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SENATE BILL 6024

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State of Washington                      52nd Legislature                      1992 Regular Session

By Senators Bauer, Newhouse and Thorsness

Read first time 01/13/92. Referred to Committee on Commerce & Labor.

1            AN ACT Relating to brewers and domestic wineries; and amending RCW  
2 66.28.010.

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

4            **Sec. 1.** RCW 66.28.010 and 1985 c 363 s 1 are each amended to read  
5 as follows:

6            (1) No manufacturer, importer, or wholesaler, or person financially  
7 interested, directly or indirectly, in such business, whether resident  
8 or nonresident, shall have any financial interest, direct or indirect,  
9 in any licensed retail business, nor shall any manufacturer, importer,  
10 or wholesaler own any of the property upon which such licensed persons  
11 conduct their business, nor shall any such licensed person, under any  
12 arrangement whatsoever, conduct his business upon property in which any  
13 manufacturer, importer, or wholesaler has any interest. Except as  
14 provided in subsection (3) of this section, no manufacturer, importer,

1 or wholesaler shall advance moneys or moneys' worth to a licensed  
2 person under an arrangement, nor shall such licensed person receive,  
3 under an arrangement, an advance of moneys or moneys' worth: PROVIDED,  
4 That "person" as used in this section only shall not include those  
5 state or federally chartered banks, state or federally chartered  
6 savings and loan associations, state or federally chartered mutual  
7 savings banks, or institutional investors which are not controlled  
8 directly or indirectly by a manufacturer, importer, or wholesaler as  
9 long as the bank, savings and loan association, or institutional  
10 investor does not influence or attempt to influence the purchasing  
11 practices of the retailer with respect to alcoholic beverages. No  
12 manufacturer, importer, or wholesaler shall be eligible to receive or  
13 hold a retail license under this title, nor shall such manufacturer,  
14 importer, or wholesaler sell at retail any liquor as herein defined:  
15 PROVIDED, That nothing in this section shall prohibit a licensed brewer  
16 or domestic winery from being licensed as a retailer pursuant to  
17 chapter 66.24 RCW for the purpose of selling beer or wine of its own  
18 production at retail on the brewery or winery premises. Such beer and  
19 wine so sold at retail shall be subject to the taxes imposed by RCW  
20 66.24.290 and 66.24.210 and to reporting and bonding requirements as  
21 prescribed by regulations adopted by the board pursuant to chapter  
22 34.05 RCW: PROVIDED FURTHER, That nothing in this section shall  
23 prohibit a licensed brewer or domestic winery, or a lessee of a  
24 licensed brewer or domestic winery, from being licensed to sell beer or  
25 wine at retail as a class A, class B, or class C license under chapter  
26 66.24 RCW, or as a class H restaurant pursuant to chapter 66.24 RCW for  
27 the purpose of selling liquor at a class H premises on the property on  
28 which the primary manufacturing facility of the licensed brewer or  
29 domestic winery is located or on contiguous property owned by the

1 licensed brewer or domestic winery as prescribed by regulations adopted  
2 by the board pursuant to chapter 34.05 RCW.

3 (2) Financial interest, direct or indirect, as used in this  
4 section, shall include any interest, whether by stock ownership,  
5 mortgage, lien, or through interlocking directors, or otherwise.  
6 Pursuant to rules promulgated by the board in accordance with chapter  
7 34.05 RCW manufacturers, wholesalers and importers may perform, and  
8 retailers may accept the service of building, rotating and restocking  
9 case displays and stock room inventories; rotating and rearranging can  
10 and bottle displays of their own products; provide point of sale  
11 material and brand signs; price case goods of their own brands; and  
12 perform such similar normal business services as the board may by  
13 regulation prescribe.

14 (3)(a) This section does not prohibit a manufacturer, importer, or  
15 wholesaler from providing services to a class G or J retail licensee  
16 for: (i) Installation of draft beer dispensing equipment or  
17 advertising, (ii) advertising, pouring or dispensing of wine at a wine  
18 tasting exhibition or judging event, or (iii) a class G or J retail  
19 licensee from receiving any such services as may be provided by a  
20 manufacturer, importer, or wholesaler: PROVIDED, That nothing in this  
21 section shall prohibit a retail licensee, or any person financially  
22 interested, directly or indirectly, in such a retail licensee from  
23 having a financial interest, direct or indirect, in a business which  
24 provides, for a compensation commensurate in value to the services  
25 provided, bottling, canning or other services to a manufacturer, so  
26 long as the retail licensee or person interested therein has no direct  
27 financial interest in or control of said manufacturer.

28 (b) A person holding contractual rights to payment from selling a  
29 liquor wholesaler's business and transferring the license shall not be  
30 deemed to have a financial interest under this section if the person

1 (i) lacks any ownership in or control of the wholesaler, (ii) is not  
2 employed by the wholesaler, and (iii) does not influence or attempt to  
3 influence liquor purchases by retail liquor licensees from the  
4 wholesaler.

5 (c) The board shall adopt such rules as are deemed necessary to  
6 carry out the purposes and provisions of subsection (3)(a) of this  
7 section in accordance with the administrative procedure act, chapter  
8 34.05 RCW.

9 (4) A license issued under RCW 66.24.395 does not constitute a  
10 retail license for the purposes of this section.