or exported, and providing for the inspection of the

1 premises of any such liquor manufacturers, their books and records, and
2 for the checking of any such return;

3 ~~((w))~~ (u) Providing for the giving of fidelity bonds by any or
4 all of the employees of the ~~((board))~~ liquor control agency: PROVIDED,
5 That the premiums therefor shall be paid by the ~~((board))~~ agency;

6 ~~((x))~~ (v) Providing for the shipment by mail or common carrier of
7 liquor to any person holding a permit and residing in any unit which
8 has, by election pursuant to this title, prohibited the sale of liquor
9 therein;

10 ~~((y))~~ (w) Prescribing methods of manufacture, conditions of
11 sanitation, standards of ingredients, quality, and identity of
12 alcoholic beverages manufactured, sold, bottled, or handled by
13 licensees and the ~~((board))~~ liquor control agency; and conducting from
14 time to time, in the interest of the public health and general welfare,
15 scientific studies and research relating to alcoholic beverages and the
16 use and effect thereof; and

17 ~~((z))~~ (x) Seizing, confiscating, and destroying all alcoholic
18 beverages manufactured, sold, or offered for sale within this state
19 which do not conform in all respects to the standards prescribed by
20 this title or the ~~((regulations))~~ rules of the board: PROVIDED,
21 Nothing ~~((herein contained))~~ in this section shall be construed as
22 authorizing the liquor board to prescribe, alter, limit, or in any way
23 change the present law as to the quantity or percentage of alcohol used
24 in the manufacturing of wine or other alcoholic beverages.

25 **Sec. 8.** RCW 66.08.050 and 1986 c 214 s 2 are each amended to read
26 as follows:

27 The board, subject to the provisions of this title and the
28 regulations, shall:

1 (1) Determine the localities within which state liquor stores shall
2 be established throughout the state, and the number and situation of
3 the stores within each locality;

4 (2) Appoint in cities and towns and other communities, in which no
5 state liquor store is located, liquor vendors. Such liquor vendors
6 shall be agents of the ((board)) liquor control agency and be
7 authorized to sell liquor to such persons, firms, or corporations as
8 provided for the sale of liquor from a state liquor store, and such
9 vendors shall be subject to such additional rules and regulations
10 consistent with this title as the board may require; and

11 ~~(3) ((establish all necessary warehouses for the storing and
12 bottling, diluting and rectifying of stocks of liquors for the purposes
13 of this title;~~

14 ~~(4) provide for the leasing for periods not to exceed ten years of
15 all premises required for the conduct of the business; and for
16 remodeling the same, and the procuring of their furnishings, fixtures,
17 and supplies; and for obtaining options of renewal of such leases by
18 the lessee. The terms of such leases in all other respects shall be
19 subject to the direction of the board;~~

20 ~~(5))~~ Determine the nature, form and capacity of all packages to be
21 used for containing liquor kept for sale under this title((;

22 ~~(6) execute or cause to be executed, all contracts, papers, and
23 documents in the name of the board, under such regulations as the board
24 may fix;~~

25 ~~(7) pay all customs, duties, excises, charges and obligations
26 whatsoever relating to the business of the board;~~

27 ~~(8) require bonds from all employees in the discretion of the
28 board, and to determine the amount of fidelity bond of each such
29 employee;~~

1 ~~(9) perform services for the state lottery commission to such~~
2 ~~extent, and for such compensation, as may be mutually agreed upon~~
3 ~~between the board and the commission;~~

4 ~~(10) perform all other matters and things, whether similar to the~~
5 ~~foregoing or not, to carry out the provisions of this title, and shall~~
6 ~~have full power to do each and every act necessary to the conduct of~~
7 ~~its business, including all buying, selling, preparation and approval~~
8 ~~of forms, and every other function of the business whatsoever, subject~~
9 ~~only to audit by the state auditor:— PROVIDED, That the board shall~~
10 ~~have no authority to regulate the content of spoken language on~~
11 ~~licensed premises where wine and other liquors are served and where~~
12 ~~there is not a clear and present danger of disorderly conduct being~~
13 ~~provoked by such language)).~~ In addition to these responsibilities,
14 the final decision in any adjudicative proceeding commenced under RCW
15 66.08.150 or chapter 34.05 RCW shall be made by the board.

16 NEW SECTION. Sec. 9. A new section is added to chapter 66.08 RCW
17 to read as follows:

18 The director, subject to the provisions of this title and the rules
19 of the board, shall:

20 (1) Establish all necessary warehouses for the storing and
21 bottling, diluting and rectifying of stocks of liquors for the purposes
22 of this title;

23 (2) Provide for the leasing for periods not to exceed ten years of
24 all premises required for the conduct of the business; and for
25 remodeling the same, and the procuring of their furnishings, fixtures,
26 and supplies; and for obtaining options of renewal of such leases by
27 the lessee. The terms of such leases in all other respects shall be
28 subject to the direction of the director;

1 (3) Execute or cause to be executed, all contracts, papers, and
2 documents in the name of the agency, under such rules as the board may
3 fix;

4 (4) Pay all customs, duties, excises, charges and obligations
5 whatsoever relating to the business of the agency;

6 (5) Require bonds from all employees in the discretion of the
7 director, and to determine the amount of fidelity bond of each such
8 employee;

9 (6) Perform services for the state lottery commission to such
10 extent, and for such compensation, as may be mutually agreed upon
11 between the director and the commission; and

12 (7) Perform all other matters and things, whether similar to the
13 foregoing or not, to carry out the provisions of this title, and shall
14 have full power to do each and every act necessary to the conduct of
15 its business, including all buying, selling, preparation and approval
16 of forms, and every other function of the business whatsoever, subject
17 only to audit by the state auditor: PROVIDED, That the director shall
18 have no authority to regulate the content of spoken language on
19 licensed premises where wine and other liquors are served and where
20 there is not a clear and present danger of disorderly conduct being
21 provoked by such language.

22 NEW SECTION. **Sec. 10.** A new section is added to chapter 66.08 RCW
23 to read as follows:

24 The director shall prepare, update, and execute an integrated
25 liquor plan that is not in conflict with the rules adopted by the board
26 and that includes, but is not limited to, the following elements:

27 (1) A program to achieve efficiencies and ensure operational
28 integration of regulatory, merchandising, and administrative services;

1 (2) A program of public and consumer information and coordination
2 with other public agencies and private organizations that emphasizes
3 alcohol abuse prevention and responsible consumption; and

4 (3) A strategy for implementation of the plan.

5 **Sec. 11.** RCW 66.08.150 and 1989 c 175 s 122 are each amended to
6 read as follows:

7 The action, order, or decision of the ((board)) director as to any
8 denial of an application for the reissuance of a permit or license or
9 as to any revocation, suspension, or modification of any permit or
10 license shall be an adjudicative proceeding and subject to the
11 applicable provisions of chapter 34.05 RCW. The final decision in any
12 adjudicative proceeding commenced under this section or chapter 34.05
13 RCW shall be made by the board.

14 (1) An opportunity for a hearing may be provided an applicant for
15 the reissuance of a permit or license prior to the disposition of the
16 application, and if no such opportunity for a prior hearing is provided
17 then an opportunity for a hearing to reconsider the application must be
18 provided the applicant.

19 (2) An opportunity for a hearing must be provided a permittee or
20 licensee prior to a revocation or modification of any permit or license
21 and, except as provided in subsection (4) of this section, prior to the
22 suspension of any permit or license.

23 (3) No hearing shall be required until demanded by the applicant,
24 permittee, or licensee.

25 (4) The ((board)) director may summarily suspend a license or
26 permit for a period of up to thirty days without a prior hearing if it
27 finds that public health, safety, or welfare imperatively require
28 emergency action, and incorporates a finding to that effect in its

1 order; and proceedings for revocation or other action must be promptly
2 instituted and determined.

3 **Sec. 12.** RCW 10.93.020 and 1988 c 36 s 5 are each amended to read
4 as follows:

5 As used in this chapter, the following terms have the meanings
6 indicated unless the context clearly requires otherwise.

7 (1) "General authority Washington law enforcement agency" means any
8 agency, department, or division of a municipal corporation, political
9 subdivision, or other unit of local government of this state, and any
10 agency, department, or division of state government, having as its
11 primary function the detection and apprehension of persons committing
12 infractions or violating the traffic or criminal laws in general, as
13 distinguished from a limited authority Washington law enforcement
14 agency, and any other unit of government expressly designated by
15 statute as a general authority Washington law enforcement agency. The
16 Washington state patrol is a general authority Washington law
17 enforcement agency.

18 (2) "Limited authority Washington law enforcement agency" means any
19 agency, political subdivision, or unit of local government of this
20 state, and any agency, department, or division of state government,
21 having as one of its functions the apprehension or detection of persons
22 committing infractions or violating the traffic or criminal laws
23 relating to limited subject areas, including but not limited to, the
24 state departments of natural resources, fisheries, wildlife, and social
25 and health services, the state gambling commission, the state lottery
26 commission, the state parks and recreation commission, the state
27 utilities and transportation commission, the state liquor control
28 (~~board~~) agency, and the state department of corrections.

1 (3) "General authority Washington peace officer" means any full-
2 time, fully compensated and elected, appointed, or employed officer of
3 a general authority Washington law enforcement agency who is
4 commissioned to enforce the criminal laws of the state of Washington
5 generally.

6 (4) "Limited authority Washington peace officer" means any full-
7 time, fully compensated officer of a limited authority Washington law
8 enforcement agency empowered by that agency to detect or apprehend
9 violators of the laws in some or all of the limited subject areas for
10 which that agency is responsible. A limited authority Washington peace
11 officer may be a specially commissioned Washington peace officer if
12 otherwise qualified for such status under this chapter.

13 (5) "Specially commissioned Washington peace officer", for the
14 purposes of this chapter, means any officer, whether part-time or full-
15 time, compensated or not, commissioned by a general authority
16 Washington law enforcement agency to enforce some or all of the
17 criminal laws of the state of Washington, who does not qualify under
18 this chapter as a general authority Washington peace officer for that
19 commissioning agency, specifically including reserve peace officers,
20 and specially commissioned full-time, fully compensated peace officers
21 duly commissioned by the states of Oregon or Idaho or any such peace
22 officer commissioned by a unit of local government of Oregon or Idaho.
23 A reserve peace officer is an individual who is an officer of a
24 Washington law enforcement agency who does not serve such agency on a
25 full-time basis but who, when called by the agency into active service,
26 is fully commissioned on the same basis as full-time peace officers to
27 enforce the criminal laws of the state.

28 (6) "Federal peace officer" means any employee or agent of the
29 United States government who has the authority to carry firearms and

1 make warrantless arrests and whose duties involve the enforcement of
2 criminal laws of the United States.

3 (7) "Agency with primary territorial jurisdiction" means a city or
4 town police agency which has responsibility for police activity within
5 its boundaries; or a county police or sheriff's department which has
6 responsibility with regard to police activity in the unincorporated
7 areas within the county boundaries; or a statutorily authorized port
8 district police agency or four-year state college or university police
9 agency which has responsibility for police activity within the
10 statutorily authorized enforcement boundaries of the port district,
11 state college, or university.

12 (8) "Primary commissioning agency" means (a) the employing agency
13 in the case of a general authority Washington peace officer, a limited
14 authority Washington peace officer, an Indian tribal peace officer, or
15 a federal peace officer, and (b) the commissioning agency in the case
16 of a specially commissioned Washington peace officer (i) who is
17 performing functions within the course and scope of the special
18 commission and (ii) who is not also a general authority Washington
19 peace officer, a limited authority Washington peace officer, an Indian
20 tribal peace officer, or a federal peace officer.

21 (9) "Primary function of an agency" means that function to which
22 greater than fifty percent of the agency's resources are allocated.

23 (10) "Mutual law enforcement assistance" includes, but is not
24 limited to, one or more law enforcement agencies aiding or assisting
25 one or more other such agencies through loans or exchanges of personnel
26 or of material resources, for law enforcement purposes.

27 **Sec. 13.** RCW 19.02.050 and 1989 1st ex.s. c 9 s 317 are each
28 amended to read as follows:

1 (1) The legislature hereby directs the full participation by the
2 following agencies in the implementation of this chapter:

3 (a) Department of agriculture;

4 (b) Secretary of state;

5 (c) Department of social and health services;

6 (d) Department of revenue;

7 (e) Department of fisheries;

8 (f) Department of employment security;

9 (g) Department of labor and industries;

10 (h) Department of trade and economic development;

11 (i) Liquor control (~~board~~) agency;

12 (j) Department of health;

13 (k) Department of licensing;

14 (l) Utilities and transportation commission; and

15 (m) Other agencies as determined by the governor.

16 **Sec. 14.** RCW 43.03.028 and 1988 c 167 s 9 are each amended to read
17 as follows:

18 (1) There is hereby created a state committee on agency officials'
19 salaries to consist of seven members, or their designees, as follows:
20 The president of the University of Puget Sound; the chairperson of the
21 council of presidents of the state's four-year institutions of higher
22 education; the chairperson of the State Personnel Board; the president
23 of the Association of Washington Business; the president of the Pacific
24 Northwest Personnel Managers' Association; the president of the
25 Washington State Bar Association; and the president of the Washington
26 State Labor Council. If any of the titles or positions mentioned in
27 this subsection are changed or abolished, any person occupying an
28 equivalent or like position shall be qualified for appointment by the
29 governor to membership upon the committee.

1 (2) The committee shall study the duties and salaries of the
2 directors of the several departments and the members of the several
3 boards and commissions of state government, who are subject to
4 appointment by the governor or whose salaries are fixed by the
5 governor, and of the chief executive officers of the following agencies
6 of state government:

7 The arts commission; the human rights commission; the board of
8 accountancy; the board of pharmacy; the capitol historical association
9 and museum; the eastern Washington historical society; the Washington
10 state historical society; the interagency committee for outdoor
11 recreation; the criminal justice training commission; the department of
12 personnel; the state finance committee; the state library; the traffic
13 safety commission; the horse racing commission; the advisory council on
14 vocational education; the public disclosure commission; the hospital
15 commission; the state conservation commission; the commission on
16 Hispanic affairs; the commission on Asian-American affairs; the state
17 board for volunteer ~~((firemen))~~ fire fighters; the transportation
18 improvement board; the public ~~((employees))~~ employment relations
19 commission; the forest practices appeals board; ~~((and))~~ the energy
20 facilities site evaluation council; and the liquor control board.

21 The committee shall report to the governor or the chairperson of
22 the appropriate salary fixing authority at least once in each fiscal
23 biennium on such date as the governor may designate, but not later than
24 seventy-five days prior to the convening of each regular session of the
25 legislature during an odd-numbered year, its recommendations for the
26 salaries to be fixed for each position.

27 (3) Committee members shall be reimbursed by the department of
28 personnel for travel expenses under RCW 43.03.050 and 43.03.060.

1 **Sec. 15.** RCW 43.17.010 and 1989 1st ex.s. c 9 s 810 are each
2 amended to read as follows:

3 There shall be departments of the state government which shall be
4 known as (1) the department of social and health services, (2) the
5 department of ecology, (3) the department of labor and industries, (4)
6 the department of agriculture, (5) the department of fisheries, (6) the
7 department of wildlife, (7) the department of transportation, (8) the
8 department of licensing, (9) the department of general administration,
9 (10) the department of trade and economic development, (11) the
10 department of veterans affairs, (12) the department of revenue, (13)
11 the department of retirement systems, (14) the department of
12 corrections, (15) the department of community development, (~~and~~) (16)
13 the department of health, and (17) the liquor control agency, which
14 shall be charged with the execution, enforcement, and administration of
15 such laws, and invested with such powers and required to perform such
16 duties, as the legislature may provide.

17 **Sec. 16.** RCW 43.17.020 and 1989 1st ex.s. c 9 s 811 are each
18 amended to read as follows:

19 There shall be a chief executive officer of each department to be
20 known as: (1) The secretary of social and health services, (2) the
21 director of ecology, (3) the director of labor and industries, (4) the
22 director of agriculture, (5) the director of fisheries, (6) the
23 director of wildlife, (7) the secretary of transportation, (8) the
24 director of licensing, (9) the director of general administration, (10)
25 the director of trade and economic development, (11) the director of
26 veterans affairs, (12) the director of revenue, (13) the director of
27 retirement systems, (14) the secretary of corrections, (15) the
28 director of community development, (~~and~~) (16) the secretary of
29 health, and the director of the liquor control agency.

1 Such officers, except the secretary of transportation, shall be
2 appointed by the governor, with the consent of the senate, and hold
3 office at the pleasure of the governor. The director of wildlife,
4 however, shall be appointed according to the provisions of RCW
5 77.04.080. If a vacancy occurs while the senate is not in session, the
6 governor shall make a temporary appointment until the next meeting of
7 the senate. A temporary director of wildlife shall not serve more than
8 one year. The secretary of transportation shall be appointed by the
9 transportation commission as prescribed by RCW 47.01.041.

10 **Sec. 17.** RCW 42.17.2401 and 1989 1st ex.s. c 9 s 812, 1989 c 279
11 s 22, and 1989 c 158 s 2 are each reenacted and amended to read as
12 follows:

13 For the purposes of RCW 42.17.240, the term "executive state
14 officer" includes:

15 (1) The chief administrative law judge, the director of
16 agriculture, the administrator of the Washington basic health plan, the
17 director of the department of services for the blind, the director of
18 the state system of community colleges, the director of community
19 development, the secretary of corrections, the director of ecology, the
20 commissioner of employment security, the chairman of the energy
21 facility site evaluation council, the director of the energy office,
22 the secretary of the state finance committee, the director of financial
23 management, the director of fisheries, the executive secretary of the
24 forest practices appeals board, the director of the gambling
25 commission, the director of general administration, the secretary of
26 health, the administrator of the Washington state health care
27 authority, the executive secretary of the health care facilities
28 authority, the executive secretary of the higher education facilities
29 authority, the director of the higher education personnel board, the

1 executive secretary of the horse racing commission, the executive
2 secretary of the human rights commission, the executive secretary of
3 the indeterminate sentence review board, the director of the department
4 of information services, the director of the interagency committee for
5 outdoor recreation, the executive director of the state investment
6 board, the director of labor and industries, the director of licensing,
7 the director of the liquor control agency, the director of the lottery
8 commission, the director of the office of minority and women's business
9 enterprises, the director of parks and recreation, the director of
10 personnel, the executive director of the public disclosure commission,
11 the director of retirement systems, the director of revenue, the
12 secretary of social and health services, the chief of the Washington
13 state patrol, the executive secretary of the board of tax appeals, the
14 director of trade and economic development, the secretary of
15 transportation, the secretary of the utilities and transportation
16 commission, the director of veterans affairs, the director of wildlife,
17 the president of each of the regional and state universities and the
18 president of The Evergreen State College, each district and each campus
19 president of each state community college;

20 (2) Each professional staff member of the office of the governor;

21 (3) Each professional staff member of the legislature; and

22 (4) Central Washington University board of trustees, board of
23 trustees of each community college, each member of the state board for
24 community college education, state convention and trade center board of
25 directors, committee for deferred compensation, Eastern Washington
26 University board of trustees, Washington economic development finance
27 authority, The Evergreen State College board of trustees, forest
28 practices appeals board, forest practices board, gambling commission,
29 Washington health care facilities authority, state health coordinating
30 council, higher education coordinating board, higher education

1 facilities authority, higher education personnel board, horse racing
2 commission, (~~hospital commission,~~) state housing finance commission,
3 human rights commission, indeterminate sentence review board, board of
4 industrial insurance appeals, information services board, interagency
5 committee for outdoor recreation, state investment board, liquor
6 control board, lottery commission, oil and gas conservation committee,
7 Pacific Northwest electric power and conservation planning council,
8 parks and recreation commission, personnel appeals board, personnel
9 board, pollution control hearings board, public disclosure commission,
10 public pension commission, shorelines hearing board, state employees'
11 benefits board, board of tax appeals, transportation commission,
12 University of Washington board of regents, utilities and transportation
13 commission, Washington public power supply system executive board,
14 Washington State University board of regents, Western Washington
15 University board of trustees, and wildlife commission.

16 **Sec. 18.** RCW 43.82.010 and 1990 c 47 s 1 are each amended to read
17 as follows:

18 (1) The director of the department of general administration, on
19 behalf of the agency involved, shall purchase, lease, rent, or
20 otherwise acquire all real estate, improved or unimproved, as may be
21 required by elected state officials, institutions, departments,
22 commissions, boards, and other state agencies, or federal agencies
23 where joint state and federal activities are undertaken and may grant
24 easements and transfer, exchange, sell, lease, or sublease all or part
25 of any surplus real estate for those state agencies which do not
26 otherwise have the specific authority to dispose of real estate. This
27 section does not transfer financial liability for the acquired property
28 to the department of general administration.

1 (2) Except for real estate occupied by federal agencies, the
2 director shall determine the location, size, and design of any real
3 estate or improvements thereon acquired or held pursuant to subsection
4 (1) of this section.

5 (3) The director is authorized to purchase, lease, rent, or
6 otherwise acquire improved or unimproved real estate as owner or lessee
7 and to lease or sublet all or a part of such real estate to state or
8 federal agencies. The director shall charge each using agency its
9 proportionate rental which shall include an amount sufficient to pay
10 all costs, including, but not limited to, those for utilities,
11 janitorial and accounting services, and sufficient to provide for
12 contingencies; which shall not exceed five percent of the average
13 annual rental, to meet unforeseen expenses incident to management of
14 the real estate.

15 (4) If the director determines that it is necessary or advisable to
16 undertake any work, construction, alteration, repair, or improvement on
17 any real estate acquired pursuant to subsections (1) or (3) of this
18 section, the director shall cause plans and specifications thereof and
19 an estimate of the cost of such work to be made and filed in his office
20 and the state agency benefiting thereby is hereby authorized to pay for
21 such work out of any available funds: PROVIDED, That the cost of
22 executing such work shall not exceed the sum of twenty-five thousand
23 dollars. Work, construction, alteration, repair, or improvement in
24 excess of twenty-five thousand dollars, other than that done by the
25 owner of the property if other than the state, shall be performed in
26 accordance with the public works law of this state.

27 (5) In order to obtain maximum utilization of space, the director
28 shall make space utilization studies, and shall establish standards for
29 use of space by state agencies.

1 (6) The director may construct new buildings on, or improve
2 existing facilities, and furnish and equip, all real estate under his
3 management.

4 (7) All conveyances and contracts to purchase, lease, rent,
5 transfer, exchange, or sell real estate and to grant and accept
6 easements shall be approved as to form by the attorney general, signed
7 by the director or the director's designee, and recorded with the
8 county auditor of the county in which the property is located.

9 (8) The director may delegate any or all of the functions specified
10 in this section to any agency upon such terms and conditions as the
11 director deems advisable.

12 (9) This section does not apply to the acquisition of real estate
13 by:

14 (a) The state college and universities for research or experimental
15 purposes;

16 (b) The state liquor control (~~board~~) agency for liquor stores and
17 warehouses; and

18 (c) The department of natural resources, the department of
19 fisheries, the department of wildlife, the department of
20 transportation, and the state parks and recreation commission for
21 purposes other than the leasing of offices, warehouses, and real estate
22 for similar purposes.

23 (10) Notwithstanding any provision in this chapter to the contrary,
24 the department of general administration may negotiate ground leases
25 for public lands on which property is to be acquired under a financing
26 contract pursuant to chapter 39.94 RCW under terms approved by the
27 state finance committee.

28 NEW SECTION. **Sec. 19.** RCW 66.08.016 and 1961 c 1 s 30, 1947 c
29 113 s 2, & 1933 ex.s. c 62 s 65 are each repealed.

1 NEW SECTION. **Sec. 20.** Nothing in this act requires the liquor
2 control agency to discard stationery or signs, rename its facilities or
3 stores, or incur similar expenses attributable to the renaming of the
4 agency.

5 NEW SECTION. **Sec. 21.** The code reviser shall prepare and
6 present to the 1992 legislature a bill which corrects references to the
7 liquor control board that are rendered inaccurate by this act.

8 NEW SECTION. **Sec. 22.** Sections 1 through 20 of this act shall
9 take effect January 1, 1992.