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**SUBSTITUTE SENATE BILL 6540**

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**State of Washington**

**59th Legislature**

**2006 Regular Session**

**By** Senate Committee on Labor, Commerce, Research & Development  
(originally sponsored by Senators Kohl-Welles, Parlette and Keiser;  
by request of Liquor Control Board)

READ FIRST TIME 01/24/06.

1 AN ACT Relating to processing liquor licenses; and amending RCW  
2 66.24.010.

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

4 **Sec. 1.** RCW 66.24.010 and 2004 c 133 s 1 are each amended to read  
5 as follows:

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

8 (2) For the purpose of considering any application for a license,  
9 the board may cause an inspection of the premises to be made, and may  
10 inquire into all matters in connection with the construction and  
11 operation of the premises. For the purpose of reviewing any  
12 application for a license and for considering the denial, suspension or  
13 revocation of any license, the liquor control board may consider any  
14 prior criminal conduct of the applicant including a criminal history  
15 record information check. The board may submit the criminal history  
16 record information check to the Washington state patrol and to the  
17 identification division of the federal bureau of investigation in order  
18 that these agencies may search their records for prior arrests and  
19 convictions of the individual or individuals who filled out the forms.

1 The board shall require fingerprinting of any applicant whose criminal  
2 history record information check is submitted to the federal bureau of  
3 investigation. The provisions of RCW 9.95.240 and of chapter 9.96A RCW  
4 shall not apply to such cases. The board may, in its discretion, grant  
5 or refuse the license applied for. Authority to approve an uncontested  
6 or unopposed license may be granted by the board to any staff member  
7 the board designates in writing. Conditions for granting such  
8 authority shall be adopted by rule. No retail license of any kind may  
9 be issued to:

10 (a) A person doing business as a sole proprietor who has not  
11 resided in the state for at least one month prior to (~~making~~  
12 ~~application~~) receiving a license, except in cases of licenses issued  
13 to dining places on railroads, boats, or aircraft;

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

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

19 (d) A corporation or a limited liability company, unless it was  
20 created under the laws of the state of Washington or holds a  
21 certificate of authority to transact business in the state of  
22 Washington.

23 (3)(a) The board may, in its discretion, subject to the provisions  
24 of RCW 66.08.150, suspend or cancel any license; and all rights of the  
25 licensee to keep or sell liquor thereunder shall be suspended or  
26 terminated, as the case may be.

27 (b) The board shall immediately suspend the license or certificate  
28 of a person who has been certified pursuant to RCW 74.20A.320 by the  
29 department of social and health services as a person who is not in  
30 compliance with a support order. If the person has continued to meet  
31 all other requirements for reinstatement during the suspension,  
32 reissuance of the license or certificate shall be automatic upon the  
33 board's receipt of a release issued by the department of social and  
34 health services stating that the licensee is in compliance with the  
35 order.

36 (c) The board may request the appointment of administrative law  
37 judges under chapter 34.12 RCW who shall have power to administer  
38 oaths, issue subpoenas for the attendance of witnesses and the

1 production of papers, books, accounts, documents, and testimony,  
2 examine witnesses, and to receive testimony in any inquiry,  
3 investigation, hearing, or proceeding in any part of the state, under  
4 such rules and regulations as the board may adopt.

5 (d) Witnesses shall be allowed fees and mileage each way to and  
6 from any such inquiry, investigation, hearing, or proceeding at the  
7 rate authorized by RCW 34.05.446, as now or hereafter amended. Fees  
8 need not be paid in advance of appearance of witnesses to testify or to  
9 produce books, records, or other legal evidence.

10 (e) In case of disobedience of any person to comply with the order  
11 of the board or a subpoena issued by the board, or any of its members,  
12 or administrative law judges, or on the refusal of a witness to testify  
13 to any matter regarding which he or she may be lawfully interrogated,  
14 the judge of the superior court of the county in which the person  
15 resides, on application of any member of the board or administrative  
16 law judge, shall compel obedience by contempt proceedings, as in the  
17 case of disobedience of the requirements of a subpoena issued from said  
18 court or a refusal to testify therein.

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

28 (5)(a) At the time of the original issuance of a spirits, beer, and  
29 wine restaurant license, the board shall prorate the license fee  
30 charged to the new licensee according to the number of calendar  
31 quarters, or portion thereof, remaining until the first renewal of that  
32 license is required.

33 (b) Unless sooner canceled, every license issued by the board shall  
34 expire at midnight of the thirtieth day of June of the fiscal year for  
35 which it was issued. However, if the board deems it feasible and  
36 desirable to do so, it may establish, by rule pursuant to chapter 34.05  
37 RCW, a system for staggering the annual renewal dates for any and all  
38 licenses authorized by this chapter. If such a system of staggered

1 annual renewal dates is established by the board, the license fees  
2 provided by this chapter shall be appropriately prorated during the  
3 first year that the system is in effect.

4 (6) Every license issued under this section shall be subject to all  
5 conditions and restrictions imposed by this title or by (~~the~~  
6 ~~regulations in force from time to time~~) rules adopted by the board.  
7 All conditions and restrictions imposed by the board in the issuance of  
8 an individual license shall be listed on the face of the individual  
9 license along with the trade name, address, and expiration date.

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

12 (8)(a) Unless (b) of this subsection applies, before the board  
13 issues a license to an applicant it shall give notice of such  
14 application to the chief executive officer of the incorporated city or  
15 town, if the application is for a license within an incorporated city  
16 or town, or to the county legislative authority, if the application is  
17 for a license outside the boundaries of incorporated cities or towns.

18 (b) If the application for a special occasion license is for an  
19 event held during a county, district, or area fair as defined by RCW  
20 15.76.120, and the county, district, or area fair is located on  
21 property owned by the county but located within an incorporated city or  
22 town, the county legislative authority shall be the entity notified by  
23 the board under (a) of this subsection. The board shall send a  
24 duplicate notice to the incorporated city or town within which the fair  
25 is located.

26 (c) The incorporated city or town through the official or employee  
27 selected by it, or the county legislative authority or the official or  
28 employee selected by it, shall have the right to file with the board  
29 within twenty days after date of transmittal of such notice, written  
30 objections against the applicant or against the premises for which the  
31 license is asked. The board may extend the time period for submitting  
32 written objections.

33 (d) The written objections shall include a statement of all facts  
34 upon which such objections are based, and in case written objections  
35 are filed, may request and the liquor control board may in its  
36 discretion hold a (~~formal~~) hearing subject to the applicable  
37 provisions of Title 34 RCW.

1 (e) Upon the granting of a license under this title the board shall  
2 send (~~((a duplicate of the license or))~~) written notification to the  
3 chief executive officer of the incorporated city or town in which the  
4 license is granted, or to the county legislative authority if the  
5 license is granted outside the boundaries of incorporated cities or  
6 towns. When the license is for a special occasion license for an event  
7 held during a county, district, or area fair as defined by RCW  
8 15.76.120, and the county, district, or area fair is located on county-  
9 owned property but located within an incorporated city or town, the  
10 (~~(duplicate))~~ written notification shall be sent to both the  
11 incorporated city or town and the county legislative authority.

12 (9)(a) Before the board issues any license to any applicant, it  
13 shall give (~~((a))~~) (i) due consideration to the location of the  
14 business to be conducted under such license with respect to the  
15 proximity of churches, schools, and public institutions and (~~((b))~~)  
16 (ii) written notice (~~((by certified mail))~~), with receipt verification,  
17 of the application to churches, schools, and public institutions within  
18 five hundred feet of the premises to be licensed. The board shall  
19 issue no beer retailer license for either on-premises or off-premises  
20 consumption or wine retailer license for either on-premises or off-  
21 premises consumption or spirits, beer, and wine restaurant license  
22 covering any premises not now licensed, if such premises are within  
23 five hundred feet of the premises of any tax-supported public  
24 elementary or secondary school measured along the most direct route  
25 over or across established public walks, streets, or other public  
26 passageway from the (~~((outer property line))~~) main entrance of the school  
27 (~~((grounds))~~) to the nearest public entrance of the premises proposed for  
28 license, and if, after receipt by the school (~~((or public institution))~~)  
29 of the notice as provided in this subsection, the board receives  
30 written (~~((notice))~~) objection, within twenty days after (~~((posting))~~)  
31 receiving such notice, from an official representative or  
32 representatives of the school within five hundred feet of said proposed  
33 licensed premises, indicating to the board that there is an objection  
34 to the issuance of such license because of proximity to a school. The  
35 board may extend the time period for submitting objections. For the  
36 purpose of this section, church shall mean a building erected for and  
37 used exclusively for religious worship and schooling or other activity

1 in connection therewith. For the purpose of this section, public  
2 institution shall mean institutions of higher education, parks,  
3 community centers, libraries, and transit centers.

4 (b) No liquor license may be issued or reissued by the board to any  
5 motor sports facility or licensee operating within the motor sports  
6 facility unless the motor sports facility enforces a program reasonably  
7 calculated to prevent alcohol or alcoholic beverages not purchased  
8 within the facility from entering the facility and such program is  
9 approved by local law enforcement agencies.

10 (c) It is the intent under this subsection (9) that a retail  
11 license shall not be issued by the board where doing so would, in the  
12 judgment of the board, adversely affect a private school meeting the  
13 requirements for private schools under Title 28A RCW, which school is  
14 within five hundred feet of the proposed licensee. The board shall  
15 fully consider and give substantial weight to objections filed by  
16 private schools. If a license is issued despite the proximity of a  
17 private school, the board shall state in a letter addressed to the  
18 private school the board's reasons for issuing the license.

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

26 (11)(a) Nothing in this section prohibits the board, in its  
27 discretion, from issuing a temporary retail or distributor license to  
28 an applicant (~~((assuming an existing retail or distributor license))~~) to  
29 (~~((continue the operation of))~~) operate the retail or distributor  
30 premises during the period the application for the license is pending  
31 (~~((and when the following conditions exist:~~

32 ~~(a) The licensed premises has been operated under a retail or~~  
33 ~~distributor license within ninety days of the date of filing the~~  
34 ~~application for a temporary license;~~

35 ~~(b) The retail or distributor license for the premises has been~~  
36 ~~surrendered pursuant to issuance of a temporary operating license;~~

37 ~~(c) The applicant for the temporary license has filed with the~~

1 ~~board an application to assume the retail or distributor license at~~  
2 ~~such premises to himself or herself; and~~

3 ~~(d) The application for a temporary license is accompanied by a~~  
4 ~~temporary license fee established by the board by rule)). The board~~  
5 ~~may establish a fee for a temporary license by rule.~~

6 (b) A temporary license issued by the board under this section  
7 shall be for a period not to exceed sixty days. A temporary license  
8 may be extended at the discretion of the board for ~~((an))~~ additional  
9 periods of sixty-days ~~((period))~~ upon payment of an additional fee and  
10 upon compliance with all conditions required in this section.

11 (c) Refusal by the board to issue or extend a temporary license  
12 shall not entitle the applicant to request a hearing. A temporary  
13 license may be canceled or suspended summarily at any time if the board  
14 determines that good cause for cancellation or suspension exists. RCW  
15 66.08.130 ~~((and chapter 34.05 RCW shall apply))~~ applies to temporary  
16 licenses.

17 (d) Application for a temporary license shall be on such form as  
18 the board shall prescribe. If an application for a temporary license  
19 is withdrawn before issuance or is refused by the board, the fee which  
20 accompanied such application shall be refunded in full.

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