

2 HB 1060 - S AMD - 334  
3 By Senators West and Pelz

4 ADOPTED 4/12/95

5 On page 10, after line 36, insert the following:

6 "Sec. 8. RCW 66.24.420 and 1981 1st ex.s. c 5 s 45 are each  
7 amended to read as follows:

8 (1) The class H license shall be issued in accordance with the  
9 following schedule of annual fees:

10 (a) The annual fee for said license, if issued to a club, whether  
11 inside or outside of incorporated cities and towns, shall be seven  
12 hundred dollars.

13 (b) The annual fee for said license, if issued to any other class  
14 H licensee in incorporated cities and towns, shall be graduated  
15 according to the population thereof as follows:

16	Incorporated	
17	Cities and towns	Fees
18	Less than 20,000	\$1,200
19	20,000 or over	\$2,000

20 (c) The annual fee for said license when issued to any other class  
21 H licensee outside of incorporated cities and towns shall be: Two  
22 thousand dollars; this fee shall be prorated according to the calendar  
23 quarters, or portion thereof, during which the licensee is open for  
24 business, except in case of suspension or revocation of the license.

25 (d) Where the license shall be issued to any corporation,  
26 association or person operating a bona fide restaurant in an airport  
27 terminal facility providing service to transient passengers with more  
28 than one place where liquor is to be dispensed and sold, such license  
29 shall be issued upon the payment of the annual fee, which shall be a  
30 master license and shall permit such sale within and from one such  
31 place. Such license may be extended to additional places on the  
32 premises at the discretion of the board and a duplicate license may be  
33 issued for each such additional place: PROVIDED, That the holder of a  
34 master license for a restaurant in an airport terminal facility shall  
35 be required to maintain in a substantial manner at least one place on

1 the premises for preparing, cooking and serving of complete meals, and  
2 such food service shall be available on request in other licensed  
3 places on the premises: PROVIDED, FURTHER, That an additional license  
4 fee of twenty-five percent of the annual master license fee shall be  
5 required for such duplicate licenses.

6 (e) Where the license shall be issued to any corporation,  
7 association, or person operating dining places at publicly owned civic  
8 centers with facilities for sports, entertainment, and conventions,  
9 with more than one place where liquor is to be dispensed and sold, such  
10 license shall be issued upon the payment of the annual fee, which shall  
11 be a master license and shall permit such sale within and from one such  
12 place. Such license may be extended to additional places on the  
13 premises at the discretion of the board and a duplicate license may be  
14 issued for each such additional place: PROVIDED, That the holder of a  
15 master license for a dining place at such a publicly owned civic center  
16 shall be required to maintain in a substantial manner at least one  
17 place on the premises for preparing, cooking and serving of complete  
18 meals, and food service shall be available on request in other licensed  
19 places on the premises: PROVIDED FURTHER, That an additional license  
20 fee of ten dollars shall be required for such duplicate licenses.

21 (f) Where the license shall be issued to any corporation,  
22 association or person operating more than one building containing  
23 dining places at privately owned facilities which are open to the  
24 public and where there is a continuity of ownership of all adjacent  
25 property, such license shall be issued upon the payment of an annual  
26 fee which shall be a master license and shall permit such sale within  
27 and from one such place. Such license may be extended to the  
28 additional dining places on the property or, in the case of a class H  
29 licensed hotel, property owned or controlled by leasehold interest by  
30 that hotel for use as a conference or convention center or banquet  
31 facility open to the general public for special events in the same  
32 metropolitan area, at the discretion of the board and a duplicate  
33 license may be issued for each additional place: PROVIDED, That the  
34 holder of the master license for the dining place shall not offer  
35 alcoholic beverages for sale, service, and consumption at the  
36 additional place unless food service is available at both the location  
37 of the master license and the duplicate license: PROVIDED FURTHER,  
38 That an additional license fee of twenty dollars shall be required for  
39 such duplicate licenses.

1 (2) The board, so far as in its judgment is reasonably possible,  
2 shall confine class H licenses to the business districts of cities and  
3 towns and other communities, and not grant such licenses in residential  
4 districts, nor within the immediate vicinity of schools, without being  
5 limited in the administration of this subsection to any specific  
6 distance requirements.

7 (3) The board shall have discretion to issue class H licenses  
8 outside of cities and towns in the state of Washington. The purpose of  
9 this subsection is to enable the board, in its discretion, to license  
10 in areas outside of cities and towns and other communities,  
11 establishments which are operated and maintained primarily for the  
12 benefit of tourists, vacationers and travelers, and also golf and  
13 country clubs, and common carriers operating dining, club and buffet  
14 cars, or boats.

15 (4) The total number of class H licenses issued in the state of  
16 Washington by the board, not including those class H licenses issued to  
17 clubs, shall not in the aggregate at any time exceed one license for  
18 each fifteen hundred of population in the state, determined according  
19 to the yearly population determination developed by the office of  
20 financial management pursuant to RCW 43.62.030.

21 (5) Notwithstanding the provisions of subsection (4) of this  
22 section, the board shall refuse a class H license to any applicant if  
23 in the opinion of the board the class H licenses already granted for  
24 the particular locality are adequate for the reasonable needs of the  
25 community."

26 Renumber remaining sections consecutively and correct any internal  
27 references accordingly.

28 **HB 1060** - S AMD - 334  
29 By Senators West and Pelz

30 ADOPTED 4/12/95

31 On page 1, line 3 of the title, after "66.24.330," insert  
32 "66.24.420,"

3 ADOPTED AS AMENDED 4/12/95

4 On page 11, after line 31, insert the following:

5 "Sec. 9. RCW 66.28.180 and 1985 c 226 s 4 are each amended to read  
6 as follows:

7 It is unlawful for a person, firm, or corporation holding a  
8 certificate of approval issued under RCW 66.24.270 or 66.24.206, a beer  
9 wholesaler's license, a brewer's license, a beer importer's license, a  
10 domestic winery license, a wine importer's license, or a wine  
11 wholesaler's license within the state of Washington to modify any  
12 prices without prior notification to and approval of the board.

13 (1) Intent. This section is enacted, pursuant to the authority of  
14 this state under the twenty-first amendment to the United States  
15 Constitution, to promote the public's interest in fostering the orderly  
16 and responsible distribution of malt beverages and wine towards  
17 effective control of consumption; to promote the fair and efficient  
18 three-tier system of distribution of such beverages; and to confirm  
19 existing board rules as the clear expression of state policy to  
20 regulate the manner of selling and pricing of wine and malt beverages  
21 by licensed suppliers and wholesalers.

22 (2) Beer and wine wholesale price posting. (a) Every beer or wine  
23 wholesaler shall file with the board at its office in Olympia a price  
24 posting showing the wholesale prices at which any and all brands of  
25 beer and wine sold by such beer and/or wine wholesaler shall be sold to  
26 retailers within the state.

27 (b) Each price posting shall be made on a form prepared and  
28 furnished by the board, or a reasonable facsimile thereof, and shall  
29 set forth:

30 (i) All brands, types, packages, and containers of beer offered for  
31 sale by such beer and/or wine wholesaler;

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

34 (c) No beer and/or wine wholesaler may sell or offer to sell any  
35 package or container of beer or wine to any retail licensee at a price  
36 differing from the price for such package or container as shown in the  
37 price posting filed by the beer and/or wine wholesaler and then in  
38 effect, according to rules adopted by the board.

1       (d) Quantity discounts are prohibited. No price may be posted that  
2 is below acquisition cost plus ten percent of acquisition cost.  
3 However, the board is empowered to review periodically, as it may deem  
4 appropriate, the amount of the percentage of acquisition cost as a  
5 minimum mark-up over cost and to modify such percentage by rule of the  
6 board, except such percentage shall be not less than ten percent.

7       (e) Wholesale prices on a "close-out" item shall be accepted by the  
8 board if the item to be discontinued has been listed on the state  
9 market for a period of at least six months, and upon the further  
10 condition that the wholesaler who posts such a close-out price shall  
11 not restock the item for a period of one year following the first  
12 effective date of such close-out price.

13       (f) The board may reject any price posting that it deems to be in  
14 violation of this section or any rule, or portion thereof, or that  
15 would tend to disrupt the orderly sale and distribution of beer and  
16 wine. Whenever the board rejects any posting, the licensee submitting  
17 the posting may be heard by the board and shall have the burden of  
18 showing that the posting is not in violation of this section or a rule  
19 or does not tend to disrupt the orderly sale and distribution of beer  
20 and wine. If the posting is accepted, it shall become effective at the  
21 time fixed by the board. If the posting is rejected, the last  
22 effective posting shall remain in effect until such time as an amended  
23 posting is filed and approved, in accordance with the provisions of  
24 this section.

25       (g) All price postings filed as required by this section shall at  
26 all times be open to inspection to all trade buyers within the state of  
27 Washington and shall not in any sense be considered confidential.

28       (h) Any beer and/or wine wholesaler or employee authorized by the  
29 wholesaler-employer may sell beer and/or wine at the wholesaler's  
30 posted prices to any class A, B, C, D, E, F, H, G, or J licensee upon  
31 presentation to the wholesaler or employee at the time of purchase of  
32 a special permit issued by the board to such licensee.

33       (i) Every class A, B, C, D, E, F, H, G, or J licensee, upon  
34 purchasing any beer and/or wine from a wholesaler, shall immediately  
35 cause such beer or wine to be delivered to the licensed premises, and  
36 the licensee shall not thereafter permit such beer to be disposed of in  
37 any manner except as authorized by the license.

38       (ii) Beer and wine sold as provided in this section shall be  
39 delivered by the wholesaler or an authorized employee either to the

1 retailer's licensed premises or directly to the retailer at the  
2 wholesaler's licensed premises. A wholesaler's prices to retail  
3 licensees shall be the same at both such places of delivery.

4 (3) Beer and wine suppliers' price filings, contracts, and  
5 memoranda. (a) Every brewery and winery offering beer and/or wine for  
6 sale within the state shall file with the board at its office in  
7 Olympia a copy of every written contract and a memorandum of every oral  
8 agreement which such brewery or winery may have with any beer or wine  
9 wholesaler, which contracts or memoranda shall contain a schedule of  
10 prices charged to wholesalers for all items and all terms of sale,  
11 including all regular and special discounts; all advertising, sales and  
12 trade allowances, and incentive programs; and all commissions, bonuses  
13 or gifts, and any and all other discounts or allowances. Whenever  
14 changed or modified, such revised contracts or memoranda shall  
15 forthwith be filed with the board as provided for by rule. The  
16 provisions of this section also apply to certificate of approval  
17 holders, beer and/or wine importers, and beer and/or wine wholesalers  
18 who sell to other beer and/or wine wholesalers.

19 Each price schedule shall be made on a form prepared and furnished  
20 by the board, or a reasonable facsimile thereof, and shall set forth  
21 all brands, types, packages, and containers of beer or wine offered for  
22 sale by such licensed brewery or winery; all additional information  
23 required may be filed as a supplement to the price schedule forms.

24 (b) Prices filed by a brewery or winery shall be uniform prices to  
25 all wholesalers on a state-wide basis less bona fide allowances for  
26 freight differentials. Quantity discounts are prohibited. No price  
27 shall be filed that is below acquisition/production cost plus ten  
28 percent of that cost, except that acquisition cost plus ten percent of  
29 acquisition cost does not apply to sales of beer or wine between a beer  
30 or wine importer who sells beer or wine to another beer or wine  
31 importer or to a beer or wine wholesaler, or to a beer or wine  
32 wholesaler who sells beer or wine to another beer or wine wholesaler.  
33 However, the board is empowered to review periodically, as it may deem  
34 appropriate, the amount of the percentage of acquisition/production  
35 cost as a minimum mark-up over cost and to modify such percentage by  
36 rule of the board, except such percentage shall be not less than ten  
37 percent.

38 (c) No brewery, winery, certificate of approval holder, wine  
39 importer, or wine wholesaler may sell or offer to sell any beer or wine

1 to any persons whatsoever in this state until copies of such written  
2 contracts or memoranda of such oral agreements are on file with the  
3 board.

4 (d) No brewery or winery may sell or offer to sell any package or  
5 container of beer or wine to any wholesaler at a price differing from  
6 the price for such package or container as shown in the schedule of  
7 prices filed by the brewer or domestic winery and then in effect,  
8 according to rules adopted by the board.

9 (e) The board may reject any supplier's price filing, contract, or  
10 memorandum of oral agreement, or portion thereof that it deems to be in  
11 violation of this section or any rule or that would tend to disrupt the  
12 orderly sale and distribution of beer or wine. Whenever the board  
13 rejects any such price filing, contract, or memorandum, the licensee  
14 submitting the price filing, contract, or memorandum may be heard by  
15 the board and shall have the burden of showing that the price filing,  
16 contract, or memorandum is not in violation of this section or a rule  
17 or does not tend to disrupt the orderly sale and distribution of beer  
18 or wine. If the price filing, contract, or memorandum is accepted, it  
19 shall become effective at a time fixed by the board. If the price  
20 filing, contract, or memorandum, or portion thereof, is rejected, the  
21 last effective price filing, contract, or memorandum shall remain in  
22 effect until such time as an amended price filing, contract, or  
23 memorandum is filed and approved, in accordance with the provisions of  
24 this section.

25 (f) All prices, contracts, and memoranda filed as required by this  
26 section shall at all times be open to inspection to all trade buyers  
27 within the state of Washington and shall not in any sense be considered  
28 confidential."

29 **HB 1060** - S COMM AMD (S2849.1)  
30 By Committee on Labor, Commerce & Trade

31 ADOPTED 4/12/95

32 On page 1, line 3 of the title, after "66.24.330," strike "and  
33 66.24.490" and insert "66.24.490, and 66.28.180"

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