
ENGROSSED SENATE BILL 6292

State of Washington 52nd Legislature 1992 Regular Session

By Senators Bauer, Newhouse, Thorsness, Moore and Vognild

Read first time 01/23/92. Referred to Committee on Commerce & Labor.

1 AN ACT Relating to on-premises sales by licensed brewers and
2 domestic wineries; and amending RCW 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 and
19 nothing in this section shall prohibit a domestic winery from being
20 licensed as a retailer pursuant to chapter 66.24 RCW for the purpose of
21 selling its own production at retail on the winery premises. Such beer
22 and wine so sold at retail shall be subject to the taxes imposed by RCW
23 66.24.290 and 66.24.210 and to reporting and bonding requirements as
24 prescribed by regulations adopted by the board pursuant to chapter
25 34.05 RCW, and beer and wine that is not produced by the brewery or
26 winery shall be purchased from a licensed beer or wine wholesaler:
27 PROVIDED FURTHER, That nothing in this section shall prohibit a
28 licensed brewer or domestic winery, or a lessee of a licensed brewer or
29 domestic winery, from being licensed as a class H restaurant pursuant
30 to chapter 66.24 RCW for the purpose of selling liquor at a class H

1 premises on the property on which the primary manufacturing facility of
2 the licensed brewer or domestic winery is located or on contiguous
3 property owned by the licensed brewer or domestic winery as prescribed
4 by regulations adopted by the board pursuant to chapter 34.05 RCW.

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

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

1 (b) A person holding contractual rights to payment from selling a
2 liquor wholesaler's business and transferring the license shall not be
3 deemed to have a financial interest under this section if the person
4 (i) lacks any ownership in or control of the wholesaler, (ii) is not
5 employed by the wholesaler, and (iii) does not influence or attempt to
6 influence liquor purchases by retail liquor licensees from the
7 wholesaler.

8 (c) The board shall adopt such rules as are deemed necessary to
9 carry out the purposes and provisions of subsection (3)(a) of this
10 section in accordance with the administrative procedure act, chapter
11 34.05 RCW.

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