
SUBSTITUTE SENATE BILL 5781

State of Washington

65th Legislature

2017 Regular Session

By Senate Commerce, Labor & Sports (originally sponsored by Senators Fortunato and Baumgartner)

READ FIRST TIME 02/17/17.

1 AN ACT Relating to special occasion and banquet provisions for
2 charitable or nonprofit organizations; amending RCW 66.24.380,
3 66.28.070, 66.28.180, 66.24.170, 66.28.295, and 66.28.310; and
4 reenacting and amending RCW 66.20.010.

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

6 **Sec. 1.** RCW 66.20.010 and 2016 c 235 s 6 and 2016 c 129 s 1 are
7 each reenacted and amended to read as follows:

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

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

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

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

12 (4) Where the application is for a special occasion and banquet
13 permit to sell, or provide at no charge, liquor at an event held by a
14 not-for-profit society or charitable organization, at a specified
15 date and place, a special occasion and banquet permit to purchase
16 liquor for sale or consumption at such banquet, to such applicants as
17 may be fixed by the board;

18 (5) Where the application is for a special permit to consume
19 liquor on the premises of a business not licensed under this title, a
20 special permit to purchase liquor for consumption thereon for such
21 periods of time and to such applicants as may be fixed by the board;

22 ~~((+5))~~ (6) Where the application is for a special permit by a
23 manufacturer to import or purchase within the state alcohol, malt,
24 and other materials containing alcohol to be used in the manufacture
25 of liquor, or other products, a special permit;

26 ~~((+6))~~ (7) Where the application is for a special permit by a
27 person operating a drug store to purchase liquor at retail prices
28 only, to be thereafter sold by such person on the prescription of a
29 physician, a special liquor purchase permit, except that the governor
30 may waive the requirement for a special liquor purchase permit under
31 this subsection pursuant to an order issued under RCW 43.06.220(2);

32 ~~((+7))~~ (8) Where the application is for a special permit by an
33 authorized representative of a military installation operated by or
34 for any of the armed forces within the geographical boundaries of the
35 state of Washington, a special permit to purchase liquor for use on
36 such military installation;

37 ~~((+8))~~ (9) Where the application is for a special permit by a
38 vendor that manufactures or sells a product which cannot be
39 effectively presented to potential buyers without serving it with
40 liquor or by a manufacturer, importer, or distributor, or

1 representative thereof, to serve liquor without charge to delegates
2 and guests at a convention of a trade association composed of
3 licensees of the board, when the said liquor is served in a
4 hospitality room or from a booth in a board-approved suppliers'
5 display room at the convention, and when the liquor so served is for
6 consumption in the said hospitality room or display room during the
7 convention, anything in this title to the contrary notwithstanding.
8 Any such spirituous liquor must be purchased from a spirits retailer
9 or distributor, and any such liquor is subject to the taxes imposed
10 by RCW 82.08.150, 66.24.290, and 66.24.210;

11 ~~((9))~~ (10) Where the application is for a special permit by a
12 manufacturer, importer, or distributor, or representative thereof, to
13 donate liquor for a reception, breakfast, luncheon, or dinner for
14 delegates and guests at a convention of a trade association composed
15 of licensees of the board, when the liquor so donated is for
16 consumption at the said reception, breakfast, luncheon, or dinner
17 during the convention, anything in this title to the contrary
18 notwithstanding. Any such spirituous liquor must be purchased from a
19 spirits retailer or distributor, and any such liquor is subject to
20 the taxes imposed by RCW 82.08.150, 66.24.290, and 66.24.210;

21 ~~((10))~~ (11) Where the application is for a special permit by a
22 manufacturer, importer, or distributor, or representative thereof, to
23 donate and/or serve liquor without charge to delegates and guests at
24 an international trade fair, show, or exposition held under the
25 auspices of a federal, state, or local governmental entity or
26 organized and promoted by a nonprofit organization, anything in this
27 title to the contrary notwithstanding. Any such spirituous liquor
28 must be purchased from a liquor spirits retailer or distributor, and
29 any such liquor is subject to the taxes imposed by RCW 82.08.150,
30 66.24.290, and 66.24.210;

31 ~~((11))~~ (12) Where the application is for an annual special
32 permit by a person operating a bed and breakfast lodging facility to
33 donate or serve wine or beer without charge to overnight guests of
34 the facility if the wine or beer is for consumption on the premises
35 of the facility. "Bed and breakfast lodging facility," as used in
36 this subsection, means a facility offering from one to eight lodging
37 units and breakfast to travelers and guests;

38 ~~((12))~~ (13) Where the application is for a special permit to
39 allow tasting of alcohol by persons at least eighteen years of age
40 under the following circumstances:

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

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

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

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

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

20 (f) The permit fee for the special permit provided for in this
21 subsection (~~((12))~~) (13) must be waived by the board;

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

34 (~~((14))~~) (15) Where the application is for a special permit by a
35 manufacturer of wine for an event not open to the general public to
36 be held or conducted at a specific place upon a specific date for the
37 purpose of tasting and selling wine of its own production. The winery
38 must obtain a permit for a fee of ten dollars per event. An
39 application for the permit must be submitted at least ten days before
40 the event and once issued, must be posted in a conspicuous place at

1 the premises for which the permit was issued during all times the
2 permit is in use. No more than twelve events per year may be held by
3 a single manufacturer under this subsection;

4 ~~((+15+))~~ (16) Where the application is for a special permit by a
5 manufacturer of beer for an event not open to the general public to
6 be held or conducted at a specific place upon a specific date for the
7 purpose of tasting and selling beer of its own production. The
8 brewery or microbrewery must obtain a permit for a fee of ten dollars
9 per event. An application for the permit must be submitted at least
10 ten days before the event and, once issued, must be posted in a
11 conspicuous place at the premises for which the permit was issued
12 during all times the permit is in use. No more than twelve events per
13 year may be held by a single manufacturer under this subsection;

14 ~~((+16+))~~ (17) Where the application is for a special permit by an
15 individual or business to sell a private collection of wine or
16 spirits to an individual or business. The seller must obtain a permit
17 at least five business days before the sale, for a fee of twenty-five
18 dollars per sale. The seller must provide an inventory of products
19 sold and the agreed price on a form provided by the board. The seller
20 ~~((shall))~~ must submit the report and taxes due to the board no later
21 than twenty calendar days after the sale. A permit may be issued
22 under this section to allow the sale of a private collection to
23 licensees, but may not be issued to a licensee to sell to a private
24 individual or business which is not otherwise authorized under the
25 license held by the seller. If the liquor is purchased by a licensee,
26 all sales are subject to taxes assessed as on liquor acquired from
27 any other source. The board may adopt rules to implement this
28 section.

29 **Sec. 2.** RCW 66.24.380 and 2016 c 235 s 2 are each amended to
30 read as follows:

31 (1)(a) There is a ~~((retailer's license to be designated as a~~
32 ~~special occasion license to be issued to a not-for-profit society or~~
33 ~~organization to sell))~~ permit to be designated as a special occasion
34 and banquet permit to be issued to a not-for-profit society or
35 organization to sell and provide free of charge spirits, beer, and
36 wine by the individual serving for on-premises consumption at a
37 specified event, such as at picnics ~~((or other special occasions, at~~
38 ~~a specified date and place; fee sixty dollars per day)), special~~

1 occasions, or banquets, at a specified date and place, for a fee of
2 ten dollars per day.

3 (b) For events occurring under this subsection (1)(b), the board
4 must provide for an online permit to be issued on the day the event
5 occurs.

6 ~~((1) The not-for-profit society or organization is limited to~~
7 ~~sales of no more than twelve calendar days per year.))~~(2) For the
8 purposes of this subsection, special occasion ~~((licensees))~~ and
9 banquet permittees that are "agricultural area fairs" or
10 "agricultural county, district, and area fairs," as defined by RCW
11 15.76.120, that receive a special occasion ~~((license))~~ and banquet
12 permit may, once per calendar year, count as one event fairs that
13 last multiple days, so long as alcohol sales are at set dates, times,
14 and locations, and the board receives prior notification of the
15 dates, times, and locations. The special occasion ~~((license~~
16 ~~applicant))~~ and banquet permit applicant under this subsection (2)
17 will pay the sixty dollars per day for this event.

18 ~~((2))~~ (3) The licensee may sell spirits, beer, and/or wine in
19 original, unopened containers for off-premises consumption if
20 permission is obtained from the board prior to the event.

21 ~~((3))~~ (4) In addition to offering ~~((the sale of))~~ wine for
22 sale, or at no charge, by the individual serving for on-premises
23 consumption, the licensee may sell wine in original, unopened
24 containers for on-premises consumption if permission is obtained from
25 the board prior to the event.

26 ~~((4))~~ (5) Sale, service, and consumption of spirits, beer, and
27 wine is to be confined to specified premises or designated areas
28 only.

29 ~~((5))~~ (6) Liquor sold under this special occasion ~~((license))~~
30 and banquet permit must be purchased from a licensee of the board.

31 ~~((6))~~ (7) Any violation of this section is a class 1 civil
32 infraction having a maximum penalty of two hundred fifty dollars as
33 provided for in chapter 7.80 RCW.

34 **Sec. 3.** RCW 66.28.070 and 2012 c 2 s 118 are each amended to
35 read as follows:

36 (1) Except as provided in subsection (2) of this section, it is
37 unlawful for any retail spirits, beer, or wine licensee to purchase
38 spirits, beer, or wine, except from a duly licensed distributor,

1 domestic winery, domestic brewer, or certificate of approval holder
2 with a direct shipment endorsement.

3 (2)(a) A spirits, beer, or wine retailer may purchase spirits,
4 beer, or wine:

5 (i) From a government agency that has lawfully seized liquor
6 possessed by a licensed distributor or retailer;

7 (ii) From a board-authorized manufacturer or certificate holder
8 authorized by this title to act as a distributor of liquor;

9 (iii) From a licensed retailer which has discontinued business if
10 the distributor has refused to accept spirits, beer, or wine from
11 that retailer for return and refund;

12 (iv) From a retailer whose license or license endorsement permits
13 resale to a retailer of wine and/or spirits for consumption on the
14 premises, if the purchasing retailer is authorized to sell such wine
15 and/or spirits.

16 (b) Goods purchased under this subsection (2) must meet the
17 quality standards set by the manufacturer of the goods.

18 (3) Special occasion (~~licensees~~) and banquet permittees holding
19 a special occasion (~~license~~) and banquet permit may only purchase
20 spirits, beer, or wine from a spirits, beer, or wine retailer duly
21 licensed to sell spirits, beer, or wine for off-premises consumption,
22 or from a duly licensed spirits, beer, or wine distributor.

23 **Sec. 4.** RCW 66.28.180 and 2012 c 2 s 121 are each amended to
24 read as follows:

25 (1) Beer and/or wine distributors.

26 (a) Every beer distributor must maintain at its liquor-licensed
27 location a price list showing the wholesale prices at which any and
28 all brands of beer sold by the distributor are sold to retailers
29 within the state.

30 (b) Each price list must set forth:

31 (i) All brands, types, packages, and containers of beer offered
32 for sale by the distributor; and

33 (ii) The wholesale prices thereof to retail licensees, including
34 allowances, if any, for returned empty containers.

35 (c) No beer distributor may sell or offer to sell any package or
36 container of beer to any retail licensee at a price differing from
37 the price for such package or container as shown in the price list,
38 according to rules adopted by the board.

1 (d) Quantity discounts of sales prices of beer are prohibited. No
2 distributor's sale price of beer may be below the distributor's
3 acquisition cost.

4 (e) Distributor prices below acquisition cost on a "close-out"
5 item are allowed if the item to be discontinued has been listed for a
6 period of at least six months, and upon the further condition that
7 the distributor who offers such a close-out price may not restock the
8 item for a period of one year following the first effective date of
9 such close-out price.

10 (f) Any beer distributor may sell beer at the distributor's
11 listed prices to any annual or special occasion (~~(retail-licensee))~~
12 and banquet permittee upon presentation to the distributor at the
13 time of purchase or delivery of an original or facsimile license or a
14 special permit issued by the board to such licensee.

15 (g) Every annual or special occasion (~~(retail-licensee))~~ and
16 banquet permittee, upon purchasing any beer from a distributor, must
17 immediately cause such beer to be delivered to the licensed premises,
18 and the licensee may not thereafter permit such beer to be disposed
19 of in any manner except as authorized by the (~~(license))~~ permit.

20 (h) Beer sold as provided in this section must be delivered by
21 the distributor or an authorized employee either to the retailer's
22 licensed premises or directly to the retailer at the distributor's
23 licensed premises. When a brewery, microbrewery, or certificate of
24 approval holder with a direct shipping endorsement is acting as a
25 distributor of beer of its own production, a licensed retailer may
26 contract with a common carrier to obtain the beer directly from the
27 brewery, microbrewery, or certificate of approval holder with a
28 direct shipping endorsement. A distributor's prices to retail
29 licensees for beer must be the same at both such places of delivery.
30 Wine sold to retailers must be delivered to the retailer's licensed
31 premises, to a location specified by the retailer and approved for
32 deliveries by the board, or to a carrier engaged by either party to
33 the transaction.

34 (2) Beer suppliers' contracts and memoranda.

35 (a) Every domestic brewery, microbrewery, certificate of approval
36 holder, and beer and/or wine importer offering beer for sale to
37 distributors within the state and any beer distributor who sells to
38 other beer distributors must maintain at its liquor-licensed location
39 a beer price list and a copy of every written contract and a
40 memorandum of every oral agreement which such brewery may have with

1 any beer distributor for the supply of beer, which contracts or
2 memoranda must contain:

3 (i) All advertising, sales and trade allowances, and incentive
4 programs; and

5 (ii) All commissions, bonuses or gifts, and any and all other
6 discounts or allowances.

7 (b) Whenever changed or modified, such revised contracts or
8 memoranda must also be maintained at its liquor licensed location.

9 (c) Each price list must set forth all brands, types, packages,
10 and containers of beer offered for sale by such supplier.

11 (d) Prices of a domestic brewery, microbrewery, or certificate of
12 approval holder for beer must be uniform prices to all distributors
13 or retailers on a statewide basis less bona fide allowances for
14 freight differentials. Quantity discounts of suppliers' prices for
15 beer are prohibited. No price may be below the supplier's acquisition
16 or production cost.

17 (e) A domestic brewery, microbrewery, certificate of approval
18 holder, importer, or distributor acting as a supplier to another
19 distributor must file with the board a list of all distributor
20 licensees of the board to which it sells or offers to sell beer.

21 (f) No domestic brewery, microbrewery, or certificate of approval
22 holder may sell or offer to sell any package or container of beer to
23 any distributor at a price differing from the price list for such
24 package or container as shown in the price list of the domestic
25 brewery, microbrewery, or certificate of approval holder and then in
26 effect, according to rules adopted by the board.

27 (3) In selling wine to another retailer, to the extent consistent
28 with the purposes of chapter 2, Laws of 2012, a grocery store
29 licensee with a reseller endorsement must comply with all provisions
30 of and regulations under this title applicable to wholesale
31 distributors selling wine to retailers.

32 (4) With respect to any alleged violation of this title by sale
33 of wine at a discounted price, all defenses under applicable trade
34 regulation laws are available including, without limitation, good
35 faith meeting of a competitor's lawful price and absence of harm to
36 competition.

37 **Sec. 5.** RCW 66.24.170 and 2016 c 235 s 1 are each amended to
38 read as follows:

1 (1) There is a license for domestic wineries; fee to be computed
2 only on the liters manufactured: Less than two hundred fifty thousand
3 liters per year, one hundred dollars per year; and two hundred fifty
4 thousand liters or more per year, four hundred dollars per year.

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

7 (3) Any domestic winery licensed under this section may also act
8 as a retailer of wine of its own production. Any domestic winery
9 licensed under this section may act as a distributor of its own
10 production. Notwithstanding any language in this title to the
11 contrary, a domestic winery may use a common carrier to deliver up to
12 one hundred cases of its own production, in the aggregate, per month
13 to licensed Washington retailers. A domestic winery may not arrange
14 for any such common carrier shipments to licensed retailers of wine
15 not of its own production. Except as provided in this section, any
16 winery operating as a distributor and/or retailer under this
17 subsection must comply with the applicable laws and rules relating to
18 distributors and/or retailers, except that a winery operating as a
19 distributor may maintain a warehouse off the premises of the winery
20 for the distribution of wine of its own production provided that: (a)
21 The warehouse has been approved by the board under RCW 66.24.010; and
22 (b) the number of warehouses off the premises of the winery does not
23 exceed one.

24 (4) A domestic winery licensed under this section, at locations
25 separate from any of its production or manufacturing sites, may serve
26 samples of its own products, with or without charge, may sell wine of
27 its own production at retail, and may sell for off-premises
28 consumption wines of its own production in kegs or sanitary
29 containers meeting the applicable requirements of federal law brought
30 to the premises by the purchaser or furnished by the licensee and
31 filled at the tap at the time of sale, provided that: (a) Each
32 additional location has been approved by the board under RCW
33 66.24.010; (b) the total number of additional locations does not
34 exceed two; (c) a winery may not act as a distributor at any such
35 additional location; and (d) any person selling or serving wine at an
36 additional location for on-premises consumption must obtain a class
37 12 or class 13 alcohol server permit. Each additional location is
38 deemed to be part of the winery license for the purpose of this
39 title. At additional locations operated by multiple wineries under
40 this section, if the board cannot connect a violation of RCW

1 66.44.200 or 66.44.270 to a single licensee, the board may hold all
2 licensees operating the additional location jointly liable. Nothing
3 in this subsection may be construed to prevent a domestic winery from
4 holding multiple domestic winery licenses.

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

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

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

20 (d) Each approved location in a qualifying farmers market is
21 deemed to be part of the winery license for the purpose of this
22 title. The approved locations under an endorsement granted under this
23 subsection include tasting or sampling privileges subject to the
24 conditions pursuant to RCW 66.24.175. The winery may not store wine
25 at a farmers market beyond the hours that the winery offers bottled
26 wine for sale. The winery may not act as a distributor from a farmers
27 market location.

28 (e) Before a winery may sell bottled wine at a qualifying farmers
29 market, the farmers market must apply to the board for authorization
30 for any winery with an endorsement approved under this subsection to
31 sell bottled wine at retail at the farmers market. This application
32 shall include, at a minimum: (i) A map of the farmers market showing
33 all booths, stalls, or other designated locations at which an
34 approved winery may sell bottled wine; and (ii) the name and contact
35 information for the on-site market managers who may be contacted by
36 the board or its designee to verify the locations at which bottled
37 wine may be sold. Before authorizing a qualifying farmers market to
38 allow an approved winery to sell bottled wine at retail at its
39 farmers market location, the board must notify the persons or
40 entities of such application for authorization pursuant to RCW

1 66.24.010 (8) and (9). An authorization granted under this subsection
2 (5)(e) may be withdrawn by the board for any violation of this title
3 or any rules adopted under this title.

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

7 (g) For the purposes of this subsection:

8 (i) "Qualifying farmers market" means an entity that sponsors a
9 regular assembly of vendors at a defined location for the purpose of
10 promoting the sale of agricultural products grown or produced in this
11 state directly to the consumer under conditions that meet the
12 following minimum requirements:

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

15 (B) The total combined gross annual sales of vendors who are
16 farmers exceeds the total combined gross annual sales of vendors who
17 are processors or resellers. However, if a farmers market does not
18 satisfy this subsection (5)(g)(i)(B), a farmers market is still
19 considered a "qualifying farmers market" if the total combined gross
20 annual sales of farmers and processors at the farmers market is one
21 million dollars or more;

22 (C) The total combined gross annual sales of vendors who are
23 farmers, processors, or resellers exceeds the total combined gross
24 annual sales of vendors who are not farmers, processors, or
25 resellers;

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

28 (E) No vendor is a franchisee.

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

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

37 (iv) "Reseller" means a natural person who buys agricultural
38 products from a farmer and resells the products directly to the
39 consumer.

1 (6) Wine produced in Washington state by a domestic winery
2 licensee may be shipped out-of-state for the purpose of making it
3 into sparkling wine and then returned to such licensee for resale.
4 Such wine is deemed wine manufactured in the state of Washington for
5 the purposes of RCW 66.24.206, and (~~shall~~) may not require a
6 special license.

7 (7) During an event held by a nonprofit holding a special
8 occasion (~~license~~) and banquet permit issued under RCW 66.24.380, a
9 domestic winery licensed under this section may take orders, either
10 in writing or electronically, and accept payment for wines of its own
11 production under the following conditions:

12 (a) Wine produced by the domestic winery may be served for on-
13 premises consumption by the special occasion (~~licensee~~) banquet
14 permittee;

15 (b) The domestic winery delivers wine to the consumer on a date
16 after the conclusion of the special occasion and banquet event;

17 (c) The domestic winery delivers wine to the consumer at a
18 location different from the location at which the special occasion
19 and banquet event is held;

20 (d) The domestic winery complies with all requirements in chapter
21 66.20 RCW for direct sale of wine to consumers;

22 (e) The wine is not sold for resale; and

23 (f) The domestic winery is entitled to all proceeds from the sale
24 and delivery of its wine to a consumer after the conclusion of the
25 special occasion and banquet event, but may enter into an agreement
26 to share a portion of the proceeds of these sales with the special
27 occasion (~~licensee licensed~~) and banquet permittee permitted under
28 RCW 66.24.380.

29 **Sec. 6.** RCW 66.28.295 and 2011 c 66 s 2 are each amended to read
30 as follows:

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

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

36 (2) A domestic winery from being licensed as a retailer pursuant
37 to chapter 66.24 RCW for the purpose of selling beer or wine at
38 retail on the winery premises. Such beer and wine so sold at retail
39 shall be subject to the taxes imposed by RCW 66.24.290 and 66.24.210

1 and to reporting and bonding requirements as prescribed by
2 regulations adopted by the board pursuant to chapter 34.05 RCW, and
3 beer and wine that is not produced by the brewery or winery (~~shall~~)
4 must be purchased from a licensed beer or wine distributor.

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

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

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

21 (6) A microbrewery holding a spirits, beer, and wine restaurant
22 license under RCW 66.24.420 from holding the same privileges and
23 endorsements attached to the spirits, beer, and wine restaurant
24 license.

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

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

33 (9) An organization qualifying under RCW 66.24.375 formed for the
34 purpose of constructing and operating a facility to promote
35 Washington wines from holding retail licenses on the facility
36 property or leasing all or any portion of such facility property to a
37 retail licensee on the facility property if the members of the board
38 of directors or officers of the board for the organization include
39 officers, directors, owners, or employees of a licensed domestic

1 winery. Financing for the construction of the facility must include
2 both public and private money.

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

12 (11) A person licensed pursuant to RCW 66.24.170, 66.24.240, or
13 66.24.244 from exercising the privileges of distributing and selling
14 at retail such person's own production or from exercising any other
15 right or privilege that attaches to such license.

16 (12) A person holding a certificate of approval pursuant to RCW
17 66.24.206 from obtaining an endorsement to act as a distributor of
18 their own product or from shipping their own product directly to
19 consumers as authorized by RCW 66.20.360.

20 (13) A person holding a wine shipper's permit pursuant to RCW
21 66.20.375 from shipping their own product directly to consumers.

22 (14) A person holding a certificate of approval pursuant to RCW
23 66.24.270(2) from obtaining an endorsement to act as a distributor of
24 their own product.

25 (15) A domestic winery and a restaurant licensed under RCW
26 66.24.320 or 66.24.400 from entering an arrangement to waive a
27 corkage fee.

28 **Sec. 7.** RCW 66.28.310 and 2015 c 94 s 1 are each amended to read
29 as follows:

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

37 (i) Must be used exclusively by the retailer or its employees in
38 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 banquet permittee and a special occasion
31 ((licensee)) and banquet permittee from receiving services for:

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

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

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

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

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

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~~) and banquet permit, a grocery store
39 license with a tasting endorsement, or a private club license. A
40 domestic winery or certificate of approval holder is not obligated to

1 perform any such personal services, and a retail licensee may not
2 require a domestic winery or certificate of approval holder to
3 conduct any personal service as a condition for selling any alcohol
4 to the retail licensee, or as a condition for including any product
5 of the domestic winery or certificate of approval holder in any
6 tasting conducted by the licensee. Except as provided in RCW
7 66.28.150, the cost of sampling may not be borne, directly or
8 indirectly, by any domestic winery or certificate of approval holder
9 or any distributor. Nothing in this section prohibits wineries,
10 breweries, microbreweries, certificate of approval holders, and
11 retail licensees from identifying the producers on private labels
12 authorized under RCW 66.24.400, 66.24.425, 66.24.450, 66.24.360, and
13 66.24.371.

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

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

33 (8) Nothing in RCW 66.28.305 prohibits an arrangement between a
34 domestic winery and a restaurant licensed under RCW 66.24.320 or
35 66.24.400 to waive a corkage fee.

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

1 the manufacturer, importer, distributor, or their agents to use the
2 name and trademarks of the professional sports team in their
3 advertising and promotions, under the following conditions:

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

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

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

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