
SENATE BILL 6367

State of Washington

53rd Legislature

1994 Regular Session

By Senators Moore and Newhouse

Read first time 01/20/94. Referred to Committee on Labor & Commerce.

1 AN ACT Relating to activities of microbreweries; and amending RCW
2 66.28.010 and 66.28.070.

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

4 **Sec. 1.** RCW 66.28.010 and 1992 c 78 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,
15 or wholesaler shall advance moneys or moneys' worth to a licensed
16 person under an arrangement, nor shall such licensed person receive,
17 under an arrangement, an advance of moneys or moneys' worth: PROVIDED,
18 That "person" as used in this section only shall not include those
19 state or federally chartered banks, state or federally chartered

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

29 (2) Financial interest, direct or indirect, as used in this
30 section, shall include any interest, whether by stock ownership,
31 mortgage, lien, or through interlocking directors, or otherwise.
32 Pursuant to rules promulgated by the board in accordance with chapter
33 34.05 RCW manufacturers, wholesalers and importers may perform, and
34 retailers may accept the service of building, rotating and restocking
35 case displays and stock room inventories; rotating and rearranging can
36 and bottle displays of their own products; provide point of sale
37 material and brand signs; price case goods of their own brands; and
38 perform such similar normal business services as the board may by
39 regulation prescribe.

1 (3)(a) This section does not prohibit a manufacturer, importer, or
2 wholesaler from providing services to a class G or J retail licensee
3 for: (i) Installation of draft beer dispensing equipment or
4 advertising, (ii) advertising, pouring or dispensing of beer or wine at
5 a beer or wine tasting exhibition or judging event, or (iii) a class G
6 or J retail licensee from receiving any such services as may be
7 provided by a manufacturer, importer, or wholesaler: PROVIDED, That
8 nothing in this section shall prohibit a retail licensee, or any person
9 financially interested, directly or indirectly, in such a retail
10 licensee from having a financial interest, direct or indirect, in a
11 business which provides, for a compensation commensurate in value to
12 the services provided, bottling, canning or other services to a
13 manufacturer, so long as the retail licensee or person interested
14 therein has no direct financial interest in or control of said
15 manufacturer.

16 (b) A person holding contractual rights to payment from selling a
17 liquor wholesaler's business and transferring the license shall not be
18 deemed to have a financial interest under this section if the person
19 (i) lacks any ownership in or control of the wholesaler, (ii) is not
20 employed by the wholesaler, and (iii) does not influence or attempt to
21 influence liquor purchases by retail liquor licensees from the
22 wholesaler.

23 (c) The board shall adopt such rules as are deemed necessary to
24 carry out the purposes and provisions of subsection (3)(a) of this
25 section in accordance with the administrative procedure act, chapter
26 34.05 RCW.

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

29 **Sec. 2.** RCW 66.28.070 and 1987 c 205 s 1 are each amended to read
30 as follows:

31 (1) Except as provided in subsection (2) of this section, it shall
32 be unlawful for any retail beer licensee to purchase beer, except from
33 a duly licensed beer wholesaler, and it shall be unlawful for any
34 brewer or beer wholesaler to purchase beer, except from a duly licensed
35 beer wholesaler or beer importer.

36 (2) A beer retailer licensee may purchase beer from a government
37 agency which has lawfully seized beer from a licensed beer retailer, or
38 from a board-authorized retailer, or from a licensed retailer which has

1 discontinued business if the wholesaler has refused to accept beer from
2 that retailer for return and refund. Beer purchased under this
3 subsection shall meet the quality standards set by its manufacturer.

4 (3) Special occasion licensees holding either a class G or J
5 license may purchase beer or wine from a beer or wine retailer duly
6 licensed to sell beer or wine for off-premises consumption or from a
7 duly licensed beer or wine wholesaler.

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