
SENATE BILL 5732

State of Washington

53rd Legislature

1993 Regular Session

By Senators Moore and Newhouse

Read first time 02/10/93. Referred to Committee on Labor & Commerce.

1 AN ACT Relating to liquor licenses; amending RCW 66.24.380 and
2 66.28.010; and declaring an emergency.

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

4 **Sec. 1.** RCW 66.24.380 and 1988 c 200 s 2 are each amended to read
5 as follows:

6 There shall be a beer retailer's license to be designated as class
7 G; a special license to a society or organization to sell beer at
8 picnics or other special occasions at a specified date and place; fee
9 thirty-five dollars per day. Sale, service, and consumption of beer is
10 to be confined to specified premises or designated areas only.
11 However, a holder of a class G license may sell, at no more than two
12 licensed events each year to members and guests in attendance at the
13 special occasion, limited quantities of beer in unopened bottles and
14 original packages not exceeding four gallons of malt liquor in kegs or
15 other containers, not to be consumed on the premises where sold, by
16 paying an additional fee of ten dollars a day. The board shall adopt
17 rules under chapter 34.05 RCW for the purpose of carrying out the
18 provisions of this section.

1 **Sec. 2.** RCW 66.28.010 and 1992 c 78 s 1 are each amended to read
2 as follows:

3 (1) No manufacturer, importer, or wholesaler, or person financially
4 interested, directly or indirectly, in such business, whether resident
5 or nonresident, shall have any financial interest, direct or indirect,
6 in any licensed retail business, nor shall any manufacturer, importer,
7 or wholesaler own any of the property upon which such licensed persons
8 conduct their business, nor shall any such licensed person, under any
9 arrangement whatsoever, conduct his business upon property in which any
10 manufacturer, importer, or wholesaler has any interest. Except as
11 provided in subsection (3) of this section, no manufacturer, importer,
12 or wholesaler shall advance moneys or moneys' worth to a licensed
13 person under an arrangement, nor shall such licensed person receive,
14 under an arrangement, an advance of moneys or moneys' worth: PROVIDED,
15 That "person" as used in this section only shall not include those
16 state or federally chartered banks, state or federally chartered
17 savings and loan associations, state or federally chartered mutual
18 savings banks, or institutional investors which are not controlled
19 directly or indirectly by a manufacturer, importer, or wholesaler as
20 long as the bank, savings and loan association, or institutional
21 investor does not influence or attempt to influence the purchasing
22 practices of the retailer with respect to alcoholic beverages. No
23 manufacturer, importer, or wholesaler shall be eligible to receive or
24 hold a retail license under this title, nor shall such manufacturer,
25 importer, or wholesaler sell at retail any liquor as herein defined:
26 PROVIDED, That nothing in this section shall prohibit a licensed brewer
27 from being licensed as a retailer pursuant to chapter 66.24 RCW for the
28 purpose of selling beer or wine at retail on the brewery premises and
29 nothing in this section shall prohibit a domestic winery from being
30 licensed as a retailer pursuant to chapter 66.24 RCW for the purpose of
31 selling beer or wine at retail on the winery premises. Such beer and
32 wine so sold at retail shall be subject to the taxes imposed by RCW
33 66.24.290 and 66.24.210 and to reporting and bonding requirements as
34 prescribed by regulations adopted by the board pursuant to chapter
35 34.05 RCW, and beer and wine that is not produced by the brewery or
36 winery shall be purchased from a licensed beer or wine wholesaler:
37 PROVIDED FURTHER, That nothing in this section shall prohibit a
38 licensed brewer or domestic winery, or a lessee of a licensed brewer or
39 domestic winery, from being licensed as a class H restaurant pursuant

1 to chapter 66.24 RCW for the purpose of selling liquor at a class H
2 premises on the property on which the primary manufacturing facility of
3 the licensed brewer or domestic winery is located or on contiguous
4 property owned by the licensed brewer or domestic winery as prescribed
5 by regulations adopted by the board pursuant to chapter 34.05 RCW.

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

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

32 (b) A person holding contractual rights to payment from selling a
33 liquor wholesaler's business and transferring the license shall not be
34 deemed to have a financial interest under this section if the person
35 (i) lacks any ownership in or control of the wholesaler, (ii) is not
36 employed by the wholesaler, and (iii) does not influence or attempt to
37 influence liquor purchases by retail liquor licensees from the
38 wholesaler.

1 (c) The board shall adopt such rules as are deemed necessary to
2 carry out the purposes and provisions of subsection (3)(a) of this
3 section in accordance with the administrative procedure act, chapter
4 34.05 RCW.

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

7 NEW SECTION. **Sec. 3.** This act is necessary for the immediate
8 preservation of the public peace, health, or safety, or support of the
9 state government and its existing public institutions, and shall take
10 effect immediately.

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