

CERTIFICATION OF ENROLLMENT  
**SUBSTITUTE SENATE BILL 5173**

Chapter 321, Laws of 1997  
(partial veto)

55th Legislature  
1997 Regular Session

LIQUOR LICENSING--RESTRUCTURE

EFFECTIVE DATE: 7/1/98

Passed by the Senate April 21, 1997  
YEAS 43 NAYS 0

BRAD OWEN

\_\_\_\_\_  
**President of the Senate**

Passed by the House April 9, 1997  
YEAS 98 NAYS 0

CLYDE BALLARD

\_\_\_\_\_  
**Speaker of the  
House of Representatives**

Approved May 12, 1997, with the  
exception of sections 39, 48, 58, 59,  
and 60, which are vetoed.

GARY LOCKE

\_\_\_\_\_  
**Governor of the State of Washington**

CERTIFICATE

I, Mike O Connell, Secretary of the  
Senate of the State of Washington, do  
hereby certify that the attached is  
**SUBSTITUTE SENATE BILL 5173** as passed  
by the Senate and the House of  
Representatives on the dates hereon  
set forth.

MIKE O'CONNELL

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**Secretary**

FILED

May 12, 1997 - 3:31 p.m.

**Secretary of State  
State of Washington**

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**SUBSTITUTE SENATE BILL 5173**

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AS AMENDED BY THE HOUSE

Passed Legislature - 1997 Regular Session

**State of Washington                      55th Legislature                      1997 Regular Session**

**By** Senate Committee on Commerce & Labor (originally sponsored by Senators Schow, Prentice and Horn; by request of Liquor Control Board)

Read first time 03/04/97.

1            AN ACT Relating to improving the liquor license schematic of the  
2 state of Washington; amending RCW 66.24.010, 66.24.150, 66.24.170,  
3 66.24.185, 66.24.200, 66.24.206, 66.24.210, 66.24.230, 66.24.240,  
4 66.24.250, 66.24.270, 66.24.290, 66.24.310, 66.24.320, 66.24.330,  
5 66.24.350, 66.24.360, 66.24.380, 66.24.395, 66.24.400, 66.24.420,  
6 66.24.425, 66.24.440, 66.24.450, 66.24.455, 66.24.495, 66.24.540,  
7 66.24.550, 66.24.570, 66.04.010, 66.28.200, 66.24.210, 15.88.030,  
8 19.126.020, 66.16.100, 66.20.300, 66.28.030, 66.28.040, 66.28.050,  
9 66.28.170, 66.28.180, 66.28.190, 66.44.310, 66.98.060, 82.08.150,  
10 66.08.180, 66.16.100, 66.20.300, 66.24.375, and 66.44.190; amending  
11 1973 1st ex.s. c 204 s 3 (uncodified); reenacting and amending RCW  
12 66.20.010, 66.20.310, 66.28.010, and 66.20.310; adding new sections to  
13 chapter 66.24 RCW; creating a new section; repealing RCW 66.24.204,  
14 66.24.260, 66.24.340, 66.24.370, 66.24.490, 66.24.500, 66.24.510, and  
15 66.24.560; prescribing penalties; and providing an effective date.

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

17            **Sec. 1.** RCW 66.24.010 and 1995 c 232 s 1 are each amended to read  
18 as follows:

1 (1) Every license shall be issued in the name of the applicant, and  
2 the holder thereof shall not allow any other person to use the license.

3 (2) For the purpose of considering any application for a license,  
4 the board may cause an inspection of the premises to be made, and may  
5 inquire into all matters in connection with the construction and  
6 operation of the premises. For the purpose of reviewing any  
7 application for a license and for considering the denial, suspension or  
8 revocation of any license, the liquor control board may consider any  
9 prior criminal conduct of the applicant and the provisions of RCW  
10 9.95.240 and of chapter 9.96A RCW shall not apply to such cases. The  
11 board may, in its discretion, grant or refuse the license applied for.  
12 Authority to approve an uncontested or unopposed license may be granted  
13 by the board to any staff member the board designates in writing.  
14 Conditions for granting such authority shall be adopted by rule. No  
15 retail license of any kind may be issued to:

16 (a) A person who has not resided in the state for at least one  
17 month prior to making application, except in cases of licenses issued  
18 to dining places on railroads, boats, or aircraft;

19 (b) A copartnership, unless all of the members thereof are  
20 qualified to obtain a license, as provided in this section;

21 (c) A person whose place of business is conducted by a manager or  
22 agent, unless such manager or agent possesses the same qualifications  
23 required of the licensee;

24 (d) A corporation or a limited liability company, unless it was  
25 created under the laws of the state of Washington or holds a  
26 certificate of authority to transact business in the state of  
27 Washington.

28 (3) The board may, in its discretion, subject to the provisions of  
29 RCW 66.08.150, suspend or cancel any license; and all rights of the  
30 licensee to keep or sell liquor thereunder shall be suspended or  
31 terminated, as the case may be. The board may request the appointment  
32 of administrative law judges under chapter 34.12 RCW who shall have  
33 power to administer oaths, issue subpoenas for the attendance of  
34 witnesses and the production of papers, books, accounts, documents, and  
35 testimony, examine witnesses, and to receive testimony in any inquiry,  
36 investigation, hearing, or proceeding in any part of the state, under  
37 such rules and regulations as the board may adopt.

38 Witnesses shall be allowed fees and mileage each way to and from  
39 any such inquiry, investigation, hearing, or proceeding at the rate

1 authorized by RCW 34.05.446, as now or hereafter amended. Fees need  
2 not be paid in advance of appearance of witnesses to testify or to  
3 produce books, records, or other legal evidence.

4 In case of disobedience of any person to comply with the order of  
5 the board or a subpoena issued by the board, or any of its members, or  
6 administrative law judges, or on the refusal of a witness to testify to  
7 any matter regarding which he or she may be lawfully interrogated, the  
8 judge of the superior court of the county in which the person resides,  
9 on application of any member of the board or administrative law judge,  
10 shall compel obedience by contempt proceedings, as in the case of  
11 disobedience of the requirements of a subpoena issued from said court  
12 or a refusal to testify therein.

13 (4) Upon receipt of notice of the suspension or cancellation of a  
14 license, the licensee shall forthwith deliver up the license to the  
15 board. Where the license has been suspended only, the board shall  
16 return the license to the licensee at the expiration or termination of  
17 the period of suspension. The board shall notify all vendors in the  
18 city or place where the licensee has its premises of the suspension or  
19 cancellation of the license; and no employee may allow or cause any  
20 liquor to be delivered to or for any person at the premises of that  
21 licensee.

22 (5)(a) At the time of the original issuance of a (~~class-H~~) full  
23 service restaurant license, the board shall prorate the license fee  
24 charged to the new licensee according to the number of calendar  
25 quarters, or portion thereof, remaining until the first renewal of that  
26 license is required.

27 (b) Unless sooner canceled, every license issued by the board shall  
28 expire at midnight of the thirtieth day of June of the fiscal year for  
29 which it was issued. However, if the board deems it feasible and  
30 desirable to do so, it may establish, by rule pursuant to chapter 34.05  
31 RCW, a system for staggering the annual renewal dates for any and all  
32 licenses authorized by this chapter. If such a system of staggered  
33 annual renewal dates is established by the board, the license fees  
34 provided by this chapter shall be appropriately prorated during the  
35 first year that the system is in effect.

36 (6) Every license issued under this section shall be subject to all  
37 conditions and restrictions imposed by this title or by the regulations  
38 in force from time to time. All conditions and restrictions imposed by  
39 the board in the issuance of an individual license shall be listed on

1 the face of the individual license along with the trade name, address,  
2 and expiration date.

3 (7) Every licensee shall post and keep posted its license, or  
4 licenses, in a conspicuous place on the premises.

5 (8) Before the board shall issue a license to an applicant it shall  
6 give notice of such application to the chief executive officer of the  
7 incorporated city or town, if the application be for a license within  
8 an incorporated city or town, or to the county legislative authority,  
9 if the application be for a license outside the boundaries of  
10 incorporated cities or towns; and such incorporated city or town,  
11 through the official or employee selected by it, or the county  
12 legislative authority or the official or employee selected by it, shall  
13 have the right to file with the board within twenty days after date of  
14 transmittal of such notice, written objections against the applicant or  
15 against the premises for which the license is asked, and shall include  
16 with such objections a statement of all facts upon which such  
17 objections are based, and in case written objections are filed, may  
18 request and the liquor control board may in its discretion hold a  
19 formal hearing subject to the applicable provisions of Title 34 RCW.  
20 Upon the granting of a license under this title the board shall send a  
21 duplicate of the license or written notification to the chief executive  
22 officer of the incorporated city or town in which the license is  
23 granted, or to the county legislative authority if the license is  
24 granted outside the boundaries of incorporated cities or towns.

25 (9) Before the board issues any license to any applicant, it shall  
26 give (a) due consideration to the location of the business to be  
27 conducted under such license with respect to the proximity of churches,  
28 schools, and public institutions and (b) written notice by certified  
29 mail of the application to churches, schools, and public institutions  
30 within five hundred feet of the premises to be licensed. The board  
31 shall issue no beer retailer license (~~(class A, B, D, or E)~~) for either  
32 on-premises or off-premises consumption or wine retailer license  
33 (~~(class C or F)~~) for either on-premises or off-premises consumption or  
34 (~~(class H)~~) full service restaurant license covering any premises not  
35 now licensed, if such premises are within five hundred feet of the  
36 premises of any tax-supported public elementary or secondary school  
37 measured along the most direct route over or across established public  
38 walks, streets, or other public passageway from the outer property line  
39 of the school grounds to the nearest public entrance of the premises

1 proposed for license, and if, after receipt by the school or public  
2 institution of the notice as provided in this subsection, the board  
3 receives written notice, within twenty days after posting such notice,  
4 from an official representative or representatives of the school within  
5 five hundred feet of said proposed licensed premises, indicating to the  
6 board that there is an objection to the issuance of such license  
7 because of proximity to a school. For the purpose of this section,  
8 church shall mean a building erected for and used exclusively for  
9 religious worship and schooling or other activity in connection  
10 therewith. No liquor license may be issued or reissued by the board to  
11 any motor sports facility or licensee operating within the motor sports  
12 facility unless the motor sports facility enforces a program reasonably  
13 calculated to prevent alcohol or alcoholic beverages not purchased  
14 within the facility from entering the facility and such program is  
15 approved by local law enforcement agencies. It is the intent under  
16 this subsection that a retail license shall not be issued by the board  
17 where doing so would, in the judgment of the board, adversely affect a  
18 private school meeting the requirements for private schools under Title  
19 28A RCW, which school is within five hundred feet of the proposed  
20 licensee. The board shall fully consider and give substantial weight  
21 to objections filed by private schools. If a license is issued despite  
22 the proximity of a private school, the board shall state in a letter  
23 addressed to the private school the board's reasons for issuing the  
24 license.

25 (10) The restrictions set forth in subsection (9) of this section  
26 shall not prohibit the board from authorizing the assumption of  
27 existing licenses now located within the restricted area by other  
28 persons or licenses or relocations of existing licensed premises within  
29 the restricted area. In no case may the licensed premises be moved  
30 closer to a church or school than it was before the assumption or  
31 relocation.

32 (11) Nothing in this section prohibits the board, in its  
33 discretion, from issuing a temporary retail or (~~wholesaler~~)  
34 distributor license to an applicant assuming an existing retail or  
35 (~~wholesaler~~) distributor license to continue the operation of the  
36 retail or (~~wholesaler~~) distributor premises during the period the  
37 application for the license is pending and when the following  
38 conditions exist:

1 (a) The licensed premises has been operated under a retail or  
2 (~~wholesaler~~) distributor license within ninety days of the date of  
3 filing the application for a temporary license;

4 (b) The retail or (~~wholesaler~~) distributor license for the  
5 premises has been surrendered pursuant to issuance of a temporary  
6 operating license;

7 (c) The applicant for the temporary license has filed with the  
8 board an application to assume the retail or (~~wholesaler~~) distributor  
9 license at such premises to himself or herself; and

10 (d) The application for a temporary license is accompanied by a  
11 temporary license fee established by the board by rule.

12 A temporary license issued by the board under this section shall be  
13 for a period not to exceed sixty days. A temporary license may be  
14 extended at the discretion of the board for an additional sixty-day  
15 period upon payment of an additional fee and upon compliance with all  
16 conditions required in this section.

17 Refusal by the board to issue or extend a temporary license shall  
18 not entitle the applicant to request a hearing. A temporary license  
19 may be canceled or suspended summarily at any time if the board  
20 determines that good cause for cancellation or suspension exists. RCW  
21 66.08.130 and chapter 34.05 RCW shall apply to temporary licenses.

22 Application for a temporary license shall be on such form as the  
23 board shall prescribe. If an application for a temporary license is  
24 withdrawn before issuance or is refused by the board, the fee which  
25 accompanied such application shall be refunded in full.

26 **Sec. 2.** RCW 66.24.150 and 1981 1st ex.s. c 5 s 29 are each amended  
27 to read as follows:

28 There shall be a license to manufacturers of liquor, including all  
29 kinds of manufacturers except those licensed as distillers, domestic  
30 brewers, microbreweries, wineries, and domestic wineries, authorizing  
31 such licensees to manufacture, import, sell, and export liquor from the  
32 state; fee five hundred dollars per annum.

33 **Sec. 3.** RCW 66.24.170 and 1991 c 192 s 2 are each amended to read  
34 as follows:

35 (1) There shall be a license (~~to~~) for domestic wineries; fee to  
36 be computed only on the liters manufactured: (~~One hundred~~) Less than  
37 two hundred fifty thousand liters (~~or less~~) per year, one hundred

1 dollars per year; (~~over one hundred~~) and two hundred fifty thousand  
2 liters (~~to seven hundred fifty thousand liters~~) or more per year,  
3 four hundred dollars per year (~~; and over seven hundred fifty thousand~~  
4 ~~liters per year, eight hundred dollars per year~~)).

5 (2) (~~Any applicant for a domestic winery license shall, at the~~  
6 ~~time of filing application for license, accompany such application with~~  
7 ~~a license fee based upon a reasonable estimate of the amount of wine~~  
8 ~~liters to be manufactured by such applicant. Persons holding domestic~~  
9 ~~winery licenses shall report annually at the end of each fiscal year,~~  
10 ~~at such time and in such manner as the board may prescribe, the amount~~  
11 ~~of wine manufactured by them during the fiscal year. If the total~~  
12 ~~amount of wine manufactured during the year exceeds the amount~~  
13 ~~permitted annually by the license fee already paid the board, the~~  
14 ~~licensee shall pay such additional license fee as may be unpaid in~~  
15 ~~accordance with the schedule provided in this section~~) The license  
16 allows for the manufacture of wine in Washington state from grapes or  
17 other agricultural products.

18 (3) Any domestic winery licensed under this section (~~shall~~) may  
19 also (~~be considered as holding, for the purposes of selling or~~  
20 ~~importing wine~~) act as a distributor and/or retailer of wine of its  
21 own production(~~, a current wine wholesaler's license under RCW~~  
22 ~~66.24.200, a wine importer's license under RCW 66.24.204, and a wine~~  
23 ~~retailer's license, class F, under RCW 66.24.370 without further~~  
24 ~~application or fee~~). Any winery operating as a (~~wholesaler,~~  
25 ~~importer, or~~) distributor and/or retailer under this subsection shall  
26 comply with the applicable laws and rules relating to (~~wholesalers,~~  
27 ~~importers, and~~) distributors and/or retailers.

28 (4) Wine produced in Washington state by a domestic winery licensee  
29 may be shipped out-of-state for the purpose of making it into sparkling  
30 wine and then returned to such licensee for resale. Such wine shall be  
31 deemed wine manufactured in the state of Washington for the purposes of  
32 RCW 66.24.206, and shall not require a special license.

33 **Sec. 4.** RCW 66.24.185 and 1984 c 19 s 1 are each amended to read  
34 as follows:

35 (1) There shall be a license for bonded wine warehouses which shall  
36 authorize the storage of bottled wine only. Under this license a  
37 licensee may maintain a warehouse for the storage of wine off the  
38 premises of a winery.



1 (2) The board shall adopt similar qualifications for a bonded wine  
2 warehouse license as required for obtaining a domestic winery license  
3 as specified in RCW 66.24.010 and 66.24.170. A licensee must be a sole  
4 proprietor, a partnership, a limited liability company, or a  
5 corporation. One or more domestic wineries may operate as a  
6 partnership, corporation, business co-op, or agricultural co-op for the  
7 purposes of obtaining a bonded wine warehouse license.

8 (3) All bottled wine shipped to a bonded wine warehouse from a  
9 winery or another bonded wine warehouse shall remain under bond and no  
10 tax imposed under RCW 66.24.210 shall be due, unless the wine is  
11 removed from bond and shipped to a licensed Washington wine  
12 ~~((wholesaler))~~ distributor. Wine may be removed from a bonded wine  
13 warehouse only for the purpose of being (a) exported from the state,  
14 (b) shipped to a licensed Washington wine ~~((wholesaler))~~ distributor,  
15 or (c) returned to a winery or bonded wine warehouse.

16 (4) Warehousing of wine by any person other than (a) a licensed  
17 domestic winery or a bonded wine warehouse licensed under the  
18 provisions of this section, (b) a licensed Washington wine  
19 ~~((wholesaler))~~ distributor, (c) a licensed Washington wine importer,  
20 ~~((or))~~ (d) a wine certificate of approval holder (W7), or (e) the  
21 liquor control board, is prohibited.

22 (5) A license applicant shall hold a federal permit for a bonded  
23 wine cellar and post a continuing wine tax bond in the amount of five  
24 thousand dollars in a form prescribed by the board prior to the  
25 issuance of a bonded wine warehouse license. The fee for this license  
26 shall be one hundred dollars per annum.

27 (6) The board shall adopt rules requiring a bonded wine warehouse  
28 to be physically secure, zoned for the intended use and physically  
29 separated from any other use.

30 (7) Every licensee shall submit to the board a monthly report of  
31 movement of bottled wines to and from a bonded wine warehouse in a form  
32 prescribed by the board. The board may adopt other necessary  
33 procedures by which bonded wine warehouses are licensed and regulated.

34 **Sec. 5.** RCW 66.24.200 and 1981 1st ex.s. c 5 s 32 are each amended  
35 to read as follows:

36 There shall be a license ~~((to))~~ for wine ~~((wholesalers))~~  
37 distributors to sell wine, ~~((manufactured within or without the state,~~  
38 ~~to licensed wholesalers and/or to holders of wine retailer's licenses))~~

1 purchased from licensed Washington wineries, wine certificate of  
2 approval holders (W7), licensed wine importers, or suppliers of foreign  
3 wine located outside the state of Washington, to licensed wine  
4 retailers and other wine distributors and to export the same from the  
5 state; fee ((five)) six hundred sixty dollars per ((annum)) year for  
6 each distributing unit.

7 NEW SECTION. **Sec. 6.** A new section is added to chapter 66.24 RCW  
8 to read as follows:

9 There shall be a license for wine importers that authorizes the  
10 licensee to import wine manufactured within the United States by  
11 certificate of approval holders (W7) into the state of Washington. The  
12 licensee may also import wine manufactured outside the United States.

13 (1) Wine so imported may be sold to licensed wine distributors or  
14 exported from the state.

15 (2) Every person, firm, or corporation licensed as a wine importer  
16 shall establish and maintain a principal office within the state at  
17 which shall be kept proper records of all wine imported into the state  
18 under this license.

19 (3) No wine importer's license shall be granted to a nonresident of  
20 the state nor to a corporation whose principal place of business is  
21 outside the state until such applicant has established a principal  
22 office and agent within the state upon which service can be made.

23 (4) As a requirement for license approval, a wine importer shall  
24 enter into a written agreement with the board to furnish on or before  
25 the twentieth day of each month, a report under oath, detailing the  
26 quantity of wine sold or delivered to each licensed wine distributor.  
27 Failure to file such reports may result in the suspension or  
28 cancellation of this license.

29 (5) Wine imported under this license must conform to the provisions  
30 of RCW 66.28.110 and have received label approval from the board. The  
31 board shall not certify wines labeled with names that may be confused  
32 with other nonalcoholic beverages whether manufactured or produced from  
33 a domestic winery or imported nor wines that fail to meet quality  
34 standards established by the board.

35 (6) The license fee shall be one hundred sixty dollars per year.

36 **Sec. 7.** RCW 66.24.206 and 1981 1st ex.s. c 5 s 34 are each amended  
37 to read as follows:

1       (~~No wine wholesaler nor wine importer shall purchase any wine not~~  
2 ~~manufactured within the state of Washington by a winery holding a~~  
3 ~~license as a manufacturer of wine from the state of Washington, and/or~~  
4 ~~transport or cause the same to be transported into the state of~~  
5 ~~Washington for resale therein, unless the winery or manufacturer of~~  
6 ~~such wine, or the licensed importer of wine produced outside the United~~  
7 ~~States, has obtained from the Washington state liquor control board a~~  
8 ~~certificate of approval, as hereinafter provided.)) A United States  
9 winery or manufacturer of wine, located outside the state of  
10 Washington, must hold a certificate of approval (W7) to allow sales and  
11 shipment of the certificate of approval holder's wine to licensed  
12 Washington wine distributors or importers. The certificate of approval  
13 (~~herein provided for~~) shall not be granted unless and until such  
14 winery(~~(,)~~) or manufacturer(~~(, or licensed importer of wine produced~~  
15 ~~outside the United States,)~~) of wine shall have made a written  
16 agreement with the board to furnish to the board, on or before the  
17 twentieth day of each month, a report under oath, on a form to be  
18 prescribed by the board, showing the quantity of wine sold or delivered  
19 to each licensed wine (~~importer, or imported by the licensed importer~~  
20 ~~of wine produced outside the United States~~) distributor or importer,  
21 during the preceding month, and shall further have agreed with the  
22 board, that such wineries(~~(,)~~) or manufacturers, (~~(or licensed~~  
23 ~~importers of wine produced outside the United States,)~~) and all general  
24 sales corporations or agencies maintained by them, and all of their  
25 trade representatives (~~(and agents)~~), shall and will faithfully comply  
26 with all laws of the state of Washington pertaining to the sale of  
27 intoxicating liquors and all rules and regulations of the Washington  
28 state liquor control board. (~~If any such winery, manufacturer, or~~  
29 ~~licensed importer of wine produced outside the United States, shall,~~  
30 ~~after obtaining such certificate, fail to submit such report, or if~~  
31 ~~such winery, manufacturer, or licensed importer of wine produced~~  
32 ~~outside the United States, or general sales corporations or agencies~~  
33 ~~maintained by them, or their trade representatives or agents, shall~~  
34 ~~violate the terms of such agreement, the board shall, in its~~  
35 ~~discretion, suspend or revoke such certificate: PROVIDED, HOWEVER,~~  
36 ~~That such certificates of approval shall only authorize the holder~~  
37 ~~thereof to ship or import into the state of Washington specifically~~  
38 ~~named designated and identified types of wine which conform to the~~  
39 ~~provisions of RCW 66.28.110 and for which the liquor control board has~~~~

1 issued a certificate of label approval. The Washington state liquor  
2 control board shall not certify wines labeled with names which may be  
3 confused with other nonalcoholic beverages, whether manufactured or  
4 produced from a domestic winery or imported, nor wines which fail to  
5 meet quality standards established by the board)) A violation of the  
6 terms of this agreement will cause the board to take action to suspend  
7 or revoke such certificate.

8 The fee for the certificate of approval, issued pursuant to the  
9 provisions of this title, shall be one hundred dollars per ((annum))  
10 year, which sum shall accompany the application for such certificate.

11 **Sec. 8.** RCW 66.24.210 and 1996 c 118 s 1 are each amended to read  
12 as follows:

13 (1) There is hereby imposed upon all wines except cider sold to  
14 wine ((wholesalers)) distributors and the Washington state liquor  
15 control board, within the state a tax at the rate of twenty and one-  
16 fourth cents per liter ((and)). There is hereby imposed on all cider  
17 sold to wine ((wholesalers)) distributors and the Washington state  
18 liquor control board within the state a tax at the rate of three and  
19 fifty-nine one-hundredths cents per liter: PROVIDED, HOWEVER, That  
20 wine sold or shipped in bulk from one winery to another winery shall  
21 not be subject to such tax. The tax provided for in this section shall  
22 be collected by direct payments based on wine purchased by wine  
23 ((wholesalers)) distributors. Every person purchasing wine under the  
24 provisions of this section shall on or before the twentieth day of each  
25 month report to the board all purchases during the preceding calendar  
26 month in such manner and upon such forms as may be prescribed by the  
27 board, and with such report shall pay the tax due from the purchases  
28 covered by such report unless the same has previously been paid. Any  
29 such purchaser of wine whose applicable tax payment is not postmarked  
30 by the twentieth day following the month of purchase will be assessed  
31 a penalty at the rate of two percent a month or fraction thereof. The  
32 board may require that every such person shall execute to and file with  
33 the board a bond to be approved by the board, in such amount as the  
34 board may fix, securing the payment of the tax. If any such person  
35 fails to pay the tax when due, the board may forthwith suspend or  
36 cancel the license until all taxes are paid.

37 (2) An additional tax is imposed equal to the rate specified in RCW  
38 82.02.030 multiplied by the tax payable under subsection (1) of this

1 section. All revenues collected during any month from this additional  
2 tax shall be transferred to the state general fund by the twenty-fifth  
3 day of the following month.

4 (3) An additional tax is imposed on wines subject to tax under  
5 subsection (1) of this section, at the rate of one-fourth of one cent  
6 per liter for wine sold after June 30, 1987. After June 30, 1996, such  
7 additional tax does not apply to cider. An additional tax of five one-  
8 hundredths of one cent per liter is imposed on cider sold after June  
9 30, 1996. The additional taxes imposed by this subsection (3) shall  
10 cease to be imposed on July 1, 2001. All revenues collected under this  
11 subsection (3) shall be disbursed quarterly to the Washington wine  
12 commission for use in carrying out the purposes of chapter 15.88 RCW.

13 (4) An additional tax is imposed on all wine subject to tax under  
14 subsection (1) of this section. The additional tax is equal to twenty-  
15 three and forty-four one-hundredths cents per liter on fortified wine  
16 as defined in RCW 66.04.010(~~(+34+)~~) (37) when bottled or packaged by  
17 the manufacturer, one cent per liter on all other wine except cider,  
18 and eighteen one-hundredths of one cent per liter on cider. All  
19 revenues collected during any month from this additional tax shall be  
20 deposited in the violence reduction and drug enforcement account under  
21 RCW 69.50.520 by the twenty-fifth day of the following month.

22 (5)(a) An additional tax is imposed on all cider subject to tax  
23 under subsection (1) of this section. The additional tax is equal to  
24 two and four one-hundredths cents per liter of cider sold after June  
25 30, 1996, and before July 1, 1997, and is equal to four and seven one-  
26 hundredths cents per liter of cider sold after June 30, 1997.

27 (b) All revenues collected from the additional tax imposed under  
28 this subsection (5) shall be deposited in the health services account  
29 under RCW 43.72.900.

30 (6) For the purposes of this section, "cider" means table wine that  
31 contains not less than one-half of one percent of alcohol by volume and  
32 not more than seven percent of alcohol by volume and is made from the  
33 normal alcoholic fermentation of the juice of sound, ripe apples or  
34 pears. "Cider" includes, but is not limited to, flavored, sparkling,  
35 or carbonated cider and cider made from condensed apple or pear must.

36 **Sec. 9.** 1973 1st ex.s. c 204 s 3 (uncodified) is amended to read as  
37 follows:

1        There is hereby imposed upon every licensed wine (~~wholesaler~~)  
2 distributor who possesses wine for resale upon which the tax has not  
3 been paid under section 2 (~~of this~~), chapter 204, Laws of 1973  
4 (~~amendatory act~~), a floor stocks tax of sixty-five cents per wine  
5 gallon on wine in his or her possession or under his or her control on  
6 June 30, 1973. Each such (~~wholesaler~~) distributor shall within  
7 twenty days after June 30, 1973, file a report with the Washington  
8 state liquor control board in such form as the board may prescribe,  
9 showing the wine products on hand July 1, 1973, converted to gallons  
10 thereof and the amount of tax due thereon. The tax imposed by this  
11 section shall be due and payable within twenty days after July 1, 1973,  
12 and thereafter bear interest at the rate of one percent per month.

13        **Sec. 10.** RCW 66.24.230 and 1969 ex.s. c 21 s 4 are each amended to  
14 read as follows:

15        Every winery (~~and~~), wine importer, and wine distributor licensed  
16 under this title shall make monthly reports to the board pursuant to  
17 the regulations. Such winery (~~and~~), wine importer, and wine  
18 distributor shall make no sales of wine within the state of Washington  
19 except to the board, or as otherwise provided in this title.

20        **Sec. 11.** RCW 66.24.240 and 1985 c 226 s 1 are each amended to read  
21 as follows:

22        (1) There shall be a license (~~to brewers to manufacture malt~~  
23 ~~liquors,~~) for domestic breweries; fee (~~per annum~~) to be (~~based on~~  
24 ~~current fiscal year's production at the rate of fifty dollars per~~  
25 ~~thousand barrels, with a maximum fee of two thousand dollars, such~~  
26 ~~license fee to be collected and paid under such rules and regulations~~  
27 ~~as the board shall prescribe)) two thousand dollars for production of  
28 sixty thousand barrels or more of malt liquor per year.~~

29        (2) Any domestic brewery licensed under this section (~~shall~~) may  
30 also (~~be considered as holding, for the purposes of selling malt~~  
31 ~~liquor of its own production, a beer wholesaler's license under RCW~~  
32 ~~66.24.250, a beer retailer's license, class B, under RCW 66.24.330, and~~  
33 ~~a beer retailer's license, class E, under RCW 66.24.360 without further~~  
34 ~~application or fee)) act as a distributor and/or retailer for beer of  
35 its own production. Any domestic brewery operating as a (~~wholesaler~~  
36 ~~or~~) distributor and/or retailer under this subsection shall comply~~

1 with the applicable laws and rules relating to (~~such wholesalers and~~  
2 ~~retailers~~)) distributors and/or retailers.

3 NEW SECTION. Sec. 12. A new section is added to chapter 66.24 RCW  
4 to read as follows:

5 (1) There shall be a license for microbreweries; fee to be one  
6 hundred dollars for production of less than sixty thousand barrels of  
7 malt liquor per year.

8 (2) Any microbrewery license under this section may also act as a  
9 distributor and/or retailer for beer of its own production. Any  
10 microbrewery operating as a distributor and/or retailer under this  
11 subsection shall comply with the applicable laws and rules relating to  
12 distributors and/or retailers.

13 (3) The board may issue an endorsement to this license allowing for  
14 on-premises consumption of beer, wine, or both of other manufacture if  
15 purchased from a Washington state-licensed distributor. Each  
16 endorsement shall cost two hundred dollars per year, or four hundred  
17 dollars per year allowing the sale and service of both beer and wine.

18 (4) The microbrewer obtaining such endorsement must determine, at  
19 the time the endorsement is issued, whether the licensed premises will  
20 be operated either as a tavern with persons under twenty-one years of  
21 age not allowed as provided for in RCW 66.24.330, or as a limited  
22 service restaurant as described in RCW 66.24.320.

23 Sec. 13. RCW 66.24.250 and 1981 1st ex.s. c 5 s 14 are each  
24 amended to read as follows:

25 There shall be a license (~~to~~) for beer (~~wholesalers~~)  
26 distributors to sell beer(~~, manufactured within or without the state,~~  
27 to licensed wholesalers and/or to holders of beer retailer's licenses,  
28 and to export the same from the state; fee five hundred dollars per  
29 annum for each distributing unit)), purchased from licensed Washington  
30 breweries, beer certificate of approval holders (B5), licensed beer  
31 importers, or suppliers of foreign beer located outside the state of  
32 Washington, to licensed beer retailers and other beer distributors and  
33 to export same from the state of Washington; fee six hundred sixty  
34 dollars per year for each distributing unit.

35 NEW SECTION. Sec. 14. A new section is added to chapter 66.24 RCW  
36 to read as follows:

1        There shall be a license for beer importers that authorizes the  
2 licensee to import beer manufactured within the United States by  
3 certificate of approval holders (B5) into the state of Washington. The  
4 licensee may also import beer manufactured outside the United States.

5        (1) Beer so imported may be sold to licensed beer distributors or  
6 exported from the state.

7        (2) Every person, firm, or corporation licensed as a beer importer  
8 shall establish and maintain a principal office within the state at  
9 which shall be kept proper records of all beer imported into the state  
10 under this license.

11        (3) No beer importer's license shall be granted to a nonresident of  
12 the state nor to a corporation whose principal place of business is  
13 outside the state until such applicant has established a principal  
14 office and agent within the state upon which service can be made.

15        (4) As a requirement for license approval, a beer importer shall  
16 enter into a written agreement with the board to furnish on or before  
17 the twentieth day of each month, a report under oath, detailing the  
18 quantity of beer sold or delivered to each licensed beer distributor.  
19 Failure to file such reports may result in the suspension or  
20 cancellation of this license.

21        (5) Beer imported under this license must conform to the provisions  
22 of RCW 66.28.120 and have received label approval from the board. The  
23 board shall not certify beer labeled with names which may be confused  
24 with other nonalcoholic beverages whether manufactured or produced from  
25 a domestic brewery or imported nor beer which fails to meet quality  
26 standards established by the board.

27        (6) The license fee shall be one hundred sixty dollars per year.

28        **Sec. 15.** RCW 66.24.270 and 1981 1st ex.s. c 5 s 35 are each  
29 amended to read as follows:

30        (1) Every person, firm or corporation, holding a license to  
31 manufacture malt liquors within the state of Washington, shall, on or  
32 before the twentieth day of each month, furnish to the Washington state  
33 liquor control board, on a form to be prescribed by the board, a  
34 statement showing the quantity of malt liquors sold for resale during  
35 the preceding calendar month to each beer ((~~wholesaler~~)) distributor  
36 within the state of Washington((~~+~~)).

37        (2) ((~~No beer wholesaler nor beer importer shall purchase any beer~~  
38 ~~not manufactured within the state of Washington by a brewer holding a~~



1 ~~license as a manufacturer of malt liquors from the state of Washington,~~  
2 ~~and/or transport or cause the same to be transported into the state of~~  
3 ~~Washington for resale therein, unless the brewer or manufacturer of~~  
4 ~~such beer or the licensed importer of beer produced outside the United~~  
5 ~~States has obtained from the Washington state liquor control board a~~  
6 ~~certificate of approval, as hereinafter provided.))~~ A United States  
7 brewery or manufacturer of beer, located outside the state of  
8 Washington, must hold a certificate of approval (B5) to allow sales and  
9 shipment of the certificate of approval holder's beer to licensed  
10 Washington beer distributors or importers. The certificate of approval  
11 ~~((herein provided for))~~ shall not be granted unless and until such  
12 brewer or manufacturer of ~~((malt liquors or the licensed importer of~~  
13 ~~beer produced outside the United States))~~ beer shall have made a  
14 written agreement with the board to furnish to the board, on or before  
15 the twentieth day of each month, a report under oath, on a form to be  
16 prescribed by the board, showing the quantity of beer sold or delivered  
17 to each licensed beer ~~((importer or imported by the licensed importer~~  
18 ~~of beer produced outside the United States))~~ distributor or importer  
19 during the preceding month, and shall further have agreed with the  
20 board, that such brewer or manufacturer of ~~((malt liquors or the~~  
21 ~~licensed importer of beer produced outside the United States))~~ beer and  
22 all general sales corporations or agencies maintained by ~~((such brewers~~  
23 ~~or manufacturers or importers))~~ them, and all of their trade  
24 representatives ~~((or agents of such brewer or manufacturer of malt~~  
25 ~~liquors or the licensed importer of beer produced outside the United~~  
26 ~~States, and of such general sales))~~, corporations, and agencies, shall  
27 and will faithfully comply with all laws of the state of Washington  
28 pertaining to the sale of intoxicating liquors and all rules and  
29 regulations of the Washington state liquor control board. ~~((If any~~  
30 ~~such brewer or manufacturer of malt liquors or the licensed importer of~~  
31 ~~beer produced outside the United States shall, after obtaining such~~  
32 ~~certificate, fail to submit such report, or if such brewer or~~  
33 ~~manufacturer of malt liquors or the licensed importer of beer produced~~  
34 ~~outside the United States or general sales corporation or agency~~  
35 ~~maintained by such brewers or manufacturers or importers, or any~~  
36 ~~representative or agent thereof, shall violate the terms of such~~  
37 ~~agreement, the board shall, in its discretion, suspend or revoke such~~  
38 ~~certificate;))~~ A violation of the terms of this agreement will cause  
39 the board to take action to suspend or revoke such certificate.

1 (3) The fee for the certificate of approval, issued pursuant to the  
2 provisions of this title, shall be one hundred dollars per (~~annum~~)  
3 year, which sum shall accompany the application for such certificate.

4 **Sec. 16.** RCW 66.24.290 and 1995 c 232 s 4 are each amended to read  
5 as follows:

6 (1) Any (~~brewer~~) microbrewer or domestic brewery or beer  
7 (~~wholesaler~~) distributor licensed under this title may sell and  
8 deliver beer to holders of authorized licenses direct, but to no other  
9 person, other than the board; and every such (~~brewer~~) brewery or beer  
10 (~~wholesaler~~) distributor shall report all sales to the board monthly,  
11 pursuant to the regulations, and shall pay to the board as an added tax  
12 for the privilege of manufacturing and selling the beer within the  
13 state a tax of two dollars and sixty cents per barrel of thirty-one  
14 gallons on sales to licensees within the state and on sales to  
15 licensees within the state of bottled and canned beer shall pay a tax  
16 computed in gallons at the rate of two dollars and sixty cents per  
17 barrel of thirty-one gallons. Any (~~brewer~~) brewery or beer  
18 (~~wholesaler~~) distributor whose applicable tax payment is not  
19 postmarked by the twentieth day following the month of sale will be  
20 assessed a penalty at the rate of two percent per month or fraction  
21 thereof. Beer shall be sold by (~~brewers~~) breweries and  
22 (~~wholesalers~~) distributors in sealed barrels or packages.

23 (2) An additional tax is imposed equal to seven percent multiplied  
24 by the tax payable under subsection (1) of this section. All revenues  
25 collected during any month from this additional tax shall be  
26 transferred to the state general fund by the twenty-fifth day of the  
27 following month.

28 (3) An additional tax is imposed on all beer subject to tax under  
29 subsection (1) of this section. The additional tax is equal to two  
30 dollars per barrel of thirty-one gallons. All revenues collected  
31 during any month from this additional tax shall be deposited in the  
32 violence reduction and drug enforcement account under RCW 69.50.520 by  
33 the twenty-fifth day of the following month.

34 (4)(a) An additional tax is imposed on all beer subject to tax  
35 under subsection (1) of this section. The additional tax is equal to  
36 ninety-six cents per barrel of thirty-one gallons through June 30,  
37 1995, two dollars and thirty-nine cents per barrel of thirty-one  
38 gallons for the period July 1, 1995, through June 30, 1997, and four

1 dollars and seventy-eight cents per barrel of thirty-one gallons  
2 thereafter.

3 (b) The additional tax imposed under this subsection does not apply  
4 to the sale of the first sixty thousand barrels of beer each year by  
5 breweries that are entitled to a reduced rate of tax under 26 U.S.C.  
6 Sec. 5051, as existing on July 1, 1993, or such subsequent date as may  
7 be provided by the board by rule consistent with the purposes of this  
8 exemption.

9 (c) All revenues collected from the additional tax imposed under  
10 this subsection (4) shall be deposited in the health services account  
11 under RCW 43.72.900.

12 (5) The tax imposed under this section shall not apply to "strong  
13 beer" as defined in this title.

14 **Sec. 17.** RCW 66.24.310 and 1981 1st ex.s. c 5 s 36 are each  
15 amended to read as follows:

16 (1) No person shall canvass for, solicit, receive, or take orders  
17 for the purchase or sale of liquor, nor contact any licensees of the  
18 board in goodwill activities, unless such person shall be the  
19 accredited representative of a person, firm, or corporation holding a  
20 certificate of approval issued pursuant to RCW 66.24.270 or 66.24.206,  
21 a beer (~~wholesaler's~~) distributor's license, a microbrewer's license,  
22 a domestic brewer's license, a beer importer's license, a domestic  
23 winery license, a wine importer's license, or a wine (~~wholesaler's~~)  
24 distributor's license within the state of Washington, or the accredited  
25 representative of a distiller, manufacturer, importer, or distributor  
26 of spirituous liquor, or foreign produced beer or wine, and shall have  
27 applied for and received (~~an agent's~~) a representative's license:  
28 PROVIDED, HOWEVER, That the provisions of this section shall not apply  
29 to drivers who deliver beer or wine;

30 (2) Every (~~agent's~~) representative's license issued under this  
31 title shall be subject to all conditions and restrictions imposed by  
32 this title or by the rules and regulations of the board; the board, for  
33 the purpose of maintaining an orderly market, may limit the number of  
34 (~~agent's~~) representative's licenses issued for representation of  
35 specific classes of eligible employers;

36 (3) Every application for (~~an agent's~~) a representative's license  
37 must be approved by a holder of a certificate of approval issued  
38 pursuant to RCW 66.24.270 or 66.24.206, a licensed beer (~~wholesaler~~)

1 distributor, a licensed domestic brewer, a licensed beer importer, a  
2 licensed microbrewer, a licensed domestic winery, a licensed wine  
3 importer, a licensed wine (~~((wholesaler))~~) distributor, or by a  
4 distiller, manufacturer, importer, or distributor of spirituous liquor,  
5 or foreign produced beer or wine, as the rules and regulations of the  
6 board shall require;

7 (4) The fee for (~~((an agent's))~~) a representative's license shall be  
8 twenty-five dollars per (~~((annum))~~) year;

9 (5) An accredited representative of a distiller, manufacturer,  
10 importer, or distributor of spirituous liquor may, after he or she has  
11 applied for and received (~~((an agent's))~~) a representative's license,  
12 contact retail licensees of the board only in goodwill activities  
13 pertaining to spirituous liquor products.

14 **Sec. 18.** RCW 66.24.320 and 1995 c 232 s 6 are each amended to read  
15 as follows:

16 There shall be a (~~((beer retailer's))~~) limited service restaurant  
17 license (~~((to be designated as a class A license))~~) to sell beer or wine,  
18 or both, at retail, for consumption on the premises (~~((and to sell beer~~  
19 ~~for consumption off the premises. Beer sold for consumption off the~~  
20 ~~premises must be in original sealed packages of the manufacturer or~~  
21 ~~bottler of not less than four gallons. Beer may be sold to a purchaser~~  
22 ~~in a sanitary container brought to the premises by the purchaser and~~  
23 ~~filled at the tap by the retailer at the time of sale. Such licenses~~  
24 ~~may be issued only to hotels, restaurants, drug stores or soda~~  
25 ~~fountains, dining places on boats and airplanes, to clubs, and at~~  
26 ~~sports arenas or race tracks during recognized professional athletic~~  
27 ~~events. The annual fee for said license, if issued in cities and~~  
28 ~~towns, shall be graduated according to the population thereof as~~  
29 ~~follows:~~

30	Cities and towns	Fee
31	Less than 20,000	\$ 205
32	20,000 or over	\$ 355)).

33 A patron of the  
34 licensee may remove from the premises, recorked or recapped in its  
35 original container, any portion of wine that was purchased for  
consumption with a meal.

1       (1) ~~The annual fee ((for such license, if issued outside of cities~~  
2 ~~and towns,)) shall be two hundred ((five)) dollars((. —The annual~~  
3 ~~license fee for such license, if issued to dining places on vessels not~~  
4 ~~exceeding one thousand gross tons, plying on inland waters of the state~~  
5 ~~of Washington on regular schedules, shall be two hundred five dollars))~~  
6 for the beer license, two hundred dollars for the wine license, or four  
7 hundred dollars for a combination beer and wine license.

8       (2) The board may issue a caterer's endorsement to this license to  
9 allow the licensee to remove from the liquor stocks at the licensed  
10 premises, only those types of liquor that are authorized under the on-  
11 premises license privileges for sale and service at special occasion  
12 locations at a specified date and place not currently licensed by the  
13 board. The privilege of selling and serving liquor under the  
14 endorsement is limited to members and guests of a society or  
15 organization as defined in RCW 66.24.375. Cost of the endorsement is  
16 three hundred fifty dollars.

17       (a) The holder of this license with catering endorsement shall, if  
18 requested by the board, notify the board or its designee of the date,  
19 time, place, and location of any catered event. Upon request, the  
20 licensee shall provide to the board all necessary or requested  
21 information concerning the society or organization that will be holding  
22 the function at which the endorsed license will be utilized.

23       (b) If attendance at the function will be limited to members and  
24 invited guests of the sponsoring society or organization, the  
25 requirement that the society or organization be within the definition  
26 of RCW 66.24.375 is waived.

27       **Sec. 19.** RCW 66.24.330 and 1995 c 232 s 7 are each amended to read  
28 as follows:

29       There shall be a beer and wine retailer's license to be designated  
30 as a ((class B)) tavern license to sell beer or wine, or both, at  
31 retail, for consumption on the premises ((and to sell beer for  
32 consumption off the premises. — Beer sold for consumption off the  
33 premises must be in original sealed packages of the manufacturer or  
34 bottler of not less than four gallons. — Beer may be sold to a purchaser  
35 in a sanitary container brought to the premises by the purchaser and  
36 filled at the tap by the retailer at the time of sale)). Such licenses  
37 may be issued only to a person operating a tavern that may be  
38 frequented only by persons twenty-one years of age and older. ((The

1 annual fee for said license, if issued in cities and towns, shall be  
2 graduated according to the population thereof as follows:

3	Cities and towns	Fee
4	Less than 20,000	\$ 205
5	20,000 or over	\$ 355))

6 The annual fee for such license(~~(, if issued outside of cities and~~  
7 ~~towns,)~~) shall be two hundred ~~((five))~~ dollars for the beer license,  
8 two hundred dollars for the wine license, or four hundred dollars for  
9 a combination beer and wine license. Licensees who have a fee increase  
10 of more than one hundred dollars as a result of this change shall have  
11 their fees increased fifty percent of the amount the first renewal year  
12 and the remaining amount beginning with the second renewal period. New  
13 licensees obtaining a license after the effective date of this act  
14 shall pay the full amount of four hundred dollars.

15 **Sec. 20.** RCW 66.24.350 and 1991 c 42 s 3 are each amended to read  
16 as follows:

17 There shall be a beer retailer's license to be designated as ~~((~~{a}~~~~  
18 ~~class-D))~~ a snack bar license to sell beer by the opened bottle or can  
19 at retail, for consumption upon the premises only, such license to be  
20 issued to ((hotels, restaurants, dining places on boats and aeroplanes,  
21 clubs, drug stores, or soda fountains, and such other)) places where  
22 the sale of beer is not the principal business conducted; fee one  
23 hundred twenty-five dollars per ((annum)) year.

24 NEW SECTION. **Sec. 21.** A new section is added to chapter 66.24 RCW  
25 to read as follows:

26 There shall be a beer and wine retailer's license that may be  
27 combined only with the on-premises licenses described in either RCW  
28 66.24.320 or 66.24.330. The combined license permits the sale of beer  
29 and wine for consumption off the premises.

30 (1) Beer and wine sold for consumption off the premises must be in  
31 original sealed packages of the manufacturer or bottler.

32 (2) Beer may be sold to a purchaser in a sanitary container brought  
33 to the premises by the purchaser and filled at the tap by the retailer  
34 at the time of sale.

1 (3) Licensees holding this type of license also may sell malt  
2 liquor in kegs or other containers that are capable of holding four  
3 gallons or more of liquid and are registered in accordance with RCW  
4 66.28.200.

5 (4) The board may impose conditions upon the issuance of this  
6 license to best protect and preserve the health, safety, and welfare of  
7 the public.

8 (5) The annual fee for this license shall be one hundred twenty  
9 dollars.

10 **Sec. 22.** RCW 66.24.360 and 1993 c 21 s 1 are each amended to read  
11 as follows:

12 There shall be a beer and/or wine retailer's license to be  
13 designated as a ~~((class E))~~ grocery store license to sell beer and/or  
14 wine at retail in bottles, cans, and original ~~((packages))~~ containers,  
15 not to be consumed upon the premises where sold, at any store other  
16 than the state liquor stores.

17 (1) Licensees ~~((holding only an E license))~~ obtaining a written  
18 endorsement from the board may also sell malt liquor in kegs or other  
19 containers capable of holding less than five and one-half gallons of  
20 liquid.

21 (2) The annual fee for the grocery store license is ~~((seventy-~~  
22 ~~five))~~ one hundred fifty dollars for each store~~((: PROVIDED, That a~~  
23 ~~holder of a class A or a class B license shall be entitled to the~~  
24 ~~privileges permitted in this section by paying an annual fee of twenty-~~  
25 ~~five dollars for each store. Licensees under this section whose~~  
26 ~~business is primarily the sale of beer and/or wine at retail may~~  
27 ~~provide, free or for a charge, single serving samples of two ounces or~~  
28 ~~less to customers for the purpose of sales promotion. Sampling~~  
29 ~~activities of licensees under this section shall be subject to RCW~~  
30 ~~66.28.010 and 66.28.040 and the cost of sampling under this section may~~  
31 ~~not be borne, directly or indirectly, by any manufacturer, importer, or~~  
32 ~~wholesaler of liquor.~~

33 For the purpose of this section, "beer" includes, in addition to  
34 the usual and customary meaning, bottle conditioned beer which has been  
35 fermented partially or completely in the container in which it is sold  
36 to the retail customer and which may contain residual active yeast.  
37 The bottles and original packages in which such bottle conditioned beer

1 ~~may be sold under this section shall not exceed one hundred seventy~~  
2 ~~ounces in capacity)).~~

3 (3) The board shall issue a restricted grocery store license  
4 authorizing the licensee to sell beer and only table wine, if the board  
5 finds upon issuance or renewal of the license that the sale of  
6 fortified wine would be against the public interest. In determining  
7 the public interest, the board shall consider at least the following  
8 factors:

9 (a) The likelihood that the applicant will sell fortified wine to  
10 persons who are intoxicated;

11 (b) Law enforcement problems in the vicinity of the applicant's  
12 establishment that may arise from persons purchasing fortified wine at  
13 the establishment; and

14 (c) Whether the sale of fortified wine would be detrimental to or  
15 inconsistent with a government-operated or funded alcohol treatment or  
16 detoxification program in the area.

17 If the board receives no evidence or objection that the sale of  
18 fortified wine would be against the public interest, it shall issue or  
19 renew the license without restriction, as applicable. The burden of  
20 establishing that the sale of fortified wine by the licensee would be  
21 against the public interest is on those persons objecting.

22 (4) Licensees holding a grocery store license must maintain a  
23 minimum three thousand dollar inventory of food products for human  
24 consumption, not including pop, beer, or wine.

25 (5) Upon approval by the board, the grocery store licensee may also  
26 receive an endorsement to permit the international export of beer and  
27 wine.

28 (a) Any beer or wine sold under this endorsement must have been  
29 purchased from a licensed beer or wine distributor licensed to do  
30 business within the state of Washington.

31 (b) Any beer and wine sold under this endorsement must be intended  
32 for consumption outside the state of Washington and the United States  
33 and appropriate records must be maintained by the licensee.

34 (c) A holder of this special endorsement to the grocery store  
35 license shall be considered not in violation of RCW 66.28.010.

36 (d) Any beer or wine sold under this license must be sold at a  
37 price no less than the acquisition price paid by the holder of the  
38 license.



1       (e) The annual cost of this endorsement is five hundred dollars and  
2 is in addition to the license fees paid by the licensee for a grocery  
3 store license.

4       NEW SECTION. Sec. 23. A new section is added to chapter 66.24 RCW  
5 to read as follows:

6       (1) There shall be a beer and/or wine retailer's license to be  
7 designated as a beer and/or wine specialty shop license to sell beer  
8 and/or wine at retail in bottles, cans, and original containers, not to  
9 be consumed upon the premises where sold, at any store other than the  
10 state liquor stores. Licensees obtaining a written endorsement from  
11 the board may also sell malt liquor in kegs or other containers capable  
12 of holding less than five and one-half gallons of liquid. The annual  
13 fee for the beer and/or wine specialty shop license is one hundred  
14 dollars for each store.

15       (2) Licensees under this section may provide, free or for a charge,  
16 single-serving samples of two ounces or less to customers for the  
17 purpose of sales promotion. Sampling activities of licensees under  
18 this section are subject to RCW 66.28.010 and 66.28.040 and the cost of  
19 sampling under this section may not be borne, directly or indirectly,  
20 by any manufacturer, importer, or distributor of liquor.

21       (3) The board shall issue a restricted beer and/or wine specialty  
22 shop license, authorizing the licensee to sell beer and only table  
23 wine, if the board finds upon issuance or renewal of the license that  
24 the sale of fortified wine would be against the public interest. In  
25 determining the public interest, the board shall consider at least the  
26 following factors:

27       (a) The likelihood that the applicant will sell fortified wine to  
28 persons who are intoxicated;

29       (b) Law enforcement problems in the vicinity of the applicant's  
30 establishment that may arise from persons purchasing fortified wine at  
31 the establishment; and

32       (c) Whether the sale of fortified wine would be detrimental to or  
33 inconsistent with a government-operated or funded alcohol treatment or  
34 detoxification program in the area.

35       If the board receives no evidence or objection that the sale of  
36 fortified wine would be against the public interest, it shall issue or  
37 renew the license without restriction, as applicable. The burden of

1 establishing that the sale of fortified wine by the licensee would be  
2 against the public interest is on those persons objecting.

3 (4) Licensees holding a beer and/or wine specialty shop license  
4 must maintain a minimum three thousand dollar wholesale inventory of  
5 beer and/or wine.

6 **Sec. 24.** RCW 66.24.380 and 1988 c 200 s 2 are each amended to read  
7 as follows:

8 There shall be a (~~beer~~) retailer's license to be designated as  
9 (~~class G+~~) a special occasion license to be issued to a not-for-  
10 profit society or organization to sell spirits, beer, and wine by the  
11 individual serving for on-premises consumption at a specified event,  
12 such as at picnics or other special occasions, at a specified date and  
13 place; fee (~~thirty-five~~) sixty dollars per day.

14 (1) The not-for-profit society or organization is limited to sales  
15 of no more than twelve calendar days per year.

16 (2) The licensee may sell beer and/or wine in original, unopened  
17 containers for off-premises consumption if permission is obtained from  
18 the board prior to the event.

19 (3) Sale, service, and consumption of spirits, beer, and wine is to  
20 be confined to specified premises or designated areas only.

21 (4) Spirituos liquor sold under this special occasion license must  
22 be purchased at a state liquor store or agency without discount at  
23 retail prices, including all taxes.

24 (5) Any violation of this section is a class 1 civil infraction  
25 having a maximum penalty of two hundred fifty dollars as provided for  
26 in chapter 7.80 RCW.

27 **Sec. 25.** RCW 66.24.395 and 1981 1st ex.s. c 5 s 44 are each  
28 amended to read as follows:

29 (1)(a) There shall be a license that may be issued to corporations,  
30 associations, or persons operating as federally licensed commercial  
31 common passenger carriers engaged in interstate commerce, in or over  
32 territorial limits of the state of Washington on passenger trains,  
33 vessels, or airplanes. Such license shall permit the sale of  
34 spirituous liquor, wine, and beer at retail for passenger consumption  
35 within the state upon one such train passenger car, vessel, or  
36 airplane, while in or over the territorial limits of the state. Such  
37 license shall include the privilege of transporting into and storing

1 within the state such liquor for subsequent retail sale to passengers  
2 in passenger train cars, vessels or airplanes. The fees for such  
3 master license shall be seven hundred fifty dollars per annum (class  
4 CCI-1): PROVIDED, That (~~where the sale and/or service of alcoholic~~  
5 ~~beverages by such federally licensed common passenger carrier does not~~  
6 ~~include spirituous liquor, the fee shall be two hundred fifty dollars~~  
7 ~~per annum (class CCI-2): PROVIDED, FURTHER, That~~) upon payment of an  
8 additional sum of five dollars per annum per car, or vessel, or  
9 airplane, the privileges authorized by such license classes shall  
10 extend to additional cars, or vessels, or airplanes operated by the  
11 same licensee within the state, and a duplicate license for each  
12 additional car, or vessel, or airplane shall be issued: PROVIDED,  
13 FURTHER, That such licensee may make such sales and/or service upon  
14 cars, or vessels, or airplanes in emergency for not more than five  
15 consecutive days without such license: AND PROVIDED, FURTHER, That  
16 such license shall be valid only while such cars, or vessels, or  
17 airplanes are actively operated as common carriers for hire in  
18 interstate commerce and not while they are out of such common carrier  
19 service.

20 (b) Alcoholic beverages sold and/or served for consumption by such  
21 interstate common carriers while within or over the territorial limits  
22 of this state shall be subject to such board markup and state liquor  
23 taxes in an amount to approximate the revenue that would have been  
24 realized from such markup and taxes had the alcoholic beverages been  
25 purchased in Washington: PROVIDED, That the board's markup shall be  
26 applied on spirituous liquor only. Such common carriers shall report  
27 such sales and/or service and pay such markup and taxes in accordance  
28 with procedures prescribed by the board.

29 (2) (~~Where such an interstate federally licensed common carrier~~  
30 ~~does not sell spirituous liquor, wine, or beer at retail for passenger~~  
31 ~~consumption while within or over the territorial limits of this state,~~  
32 ~~but the business operation of the interstate common carrier requires~~  
33 ~~the bringing in and storing of liquor within the state the license fee~~  
34 ~~shall be five hundred dollars per annum (class CCI-3): PROVIDED, That~~  
35 ~~where such transporting and/or storage of alcoholic beverages by such~~  
36 ~~common carrier does not include spirituous liquor, the license fee~~  
37 ~~shall be one hundred twenty five dollars per annum (class CCI-4).~~

38 (3)) Alcoholic beverages sold and delivered in this state to  
39 interstate common carriers for use under the provisions of this section

1 shall be considered exported from the state, subject to the conditions  
2 provided in subsection (1)(b) of this section. The storage facilities  
3 for liquor within the state by common carriers licensed under this  
4 section shall be subject to written approval by the board.

5 **Sec. 26.** RCW 66.24.400 and 1987 c 196 s 1 are each amended to read  
6 as follows:

7 There shall be a retailer's license, to be known and designated as  
8 ~~((class H))~~ a full service restaurant license, to sell spirituous  
9 liquor by the individual glass, beer, and wine, at retail, for  
10 consumption on the premises, including mixed drinks and cocktails  
11 compounded or mixed on the premises only: PROVIDED, That a hotel, or  
12 club licensed under chapter 70.62 RCW with overnight sleeping  
13 accommodations, that is licensed under this section may sell liquor by  
14 the bottle to registered guests of the hotel or club for consumption in  
15 guest rooms, hospitality rooms, or at banquets in the hotel or club:  
16 PROVIDED FURTHER, That a patron of a bona fide hotel, restaurant, or  
17 club licensed under this section may remove from the premises recorked  
18 or recapped in its original container any portion of wine which was  
19 purchased for consumption with a meal, and registered guests who have  
20 purchased liquor from the hotel or club by the bottle may remove from  
21 the premises any unused portion of such liquor in its original  
22 container. Such ~~((class H))~~ license may be issued only to bona fide  
23 restaurants, hotels and clubs, and to dining, club and buffet cars on  
24 passenger trains, and to dining places on passenger boats and  
25 airplanes, and to dining places at ~~((publicly owned))~~ civic centers  
26 with facilities for sports, entertainment, and conventions, and to such  
27 other establishments operated and maintained primarily for the benefit  
28 of tourists, vacationers and travelers as the board shall determine are  
29 qualified to have, and in the discretion of the board should have, a  
30 ~~((class H))~~ full service restaurant license under the provisions and  
31 limitations of this title.

32 **Sec. 27.** RCW 66.24.420 and 1996 c 218 s 4 are each amended to read  
33 as follows:

34 (1) The ~~((class H))~~ full service restaurant license shall be issued  
35 in accordance with the following schedule of annual fees:

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

4 (b)) The annual fee for ((said)) a full service restaurant  
5 license(~~(, if issued to any other class H licensee in incorporated~~  
6 ~~cities and towns,)) shall be graduated according to the ((population~~  
7 ~~thereof)) dedicated dining area and type of service provided as  
8 follows:~~

9	((Incorporated	
10	Cities and towns	_____ Fees
11	Less than 20,000	_____ \$1,200
12	20,000 or over	_____ \$2,000))
13	<u>Less than 50% dedicated dining area</u>	<u>\$2,000</u>
14	<u>50% or more dedicated dining area</u>	<u>\$1,600</u>
15	<u>Service bar only</u>	<u>\$1,000</u>

16 ((+e)) (b) The annual fee for said license when issued to any  
17 other ((class H)) full service restaurant licensee outside of  
18 incorporated cities and towns shall be(~~(: Two thousand dollars; this~~  
19 ~~fee shall be)) prorated according to the calendar quarters, or portion  
20 thereof, during which the licensee is open for business, except in case  
21 of suspension or revocation of the license.~~

22 ((+d)) (c) Where the license shall be issued to any corporation,  
23 association or person operating a bona fide restaurant in an airport  
24 terminal facility providing service to transient passengers with more  
25 than one place where liquor is to be dispensed and sold, such license  
26 shall be issued upon the payment of the annual fee, which shall be a  
27 master license and shall permit such sale within and from one such  
28 place. Such license may be extended to additional places on the  
29 premises at the discretion of the board and a duplicate license may be  
30 issued for each such additional place: PROVIDED, That the holder of a  
31 master license for a restaurant in an airport terminal facility shall  
32 be required to maintain in a substantial manner at least one place on  
33 the premises for preparing, cooking, and serving of complete meals, and  
34 such food service shall be available on request in other licensed  
35 places on the premises: PROVIDED, FURTHER, That an additional license  
36 fee of twenty-five percent of the annual master license fee shall be  
37 required for such duplicate licenses.

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

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

37       (2) The board, so far as in its judgment is reasonably possible,  
38 shall confine (~~class H~~) full service restaurant licenses to the  
39 business districts of cities and towns and other communities, and not

1 grant such licenses in residential districts, nor within the immediate  
2 vicinity of schools, without being limited in the administration of  
3 this subsection to any specific distance requirements.

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

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

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

24 (6) The board may issue a caterer's endorsement to this license to  
25 allow the licensee to remove the liquor stocks at the licensed  
26 premises, for use as liquor for sale and service at special occasion  
27 locations at a specified date and place not currently licensed by the  
28 board. The privilege of selling and serving liquor under such  
29 endorsement is limited to members and guests of a society or  
30 organization as defined in RCW 66.24.375. Cost of the endorsement is  
31 three hundred fifty dollars.

32 (a) The holder of this license with catering endorsement shall, if  
33 requested by the board, notify the board or its designee of the date,  
34 time, place, and location of any catered event. Upon request, the  
35 licensee shall provide to the board all necessary or requested  
36 information concerning the society or organization that will be holding  
37 the function at which the endorsed license will be utilized.

38 (b) If attendance at the function will be limited to members and  
39 invited guests of the sponsoring society or organization, the

1 requirement that the society or organization be within the definition  
2 of RCW 66.24.375 is waived.

3 **Sec. 28.** RCW 66.24.425 and 1982 c 85 s 3 are each amended to read  
4 as follows:

5 (1) The board may, in its discretion, issue a ~~((class-H))~~ full  
6 service restaurant license to a business which qualifies as a  
7 "restaurant" as that term is defined in RCW 66.24.410 in all respects  
8 except that the business does not serve the general public but, through  
9 membership qualification, selectively restricts admission to the  
10 business. For purposes of RCW 66.24.400 and 66.24.420, all licenses  
11 issued under this section shall be considered ~~((class-H))~~ full service  
12 restaurant licenses and shall be subject to all requirements, fees, and  
13 qualifications in this title, or in rules adopted by the board, as are  
14 applicable to ~~((class-H))~~ full service restaurant licenses generally  
15 except that no service to the general public may be required.

16 (2) No license shall be issued under this section to a business:

17 (a) Which shall not have been in continuous operation for at least  
18 one year immediately prior to the date of its application; or

19 (b) Which denies membership or admission to any person because of  
20 race, creed, color, national origin, sex, or the presence of any  
21 sensory, mental, or physical handicap.

22 **Sec. 29.** RCW 66.24.440 and 1949 c 5 s 5 are each amended to read  
23 as follows:

24 Each ~~((class-H))~~ full service restaurant, full service private  
25 club, and sports entertainment facility licensee shall be entitled to  
26 purchase any spirituous liquor items salable under such ~~((class-H))~~  
27 license from the board at a discount of not less than fifteen percent  
28 from the retail price fixed by the board, together with all taxes.

29 **Sec. 30.** RCW 66.24.450 and 1981 1st ex.s. c 5 s 18 are each  
30 amended to read as follows:

31 (1) No club shall be entitled to a ~~((class-H))~~ full service private  
32 club license:

33 ~~((+1))~~ (a) Unless such private club has been in continuous  
34 operation for at least one year immediately prior to the date of its  
35 application for such license;



1       (~~(2)~~) (b) Unless the private club premises be constructed and  
2 equipped, conducted, managed, and operated to the satisfaction of the  
3 board and in accordance with this title and the regulations made  
4 thereunder;

5       (~~(3)~~) (c) Unless the board shall have determined pursuant to any  
6 regulations made by it with respect to private clubs, that such private  
7 club is a bona fide private club; it being the intent of this section  
8 that license shall not be granted to a club which is, or has been,  
9 primarily formed or activated to obtain a license to sell liquor, but  
10 solely to a bona fide private club, where the sale of liquor is  
11 incidental to the main purposes of the private club, as defined in RCW  
12 66.04.010(~~(5)~~) (7).

13       (2) The annual fee for a full service private club license, whether  
14 inside or outside of an incorporated city or town, is seven hundred  
15 twenty dollars per year.

16       NEW SECTION. Sec. 31. A new section is added to chapter 66.24 RCW  
17 to read as follows:

18       (1) There shall be a beer and wine license to be issued to a  
19 private club for sale of beer and wine for on-premises consumption.

20       (2) Beer and wine sold by the licensee may be on tap or by open  
21 bottles or cans.

22       (3) The fee for the private club beer and wine license is one  
23 hundred eighty dollars per year.

24       **Sec. 32.** RCW 66.24.455 and 1994 c 201 s 2 are each amended to read  
25 as follows:

26       Subject to approval by the board, holders of (~~class A, B, C, D, or~~  
27 ~~H~~) beer and wine restaurant, tavern, snack bar, full service  
28 restaurant, full service private club, or beer and wine private club  
29 licenses may extend their premises for the sale, service, and  
30 consumption of liquor authorized under their respective licenses to the  
31 concourse or lane areas in a bowling establishment where the concourse  
32 or lane areas are adjacent to the food preparation service facility.

33       **Sec. 33.** RCW 66.24.495 and 1981 c 142 s 1 are each amended to read  
34 as follows:

35       (1) There shall be a (~~retailer's~~) license to be designated as  
36 (~~class B~~) a nonprofit arts organization license. This shall be a

1 special license to be issued to any nonprofit arts organization which  
2 sponsors and presents productions or performances of an artistic or  
3 cultural nature in a specific theater or other appropriate designated  
4 indoor premises approved by the board. The license shall permit the  
5 licensee to sell liquor to patrons of productions or performances for  
6 consumption on the premises at these events. The fee for the license  
7 shall be two hundred fifty dollars per annum.

8 (2) For the purposes of this section, the term "nonprofit arts  
9 organization" means an organization which is organized and operated for  
10 the purpose of providing artistic or cultural exhibitions,  
11 presentations, or performances or cultural or art education programs,  
12 as defined in subsection (3) of this section, for viewing or attendance  
13 by the general public. The organization must be a not-for-profit  
14 corporation under chapter 24.03 RCW and managed by a governing board of  
15 not less than eight individuals none of whom is a paid employee of the  
16 organization or by a corporation sole under chapter 24.12 RCW. In  
17 addition, the corporation must satisfy the following conditions:

18 (a) No part of its income may be paid directly or indirectly to its  
19 members, stockholders, officers, directors, or trustees except in the  
20 form of services rendered by the corporation in accordance with its  
21 purposes and bylaws;

22 (b) Salary or compensation paid to its officers and executives must  
23 be only for actual services rendered, and at levels comparable to the  
24 salary or compensation of like positions within the state;

25 (c) Assets of the corporation must be irrevocably dedicated to the  
26 activities for which the license is granted and, on the liquidation,  
27 dissolution, or abandonment by the corporation, may not inure directly  
28 or indirectly to the benefit of any member or individual except a  
29 nonprofit organization, association, or corporation;

30 (d) The corporation must be duly licensed or certified when  
31 licensing or certification is required by law or regulation;

32 (e) The proceeds derived from sales of liquor, except for  
33 reasonable operating costs, must be used in furtherance of the purposes  
34 of the organization;

35 (f) Services must be available regardless of race, color, national  
36 origin, or ancestry; and

37 (g) The liquor control board shall have access to its books in  
38 order to determine whether the corporation is entitled to a license.

1 (3) The term "artistic or cultural exhibitions, presentations, or  
2 performances or cultural or art education programs" includes and is  
3 limited to:

4 (a) An exhibition or presentation of works of art or objects of  
5 cultural or historical significance, such as those commonly displayed  
6 in art or history museums;

7 (b) A musical or dramatic performance or series of performances; or

8 (c) An educational seminar or program, or series of such programs,  
9 offered by the organization to the general public on an artistic,  
10 cultural, or historical subject.

11 **Sec. 34.** RCW 66.24.540 and 1993 c 511 s 1 are each amended to read  
12 as follows:

13 There shall be a retailer's license to be designated as (~~class M~~)  
14 a motel license. The (~~class M~~) motel license may be issued to a  
15 motel that holds no other class of license under this title. No  
16 license may be issued to a motel offering rooms to its guests on an  
17 hourly basis. The license authorizes the licensee to sell, at retail,  
18 in locked honor bars, spirits in individual bottles not to exceed fifty  
19 milliliters, beer in individual cans or bottles not to exceed twelve  
20 ounces, and wine in individual bottles not to exceed one hundred  
21 eighty-seven milliliters, to registered guests of the motel for  
22 consumption in guest rooms. Each honor bar must also contain snack  
23 foods. No more than one-half of the guest rooms may have honor bars.  
24 The board shall charge a reasonable fee for this license. All spirits  
25 to be sold under the license must be purchased from the board. The  
26 licensee shall require proof of age from the guest renting a guest room  
27 and requesting the use of an honor bar. The guest shall also execute  
28 an affidavit verifying that no one under twenty-one years of age shall  
29 have access to the spirits, beer, and wine in the honor bar. "Motel"  
30 as used in this section means a facility or place offering three or  
31 more self-contained units designated by number, letter, or some other  
32 method of identification to travelers and transient guests. As used in  
33 this section, "spirits," "beer," and "wine" have the meanings defined  
34 in RCW 66.04.010.

35 **Sec. 35.** RCW 66.24.550 and 1989 c 149 s 1 are each amended to read  
36 as follows:

1        There shall be a beer and wine retailer's license to be designated  
2 as ~~((class P))~~ a beer and wine gift delivery license to solicit, take  
3 orders for, sell, and deliver beer and/or wine in bottles and original  
4 packages to persons other than the person placing the order. A ~~((class~~  
5 ~~P))~~ beer and wine gift delivery license may be issued only to a  
6 business solely engaged in the sale or sale and delivery of gifts at  
7 retail which holds no other class of license under this title or to a  
8 person in the business of selling flowers or floral arrangements at  
9 retail. No minimum beer and/or wine inventory requirement shall apply  
10 to holders of ~~((class P))~~ beer and wine gift delivery licenses. The  
11 fee for this license is seventy-five dollars per year. Delivery of  
12 beer and/or wine under ~~((a class P))~~ a beer and wine gift delivery  
13 license shall be made in accordance with all applicable provisions of  
14 this title and the rules of the board, and no beer and/or wine so  
15 delivered shall be opened on any premises licensed under this title.  
16 A ~~((class P))~~ beer and wine gift delivery license does not authorize  
17 door-to-door solicitation of gift wine delivery orders. Deliveries of  
18 beer and/or wine under a ~~((class P))~~ beer and wine gift delivery  
19 license shall be made only in conjunction with gifts or flowers.

20        **Sec. 36.** RCW 66.24.570 and 1996 c 218 s 1 are each amended to read  
21 as follows:

22        (1) There is a license for sports entertainment facilities to be  
23 designated as a ~~((class R))~~ sports/entertainment facility license to  
24 sell beer, wine, and spirits at retail, for consumption upon the  
25 premises only, the license to be issued to the entity providing food  
26 and beverage service at a sports entertainment facility as defined in  
27 this section. The cost of the license is two thousand five hundred  
28 dollars per annum.

29        (2) For purposes of this section, a sports entertainment facility  
30 includes a publicly or privately owned arena, coliseum, stadium, or  
31 facility where sporting events are presented for a price of admission.  
32 The facility does not have to be exclusively used for sporting events.

33        (3) The board may impose reasonable requirements upon a licensee  
34 under this section, such as requirements for the availability of food  
35 and victuals including but not limited to hamburgers, sandwiches,  
36 salads, or other snack food. The board may also restrict the type of  
37 events at a sports entertainment facility at which beer, wine, and  
38 spirits may be served. When imposing conditions for a licensee, the

1 board must consider the seating accommodations, eating facilities, and  
2 circulation patterns in such a facility, and other amenities available  
3 at a sports entertainment facility.

4 (4) The board may issue a caterer's endorsement to the license  
5 under this section to allow the licensee to remove from the liquor  
6 stocks at the licensed premises, for use as liquor for sale and service  
7 at special occasion locations at a specified date and place not  
8 currently licensed by the board. The privilege of selling and serving  
9 liquor under the endorsement is limited to members and guests of a  
10 society or organization as defined in RCW 66.24.375. Cost of the  
11 endorsement is three hundred fifty dollars.

12 (a) The holder of this license with catering endorsement shall, if  
13 requested by the board, notify the board or its designee of the date,  
14 time, place, and location of any catered event. Upon request, the  
15 licensee shall provide to the board all necessary or requested  
16 information concerning the society or organization that will be holding  
17 the function at which the endorsed license will be utilized.

18 (b) If attendance at the function will be limited to members and  
19 invited guests of the sponsoring society or organization, the  
20 requirement that the society or organization be within the definition  
21 of RCW 66.24.375 is waived.

22 **Sec. 37.** RCW 66.04.010 and 1991 c 192 s 1 are each amended to read  
23 as follows:

24 In this title, unless the context otherwise requires:

25 (1) "Alcohol" is that substance known as ethyl alcohol, hydrated  
26 oxide of ethyl, or spirit of wine, which is commonly produced by the  
27 fermentation or distillation of grain, starch, molasses, or sugar, or  
28 other substances including all dilutions and mixtures of this  
29 substance. The term "alcohol" does not include alcohol in the  
30 possession of a manufacturer or distiller of alcohol fuel, as described  
31 in RCW 66.12.130, which is intended to be denatured and used as a fuel  
32 for use in motor vehicles, farm implements, and machines or implements  
33 of husbandry.

34 (2) "Beer" means any malt beverage or malt liquor as these terms  
35 are defined in this chapter.

36 (3) "Beer distributor" means a person who buys beer from a brewer  
37 or brewery located either within or beyond the boundaries of the state,  
38 beer importers, or foreign produced beer from a source outside the

1 state of Washington, for the purpose of selling the same pursuant to  
2 this title, or who represents such brewer or brewery as agent.

3 (4) "Beer importer" means a person or business within Washington  
4 who purchases beer from a United States brewery holding a certificate  
5 of approval (B5) or foreign produced beer from a source outside the  
6 state of Washington for the purpose of selling the same pursuant to  
7 this title.

8 (5) "Brewer" means any person engaged in the business of  
9 manufacturing beer and malt liquor.

10 ~~((4))~~ (6) "Board" means the liquor control board, constituted  
11 under this title.

12 ~~((5))~~ (7) "Club" means an organization of persons, incorporated  
13 or unincorporated, operated solely for fraternal, benevolent,  
14 educational, athletic or social purposes, and not for pecuniary gain.

15 ~~((6))~~ (8) "Consume" includes the putting of liquor to any use,  
16 whether by drinking or otherwise.

17 ~~((7))~~ (9) "Dentist" means a practitioner of dentistry duly and  
18 regularly licensed and engaged in the practice of his profession within  
19 the state pursuant to chapter 18.32 RCW.

20 ~~((8))~~ (10) "Distiller" means a person engaged in the business of  
21 distilling spirits.

22 ~~((9))~~ (11) "Domestic winery" means a place where wines are  
23 manufactured or produced within the state of Washington.

24 (12) "Druggist" means any person who holds a valid certificate and  
25 is a registered pharmacist and is duly and regularly engaged in  
26 carrying on the business of pharmaceutical chemistry pursuant to  
27 chapter 18.64 RCW.

28 ~~((10))~~ (13) "Drug store" means a place whose principal business  
29 is, the sale of drugs, medicines and pharmaceutical preparations and  
30 maintains a regular prescription department and employs a registered  
31 pharmacist during all hours the drug store is open.

32 ~~((11))~~ (14) "Employee" means any person employed by the board,  
33 including a vendor, as hereinafter in this section defined.

34 ~~((12))~~ (15) "Fund" means 'liquor revolving fund.'

35 ~~((13))~~ (16) "Hotel" means every building or other structure kept,  
36 used, maintained, advertised or held out to the public to be a place  
37 where food is served and sleeping accommodations are offered for pay to  
38 transient guests, in which twenty or more rooms are used for the  
39 sleeping accommodation of such transient guests and having one or more

1 dining rooms where meals are served to such transient guests, such  
2 sleeping accommodations and dining rooms being conducted in the same  
3 building and buildings, in connection therewith, and such structure or  
4 structures being provided, in the judgment of the board, with adequate  
5 and sanitary kitchen and dining room equipment and capacity, for  
6 preparing, cooking and serving suitable food for its guests: PROVIDED  
7 FURTHER, That in cities and towns of less than five thousand  
8 population, the board shall have authority to waive the provisions  
9 requiring twenty or more rooms.

10       (~~(14)~~) (17) "Importer" means a person who buys distilled spirits  
11 from a distillery outside the state of Washington and imports such  
12 spirituous liquor into the state for sale to the board or for export.

13       (18) "Imprisonment" means confinement in the county jail.

14       (~~(15)~~) (19) "Liquor" includes the four varieties of liquor herein  
15 defined (alcohol, spirits, wine and beer), and all fermented,  
16 spirituous, vinous, or malt liquor, or combinations thereof, and mixed  
17 liquor, a part of which is fermented, spirituous, vinous or malt  
18 liquor, or otherwise intoxicating; and every liquid or solid or  
19 semisolid or other substance, patented or not, containing alcohol,  
20 spirits, wine or beer, and all drinks or drinkable liquids and all  
21 preparations or mixtures capable of human consumption, and any liquid,  
22 semisolid, solid, or other substance, which contains more than one  
23 percent of alcohol by weight shall be conclusively deemed to be  
24 intoxicating. Liquor does not include confections or food products  
25 that contain one percent or less of alcohol by weight.

26       (~~(16)~~) (20) "Manufacturer" means a person engaged in the  
27 preparation of liquor for sale, in any form whatsoever.

28       (~~(17)~~) (21) "Malt beverage" or "malt liquor" means any beverage  
29 such as beer, ale, lager beer, stout, and porter obtained by the  
30 alcoholic fermentation of an infusion or decoction of pure hops, or  
31 pure extract of hops and pure barley malt or other wholesome grain or  
32 cereal in pure water containing not more than eight percent of alcohol  
33 by weight, and not less than one-half of one percent of alcohol by  
34 volume. For the purposes of this title, any such beverage containing  
35 more than eight percent of alcohol by weight shall be referred to as  
36 "strong beer."

37       (~~(18)~~) (22) "Package" means any container or receptacle used for  
38 holding liquor.

1       (~~(19)~~) (23) "Permit" means a permit for the purchase of liquor  
2 under this title.

3       (~~(20)~~) (24) "Person" means an individual, copartnership,  
4 association, or corporation.

5       (~~(21)~~) (25) "Physician" means a medical practitioner duly and  
6 regularly licensed and engaged in the practice of his profession within  
7 the state pursuant to chapter 18.71 RCW.

8       (~~(22)~~) (26) "Prescription" means a memorandum signed by a  
9 physician and given by him to a patient for the obtaining of liquor  
10 pursuant to this title for medicinal purposes.

11       (~~(23)~~) (27) "Public place" includes streets and alleys of  
12 incorporated cities and towns; state or county or township highways or  
13 roads; buildings and grounds used for school purposes; public dance  
14 halls and grounds adjacent thereto; those parts of establishments where  
15 beer may be sold under this title, soft drink establishments, public  
16 buildings, public meeting halls, lobbies, halls and dining rooms of  
17 hotels, restaurants, theatres, stores, garages and filling stations  
18 which are open to and are generally used by the public and to which the  
19 public is permitted to have unrestricted access; railroad trains,  
20 stages, and other public conveyances of all kinds and character, and  
21 the depots and waiting rooms used in conjunction therewith which are  
22 open to unrestricted use and access by the public; publicly owned  
23 bathing beaches, parks, and/or playgrounds; and all other places of  
24 like or similar nature to which the general public has unrestricted  
25 right of access, and which are generally used by the public.

26       (~~(24)~~) (28) "Regulations" means regulations made by the board  
27 under the powers conferred by this title.

28       (~~(25)~~) (29) "Restaurant" means any establishment provided with  
29 special space and accommodations where, in consideration of payment,  
30 food, without lodgings, is habitually furnished to the public, not  
31 including drug stores and soda fountains.

32       (~~(26)~~) (30) "Sale" and "sell" include exchange, barter, and  
33 traffic; and also include the selling or supplying or distributing, by  
34 any means whatsoever, of liquor, or of any liquid known or described as  
35 beer or by any name whatever commonly used to describe malt or brewed  
36 liquor or of wine, by any person to any person; and also include a sale  
37 or selling within the state to a foreign consignee or his agent in the  
38 state. "Sale" and "sell" shall not include the giving, at no charge,  
39 of a reasonable amount of liquor by a person not licensed by the board



1 to a person not licensed by the board, for personal use only. "Sale"  
2 and "sell" also does not include a raffle authorized under RCW  
3 9.46.0315: PROVIDED, That the nonprofit organization conducting the  
4 raffle has obtained the appropriate permit from the board.

5 ~~((+27))~~ (31) "Soda fountain" means a place especially equipped  
6 with apparatus for the purpose of dispensing soft drinks, whether mixed  
7 or otherwise.

8 ~~((+28))~~ (32) "Spirits" means any beverage which contains alcohol  
9 obtained by distillation, including wines exceeding twenty-four percent  
10 of alcohol by volume.

11 ~~((+29))~~ (33) "Store" means a state liquor store established under  
12 this title.

13 ~~((+30))~~ (34) "Tavern" means any establishment with special space  
14 and accommodation for sale by the glass and for consumption on the  
15 premises, of beer, as herein defined.

16 ~~((+31))~~ (35) "Vendor" means a person employed by the board as a  
17 store manager under this title.

18 ~~((+32))~~ (36) "Winery" means a business conducted by any person for  
19 the manufacture of wine for sale, other than a domestic winery.

20 ~~((+33) "Domestic winery" means a place where wines are manufactured  
21 or produced within the state of Washington.~~

22 ~~(+34))~~ (37) "Wine" means any alcoholic beverage obtained by  
23 fermentation of fruits (grapes, berries, apples, et cetera) or other  
24 agricultural product containing sugar, to which any saccharine  
25 substances may have been added before, during or after fermentation,  
26 and containing not more than twenty-four percent of alcohol by volume,  
27 including sweet wines fortified with wine spirits, such as port,  
28 sherry, muscatel and angelica, not exceeding twenty-four percent of  
29 alcohol by volume and not less than one-half of one percent of alcohol  
30 by volume. For purposes of this title, any beverage containing no more  
31 than fourteen percent of alcohol by volume when bottled or packaged by  
32 the manufacturer shall be referred to as "table wine," and any beverage  
33 containing alcohol in an amount more than fourteen percent by volume  
34 when bottled or packaged by the manufacturer shall be referred to as  
35 "fortified wine." However, "fortified wine" shall not include: (a)  
36 Wines that are both sealed or capped by cork closure and aged two years  
37 or more; and (b) wines that contain more than fourteen percent alcohol  
38 by volume solely as a result of the natural fermentation process and

1 that have not been produced with the addition of wine spirits, brandy,  
2 or alcohol.

3 This subsection shall not be interpreted to require that any wine  
4 be labeled with the designation "table wine" or "fortified wine."

5 ~~((35) "Beer wholesaler" means a person who buys beer from a brewer  
6 or brewery located either within or beyond the boundaries of the state  
7 for the purpose of selling the same pursuant to this title, or who  
8 represents such brewer or brewery as agent.~~

9 ~~(36))~~ (38) "Wine ~~((wholesaler))~~ distributor" means a person who  
10 buys wine from a vintner or winery located either within or beyond the  
11 boundaries of the state for the purpose of selling the same not in  
12 violation of this title, or who represents such vintner or winery as  
13 agent.

14 (39) "Wine importer" means a person or business within Washington  
15 who purchases wine from a United States winery holding a certificate of  
16 approval (W7) or foreign produced wine from a source outside the state  
17 of Washington for the purpose of selling the same pursuant to this  
18 title.

19 **Sec. 38.** RCW 66.28.200 and 1993 c 21 s 2 are each amended to read  
20 as follows:

21 Licensees holding a ~~((class A or B))~~ limited service restaurant or  
22 a tavern license in combination with ((a class E)) an off-premises beer  
23 and wine retailer's license may sell malt liquor in kegs or other  
24 containers capable of holding four gallons or more of liquid. Under a  
25 special endorsement from the board, a grocery store licensee may sell  
26 malt liquor in containers no larger than five and one-half gallons.  
27 The sale of any container holding four gallons or more must comply with  
28 the provisions of this section and RCW 66.28.210 through 66.28.240.  
29 Any person who sells or offers for sale the contents of kegs or other  
30 containers containing four gallons or more of malt liquor, or leases  
31 kegs or other containers that will hold four gallons of malt liquor, to  
32 consumers who are not licensed under chapter 66.24 RCW shall do the  
33 following for any transaction involving the container:

34 (1) Require the purchaser of the malt liquor to sign a declaration  
35 and receipt for the keg or other container or beverage in substantially  
36 the form provided in RCW 66.28.220;

37 (2) Require the purchaser to provide one piece of identification  
38 pursuant to RCW 66.16.040;

1 (3) Require the purchaser to sign a sworn statement, under penalty  
2 of perjury, that:

3 (a) The purchaser is of legal age to purchase, possess, or use malt  
4 liquor;

5 (b) The purchaser will not allow any person under the age of  
6 twenty-one years to consume the beverage except as provided by RCW  
7 66.44.270;

8 (c) The purchaser will not remove, obliterate, or allow to be  
9 removed or obliterated, the identification required under RCW 66.28.220  
10 to be affixed to the container;

11 (4) Require the purchaser to state the particular address where the  
12 malt liquor will be consumed, or the particular address where the keg  
13 or other container will be physically located; and

14 (5) Require the purchaser to maintain a copy of the declaration and  
15 receipt next to or adjacent to the keg or other container, in no event  
16 a distance greater than five feet, and visible without a physical  
17 barrier from the keg, during the time that the keg or other container  
18 is in the purchaser's possession or control.

19 *\*Sec. 39. RCW 66.24.210 and 1996 c 118 s 1 are each amended to*  
20 *read as follows:*

21 *(1) There is hereby imposed upon all wines except cider sold to*  
22 *wine ((wholesalers)) distributors and the Washington state liquor*  
23 *control board, within the state a tax at the rate of twenty and one-*  
24 *fourth cents per liter and there is hereby imposed on all cider sold to*  
25 *wine ((wholesalers)) distributors and the Washington state liquor*  
26 *control board within the state a tax at the rate of three and fifty-*  
27 *nine one-hundredths cents per liter: PROVIDED, HOWEVER, That wine sold*  
28 *or shipped in bulk from one winery to another winery shall not be*  
29 *subject to such tax. The tax provided for in this section shall be*  
30 *collected by direct payments based on wine purchased by wine*  
31 *((wholesalers)) distributors. Every person purchasing wine under the*  
32 *provisions of this section shall on or before the twentieth day of each*  
33 *month report to the board all purchases during the preceding calendar*  
34 *month in such manner and upon such forms as may be prescribed by the*  
35 *board, and with such report shall pay the tax due from the purchases*  
36 *covered by such report unless the same has previously been paid. Any*  
37 *such purchaser of wine whose applicable tax payment is not postmarked*  
38 *by the twentieth day following the month of purchase will be assessed*

1 a penalty at the rate of two percent a month or fraction thereof. The  
2 board may require that every such person shall execute to and file with  
3 the board a bond to be approved by the board, in such amount as the  
4 board may fix, securing the payment of the tax. If any such person  
5 fails to pay the tax when due, the board may forthwith suspend or  
6 cancel the license until all taxes are paid.

7 (2) An additional tax is imposed equal to the rate specified in RCW  
8 82.02.030 multiplied by the tax payable under subsection (1) of this  
9 section. All revenues collected during any month from this additional  
10 tax shall be transferred to the state general fund by the twenty-fifth  
11 day of the following month.

12 (3) An additional tax is imposed on wines subject to tax under  
13 subsection (1) of this section, at the rate of one-fourth of one cent  
14 per liter for wine sold after June 30, 1987. After June 30, 1996, such  
15 additional tax does not apply to cider. An additional tax of five one-  
16 hundredths of one cent per liter is imposed on cider sold after June  
17 30, 1996. The additional taxes imposed by this subsection (3) shall  
18 cease to be imposed on July 1, 2001. All revenues collected under this  
19 subsection (3) shall be disbursed quarterly to the Washington wine  
20 commission for use in carrying out the purposes of chapter 15.88 RCW.

21 (4) An additional tax is imposed on all wine subject to tax under  
22 subsection (1) of this section. The additional tax is equal to twenty-  
23 three and forty-four one-hundredths cents per liter on fortified wine  
24 as defined in RCW 66.04.010(~~(+34)~~) (37) when bottled or packaged by  
25 the manufacturer, one cent per liter on all other wine except cider,  
26 and eighteen one-hundredths of one cent per liter on cider. All  
27 revenues collected during any month from this additional tax shall be  
28 deposited in the violence reduction and drug enforcement account under  
29 RCW 69.50.520 by the twenty-fifth day of the following month.

30 (5)(a) An additional tax is imposed on all cider subject to tax  
31 under subsection (1) of this section. The additional tax is equal to  
32 two and four one-hundredths cents per liter of cider sold after June  
33 30, 1996, and before July 1, 1997, and is equal to four and seven one-  
34 hundredths cents per liter of cider sold after June 30, 1997.

35 (b) All revenues collected from the additional tax imposed under  
36 this subsection (5) shall be deposited in the health services account  
37 under RCW 43.72.900.

38 (6) For the purposes of this section, "cider" means table wine that  
39 contains not less than one-half of one percent of alcohol by volume and

1 *not more than seven percent of alcohol by volume and is made from the*  
2 *normal alcoholic fermentation of the juice of sound, ripe apples or*  
3 *pears. "Cider" includes, but is not limited to, flavored, sparkling,*  
4 *or carbonated cider and cider made from condensed apple or pear must.*  
5 \*Sec. 39 was vetoed. See message at end of chapter.

6 **Sec. 40.** RCW 15.88.030 and 1988 c 254 s 12 are each amended to  
7 read as follows:

8 (1) There is created an agricultural commodity commission to be  
9 known and designated as the Washington wine commission. Except as  
10 provided in RCW 15.88.100(2), the commission shall be composed of  
11 eleven voting members; five voting members shall be growers, five  
12 voting members shall be wine producers, and one voting member shall be  
13 a wine (~~wholesaler~~) distributor licensed under RCW 66.24.200. Of the  
14 grower members, at least one shall be a person who does not have over  
15 fifty acres of vinifera grapes in production, at least one shall be a  
16 person who has over one hundred acres of vinifera grapes in production,  
17 and two may be persons who produce and sell their own wine. Of the  
18 wine producer members, at least one shall be a person producing not  
19 more than twenty-five thousand gallons of wine annually, at least one  
20 shall be a person producing over one million gallons of wine annually,  
21 and at least two shall be persons who produce wine from their own  
22 grapes. In addition, at least one member shall be a wine producer  
23 located in western Washington and at least two members shall be wine  
24 producers located in eastern Washington.

25 (2) In addition to the voting members identified in subsection (1)  
26 of this section, the commission shall have one nonvoting member who is  
27 a wine producer in this state whose principal wine or wines are  
28 produced from fruit other than vinifera grapes. The director of  
29 agriculture, or the director's designee, shall serve as an ex officio,  
30 nonvoting member.

31 (3) Except as provided in RCW 15.88.100(2), seven voting members of  
32 the commission constitute a quorum for the transaction of any business  
33 of the commission.

34 (4) Each voting member of the commission shall be a citizen and  
35 resident of this state and over the age of twenty-one years. Each  
36 voting member, except the member holding position eleven, must be or  
37 must have been engaged in that phase of the grower or wine producer  
38 industry that he or she is appointed to represent, and must during his

1 or her term of office derive a substantial portion of income therefrom,  
2 or have a substantial investment in the growing of vinifera grapes or  
3 the production of wine from vinifera grapes as an owner, lessee,  
4 partner, or a stockholder owning at least ten percent of the voting  
5 stock in a corporation engaged in the growing of vinifera grapes or  
6 wine production from vinifera grapes; or the manager or executive  
7 officer of such a corporation. These qualifications apply throughout  
8 each member's term of office.

9       **Sec. 41.** RCW 19.126.020 and 1984 c 169 s 2 are each amended to  
10 read as follows:

11       The definitions set forth in this section apply throughout this  
12 chapter unless the context clearly requires otherwise.

13       (1) "Agreement of distributorship" means any contract, agreement,  
14 commercial relationship, license, association, or any other  
15 arrangement, for a definite or indefinite period, between a supplier  
16 and ((~~wholesale~~)) distributor.

17       (2) "((~~Wholesale~~)) Distributor" means any person, including but not  
18 limited to a component of a supplier's distribution system constituted  
19 as an independent business, importing or causing to be imported into  
20 this state, or purchasing or causing to be purchased within this state,  
21 any malt beverage or wine for sale or resale to retailers licensed  
22 under the laws of this state, regardless of whether the business of  
23 such person is conducted under the terms of any agreement with a malt  
24 beverage or wine manufacturer.

25       (3) "Supplier" means any malt beverage or wine manufacturer or  
26 importer who enters into or is a party to any agreement of  
27 distributorship with a wholesale distributor. "Supplier" does not  
28 include: (a) Any domestic winery licensed pursuant to RCW 66.24.170;  
29 (b) any winery or manufacturer of wine producing less than three  
30 hundred thousand gallons of wine annually and holding a certificate of  
31 approval issued pursuant to RCW 66.24.206; (c) any domestic brewer or  
32 microbrewer licensed under RCW 66.24.240 and producing less than fifty  
33 thousand barrels of malt liquor annually; or (d) any brewer or  
34 manufacturer of malt liquor producing less than fifty thousand barrels  
35 of malt liquor annually and holding a certificate of approval issued  
36 under RCW 66.24.270.

37       (4) "Malt beverage manufacturer" means every brewer, fermenter,  
38 processor, bottler, or packager of malt beverages located within or

1 outside this state, or any other person, whether located within or  
2 outside this state, who enters into an agreement of distributorship for  
3 the resale of malt beverages in this state with any wholesale  
4 distributor doing business in the state of Washington.

5 (5) "Wine manufacturer" means every winery, processor, bottler, or  
6 packager of wine located within or outside this state, or any other  
7 person, whether located within or outside this state who enters into an  
8 agreement of distributorship for the resale of wine in this state with  
9 any wine wholesale distributor doing business in the state of  
10 Washington.

11 (6) "Importer" means any (~~wholesale~~) distributor importing beer  
12 or wine into this state for sale to retailer accounts or for sale to  
13 other wholesalers designated as "subjobbers" for resale.

14 (7) "Person" means any natural person, corporation, partnership,  
15 trust, agency, or other entity, as well as any individual officers,  
16 directors, or other persons in active control of the activities of such  
17 entity.

18 **Sec. 42.** RCW 66.16.100 and 1987 c 386 s 5 are each amended to read  
19 as follows:

20 No state liquor store in a county with a population over three  
21 hundred thousand may sell fortified wine if the board finds that the  
22 sale would be against the public interest based on the factors in RCW  
23 (~~66.24.370~~) 66.24.360. The burden of establishing that the sale  
24 would be against the public interest is on those persons objecting.

25 **Sec. 43.** RCW 66.20.010 and 1984 c 78 s 6 and 1984 c 45 s 1 are  
26 each reenacted and amended to read as follows:

27 Upon application in the prescribed form being made to any employee  
28 authorized by the board to issue permits, accompanied by payment of the  
29 prescribed fee, and upon the employee being satisfied that the  
30 applicant should be granted a permit under this title, the employee  
31 shall issue to the applicant under such regulations and at such fee as  
32 may be prescribed by the board a permit of the class applied for, as  
33 follows:

34 (1) Where the application is for a special permit by a physician or  
35 dentist, or by any person in charge of an institution regularly  
36 conducted as a hospital or sanitorium for the care of persons in ill

1 health, or as a home devoted exclusively to the care of aged people, a  
2 special liquor purchase permit;

3 (2) Where the application is for a special permit by a person  
4 engaged within the state in mechanical or manufacturing business or in  
5 scientific pursuits requiring alcohol for use therein, or by any  
6 private individual, a special permit to purchase alcohol for the  
7 purpose named in the permit;

8 (3) Where the application is for a special permit to consume liquor  
9 at a banquet, at a specified date and place, a special permit to  
10 purchase liquor for consumption at such banquet, to such applicants as  
11 may be fixed by the board;

12 (4) Where the application is for a special permit to consume liquor  
13 on the premises of a business not licensed under this title, a special  
14 permit to purchase liquor for consumption thereon for such periods of  
15 time and to such applicants as may be fixed by the board;

16 (5) Where the application is for a special permit by a manufacturer  
17 to import or purchase within the state alcohol, malt, and other  
18 materials containing alcohol to be used in the manufacture of liquor,  
19 or other products, a special permit;

20 (6) Where the application is for a special permit by a person  
21 operating a drug store to purchase liquor at retail prices only, to be  
22 thereafter sold by such person on the prescription of a physician, a  
23 special liquor purchase permit;

24 (7) Where the application is for a special permit by an authorized  
25 representative of a military installation operated by or for any of the  
26 armed forces within the geographical boundaries of the state of  
27 Washington, a special permit to purchase liquor for use on such  
28 military installation at prices to be fixed by the board;

29 (8) Where the application is for a special permit by a  
30 manufacturer, importer, (~~wholesaler~~) or distributor, or (~~agent~~)  
31 representative thereof, to serve liquor without charge to delegates and  
32 guests at a convention of a trade association composed of licensees of  
33 the board, when the said liquor is served in a hospitality room or from  
34 a booth in a board-approved suppliers' display room at the convention,  
35 and when the liquor so served is for consumption in the said  
36 hospitality room or display room during the convention, anything in  
37 Title 66 RCW to the contrary notwithstanding. Any such spirituous  
38 liquor shall be purchased from the board or a (~~class-H~~) full service



1 restaurant licensee and any such beer and wine shall be subject to the  
2 taxes imposed by RCW 66.24.290 and 66.24.210;

3 (9) Where the application is for a special permit by a  
4 manufacturer, importer, (~~wholesaler~~) or distributor, or (~~agent~~)  
5 representative thereof, to donate liquor for a reception, breakfast,  
6 luncheon, or dinner for delegates and guests at a convention of a trade  
7 association composed of licensees of the board, when the liquor so  
8 donated is for consumption at the said reception, breakfast, luncheon,  
9 or dinner during the convention, anything in Title 66 RCW to the  
10 contrary notwithstanding. Any such spirituous liquor shall be  
11 purchased from the board or a class H licensee and any such beer and  
12 wine shall be subject to the taxes imposed by RCW 66.24.290 and  
13 66.24.210;

14 (10) Where the application is for a special permit by a  
15 manufacturer, importer, (~~wholesaler~~) or distributor, or (~~agent~~)  
16 representative thereof, to donate and/or serve liquor without charge to  
17 delegates and guests at an international trade fair, show, or  
18 exposition held under the auspices of a federal, state, or local  
19 governmental entity or organized and promoted by a nonprofit  
20 organization, anything in Title 66 RCW to the contrary notwithstanding.  
21 Any such spirituous liquor shall be purchased from the board and any  
22 such beer or wine shall be subject to the taxes imposed by RCW  
23 66.24.290 and 66.24.210;

24 (11) Where the application is for an annual special permit by a  
25 person operating a bed and breakfast lodging facility to donate or  
26 serve wine or beer without charge to overnight guests of the facility  
27 if the wine or beer is for consumption on the premises of the facility.  
28 "Bed and breakfast lodging facility," as used in this subsection, means  
29 a hotel or similar facility offering from one to eight lodging units  
30 and breakfast to travelers and guests.

31 **Sec. 44.** RCW 66.20.300 and 1996 c 218 s 2 are each amended to read  
32 as follows:

33 Unless the context clearly requires otherwise, the definitions in  
34 this section apply throughout RCW 66.20.310 through 66.20.350.

35 (1) "Alcohol" has the same meaning as "liquor" in RCW 66.04.010.

36 (2) "Alcohol server" means any person serving or selling alcohol,  
37 spirits, wines, or beer for consumption at an on-premises retail  
38 licensed facility as a regular requirement of his or her employment,

1 and includes those persons eighteen years of age or older permitted by  
2 the liquor laws of this state to serve alcoholic beverages with meals.

3 (3) "Board" means the Washington state liquor control board.

4 (4) "Training entity" means any liquor licensee associations,  
5 independent contractors, private persons, and private or public  
6 schools, that have been certified by the board.

7 (5) "Retail licensed premises" means any premises licensed to sell  
8 alcohol by the glass or by the drink, or in original containers  
9 primarily for consumption on the premises as authorized by RCW  
10 66.24.320, 66.24.330, (~~66.24.340~~) 66.24.350, 66.24.400, 66.24.425,  
11 66.24.450, and 66.24.570.

12 **Sec. 45.** RCW 66.20.310 and 1996 c 311 s 1 and 1996 c 218 s 3 are  
13 each reenacted and amended to read as follows:

14 (1)(a) There shall be an alcohol server permit, known as a class 12  
15 permit, for a manager or bartender selling or mixing alcohol, spirits,  
16 wines, or beer for consumption at an on-premises licensed facility.

17 (b) There shall be an alcohol server permit, known as a class 13  
18 permit, for a person who only serves alcohol, spirits, wines, or beer  
19 for consumption at an on-premises licensed facility.

20 (c) As provided by rule by the board, a class 13 permit holder may  
21 be allowed to act as a bartender without holding a class 12 permit.

22 (2)(a) Effective January 1, 1997, except as provided in (d) of this  
23 subsection, every person employed, under contract or otherwise, by an  
24 annual retail liquor licensee holding a license as authorized by RCW  
25 66.24.320, 66.24.330, (~~66.24.340~~) 66.24.350, 66.24.400, 66.24.425,  
26 66.24.450, or 66.24.570, who as part of his or her employment  
27 participates in any manner in the sale or service of alcoholic  
28 beverages shall have issued to them a class 12 or class 13 permit.

29 (b) Every class 12 and class 13 permit issued shall be issued in  
30 the name of the applicant and no other person may use the permit of  
31 another permit holder. The holder shall present the permit upon  
32 request to inspection by a representative of the board or a peace  
33 officer. The class 12 or class 13 permit shall be valid for employment  
34 at any retail licensed premises described in (a) of this subsection.

35 (c) No licensee described in (a) of this subsection, except as  
36 provided in (d) of this subsection, may employ or accept the services  
37 of any person without the person first having a valid class 12 or class  
38 13 permit.

1 (d) Within sixty days of initial employment, every person whose  
2 duties include the compounding, sale, service, or handling of liquor  
3 shall have a class 12 or class 13 permit.

4 (e) No person may perform duties that include the sale or service  
5 of alcoholic beverages on a retail licensed premises without possessing  
6 a valid alcohol server permit.

7 (3) A permit issued by a training entity under this section is  
8 valid for employment at any retail licensed premises described in  
9 subsection (2)(a) of this section for a period of five years unless  
10 suspended by the board.

11 (4) The board may suspend or revoke an existing permit if any of  
12 the following occur:

13 (a) The applicant or permittee has been convicted of violating any  
14 of the state or local intoxicating liquor laws of this state or has  
15 been convicted at any time of a felony; or

16 (b) The permittee has performed or permitted any act that  
17 constitutes a violation of this title or of any rule of the board.

18 (5) The suspension or revocation of a permit under this section  
19 does not relieve a licensee from responsibility for any act of the  
20 employee or agent while employed upon the retail licensed premises.  
21 The board may, as appropriate, revoke or suspend either the permit of  
22 the employee who committed the violation or the license of the licensee  
23 upon whose premises the violation occurred, or both the permit and the  
24 license.

25 (6)(a) After January 1, 1997, it is a violation of this title for  
26 any retail licensee or agent of a retail licensee as described in  
27 subsection (2)(a) of this section to employ in the sale or service of  
28 alcoholic beverages, any person who does not have a valid alcohol  
29 server permit or whose permit has been revoked, suspended, or denied.

30 (b) It is a violation of this title for a person whose alcohol  
31 server permit has been denied, suspended, or revoked to accept  
32 employment in the sale or service of alcoholic beverages.

33 (7) (~~Establishments~~) Grocery stores licensed under RCW  
34 (~~66.24.320 and 66.24.340~~) 66.24.360, the primary commercial activity  
35 of which is the sale of grocery products and for which the sale and  
36 service of beer and wine for on-premises consumption with food is  
37 incidental to the primary business, and employees of such  
38 establishments, are exempt from RCW 66.20.300 through 66.20.350.

1       **Sec. 46.** RCW 66.28.010 and 1996 c 224 s 3 and 1996 c 106 s 1 are  
2 each reenacted and amended to read as follows:

3       (1)(a) No manufacturer, importer, or (~~wholesaler~~) distributor, or  
4 person financially interested, directly or indirectly, in such  
5 business; whether resident or nonresident, shall have any financial  
6 interest, direct or indirect, in any licensed retail business; nor  
7 shall any manufacturer, importer, or (~~wholesaler~~) distributor own any  
8 of the property upon which such licensed persons conduct their  
9 business; nor shall any such licensed person, under any arrangement  
10 whatsoever, conduct his or her business upon property in which any  
11 manufacturer, importer, or (~~wholesaler~~) distributor has any interest  
12 unless title to that property is owned by a corporation in which a  
13 manufacturer has no direct stock ownership and there are no  
14 interlocking officers or directors, the retail license is held by an  
15 independent concessionaire which is not owned directly or indirectly by  
16 the manufacturer or property owner, the sales of liquor are incidental  
17 to the primary activity of operating the property as an amphitheater  
18 offering live musical and similar live entertainment activities to the  
19 public, alcoholic beverages produced by the manufacturer are not sold  
20 at the licensed premises, and the board reviews the ownership and  
21 proposed method of operation of all involved entities and determines  
22 that there will not be an unacceptable level of control or undue  
23 influence over the operation of the retail licensee. Except as  
24 provided in subsection (3) of this section, no manufacturer, importer,  
25 or (~~wholesaler~~) distributor shall advance moneys or moneys' worth to  
26 a licensed person under an arrangement, nor shall such licensed person  
27 receive, under an arrangement, an advance of moneys or moneys' worth.  
28 "Person" as used in this section only shall not include those state or  
29 federally chartered banks, state or federally chartered savings and  
30 loan associations, state or federally chartered mutual savings banks,  
31 or institutional investors which are not controlled directly or  
32 indirectly by a manufacturer, importer, or (~~wholesaler~~) distributor  
33 as long as the bank, savings and loan association, or institutional  
34 investor does not influence or attempt to influence the purchasing  
35 practices of the retailer with respect to alcoholic beverages. No  
36 manufacturer, importer, or (~~wholesaler~~) distributor shall be eligible  
37 to receive or hold a retail license under this title, nor shall such  
38 manufacturer, importer, or (~~wholesaler~~) distributor sell at retail  
39 any liquor as herein defined.

1 (b) Nothing in this section shall prohibit a licensed (~~(brewer)~~)  
2 domestic brewery or microbrewery from being licensed as a retailer  
3 pursuant to chapter 66.24 RCW for the purpose of selling beer or wine  
4 at retail on the brewery premises and nothing in this section shall  
5 prohibit a domestic winery from being licensed as a retailer pursuant  
6 to chapter 66.24 RCW for the purpose of selling beer or wine at retail  
7 on the winery premises. Such beer and wine so sold at retail shall be  
8 subject to the taxes imposed by RCW 66.24.290 and 66.24.210 and to  
9 reporting and bonding requirements as prescribed by regulations adopted  
10 by the board pursuant to chapter 34.05 RCW, and beer and wine that is  
11 not produced by the brewery or winery shall be purchased from a  
12 licensed beer or wine (~~(wholesaler)~~) distributor.

13 (c) Nothing in this section shall prohibit a licensed (~~(brewer or)~~)  
14 domestic brewery, microbrewery, domestic winery, or a lessee of a  
15 licensed domestic brewer, microbrewery, or domestic winery, from being  
16 licensed as a (~~(class H)~~) full service restaurant pursuant to chapter  
17 66.24 RCW for the purpose of selling liquor at a (~~(class H)~~) full  
18 service restaurant premises on the property on which the primary  
19 manufacturing facility of the licensed domestic brewer, microbrewery,  
20 or domestic winery is located or on contiguous property owned by the  
21 licensed domestic brewer, microbrewery, or domestic winery as  
22 prescribed by (~~(regulations)~~) rules adopted by the board pursuant to  
23 chapter 34.05 RCW.

24 (2) Financial interest, direct or indirect, as used in this  
25 section, shall include any interest, whether by stock ownership,  
26 mortgage, lien, or through interlocking directors, or otherwise.  
27 Pursuant to rules promulgated by the board in accordance with chapter  
28 34.05 RCW manufacturers, (~~(wholesalers)~~) distributors, and importers  
29 may perform, and retailers may accept the service of building, rotating  
30 and restocking case displays and stock room inventories; rotating and  
31 rearranging can and bottle displays of their own products; provide  
32 point of sale material and brand signs; price case goods of their own  
33 brands; and perform such similar normal business services as the board  
34 may by regulation prescribe.

35 (3)(a) This section does not prohibit a manufacturer, importer, or  
36 (~~(wholesaler)~~) distributor from providing services to a (~~(class G or F~~  
37 ~~retail)~~) special occasion licensee for: (i) Installation of draft beer  
38 dispensing equipment or advertising, (ii) advertising, pouring, or  
39 dispensing of beer or wine at a beer or wine tasting exhibition or

1 judging event, or (iii) a (~~class G or J retail~~) special occasion  
2 licensee from receiving any such services as may be provided by a  
3 manufacturer, importer, or (~~wholesaler~~) distributor. Nothing in this  
4 section shall prohibit a retail licensee, or any person financially  
5 interested, directly or indirectly, in such a retail licensee from  
6 having a financial interest, direct or indirect, in a business which  
7 provides, for a compensation commensurate in value to the services  
8 provided, bottling, canning or other services to a manufacturer, so  
9 long as the retail licensee or person interested therein has no direct  
10 financial interest in or control of said manufacturer.

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

19 (c) The board shall adopt such rules as are deemed necessary to  
20 carry out the purposes and provisions of subsection (3)(a) of this  
21 section in accordance with the administrative procedure act, chapter  
22 34.05 RCW.

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

25 (5) A public house license issued under RCW 66.24.580 does not  
26 violate the provisions of this section as to a retailer having an  
27 interest directly or indirectly in a liquor-licensed manufacturer.

28 **Sec. 47.** RCW 66.28.030 and 1975 1st ex.s. c 173 s 8 are each  
29 amended to read as follows:

30 Every licensed brewer, domestic brewer and microbrewer, domestic  
31 winery, manufacturer holding a certificate of approval, licensed wine  
32 importer, and licensed beer importer shall be responsible for the  
33 conduct of any licensed beer or wine (~~wholesaler~~) distributor in  
34 selling, or contracting to sell, to retail licensees, beer or wine  
35 manufactured by such brewer, domestic brewer and microbrewer, domestic  
36 winery, manufacturer holding a certificate of approval, or imported by  
37 such beer or wine importer. Where the board finds that any licensed  
38 beer or wine (~~wholesaler~~) distributor has violated any of the

1 provisions of this title or of the regulations of the board in selling  
2 or contracting to sell beer or wine to retail licensees, the board may,  
3 in addition to any punishment inflicted or imposed upon such  
4 ~~((wholesaler))~~ distributor, prohibit the sale of the brand or brands of  
5 beer or wine involved in such violation to any or all retail licensees  
6 within the trade territory usually served by such ~~((wholesaler))~~  
7 distributor for such period of time as the board may fix, irrespective  
8 of whether the brewer manufacturing such beer or the beer importer  
9 importing such beer or the domestic winery manufacturing such wine or  
10 the wine importer importing such wine or the certificate of approval  
11 holder manufacturing such beer or wine actually participated in such  
12 violation.

13       *\*Sec. 48. RCW 66.28.040 and 1987 c 452 s 15 are each amended to*  
14 *read as follows:*

15       *Except as permitted by the board under RCW 66.20.010, no ~~((brewer,~~*  
16 *~~wholesaler))~~ brewery, distributor, distiller, winery, importer,*  
17 *rectifier, or other manufacturer of liquor shall, within the state,*  
18 *~~((by himself, his clerk, servant, or agent,))~~ give or allow any*  
19 *employee or representative to give to any person any liquor; but*  
20 *nothing in this section nor in RCW 66.28.010 shall prevent a ~~((brewer,~~*  
21 *~~wholesaler))~~ brewery, distributor, winery, or importer from furnishing*  
22 *samples of beer or wine to authorized licensees for the purpose of*  
23 *negotiating a sale, in accordance with regulations adopted by the*  
24 *liquor control board, provided that the samples are subject to taxes*  
25 *imposed by RCW 66.24.290 and 66.24.210; nothing in this section shall*  
26 *prevent the furnishing of samples of liquor to the board for the*  
27 *purpose of negotiating the sale of liquor to the state liquor control*  
28 *board; nothing in this section shall prevent a brewery, winery, or*  
29 *~~((wholesaler))~~ distributor from furnishing beer or wine for*  
30 *instructional purposes under RCW 66.28.150; nothing in this section*  
31 *shall prevent a winery or ~~((wholesaler))~~ distributor from furnishing*  
32 *wine without charge to a not-for-profit group organized and operated*  
33 *solely for the purpose of enology or the study of viticulture which has*  
34 *been in existence for at least six months and any wine so furnished*  
35 *shall be used solely for such educational purposes, provided that the*  
36 *wine furnished shall be subject to the taxes imposed by RCW 66.24.210;*  
37 *nothing in this section shall prevent a brewer from serving beer*  
38 *without charge, on the brewery premises; nothing in this section shall*

1 *prevent donations of wine for the purposes of RCW 66.12.180; and*  
2 *nothing in this section shall prevent a domestic winery from serving*  
3 *wine without charge, on the winery premises.*

4 \*Sec. 48 was vetoed. See message at end of chapter.

5 **Sec. 49.** RCW 66.28.050 and 1982 c 85 s 11 are each amended to read  
6 as follows:

7 No person shall canvass for, solicit, receive, or take orders for  
8 the purchase or sale of any liquor, or act as ~~((agent))~~ representative  
9 for the purchase or sale of liquor except as authorized by RCW  
10 66.24.310 ~~((as now or hereafter amended))~~ or by RCW 66.24.550.  
11 ~~((Nothing in this section contained shall apply to agents dealing with~~  
12 ~~the board or to the receipt or transmission of a telegram or letter by~~  
13 ~~any telegraph agent or operator or post office employee in the ordinary~~  
14 ~~course of his employment as such agent, operator or employee.))~~

15 **Sec. 50.** RCW 66.28.170 and 1985 c 226 s 3 are each amended to read  
16 as follows:

17 It is unlawful for a manufacturer of wine or malt beverages holding  
18 a certificate of approval issued under RCW 66.24.270 or 66.24.206, a  
19 ~~((brewer's))~~ brewery license, or a domestic winery license to  
20 discriminate in price in selling to any purchaser for resale in the  
21 state.

22 **Sec. 51.** RCW 66.28.180 and 1995 c 232 s 10 are each amended to  
23 read as follows:

24 It is unlawful for a person, firm, or corporation holding a  
25 certificate of approval issued under RCW 66.24.270 or 66.24.206, a beer  
26 ~~((wholesaler's))~~ distributor's license, a domestic brewer's license, a  
27 microbrewer's license, a beer importer's license, a beer distributor's  
28 license, a domestic winery license, a wine importer's license, or a  
29 wine ~~((wholesaler's))~~ distributor's license within the state of  
30 Washington to modify any prices without prior notification to and  
31 approval of the board.

32 (1) Intent. This section is enacted, pursuant to the authority of  
33 this state under the twenty-first amendment to the United States  
34 Constitution, to promote the public's interest in fostering the orderly  
35 and responsible distribution of malt beverages and wine towards  
36 effective control of consumption; to promote the fair and efficient



1 three-tier system of distribution of such beverages; and to confirm  
2 existing board rules as the clear expression of state policy to  
3 regulate the manner of selling and pricing of wine and malt beverages  
4 by licensed suppliers and ((wholesalers)) distributors.

5 (2) Beer and wine ((wholesale)) distributor price posting.

6 (a) Every beer or wine ((wholesaler)) distributor shall file with  
7 the board at its office in Olympia a price posting showing the  
8 wholesale prices at which any and all brands of beer and wine sold by  
9 such beer and/or wine ((wholesaler)) distributor shall be sold to  
10 retailers within the state.

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

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

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

18 (c) No beer and/or wine ((wholesaler)) distributor may sell or  
19 offer to sell any package or container of beer or wine to any retail  
20 licensee at a price differing from the price for such package or  
21 container as shown in the price posting filed by the beer and/or wine  
22 ((wholesaler)) distributor and then in effect, according to rules  
23 adopted by the board.

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

30 (e) ((Wholesale)) Distributor prices on a "close-out" item shall be  
31 accepted by the board if the item to be discontinued has been listed on  
32 the state market for a period of at least six months, and upon the  
33 further condition that the ((wholesaler)) distributor who posts such a  
34 close-out price shall not restock the item for a period of one year  
35 following the first effective date of such close-out price.

36 (f) The board may reject any price posting that it deems to be in  
37 violation of this section or any rule, or portion thereof, or that  
38 would tend to disrupt the orderly sale and distribution of beer and  
39 wine. Whenever the board rejects any posting, the licensee submitting

1 the posting may be heard by the board and shall have the burden of  
2 showing that the posting is not in violation of this section or a rule  
3 or does not tend to disrupt the orderly sale and distribution of beer  
4 and wine. If the posting is accepted, it shall become effective at the  
5 time fixed by the board. If the posting is rejected, the last  
6 effective posting shall remain in effect until such time as an amended  
7 posting is filed and approved, in accordance with the provisions of  
8 this section.

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

12 (h) Any beer and/or wine (~~((wholesaler))~~) distributor or employee  
13 authorized by the (~~((wholesaler))~~) distributor-employer may sell beer  
14 and/or wine at the (~~((wholesaler's))~~) distributor's posted prices to any  
15 (~~((class A, B, C, D, E, F, H, G, or J))~~) annual or special occasion  
16 retail licensee upon presentation to the (~~((wholesaler))~~) distributor or  
17 employee at the time of purchase of a special permit issued by the  
18 board to such licensee.

19 (i) Every (~~((class A, B, C, D, E, F, H, G, or J))~~) annual or special  
20 occasion retail licensee, upon purchasing any beer and/or wine from a  
21 (~~((wholesaler))~~) distributor, shall immediately cause such beer or wine  
22 to be delivered to the licensed premises, and the licensee shall not  
23 thereafter permit such beer to be disposed of in any manner except as  
24 authorized by the license.

25 (ii) Beer and wine sold as provided in this section shall be  
26 delivered by the (~~((wholesaler))~~) distributor or an authorized employee  
27 either to the retailer's licensed premises or directly to the retailer  
28 at the (~~((wholesaler's))~~) distributor's licensed premises. A  
29 (~~((wholesaler's))~~) distributor's prices to retail licensees shall be the  
30 same at both such places of delivery.

31 (3) Beer and wine suppliers' price filings, contracts, and  
32 memoranda.

33 (a) Every brewery and winery offering beer and/or wine for sale  
34 within the state shall file with the board at its office in Olympia a  
35 copy of every written contract and a memorandum of every oral agreement  
36 which such brewery or winery may have with any beer or wine  
37 (~~((wholesaler))~~) distributor, which contracts or memoranda shall contain  
38 a schedule of prices charged to (~~((wholesalers))~~) distributors for all  
39 items and all terms of sale, including all regular and special

1 discounts; all advertising, sales and trade allowances, and incentive  
2 programs; and all commissions, bonuses or gifts, and any and all other  
3 discounts or allowances. Whenever changed or modified, such revised  
4 contracts or memoranda shall forthwith be filed with the board as  
5 provided for by rule. The provisions of this section also apply to  
6 certificate of approval holders, beer and/or wine importers, and beer  
7 and/or wine ((~~wholesalers~~)) distributors who sell to other beer and/or  
8 wine ((~~wholesalers~~)) distributors.

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

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

29 (c) No brewery, winery, certificate of approval holder, beer or  
30 wine importer, or beer or wine ((~~wholesaler~~)) distributor may sell or  
31 offer to sell any beer or wine to any persons whatsoever in this state  
32 until copies of such written contracts or memoranda of such oral  
33 agreements are on file with the board.

34 (d) No brewery or winery may sell or offer to sell any package or  
35 container of beer or wine to any ((~~wholesaler~~)) distributor at a price  
36 differing from the price for such package or container as shown in the  
37 schedule of prices filed by the ((~~brewer~~)) brewery or ((~~domestic~~))  
38 winery and then in effect, according to rules adopted by the board.

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

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

21 **Sec. 52.** RCW 66.28.190 and 1988 c 50 s 1 are each amended to read  
22 as follows:

23 RCW 66.28.010 notwithstanding, persons licensed under RCW 66.24.200  
24 as wine (~~wholesalers~~) distributors and persons licensed under RCW  
25 66.24.250 as beer (~~wholesalers~~) distributors may sell at wholesale  
26 nonliquor food products on thirty-day credit terms to persons licensed  
27 as retailers under this title, but complete and separate accounting  
28 records shall be maintained on all sales of nonliquor food products to  
29 ensure that such persons are in compliance with RCW 66.28.010.

30 For the purpose of this section, "nonliquor food products"  
31 (~~include[s]~~) includes all food products for human consumption as  
32 defined in RCW 82.08.0293 as it exists on July 1, 1987, except that for  
33 the purposes of this section bottled water and carbonated beverages,  
34 whether liquid or frozen, shall be considered food products.

35 **Sec. 53.** RCW 66.44.310 and 1994 c 201 s 8 are each amended to read  
36 as follows:

1 (1) Except as otherwise provided by RCW 66.44.316 and 66.44.350, it  
2 shall be a misdemeanor:

3 (a) To serve or allow to remain in any area classified by the board  
4 as off-limits to any person under the age of twenty-one years;

5 (b) For any person under the age of twenty-one years to enter or  
6 remain in any area classified as off-limits to such a person, but  
7 persons under twenty-one years of age may pass through a restricted  
8 area in a facility holding a (~~class-H~~) private club full service  
9 license;

10 (c) For any person under the age of twenty-one years to represent  
11 his or her age as being twenty-one or more years for the purpose of  
12 purchasing liquor or securing admission to, or remaining in any area  
13 classified by the board as off-limits to such a person.

14 (2) The Washington state liquor control board shall have the power  
15 and it shall be its duty to classify licensed premises or portions of  
16 licensed premises as off-limits to persons under the age of twenty-one  
17 years of age.

18 **Sec. 54.** RCW 66.98.060 and 1949 c 5 s 14 are each amended to read  
19 as follows:

20 Notwithstanding any provisions of chapter 62 (~~of the~~), Laws of  
21 1933(~~(, extraordinary session)~~) ex. sess., as last amended, or of any  
22 provisions of any other law which may otherwise be applicable, it shall  
23 be lawful for the holder of a (~~class-H~~) full service restaurant  
24 license to sell beer, wine, and spirituous liquor in this state in  
25 accordance with the terms of (~~this act~~) chapter 5, Laws of 1949.

26 **Sec. 55.** RCW 82.08.150 and 1994 sp.s. c 7 s 903 are each amended  
27 to read as follows:

28 (1) There is levied and shall be collected a tax upon each retail  
29 sale of spirits, or strong beer in the original package at the rate of  
30 fifteen percent of the selling price. The tax imposed in this  
31 subsection shall apply to all such sales including sales by the  
32 Washington state liquor stores and agencies, but excluding sales to  
33 (~~class-H~~) full service restaurant licensees.

34 (2) There is levied and shall be collected a tax upon each sale of  
35 spirits, or strong beer in the original package at the rate of ten  
36 percent of the selling price on sales by Washington state liquor stores  
37 and agencies to (~~class-H~~) full service restaurant licensees.

1 (3) There is levied and shall be collected an additional tax upon  
2 each retail sale of spirits in the original package at the rate of one  
3 dollar and seventy-two cents per liter. The additional tax imposed in  
4 this subsection shall apply to all such sales including sales by  
5 Washington state liquor stores and agencies, and including sales to  
6 ~~((class-H))~~ full service restaurant licensees.

7 (4) An additional tax is imposed equal to fourteen percent  
8 multiplied by the taxes payable under subsections (1), (2), and (3) of  
9 this section.

10 (5) An additional tax is imposed upon each retail sale of spirits  
11 in the original package at the rate of seven cents per liter. The  
12 additional tax imposed in this subsection shall apply to all such sales  
13 including sales by Washington state liquor stores and agencies, and  
14 including sales to ~~((class-H))~~ full service restaurant licensees. All  
15 revenues collected during any month from this additional tax shall be  
16 deposited in the violence reduction and drug enforcement account under  
17 RCW 69.50.520 by the twenty-fifth day of the following month.

18 (6)(a) An additional tax is imposed upon retail sale of spirits in  
19 the original package at the rate of one and seven-tenths percent of the  
20 selling price through June 30, 1995, two and six-tenths percent of the  
21 selling price for the period July 1, 1995, through June 30, 1997, and  
22 three and four-tenths of the selling price thereafter. This additional  
23 tax applies to all such sales including sales by Washington state  
24 liquor stores and agencies, but excluding sales to ~~((class-H))~~ full  
25 service restaurant licensees.

26 (b) An additional tax is imposed upon retail sale of spirits in the  
27 original package at the rate of one and one-tenth percent of the  
28 selling price through June 30, 1995, one and seven-tenths percent of  
29 the selling price for the period July 1, 1995, through June 30, 1997,  
30 and two and three-tenths of the selling price thereafter. This  
31 additional tax applies to all such sales to ~~((class-H))~~ full service  
32 restaurant licensees.

33 (c) An additional tax is imposed upon each retail sale of spirits  
34 in the original package at the rate of twenty cents per liter through  
35 June 30, 1995, thirty cents per liter for the period July 1, 1995,  
36 through June 30, 1997, and forty-one cents per liter thereafter. This  
37 additional tax applies to all such sales including sales by Washington  
38 state liquor stores and agencies, and including sales to ~~((class-H))~~  
39 full service restaurant licensees.

1 (d) All revenues collected during any month from additional taxes  
2 under this subsection shall be deposited in the health services account  
3 created under RCW 43.72.900 by the twenty-fifth day of the following  
4 month.

5 (7) The tax imposed in RCW 82.08.020 shall not apply to sales of  
6 spirits or strong beer in the original package.

7 (8) The taxes imposed in this section shall be paid by the buyer to  
8 the seller, and each seller shall collect from the buyer the full  
9 amount of the tax payable in respect to each taxable sale under this  
10 section. The taxes required by this section to be collected by the  
11 seller shall be stated separately from the selling price and for  
12 purposes of determining the tax due from the buyer to the seller, it  
13 shall be conclusively presumed that the selling price quoted in any  
14 price list does not include the taxes imposed by this section.

15 (9) As used in this section, the terms, "spirits," "strong beer,"  
16 and "package" shall have the meaning ascribed to them in chapter 66.04  
17 RCW.

18 NEW SECTION. **Sec. 56.** The liquor control board may adopt  
19 appropriate rules pursuant to chapter 34.05 RCW for the purpose of  
20 carrying out the provisions of this act.

21 **Sec. 57.** RCW 66.08.180 and 1995 c 398 s 16 are each amended to  
22 read as follows:

23 Moneys in the liquor revolving fund shall be distributed by the  
24 board at least once every three months in accordance with RCW  
25 66.08.190, 66.08.200 and 66.08.210: PROVIDED, That the board shall  
26 reserve from distribution such amount not exceeding five hundred  
27 thousand dollars as may be necessary for the proper administration of  
28 this title.

29 (1) All license fees, penalties and forfeitures derived under this  
30 act from class H licenses or class H licensees shall every three months  
31 be disbursed by the board as follows:

32 (a) Three hundred thousand dollars per biennium, to the University  
33 of Washington for the forensic investigations council to conduct the  
34 state toxicological laboratory pursuant to RCW 68.50.107; and

35 (b) Of the remaining funds:

1 (i) 6.06 percent to the University of Washington and 4.04 percent  
2 to Washington State University for alcoholism and drug abuse research  
3 and for the dissemination of such research; and

4 (ii) 89.9 percent to the general fund to be used by the department  
5 of social and health services solely to carry out the purposes of RCW  
6 70.96A.050;

7 (2) The first fifty-five dollars per license fee provided in RCW  
8 66.24.320 and 66.24.330 up to a maximum of one hundred fifty thousand  
9 dollars annually shall be disbursed every three months by the board to  
10 the general fund to be used for juvenile alcohol and drug prevention  
11 programs for kindergarten through third grade to be administered by the  
12 superintendent of public instruction;

13 (3) Twenty percent of the remaining total amount derived from  
14 license fees pursuant to RCW 66.24.320, 66.24.330, (~~66.24.340,~~)  
15 66.24.350, and 66.24.360, (~~and 66.24.370,~~) shall be transferred to  
16 the general fund to be used by the department of social and health  
17 services solely to carry out the purposes of RCW 70.96A.050; and

18 (4) One-fourth cent per liter of the tax imposed by RCW 66.24.210  
19 shall every three months be disbursed by the board to Washington State  
20 University solely for wine and wine grape research, extension programs  
21 related to wine and wine grape research, and resident instruction in  
22 both wine grape production and the processing aspects of the wine  
23 industry in accordance with RCW 28B.30.068. The director of financial  
24 management shall prescribe suitable accounting procedures to ensure  
25 that the funds transferred to the general fund to be used by the  
26 department of social and health services and appropriated are  
27 separately accounted for.

28 *\*Sec. 58. RCW 66.16.100 and 1987 c 386 s 5 are each amended to*  
29 *read as follows:*

30 *No state liquor store in a county with a population over three*  
31 *hundred thousand may sell fortified wine if the board finds that the*  
32 *sale would be against the public interest based on the factors in RCW*  
33 *(~~66.24.370~~) 66.24.360. The burden of establishing that the sale*  
34 *would be against the public interest is on those persons objecting.*

35 *\*Sec. 58 was vetoed. See message at end of chapter.*

36 *\*Sec. 59. RCW 66.20.300 and 1996 c 218 s 2 are each amended to*  
37 *read as follows:*



1 Unless the context clearly requires otherwise, the definitions in  
2 this section apply throughout RCW 66.20.310 through 66.20.350.

3 (1) "Alcohol" has the same meaning as "liquor" in RCW 66.04.010.

4 (2) "Alcohol server" means any person serving or selling alcohol,  
5 spirits, wines, or beer for consumption at an on-premises retail  
6 licensed facility as a regular requirement of his or her employment,  
7 and includes those persons eighteen years of age or older permitted by  
8 the liquor laws of this state to serve alcoholic beverages with meals.

9 (3) "Board" means the Washington state liquor control board.

10 (4) "Training entity" means any liquor licensee associations,  
11 independent contractors, private persons, and private or public  
12 schools, that have been certified by the board.

13 (5) "Retail licensed premises" means any premises licensed to sell  
14 alcohol by the glass or by the drink, or in original containers  
15 primarily for consumption on the premises as authorized by RCW  
16 66.24.320, 66.24.330, (~~66.24.340,~~) 66.24.350, 66.24.400, 66.24.425,  
17 66.24.450, and 66.24.570.

18 \*Sec. 59 was vetoed. See message at end of chapter.

19 \*Sec. 60. RCW 66.20.310 and 1996 c 311 s 1 and 1996 c 218 s 3 are  
20 each reenacted and amended to read as follows:

21 (1)(a) There shall be an alcohol server permit, known as a class 12  
22 permit, for a manager or bartender selling or mixing alcohol, spirits,  
23 wines, or beer for consumption at an on-premises licensed facility.

24 (b) There shall be an alcohol server permit, known as a class 13  
25 permit, for a person who only serves alcohol, spirits, wines, or beer  
26 for consumption at an on-premises licensed facility.

27 (c) As provided by rule by the board, a class 13 permit holder may  
28 be allowed to act as a bartender without holding a class 12 permit.

29 (2)(a) Effective January 1, 1997, except as provided in (d) of this  
30 subsection, every person employed, under contract or otherwise, by an  
31 annual retail liquor licensee holding a license as authorized by RCW  
32 66.24.320, 66.24.330, (~~66.24.340,~~) 66.24.350, 66.24.400, 66.24.425,  
33 66.24.450, or 66.24.570, who as part of his or her employment  
34 participates in any manner in the sale or service of alcoholic  
35 beverages shall have issued to them a class 12 or class 13 permit.

36 (b) Every class 12 and class 13 permit issued shall be issued in  
37 the name of the applicant and no other person may use the permit of  
38 another permit holder. The holder shall present the permit upon

1 request to inspection by a representative of the board or a peace  
2 officer. The class 12 or class 13 permit shall be valid for employment  
3 at any retail licensed premises described in (a) of this subsection.

4 (c) No licensee described in (a) of this subsection, except as  
5 provided in (d) of this subsection, may employ or accept the services  
6 of any person without the person first having a valid class 12 or class  
7 13 permit.

8 (d) Within sixty days of initial employment, every person whose  
9 duties include the compounding, sale, service, or handling of liquor  
10 shall have a class 12 or class 13 permit.

11 (e) No person may perform duties that include the sale or service  
12 of alcoholic beverages on a retail licensed premises without possessing  
13 a valid alcohol server permit.

14 (3) A permit issued by a training entity under this section is  
15 valid for employment at any retail licensed premises described in  
16 subsection (2)(a) of this section for a period of five years unless  
17 suspended by the board.

18 (4) The board may suspend or revoke an existing permit if any of  
19 the following occur:

20 (a) The applicant or permittee has been convicted of violating any  
21 of the state or local intoxicating liquor laws of this state or has  
22 been convicted at any time of a felony; or

23 (b) The permittee has performed or permitted any act that  
24 constitutes a violation of this title or of any rule of the board.

25 (5) The suspension or revocation of a permit under this section  
26 does not relieve a licensee from responsibility for any act of the  
27 employee or agent while employed upon the retail licensed premises.  
28 The board may, as appropriate, revoke or suspend either the permit of  
29 the employee who committed the violation or the license of the licensee  
30 upon whose premises the violation occurred, or both the permit and the  
31 license.

32 (6)(a) After January 1, 1997, it is a violation of this title for  
33 any retail licensee or agent of a retail licensee as described in  
34 subsection (2)(a) of this section to employ in the sale or service of  
35 alcoholic beverages, any person who does not have a valid alcohol  
36 server permit or whose permit has been revoked, suspended, or denied.

37 (b) It is a violation of this title for a person whose alcohol  
38 server permit has been denied, suspended, or revoked to accept  
39 employment in the sale or service of alcoholic beverages.

1       (7) *Establishments licensed under RCW 66.24.320 ((and 66.24.340)),*  
2 *the primary commercial activity of which is the sale of grocery*  
3 *products and for which the sale and service of beer and wine is*  
4 *incidental to the primary business, and employees of such*  
5 *establishments, are exempt from RCW 66.20.300 through 66.20.350.*

6 \*Sec. 60 was vetoed. See message at end of chapter.

7       **Sec. 61.** RCW 66.24.375 and 1981 c 287 s 2 are each amended to read  
8 as follows:

9       "Society or organization" as used in RCW 66.24.380 ((and 66.24.500  
10 and "nonprofit organization" as used in RCW 66.24.510)) means a not-  
11 for-profit group organized and operated solely for charitable,  
12 religious, social, political, educational, civic, fraternal, athletic,  
13 or benevolent purposes. No portion of the profits from events  
14 sponsored by a not-for-profit group may be paid directly or indirectly  
15 to members, officers, directors, or trustees except for services  
16 performed for the organization. Any compensation paid to its officers  
17 and executives must be only for actual services and at levels  
18 comparable to the compensation for like positions within the state. A  
19 society or organization which is registered with the secretary of state  
20 or the federal internal revenue service as a nonprofit organization may  
21 submit such registration as proof that it is a not-for-profit group.

22       **Sec. 62.** RCW 66.44.190 and 1979 ex.s. c 104 s 1 are each amended  
23 to read as follows:

24       Except at the faculty center as so designated by the university  
25 board of regents to the Washington state liquor control board who may  
26 issue a class H club license therefor, it shall be unlawful to sell any  
27 intoxicating liquors, with or without a license on the grounds of the  
28 University of Washington, otherwise known and described as follows:  
29 Fractional section 16, township 25 north, range 4 east of Willamette  
30 Meridian except to the extent allowed under banquet permits issued  
31 pursuant to RCW ((66.24.490)) 66.24.481.

32       NEW SECTION.   **Sec. 63.** The following acts or parts of acts are  
33 each repealed:

34       (1) RCW 66.24.204 and 1981 1st ex.s. c 5 s 33 & 1969 ex.s. c 21 s  
35 9;

36       (2) RCW 66.24.260 and 1981 1st ex.s. c 5 s 15 & 1937 c 217 s 1;

1 (3) RCW 66.24.340 and 1981 1st ex.s. c 5 s 39, 1981 c 94 s 1, 1977  
2 ex.s. c 9 s 3, 1967 ex.s. c 75 s 4, 1941 c 220 s 3, & 1937 c 217 s 1;

3 (4) RCW 66.24.370 and 1992 c 42 s 1, 1987 c 386 s 4, 1981 1st ex.s.  
4 c 5 s 42, 1981 c 182 s 1, 1973 1st ex.s. c 209 s 16, 1967 ex.s. c 75 s  
5 7, & 1937 c 217 s 1;

6 (5) RCW 66.24.490 and 1995 c 232 s 9, 1994 c 201 s 3, 1987 c 386 s  
7 6, 1985 c 306 s 1, 1981 1st ex.s. c 5 s 19, 1977 ex.s. c 9 s 5, 1969  
8 ex.s. c 178 s 7, & 1967 c 55 s 1;

9 (6) RCW 66.24.500 and 1988 c 200 s 3 & 1982 c 85 s 6;

10 (7) RCW 66.24.510 and 1984 c 71 s 1, 1981 1st ex.s. c 5 s 47, &  
11 1975 1st ex.s. c 173 s 12; and

12 (8) RCW 66.24.560 and 1994 c 201 s 4.

13 NEW SECTION. **Sec. 64.** This act takes effect July 1, 1998.

Passed the Senate April 21, 1997.

Passed the House April 9, 1997.

Approved by the Governor May 12, 1997, with the exception of  
certain items that were vetoed.

Filed in Office of Secretary of State May 12, 1997.

1 Note: Governor's explanation of partial veto is as follows:

2 "I am returning herewith, without my approval as to sections 39,  
3 48, 58, 59, and 60, Substitute Senate Bill No. 5173 entitled:

4 "AN ACT Relating to improving the liquor license schematic of the  
5 state of Washington;"

6 This bill consolidates and simplifies the structure of the liquor  
7 licensing system in Washington as provided in the state liquor code.

8 Sections 39, 58, 59, and 60 of this bill duplicate other sections  
9 of the bill. Section 48 would create a double amendment of RCW  
10 66.28.040 as a result of the earlier enactment this year of Senate  
11 Bill No. 5338 (Chapter 39, Laws of 1997).

12 Several technical corrections to this legislation appear to be  
13 necessary. However, I am signing this bill because it is a major  
14 positive step forward in clarifying the law, and should be put into  
15 place this year. Also, I will ask the Liquor Control Board to develop  
16 a bill to make necessary technical corrections for introduction in the  
17 1998 legislative session.

18 For these reasons, I have vetoed sections 39, 48, 58, 59, and 60 of  
19 Substitute Senate Bill No. 5173.

20 With the exception of sections 39, 48, 58, 59, and 60, Substitute  
21 Senate Bill No. 5173 is approved."