

E2SSB 5859 - H COMM AMD

By Committee on Commerce & Labor

ADOPTED 04/06/2007

1 Strike everything after the enacting clause and insert the
2 following:

3 "Sec. 1. RCW 66.24.375 and 1997 c 321 s 61 are each amended to
4 read as follows:

5 "Society or organization" as used in RCW 66.24.380 means a not-for-
6 profit group organized and operated (1) solely for charitable,
7 religious, social, political, educational, civic, fraternal, athletic,
8 or benevolent purposes, or (2) as a local wine industry association
9 registered under section 501(c)(6) of the internal revenue code as it
10 exists on the effective date of this section. No portion of the
11 profits from events sponsored by a not-for-profit group may be paid
12 directly or indirectly to members, officers, directors, or trustees
13 except for services performed for the organization. Any compensation
14 paid to its officers and executives must be only for actual services
15 and at levels comparable to the compensation for like positions within
16 the state. A society or organization which is registered with the
17 secretary of state or the federal internal revenue service as a
18 nonprofit organization (~~may~~) shall submit such registration, upon
19 request, as proof that it is a not-for-profit group.

20 **Sec. 2.** RCW 66.28.010 and 2006 c 330 s 28, 2006 c 92 s 1, and 2006
21 c 43 s 1 are each reenacted and amended to read as follows:

22 (1)(a) No manufacturer, importer, distributor, or authorized
23 representative, or person financially interested, directly or
24 indirectly, in such business; whether resident or nonresident, shall
25 have any financial interest, direct or indirect, in any licensed retail
26 business, unless the retail business is owned by a corporation in which
27 a manufacturer or importer has no direct stock ownership and there are
28 no interlocking officers and directors, the retail license is held by
29 a corporation that is not owned directly or indirectly by a

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

1 distributor, or authorized representative shall be eligible to receive
2 or hold a retail license under this title, nor shall such manufacturer,
3 importer, distributor, or authorized representative sell at retail any
4 liquor as herein defined. A corporation granted an exemption under
5 this subsection may use debt instruments issued in connection with
6 financing construction or operations of its facilities.

7 (b) Nothing in this section shall prohibit a licensed domestic
8 brewery or microbrewery from being licensed as a retailer pursuant to
9 chapter 66.24 RCW for the purpose of selling beer or wine at retail on
10 the brewery premises and at one additional off-site retail only
11 location and nothing in this section shall prohibit a domestic winery
12 from being licensed as a retailer pursuant to chapter 66.24 RCW for the
13 purpose of selling beer or wine at retail on the winery premises. Such
14 beer and wine so sold at retail shall be subject to the taxes imposed
15 by RCW 66.24.290 and 66.24.210 and to reporting and bonding
16 requirements as prescribed by regulations adopted by the board pursuant
17 to chapter 34.05 RCW, and beer and wine that is not produced by the
18 brewery or winery shall be purchased from a licensed beer or wine
19 distributor.

20 (c) Nothing in this section shall prohibit a licensed distiller,
21 domestic brewery, microbrewery, domestic winery, or a lessee of a
22 licensed domestic brewer, microbrewery, or domestic winery, from being
23 licensed as a spirits, beer, and wine restaurant pursuant to chapter
24 66.24 RCW for the purpose of selling liquor at a spirits, beer, and
25 wine restaurant premises on the property on which the primary
26 manufacturing facility of the licensed distiller, domestic brewer,
27 microbrewery, or domestic winery is located or on contiguous property
28 owned or leased by the licensed distiller, domestic brewer,
29 microbrewery, or domestic winery as prescribed by rules adopted by the
30 board pursuant to chapter 34.05 RCW. This section does not prohibit a
31 brewery or microbrewery holding a spirits, beer, and wine restaurant
32 license or a beer and/or wine license under chapter 66.24 RCW operated
33 on the premises of the brewery or microbrewery from holding a second
34 retail only license at a location separate from the premises of the
35 brewery or microbrewery.

36 (d) Nothing in this section prohibits retail licensees with a
37 caterer's endorsement issued under RCW 66.24.320 or 66.24.420 from
38 operating on a domestic winery premises.

1 (e) Nothing in this section prohibits an organization qualifying
2 under RCW 66.24.375 formed for the purpose of constructing and
3 operating a facility to promote Washington wines from holding retail
4 licenses on the facility property or leasing all or any portion of such
5 facility property to a retail licensee on the facility property if the
6 members of the board of directors or officers of the board for the
7 organization include officers, directors, owners, or employees of a
8 licensed domestic winery. Financing for the construction of the
9 facility must include both public and private money.

10 (f) Nothing in this section prohibits a bona fide charitable
11 nonprofit society or association registered (~~as a~~) under section
12 501(c)(3) ((under)) of the internal revenue code, or a local wine
13 industry association registered under section 501(c)(6) of the internal
14 revenue code as it exists on the effective date of this section, and
15 having an officer, director, owner, or employee of a licensed domestic
16 winery or a wine certificate of approval holder on its board of
17 directors from holding a special occasion license under RCW 66.24.380.

18 (g) Nothing in this section prohibits domestic wineries and
19 retailers licensed under chapter 66.24 RCW from jointly producing
20 brochures and materials promoting tourism in Washington state which
21 contain information regarding retail licensees, domestic wineries, and
22 their products.

23 (h) Nothing in this section prohibits domestic wineries and retail
24 licensees from identifying the wineries on private labels authorized
25 under RCW 66.24.400, 66.24.425, and 66.24.450.

26 (i) Until July 1, 2007, nothing in this section prohibits a
27 nonprofit statewide organization of microbreweries formed for the
28 purpose of promoting Washington's craft beer industry as a trade
29 association registered as a 501(c) with the internal revenue service
30 from holding a special occasion license to conduct up to six beer
31 festivals.

32 (2) Financial interest, direct or indirect, as used in this
33 section, shall include any interest, whether by stock ownership,
34 mortgage, lien, or through interlocking directors, or otherwise.
35 Pursuant to rules promulgated by the board in accordance with chapter
36 34.05 RCW manufacturers, distributors, and importers may perform, and
37 retailers may accept the service of building, rotating and restocking
38 case displays and stock room inventories; rotating and rearranging can

1 and bottle displays of their own products; provide point of sale
2 material and brand signs; price case goods of their own brands; and
3 perform such similar normal business services as the board may by
4 regulation prescribe.

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

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

26 (c) The board shall adopt such rules as are deemed necessary to
27 carry out the purposes and provisions of subsection (3)(a) of this
28 section in accordance with the administrative procedure act, chapter
29 34.05 RCW.

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

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

35 **Sec. 3.** RCW 66.08.150 and 2003 c 320 s 1 are each amended to read
36 as follows:

37 The action, order, or decision of the board as to any denial of an

1 application for the reissuance of a permit or license or as to any
2 revocation, suspension, or modification of any permit or license shall
3 be an adjudicative proceeding and subject to the applicable provisions
4 of chapter 34.05 RCW.

5 (1) An opportunity for a hearing may be provided an applicant for
6 the reissuance of a permit or license prior to the disposition of the
7 application, and if no such opportunity for a prior hearing is provided
8 then an opportunity for a hearing to reconsider the application must be
9 provided the applicant.

10 (2) An opportunity for a hearing must be provided a permittee or
11 licensee prior to a revocation or modification of any permit or license
12 and, except as provided in subsection (4) of this section, prior to the
13 suspension of any permit or license.

14 (3) No hearing shall be required until demanded by the applicant,
15 permittee, or licensee.

16 (4) The board may summarily suspend a license or permit for a
17 period of up to one hundred eighty days without a prior hearing if it
18 finds that public health, safety, or welfare imperatively require
19 emergency action, and it incorporates a finding to that effect in its
20 order(~~(; and)~~). Proceedings for revocation or other action must be
21 promptly instituted and determined. An administrative law judge may
22 extend the summary suspension period for up to one calendar year in the
23 event the proceedings for revocation or other action cannot be
24 completed during the initial one hundred eighty day period due to
25 actions by the licensee or permittee. The board's enforcement division
26 shall complete a preliminary staff investigation of the violation
27 before requesting an emergency suspension by the board.

28 **Sec. 4.** RCW 66.24.244 and 2006 c 302 s 3 and 2006 c 44 s 2 are
29 each reenacted and amended to read as follows:

30 (1) There shall be a license for microbreweries; fee to be one
31 hundred dollars for production of less than sixty thousand barrels of
32 malt liquor, including strong beer, per year.

33 (2) Any microbrewery license under this section may also act as a
34 distributor and/or retailer for beer and strong beer of its own
35 production. Any microbrewery licensed under this section may act as a
36 distributor for beer of its own production. Strong beer may not be
37 sold at a farmers market or under any endorsement which may authorize

1 microbreweries to sell beer at farmers markets. Any microbrewery
2 operating as a distributor and/or retailer under this subsection shall
3 comply with the applicable laws and rules relating to distributors
4 and/or retailers. A microbrewery holding a spirits, beer, and wine
5 restaurant license may sell beer of its own production for off-premises
6 consumption from its restaurant premises in kegs or in a sanitary
7 container brought to the premises by the purchaser or furnished by the
8 licensee and filled at the tap by the licensee at the time of sale.

9 (3) The board may issue a license allowing a microbrewery to
10 operate a spirits, beer, and wine restaurant under RCW 66.24.420.

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

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

23 (5) If the microbrewery licensee holds a separate license for a
24 spirits, beer, and wine restaurant or a beer and/or wine restaurant,
25 operated on the brewery premises, the licensee may hold a second retail
26 license for a spirits, beer, and wine restaurant or a beer and/or wine
27 restaurant, at a location separate from the licensed brewery premises.

28 (6)(a) A microbrewery licensed under this section may apply to the
29 board for an endorsement to sell bottled beer of its own production at
30 retail for off-premises consumption at a qualifying farmers market.
31 The annual fee for this endorsement is seventy-five dollars.

32 (b) For each month during which a microbrewery will sell beer at a
33 qualifying farmers market, the microbrewery must provide the board or
34 its designee a list of the dates, times, and locations at which bottled
35 beer may be offered for sale. This list must be received by the board
36 before the microbrewery may offer beer for sale at a qualifying farmers
37 market.

1 (c) The beer sold at qualifying farmers markets must be produced in
2 Washington.

3 (d) Each approved location in a qualifying farmers market is deemed
4 to be part of the microbrewery license for the purpose of this title.
5 The approved locations under an endorsement granted under this
6 subsection (~~(+5+)~~) (6) do not constitute the tasting or sampling
7 privilege of a microbrewery. The microbrewery may not store beer at a
8 farmers market beyond the hours that the microbrewery offers bottled
9 beer for sale. The microbrewery may not act as a distributor from a
10 farmers market location.

11 (e) Before a microbrewery may sell bottled beer at a qualifying
12 farmers market, the farmers market must apply to the board for
13 authorization for any microbrewery with an endorsement approved under
14 this subsection (~~(+5+)~~) (6) to sell bottled beer at retail at the
15 farmers market. This application shall include, at a minimum: (i) A
16 map of the farmers market showing all booths, stalls, or other
17 designated locations at which an approved microbrewery may sell bottled
18 beer; and (ii) the name and contact information for the on-site market
19 managers who may be contacted by the board or its designee to verify
20 the locations at which bottled beer may be sold. Before authorizing a
21 qualifying farmers market to allow an approved microbrewery to sell
22 bottled beer at retail at its farmers market location, the board shall
23 notify the persons or entities of the application for authorization
24 pursuant to RCW 66.24.010 (8) and (9). An authorization granted under
25 this subsection (~~(+5+)~~) (6)(e) may be withdrawn by the board for any
26 violation of this title or any rules adopted under this title.

27 (f) The board may adopt rules establishing the application and
28 approval process under this section and any additional rules necessary
29 to implement this section.

30 (g) For the purposes of this subsection (~~(+5+)~~) (6):

31 (i) "Qualifying farmers market" means an entity that sponsors a
32 regular assembly of vendors at a defined location for the purpose of
33 promoting the sale of agricultural products grown or produced in this
34 state directly to the consumer under conditions that meet the following
35 minimum requirements:

36 (A) There are at least five participating vendors who are farmers
37 selling their own agricultural products;

1 (B) The total combined gross annual sales of vendors who are
2 farmers exceeds the total combined gross annual sales of vendors who
3 are processors or resellers;

4 (C) The total combined gross annual sales of vendors who are
5 farmers, processors, or resellers exceeds the total combined gross
6 annual sales of vendors who are not farmers, processors, or resellers;

7 (D) The sale of imported items and secondhand items by any vendor
8 is prohibited; and

9 (E) No vendor is a franchisee.

10 (ii) "Farmer" means a natural person who sells, with or without
11 processing, agricultural products that he or she raises on land he or
12 she owns or leases in this state or in another state's county that
13 borders this state.

14 (iii) "Processor" means a natural person who sells processed food
15 that he or she has personally prepared on land he or she owns or leases
16 in this state or in another state's county that borders this state.

17 (iv) "Reseller" means a natural person who buys agricultural
18 products from a farmer and resells the products directly to the
19 consumer.

20 **Sec. 5.** RCW 66.24.244 and 2006 c 44 s 2 are each amended to read
21 as follows:

22 (1) There shall be a license for microbreweries; fee to be one
23 hundred dollars for production of less than sixty thousand barrels of
24 malt liquor, including strong beer, per year.

25 (2) Any microbrewery license under this section may also act as a
26 distributor and/or retailer for beer and strong beer of its own
27 production. Strong beer may not be sold at a farmers market or under
28 any endorsement which may authorize microbreweries to sell beer at
29 farmers markets. Any microbrewery operating as a distributor and/or
30 retailer under this subsection shall comply with the applicable laws
31 and rules relating to distributors and/or retailers. A microbrewery
32 holding a spirits, beer, and wine restaurant license may sell beer of
33 its own production for off-premises consumption from its restaurant
34 premises in kegs or in a sanitary container brought to the premises by
35 the purchaser or furnished by the licensee and filled at the tap by the
36 licensee at the time of sale.

1 (3) The board may issue a license allowing a microbrewery to
2 operate a spirits, beer, and wine restaurant under RCW 66.24.420.

3 (4) The board may issue ~~((an endorsement to this))~~ a license
4 allowing for on-premises consumption of beer, including strong beer,
5 wine, or both of other manufacture if purchased from a Washington
6 state-licensed distributor. ~~((Each endorsement shall cost two hundred~~
7 ~~dollars per year, or four hundred dollars per year allowing the sale~~
8 ~~and service of both beer and wine.~~

9 ~~(4))~~ The microbrewer ~~((obtaining such endorsement))~~ must
10 determine, at the time the ~~((endorsement))~~ license is issued, whether
11 the licensed premises will be operated ~~((either))~~ as a tavern with
12 persons under twenty-one years of age not allowed as provided for in
13 RCW 66.24.330, or as a beer and/or wine restaurant as described in RCW
14 66.24.320.

15 (5) If the microbrewery licensee holds a separate license for a
16 spirits, beer, and wine restaurant or a beer and/or wine restaurant,
17 operated on the brewery premises, the licensee may hold a second retail
18 license for a spirits, beer, and wine restaurant or a beer and/or wine
19 restaurant, at a location separate from the licensed brewery premises.

20 (6)(a) A microbrewery licensed under this section may apply to the
21 board for an endorsement to sell bottled beer of its own production at
22 retail for off-premises consumption at a qualifying farmers market.
23 The annual fee for this endorsement is seventy-five dollars.

24 (b) For each month during which a microbrewery will sell beer at a
25 qualifying farmers market, the microbrewery must provide the board or
26 its designee a list of the dates, times, and locations at which bottled
27 beer may be offered for sale. This list must be received by the board
28 before the microbrewery may offer beer for sale at a qualifying farmers
29 market.

30 (c) The beer sold at qualifying farmers markets must be produced in
31 Washington.

32 (d) Each approved location in a qualifying farmers market is deemed
33 to be part of the microbrewery license for the purpose of this title.
34 The approved locations under an endorsement granted under this
35 subsection ~~((+5))~~ (6) do not constitute the tasting or sampling
36 privilege of a microbrewery. The microbrewery may not store beer at a
37 farmers market beyond the hours that the microbrewery offers bottled

1 beer for sale. The microbrewery may not act as a distributor from a
2 farmers market location.

3 (e) Before a microbrewery may sell bottled beer at a qualifying
4 farmers market, the farmers market must apply to the board for
5 authorization for any microbrewery with an endorsement approved under
6 this subsection (~~((+5+))~~) (6) to sell bottled beer at retail at the
7 farmers market. This application shall include, at a minimum: (i) A
8 map of the farmers market showing all booths, stalls, or other
9 designated locations at which an approved microbrewery may sell bottled
10 beer; and (ii) the name and contact information for the on-site market
11 managers who may be contacted by the board or its designee to verify
12 the locations at which bottled beer may be sold. Before authorizing a
13 qualifying farmers market to allow an approved microbrewery to sell
14 bottled beer at retail at its farmers market location, the board shall
15 notify the persons or entities of the application for authorization
16 pursuant to RCW 66.24.010 (8) and (9). An authorization granted under
17 this subsection (~~((+5+))~~) (6)(e) may be withdrawn by the board for any
18 violation of this title or any rules adopted under this title.

19 (f) The board may adopt rules establishing the application and
20 approval process under this section and any additional rules necessary
21 to implement this section.

22 (g) For the purposes of this subsection (~~((+5+))~~) (6):

23 (i) "Qualifying farmers market" means an entity that sponsors a
24 regular assembly of vendors at a defined location for the purpose of
25 promoting the sale of agricultural products grown or produced in this
26 state directly to the consumer under conditions that meet the following
27 minimum requirements:

28 (A) There are at least five participating vendors who are farmers
29 selling their own agricultural products;

30 (B) The total combined gross annual sales of vendors who are
31 farmers exceeds the total combined gross annual sales of vendors who
32 are processors or resellers;

33 (C) The total combined gross annual sales of vendors who are
34 farmers, processors, or resellers exceeds the total combined gross
35 annual sales of vendors who are not farmers, processors, or resellers;

36 (D) The sale of imported items and secondhand items by any vendor
37 is prohibited; and

38 (E) No vendor is a franchisee.

1 (ii) "Farmer" means a natural person who sells, with or without
2 processing, agricultural products that he or she raises on land he or
3 she owns or leases in this state or in another state's county that
4 borders this state.

5 (iii) "Processor" means a natural person who sells processed food
6 that he or she has personally prepared on land he or she owns or leases
7 in this state or in another state's county that borders this state.

8 (iv) "Reseller" means a natural person who buys agricultural
9 products from a farmer and resells the products directly to the
10 consumer.

11 **Sec. 6.** RCW 66.24.240 and 2006 c 302 s 2 and 2006 c 44 s 1 are
12 each reenacted and amended to read as follows:

13 (1) There shall be a license for domestic breweries; fee to be two
14 thousand dollars for production of sixty thousand barrels or more of
15 malt liquor per year.

16 (2) Any domestic brewery, except for a brand owner of malt
17 beverages under RCW 66.04.010(6), licensed under this section may also
18 act as a retailer for beer of its own production. Any domestic brewery
19 licensed under this section may act as a distributor for beer of its
20 own production. Any domestic brewery operating as a distributor and/or
21 retailer under this subsection shall comply with the applicable laws
22 and rules relating to distributors and/or retailers. A domestic
23 brewery holding a spirits, beer, and wine restaurant license may sell
24 beer of its own production for off-premises consumption from its
25 restaurant premises in kegs or in a sanitary container brought to the
26 premises by the purchaser or furnished by the licensee and filled at
27 the tap by the licensee at the time of sale.

28 (3) A domestic brewery may hold a retail license under this
29 chapter. This retail license is separate from the brewery license. A
30 brewery that holds a spirits, beer, and wine restaurant license or a
31 beer and/or wine restaurant license shall hold the same privileges and
32 endorsements as permitted under RCW 66.24.320 and 66.24.420.

33 (4) If the brewery licensee holds a separate license for a spirits,
34 beer, and wine restaurant or a beer and/or wine restaurant operated on
35 the brewery premises, the licensee may hold a second retail license for
36 a spirits, beer, and wine restaurant or a beer and/or wine restaurant
37 at a location separate from the brewery premises.

1 (5) Any domestic brewery licensed under this section may contract-
2 produce beer for a brand owner of malt beverages defined under RCW
3 66.04.010(6), and this contract-production is not a sale for the
4 purposes of RCW 66.28.170 and 66.28.180.

5 (~~(4)~~) (6)(a) A domestic brewery licensed under this section and
6 qualified for a reduced rate of taxation pursuant to RCW
7 66.24.290(3)(b) may apply to the board for an endorsement to sell
8 bottled beer of its own production at retail for off-premises
9 consumption at a qualifying farmers market. The annual fee for this
10 endorsement is seventy-five dollars.

11 (b) For each month during which a domestic brewery will sell beer
12 at a qualifying farmers market, the domestic brewery must provide the
13 board or its designee a list of the dates, times, and locations at
14 which bottled beer may be offered for sale. This list must be received
15 by the board before the domestic brewery may offer beer for sale at a
16 qualifying farmers market.

17 (c) The beer sold at qualifying farmers markets must be produced in
18 Washington.

19 (d) Each approved location in a qualifying farmers market is deemed
20 to be part of the domestic brewery license for the purpose of this
21 title. The approved locations under an endorsement granted under this
22 subsection do not include the tasting or sampling privilege of a
23 domestic brewery. The domestic brewery may not store beer at a farmers
24 market beyond the hours that the domestic brewery offers bottled beer
25 for sale. The domestic brewery may not act as a distributor from a
26 farmers market location.

27 (e) Before a domestic brewery may sell bottled beer at a qualifying
28 farmers market, the farmers market must apply to the board for
29 authorization for any domestic brewery with an endorsement approved
30 under this subsection to sell bottled beer at retail at the farmers
31 market. This application shall include, at a minimum: (i) A map of
32 the farmers market showing all booths, stalls, or other designated
33 locations at which an approved domestic brewery may sell bottled beer;
34 and (ii) the name and contact information for the on-site market
35 managers who may be contacted by the board or its designee to verify
36 the locations at which bottled beer may be sold. Before authorizing a
37 qualifying farmers market to allow an approved domestic brewery to sell
38 bottled beer at retail at its farmers market location, the board shall

1 notify the persons or entities of such application for authorization
2 pursuant to RCW 66.24.010 (8) and (9). An authorization granted under
3 this subsection (~~((4))~~) (6)(e) may be withdrawn by the board for any
4 violation of this title or any rules adopted under this title.

5 (f) The board may adopt rules establishing the application and
6 approval process under this section and such additional rules as may be
7 necessary to implement this section.

8 (g) For the purposes of this subsection:

9 (i) "Qualifying farmers market" means an entity that sponsors a
10 regular assembly of vendors at a defined location for the purpose of
11 promoting the sale of agricultural products grown or produced in this
12 state directly to the consumer under conditions that meet the following
13 minimum requirements:

14 (A) There are at least five participating vendors who are farmers
15 selling their own agricultural products;

16 (B) The total combined gross annual sales of vendors who are
17 farmers exceeds the total combined gross annual sales of vendors who
18 are processors or resellers;

19 (C) The total combined gross annual sales of vendors who are
20 farmers, processors, or resellers exceeds the total combined gross
21 annual sales of vendors who are not farmers, processors, or resellers;

22 (D) The sale of imported items and secondhand items by any vendor
23 is prohibited; and

24 (E) No vendor is a franchisee.

25 (ii) "Farmer" means a natural person who sells, with or without
26 processing, agricultural products that he or she raises on land he or
27 she owns or leases in this state or in another state's county that
28 borders this state.

29 (iii) "Processor" means a natural person who sells processed food
30 that he or she has personally prepared on land he or she owns or leases
31 in this state or in another state's county that borders this state.

32 (iv) "Reseller" means a natural person who buys agricultural
33 products from a farmer and resells the products directly to the
34 consumer.

35 **Sec. 7.** RCW 66.24.240 and 2006 c 44 s 1 are each amended to read
36 as follows:

1 (1) There shall be a license for domestic breweries; fee to be two
2 thousand dollars for production of sixty thousand barrels or more of
3 malt liquor per year.

4 (2) Any domestic brewery, except for a brand owner of malt
5 beverages under RCW 66.04.010(6), licensed under this section may also
6 act as a distributor and/or retailer for beer of its own production.
7 Any domestic brewery operating as a distributor and/or retailer under
8 this subsection shall comply with the applicable laws and rules
9 relating to distributors and/or retailers. A domestic brewery holding
10 a spirits, beer, and wine restaurant license may sell beer of its own
11 production for off-premises consumption from its restaurant premises in
12 kegs or in a sanitary container brought to the premises by the
13 purchaser or furnished by the licensee and filled at the tap by the
14 licensee at the time of sale.

15 (3) A domestic brewery may hold a retail license under this
16 chapter. This retail license is separate from the brewery license. A
17 brewery that holds a spirits, beer, and wine restaurant license or a
18 beer and/or wine restaurant license shall hold the same privileges and
19 endorsements as permitted under RCW 66.24.320 and 66.24.420.

20 (4) If the brewery licensee holds a separate license for a spirits,
21 beer, and wine restaurant or a beer and/or wine restaurant operated on
22 the brewery premises, the licensee may hold a second retail license for
23 a spirits, beer, and wine restaurant or a beer and/or wine restaurant
24 at a location separate from the brewery premises.

25 (5) Any domestic brewery licensed under this section may contract-
26 produce beer for a brand owner of malt beverages defined under RCW
27 66.04.010(6), and this contract-production is not a sale for the
28 purposes of RCW 66.28.170 and 66.28.180.

29 ((+4)) (6)(a) A domestic brewery licensed under this section and
30 qualified for a reduced rate of taxation pursuant to RCW
31 66.24.290(3)(b) may apply to the board for an endorsement to sell
32 bottled beer of its own production at retail for off-premises
33 consumption at a qualifying farmers market. The annual fee for this
34 endorsement is seventy-five dollars.

35 (b) For each month during which a domestic brewery will sell beer
36 at a qualifying farmers market, the domestic brewery must provide the
37 board or its designee a list of the dates, times, and locations at

1 which bottled beer may be offered for sale. This list must be received
2 by the board before the domestic brewery may offer beer for sale at a
3 qualifying farmers market.

4 (c) The beer sold at qualifying farmers markets must be produced in
5 Washington.

6 (d) Each approved location in a qualifying farmers market is deemed
7 to be part of the domestic brewery license for the purpose of this
8 title. The approved locations under an endorsement granted under this
9 subsection do not include the tasting or sampling privilege of a
10 domestic brewery. The domestic brewery may not store beer at a farmers
11 market beyond the hours that the domestic brewery offers bottled beer
12 for sale. The domestic brewery may not act as a distributor from a
13 farmers market location.

14 (e) Before a domestic brewery may sell bottled beer at a qualifying
15 farmers market, the farmers market must apply to the board for
16 authorization for any domestic brewery with an endorsement approved
17 under this subsection to sell bottled beer at retail at the farmers
18 market. This application shall include, at a minimum: (i) A map of
19 the farmers market showing all booths, stalls, or other designated
20 locations at which an approved domestic brewery may sell bottled beer;
21 and (ii) the name and contact information for the on-site market
22 managers who may be contacted by the board or its designee to verify
23 the locations at which bottled beer may be sold. Before authorizing a
24 qualifying farmers market to allow an approved domestic brewery to sell
25 bottled beer at retail at its farmers market location, the board shall
26 notify the persons or entities of such application for authorization
27 pursuant to RCW 66.24.010 (8) and (9). An authorization granted under
28 this subsection (~~((4))~~) (6)(e) may be withdrawn by the board for any
29 violation of this title or any rules adopted under this title.

30 (f) The board may adopt rules establishing the application and
31 approval process under this section and such additional rules as may be
32 necessary to implement this section.

33 (g) For the purposes of this subsection:

34 (i) "Qualifying farmers market" means an entity that sponsors a
35 regular assembly of vendors at a defined location for the purpose of
36 promoting the sale of agricultural products grown or produced in this
37 state directly to the consumer under conditions that meet the following
38 minimum requirements:

1 (A) There are at least five participating vendors who are farmers
2 selling their own agricultural products;

3 (B) The total combined gross annual sales of vendors who are
4 farmers exceeds the total combined gross annual sales of vendors who
5 are processors or resellers;

6 (C) The total combined gross annual sales of vendors who are
7 farmers, processors, or resellers exceeds the total combined gross
8 annual sales of vendors who are not farmers, processors, or resellers;

9 (D) The sale of imported items and secondhand items by any vendor
10 is prohibited; and

11 (E) No vendor is a franchisee.

12 (ii) "Farmer" means a natural person who sells, with or without
13 processing, agricultural products that he or she raises on land he or
14 she owns or leases in this state or in another state's county that
15 borders this state.

16 (iii) "Processor" means a natural person who sells processed food
17 that he or she has personally prepared on land he or she owns or leases
18 in this state or in another state's county that borders this state.

19 (iv) "Reseller" means a natural person who buys agricultural
20 products from a farmer and resells the products directly to the
21 consumer.

22 **Sec. 8.** RCW 66.24.420 and 2006 c 101 s 3 and 2006 c 85 s 1 are
23 each reenacted and amended to read as follows:

24 (1) The spirits, beer, and wine restaurant license shall be issued
25 in accordance with the following schedule of annual fees:

26 (a) The annual fee for a spirits, beer, and wine restaurant license
27 shall be graduated according to the dedicated dining area and type of
28 service provided as follows:

29	Less than 50% dedicated dining area	\$2,000
30	50% or more dedicated dining area	\$1,600
31	Service bar only	\$1,000

32 (b) The annual fee for the license when issued to any other
33 spirits, beer, and wine restaurant licensee outside of incorporated
34 cities and towns shall be prorated according to the calendar quarters,
35 or portion thereof, during which the licensee is open for business,
36 except in case of suspension or revocation of the license.

1 (c) Where the license shall be issued to any corporation,
2 association or person operating a bona fide restaurant in an airport
3 terminal facility providing service to transient passengers with more
4 than one place where liquor is to be dispensed and sold, such license
5 shall be issued upon the payment of the annual fee, which shall be a
6 master license and shall permit such sale within and from one such
7 place. Such license may be extended to additional places on the
8 premises at the discretion of the board and a duplicate license may be
9 issued for each such additional place. The holder of a master license
10 for a restaurant in an airport terminal facility must maintain in a
11 substantial manner at least one place on the premises for preparing,
12 cooking, and serving of complete meals, and such food service shall be
13 available on request in other licensed places on the premises. An
14 additional license fee of twenty-five percent of the annual master
15 license fee shall be required for such duplicate licenses.

16 (d) Where the license shall be issued to any corporation,
17 association, or person operating dining places at a publicly or
18 privately owned civic or convention center with facilities for sports,
19 entertainment, or conventions, or a combination thereof, with more than
20 one place where liquor is to be dispensed and sold, such license shall
21 be issued upon the payment of the annual fee, which shall be a master
22 license and shall permit such sale within and from one such place.
23 Such license may be extended to additional places on the premises at
24 the discretion of the board and a duplicate license may be issued for
25 each such additional place. The holder of a master license for a
26 dining place at such a publicly or privately owned civic or convention
27 center must maintain in a substantial manner at least one place on the
28 premises for preparing, cooking, and serving of complete meals, and
29 food service shall be available on request in other licensed places on
30 the premises. An additional license fee of ten dollars shall be
31 required for such duplicate licenses.

32 (e) Where the license shall be issued to any corporation,
33 association or person operating more than one building containing
34 dining places at privately owned facilities which are open to the
35 public and where there is a continuity of ownership of all adjacent
36 property, such license shall be issued upon the payment of an annual
37 fee which shall be a master license and shall permit such sale within
38 and from one such place. Such license may be extended to the

1 additional dining places on the property or, in the case of a spirits,
2 beer, and wine restaurant licensed hotel, property owned or controlled
3 by leasehold interest by that hotel for use as a conference or
4 convention center or banquet facility open to the general public for
5 special events in the same metropolitan area, at the discretion of the
6 board and a duplicate license may be issued for each additional place.
7 The holder of the master license for the dining place shall not offer
8 alcoholic beverages for sale, service, and consumption at the
9 additional place unless food service is available at both the location
10 of the master license and the duplicate license. An additional license
11 fee of twenty dollars shall be required for such duplicate licenses.

12 (2) The board, so far as in its judgment is reasonably possible,
13 shall confine spirits, beer, and wine restaurant licenses to the
14 business districts of cities and towns and other communities, and not
15 grant such licenses in residential districts, nor within the immediate
16 vicinity of schools, without being limited in the administration of
17 this subsection to any specific distance requirements.

18 (3) The board shall have discretion to issue spirits, beer, and
19 wine restaurant licenses outside of cities and towns in the state of
20 Washington. The purpose of this subsection is to enable the board, in
21 its discretion, to license in areas outside of cities and towns and
22 other communities, establishments which are operated and maintained
23 primarily for the benefit of tourists, vacationers and travelers, and
24 also golf and country clubs, and common carriers operating dining, club
25 and buffet cars, or boats.

26 (4) The total number of spirits, beer, and wine restaurant licenses
27 issued in the state of Washington by the board, not including spirits,
28 beer, and wine private club licenses, shall not in the aggregate at any
29 time exceed one license for each one thousand (~~four~~) three hundred
30 (~~fifty~~) of population in the state, determined according to the
31 yearly population determination developed by the office of financial
32 management pursuant to RCW 43.62.030.

33 (5) Notwithstanding the provisions of subsection (4) of this
34 section, the board shall refuse a spirits, beer, and wine restaurant
35 license to any applicant if in the opinion of the board the spirits,
36 beer, and wine restaurant licenses already granted for the particular
37 locality are adequate for the reasonable needs of the community.

1 (6)(a) The board may issue a caterer's endorsement to this license
2 to allow the licensee to remove the liquor stocks at the licensed
3 premises, for use as liquor for sale and service at event locations at
4 a specified date and, except as provided in subsection (7) of this
5 section, place not currently licensed by the board. If the event is
6 open to the public, it must be sponsored by a society or organization
7 as defined by RCW 66.24.375. If attendance at the event is limited to
8 members or invited guests of the sponsoring individual, society, or
9 organization, the requirement that the sponsor must be a society or
10 organization as defined by RCW 66.24.375 is waived. Cost of the
11 endorsement is three hundred fifty dollars.

12 (b) The holder of this license with a catering endorsement shall,
13 if requested by the board, notify the board or its designee of the
14 date, time, place, and location of any catered event. Upon request,
15 the 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 (c) The holder of this license with a caterer's endorsement may,
19 under conditions established by the board, store liquor on the premises
20 of another not licensed by the board so long as there is a written
21 agreement between the licensee and the other party to provide for
22 ongoing catering services, the agreement contains no exclusivity
23 clauses regarding the alcoholic beverages to be served, and the
24 agreement is filed with the board.

25 (d) The holder of this license with a caterer's endorsement may,
26 under conditions established by the board, store liquor on other
27 premises operated by the licensee so long as the other premises are
28 owned or controlled by a leasehold interest by that licensee. A
29 duplicate license may be issued for each additional premises. A
30 license fee of twenty dollars shall be required for such duplicate
31 licenses.

32 (7) Licensees under this section that hold a caterer's endorsement
33 are allowed to use this endorsement on a domestic winery premises or on
34 the premises of a passenger vessel and may store liquor at such
35 premises under conditions established by the board under the following
36 conditions:

37 (a) Agreements between the domestic winery or passenger vessel, as

1 the case may be, and the retail licensee shall be in writing, contain
2 no exclusivity clauses regarding the (~~alcohol~~) alcoholic beverages to
3 be served, and be filed with the board; and

4 (b) The domestic winery or passenger vessel, as the case may be,
5 and the retail licensee shall be separately contracted and compensated
6 by the persons sponsoring the event for their respective services.

7 **Sec. 9.** RCW 66.24.320 and 2006 c 362 s 1 and 2006 c 101 s 2 are
8 each reenacted and amended to read as follows:

9 There shall be a beer and/or wine restaurant license to sell beer,
10 including strong beer, or wine, or both, at retail, for consumption on
11 the premises. A patron of the licensee may remove from the premises,
12 recorked or recapped in its original container, any portion of wine
13 that was purchased for consumption with a meal.

14 (1) The annual fee shall be two hundred dollars for the beer
15 license, two hundred dollars for the wine license, or four hundred
16 dollars for a combination beer and wine license.

17 (2)(a) The board may issue a caterer's endorsement to this license
18 to allow the licensee to remove from the liquor stocks at the licensed
19 premises, only those types of liquor that are authorized under the on-
20 premises license privileges for sale and service at event locations at
21 a specified date and, except as provided in subsection (3) of this
22 section, place not currently licensed by the board. If the event is
23 open to the public, it must be sponsored by a society or organization
24 as defined by RCW 66.24.375. If attendance at the event is limited to
25 members or invited guests of the sponsoring individual, society, or
26 organization, the requirement that the sponsor must be a society or
27 organization as defined by RCW 66.24.375 is waived. Cost of the
28 endorsement is three hundred fifty dollars.

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

35 (c) The holder of this license with a caterer's endorsement may,
36 under conditions established by the board, store liquor on the premises
37 of another not licensed by the board so long as there is a written

1 agreement between the licensee and the other party to provide for
2 ongoing catering services, the agreement contains no exclusivity
3 clauses regarding the alcoholic beverages to be served, and the
4 agreement is filed with the board.

5 (d) The holder of this license with a caterer's endorsement may,
6 under conditions established by the board, store liquor on other
7 premises operated by the licensee so long as the other premises are
8 owned or controlled by a leasehold interest by that licensee. A
9 duplicate license may be issued for each additional premises. A
10 license fee of twenty dollars shall be required for such duplicate
11 licenses.

12 (3) Licensees under this section that hold a caterer's endorsement
13 are allowed to use this endorsement on a domestic winery premises or on
14 the premises of a passenger vessel and may store liquor at such
15 premises under conditions established by the board under the following
16 conditions:

17 (a) Agreements between the domestic winery or the passenger vessel,
18 as the case may be, and the retail licensee shall be in writing,
19 contain no exclusivity clauses regarding the (~~alcohol~~) alcoholic
20 beverages to be served, and be filed with the board; and

21 (b) The domestic winery or passenger vessel, as the case may be,
22 and the retail licensee shall be separately contracted and compensated
23 by the persons sponsoring the event for their respective services.

24 (4) The holder of this license or its manager may furnish beer or
25 wine to the licensee's employees free of charge as may be required for
26 use in connection with instruction on beer and wine. The instruction
27 may include the history, nature, values, and characteristics of beer or
28 wine, the use of wine lists, and the methods of presenting, serving,
29 storing, and handling beer or wine. The beer and/or wine licensee must
30 use the beer or wine it obtains under its license for the sampling as
31 part of the instruction. The instruction must be given on the premises
32 of the beer and/or wine licensee.

33 (5) If the license is issued to a person who contracts with the
34 Washington state ferry system to provide food and alcohol service on a
35 designated ferry route, the license shall cover any vessel assigned to
36 the designated route. A separate license is required for each
37 designated ferry route.

1 **Sec. 10.** RCW 66.04.010 and 2006 c 225 s 1 and 2006 c 101 s 1 are
2 each reenacted and amended to read as follows:

3 In this title, unless the context otherwise requires:

4 (1) "Alcohol" is that substance known as ethyl alcohol, hydrated
5 oxide of ethyl, or spirit of wine, which is commonly produced by the
6 fermentation or distillation of grain, starch, molasses, or sugar, or
7 other substances including all dilutions and mixtures of this
8 substance. The term "alcohol" does not include alcohol in the
9 possession of a manufacturer or distiller of alcohol fuel, as described
10 in RCW 66.12.130, which is intended to be denatured and used as a fuel
11 for use in motor vehicles, farm implements, and machines or implements
12 of husbandry.

13 (2) "Authorized representative" means a person who:

14 (a) Is required to have a federal basic permit issued pursuant to
15 the federal alcohol administration act, 27 U.S.C. Sec. 204;

16 (b) Has its business located in the United States outside of the
17 state of Washington;

18 (c) Acquires ownership of beer or wine for transportation into and
19 resale in the state of Washington; and which beer or wine is produced
20 anywhere outside Washington by a brewery or winery which does not hold
21 a certificate of approval issued by the board; and

22 (d) Is appointed by the brewery or winery referenced in (c) of this
23 subsection as its exclusive authorized representative for marketing and
24 selling its products within the United States in accordance with a
25 written agreement between the authorized representative and such
26 brewery or winery pursuant to this title. The board may waive the
27 requirement for the written agreement of exclusivity in situations
28 consistent with the normal marketing practices of certain products,
29 such as classified growths.

30 (3) "Beer" means any malt beverage, flavored malt beverage, or malt
31 liquor as these terms are defined in this chapter.

32 (4) "Beer distributor" means a person who buys beer from a domestic
33 brewery, microbrewery, beer certificate of approval holder, or beer
34 importers, or who acquires foreign produced beer from a source outside
35 of the United States, for the purpose of selling the same pursuant to
36 this title, or who represents such brewer or brewery as agent.

37 (5) "Beer importer" means a person or business within Washington

1 who purchases beer from a beer certificate of approval holder or who
2 acquires foreign produced beer from a source outside of the United
3 States for the purpose of selling the same pursuant to this title.

4 (6) "Brewer" or "brewery" means any person engaged in the business
5 of manufacturing beer and malt liquor. Brewer includes a brand owner
6 of malt beverages who holds a brewer's notice with the federal bureau
7 of alcohol, tobacco, and firearms at a location outside the state and
8 whose malt beverage is contract-produced by a licensed in-state
9 brewery, and who may exercise within the state, under a domestic
10 brewery license, only the privileges of storing, selling to licensed
11 beer distributors, and exporting beer from the state.

12 (7) "Board" means the liquor control board, constituted under this
13 title.

14 (8) "Club" means an organization of persons, incorporated or
15 unincorporated, operated solely for fraternal, benevolent, educational,
16 athletic or social purposes, and not for pecuniary gain.

17 (9) "Consume" includes the putting of liquor to any use, whether by
18 drinking or otherwise.

19 (10) "Contract liquor store" means a business that sells liquor on
20 behalf of the board through a contract with a contract liquor store
21 manager.

22 (11) "Dentist" means a practitioner of dentistry duly and regularly
23 licensed and engaged in the practice of his profession within the state
24 pursuant to chapter 18.32 RCW.

25 (12) "Distiller" means a person engaged in the business of
26 distilling spirits.

27 (13) "Domestic brewery" means a place where beer and malt liquor
28 are manufactured or produced by a brewer within the state.

29 (14) "Domestic winery" means a place where wines are manufactured
30 or produced within the state of Washington.

31 (15) "Druggist" means any person who holds a valid certificate and
32 is a registered pharmacist and is duly and regularly engaged in
33 carrying on the business of pharmaceutical chemistry pursuant to
34 chapter 18.64 RCW.

35 (16) "Drug store" means a place whose principal business is, the
36 sale of drugs, medicines and pharmaceutical preparations and maintains
37 a regular prescription department and employs a registered pharmacist
38 during all hours the drug store is open.

1 (17) "Employee" means any person employed by the board.

2 (18) "Flavored malt beverage" means:

3 (a) A malt beverage containing six percent or less alcohol by
4 volume to which flavoring or other added nonbeverage ingredients are
5 added that contain distilled spirits of not more than forty-nine
6 percent of the beverage's overall alcohol content; or

7 (b) A malt beverage containing more than six percent alcohol by
8 volume to which flavoring or other added nonbeverage ingredients are
9 added that contain distilled spirits of not more than one and one-half
10 percent of the beverage's overall alcohol content.

11 (19) "Fund" means 'liquor revolving fund.'

12 (20) "Hotel" means (~~(every building or other structure)~~) buildings,
13 structures, and grounds, having facilities for preparing, cooking, and
14 serving food, that are kept, used, maintained, advertised, or held out
15 to the public to be a place where food is served and sleeping
16 accommodations are offered for pay to transient guests, in which twenty
17 or more rooms are used for the sleeping accommodation of such transient
18 guests (~~((and having one or more dining rooms where meals are served to~~
19 ~~such transient guests, such sleeping accommodations and dining rooms~~
20 ~~being conducted in the same building and buildings, in connection~~
21 ~~therewith, and such structure or structures being provided, in the~~
22 ~~judgment of the board, with adequate and sanitary kitchen and dining~~
23 ~~room equipment and capacity, for preparing, cooking and serving~~
24 ~~suitable food for its guests: PROVIDED FURTHER, That in cities and~~
25 ~~towns of less than five thousand population, the board shall have~~
26 ~~authority to waive the provisions requiring twenty or more rooms)).~~
27 The buildings, structures, and grounds must be located on adjacent
28 property either owned or leased by the same person or persons.

29 (21) "Importer" means a person who buys distilled spirits from a
30 distillery outside the state of Washington and imports such spirituous
31 liquor into the state for sale to the board or for export.

32 (22) "Imprisonment" means confinement in the county jail.

33 (23) "Liquor" includes the four varieties of liquor herein defined
34 (alcohol, spirits, wine and beer), and all fermented, spirituous,
35 vinous, or malt liquor, or combinations thereof, and mixed liquor, a
36 part of which is fermented, spirituous, vinous or malt liquor, or
37 otherwise intoxicating; and every liquid or solid or semisolid or other
38 substance, patented or not, containing alcohol, spirits, wine or beer,

1 and all drinks or drinkable liquids and all preparations or mixtures
2 capable of human consumption, and any liquid, semisolid, solid, or
3 other substance, which contains more than one percent of alcohol by
4 weight shall be conclusively deemed to be intoxicating. Liquor does
5 not include confections or food products that contain one percent or
6 less of alcohol by weight.

7 (24) "Manufacturer" means a person engaged in the preparation of
8 liquor for sale, in any form whatsoever.

9 (25) "Malt beverage" or "malt liquor" means any beverage such as
10 beer, ale, lager beer, stout, and porter obtained by the alcoholic
11 fermentation of an infusion or decoction of pure hops, or pure extract
12 of hops and pure barley malt or other wholesome grain or cereal in pure
13 water containing not more than eight percent of alcohol by weight, and
14 not less than one-half of one percent of alcohol by volume. For the
15 purposes of this title, any such beverage containing more than eight
16 percent of alcohol by weight shall be referred to as "strong beer."

17 (26) "Package" means any container or receptacle used for holding
18 liquor.

19 (27) "Passenger vessel" means any boat, ship, vessel, barge, or
20 other floating craft of any kind carrying passengers for compensation.

21 (28) "Permit" means a permit for the purchase of liquor under this
22 title.

23 (29) "Person" means an individual, copartnership, association, or
24 corporation.

25 (30) "Physician" means a medical practitioner duly and regularly
26 licensed and engaged in the practice of his profession within the state
27 pursuant to chapter 18.71 RCW.

28 (31) "Prescription" means a memorandum signed by a physician and
29 given by him to a patient for the obtaining of liquor pursuant to this
30 title for medicinal purposes.

31 (32) "Public place" includes streets and alleys of incorporated
32 cities and towns; state or county or township highways or roads;
33 buildings and grounds used for school purposes; public dance halls and
34 grounds adjacent thereto; those parts of establishments where beer may
35 be sold under this title, soft drink establishments, public buildings,
36 public meeting halls, lobbies, halls and dining rooms of hotels,
37 restaurants, theatres, stores, garages and filling stations which are
38 open to and are generally used by the public and to which the public is

1 permitted to have unrestricted access; railroad trains, stages, and
2 other public conveyances of all kinds and character, and the depots and
3 waiting rooms used in conjunction therewith which are open to
4 unrestricted use and access by the public; publicly owned bathing
5 beaches, parks, and/or playgrounds; and all other places of like or
6 similar nature to which the general public has unrestricted right of
7 access, and which are generally used by the public.

8 (33) "Regulations" means regulations made by the board under the
9 powers conferred by this title.

10 (34) "Restaurant" means any establishment provided with special
11 space and accommodations where, in consideration of payment, food,
12 without lodgings, is habitually furnished to the public, not including
13 drug stores and soda fountains.

14 (35) "Sale" and "sell" include exchange, barter, and traffic; and
15 also include the selling or supplying or distributing, by any means
16 whatsoever, of liquor, or of any liquid known or described as beer or
17 by any name whatever commonly used to describe malt or brewed liquor or
18 of wine, by any person to any person; and also include a sale or
19 selling within the state to a foreign consignee or his agent in the
20 state. "Sale" and "sell" shall not include the giving, at no charge,
21 of a reasonable amount of liquor by a person not licensed by the board
22 to a person not licensed by the board, for personal use only. "Sale"
23 and "sell" also does not include a raffle authorized under RCW
24 9.46.0315: PROVIDED, That the nonprofit organization conducting the
25 raffle has obtained the appropriate permit from the board.

26 (36) "Soda fountain" means a place especially equipped with
27 apparatus for the purpose of dispensing soft drinks, whether mixed or
28 otherwise.

29 (37) "Spirits" means any beverage which contains alcohol obtained
30 by distillation, except flavored malt beverages, but including wines
31 exceeding twenty-four percent of alcohol by volume.

32 (38) "Store" means a state liquor store established under this
33 title.

34 (39) "Tavern" means any establishment with special space and
35 accommodation for sale by the glass and for consumption on the
36 premises, of beer, as herein defined.

37 (40) "Winery" means a business conducted by any person for the
38 manufacture of wine for sale, other than a domestic winery.

1 (41)(a) "Wine" means any alcoholic beverage obtained by
2 fermentation of fruits (grapes, berries, apples, et cetera) or other
3 agricultural product containing sugar, to which any saccharine
4 substances may have been added before, during or after fermentation,
5 and containing not more than twenty-four percent of alcohol by volume,
6 including sweet wines fortified with wine spirits, such as port,
7 sherry, muscatel and angelica, not exceeding twenty-four percent of
8 alcohol by volume and not less than one-half of one percent of alcohol
9 by volume. For purposes of this title, any beverage containing no more
10 than fourteen percent of alcohol by volume when bottled or packaged by
11 the manufacturer shall be referred to as "table wine," and any beverage
12 containing alcohol in an amount more than fourteen percent by volume
13 when bottled or packaged by the manufacturer shall be referred to as
14 "fortified wine." However, "fortified wine" shall not include: (i)
15 Wines that are both sealed or capped by cork closure and aged two years
16 or more; and (ii) wines that contain more than fourteen percent alcohol
17 by volume solely as a result of the natural fermentation process and
18 that have not been produced with the addition of wine spirits, brandy,
19 or alcohol.

20 (b) This subsection shall not be interpreted to require that any
21 wine be labeled with the designation "table wine" or "fortified wine."

22 (42) "Wine distributor" means a person who buys wine from a
23 domestic winery, wine certificate of approval holder, or wine importer,
24 or who acquires foreign produced wine from a source outside of the
25 United States, for the purpose of selling the same not in violation of
26 this title, or who represents such vintner or winery as agent.

27 (43) "Wine importer" means a person or business within Washington
28 who purchases wine from a wine certificate of approval holder or who
29 acquires foreign produced wine from a source outside of the United
30 States for the purpose of selling the same pursuant to this title.

31 NEW SECTION. **Sec. 11.** A new section is added to chapter 66.24 RCW
32 to read as follows:

33 (1) There shall be a retailer's license to be designated as a hotel
34 license. No license may be issued to a hotel offering rooms to its
35 guests on an hourly basis. Food service provided for room service,
36 banquets or conferences, or restaurant operation under this license
37 shall meet the requirements of rules adopted by the board.

1 (2) The hotel license authorizes the licensee to:

2 (a) Sell spiritous liquor, beer, and wine, by the individual glass,
3 at retail, for consumption on the premises, including mixed drinks and
4 cocktails compounded and mixed on the premises, at dining places in the
5 hotel.

6 (b) Sell, at retail, from locked honor bars, in individual units,
7 spirits not to exceed fifty milliliters, beer in individual units not
8 to exceed twelve ounces, and wine in individual bottles not to exceed
9 three hundred eighty-five milliliters, to registered guests of the
10 hotel for consumption in guest rooms. The licensee shall require proof
11 of age from the guest renting a guest room and requesting the use of an
12 honor bar. The guest shall also execute an affidavit verifying that no
13 one under twenty-one years of age shall have access to the spirits,
14 beer, and wine in the honor bar;

15 (c) Provide without additional charge, to overnight guests,
16 spirits, beer, and wine by the individual serving for on-premises
17 consumption at a specified regular date, time, and place as may be
18 fixed by the board. Self-service by attendees is prohibited;

19 (d) Sell beer, including strong beer, wine, or spirits, in the
20 manufacturer's sealed container or by the individual drink to guests
21 through room service, or through service to occupants of private
22 residential units;

23 (e) Sell beer, including strong beer, or wine, in the
24 manufacturer's sealed container at retail sales locations within the
25 hotel premises;

26 (f) Sell for on or off-premises consumption, including through room
27 service and service to occupants of private residential units managed
28 by the hotel, wine carrying a label exclusive to the hotel license
29 holder;

30 (g) Place in guest rooms at check-in, a complimentary bottle of
31 beer, including strong beer, or wine in a manufacturer-sealed
32 container, and make a reference to this service in promotional
33 material.

34 (3) If all or any facilities for alcoholic beverage service and the
35 preparation, cooking, and serving of food are operated under contract
36 or joint venture agreement, the operator may hold a license separate
37 from the license held by the operator of the hotel. Food and beverage

1 inventory used in separate licensed operations at the hotel may not be
2 shared and shall be separately owned and stored by the separate
3 licensees.

4 (4) All spirits to be sold under this license must be purchased
5 from the board.

6 (5) All on-premise alcoholic beverage service must be done by an
7 alcohol server as defined in RCW 66.20.300 and must comply with RCW
8 66.20.310.

9 (6)(a) The hotel license allows the licensee to remove from the
10 liquor stocks at the licensed premises, liquor for sale and service at
11 event locations at a specified date and place not currently licensed by
12 the board. If the event is open to the public, it must be sponsored by
13 a society or organization as defined by RCW 66.24.375. If attendance
14 at the event is limited to members or invited guests of the sponsoring
15 individual, society, or organization, the requirement that the sponsor
16 must be a society or organization as defined by RCW 66.24.375 is
17 waived.

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

24 (c) Licensees may cater events on a domestic winery premises.

25 (7) The holder of this license or its manager may furnish spirits,
26 beer, or wine to the licensee's employees who are twenty-one years of
27 age or older free of charge as may be required for use in connection
28 with instruction on spirits, beer, and wine. The instruction may
29 include the history, nature, values, and characteristics of spirits,
30 beer, or wine, the use of wine lists, and the methods of presenting,
31 serving, storing, and handling spirits, beer, or wine. The licensee
32 must use the beer or wine it obtains under its license for the sampling
33 as part of the instruction. The instruction must be given on the
34 premises of the licensee.

35 (8) Minors may be allowed in all areas of the hotel where alcohol
36 may be consumed; however, the consumption must be incidental to the
37 primary use of the area. These areas include, but are not limited to,

1 tennis courts, hotel lobbies, and swimming pool areas. If an area is
2 not a mixed use area, and is primarily used for alcohol service, the
3 area must be designated and restricted to access by minors.

4 (9) The annual fee for this license is two thousand dollars.

5 (10) As used in this section, "hotel," "spirits," "beer," and
6 "wine" have the meanings defined in RCW 66.24.410 and 66.04.010.

7 **Sec. 12.** RCW 66.44.310 and 1998 c 126 s 14 are each amended to
8 read as follows:

9 (1) Except as otherwise provided by RCW 66.44.316 (~~and~~),
10 66.44.350, and section 11 of this act, it shall be a misdemeanor:

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

13 (b) For any person under the age of twenty-one years to enter or
14 remain in any area classified as off-limits to such a person, but
15 persons under twenty-one years of age may pass through a restricted
16 area in a facility holding a spirits, beer, and wine private club
17 license;

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

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

26 **Sec. 13.** RCW 66.24.400 and 2005 c 152 s 2 are each amended to read
27 as follows:

28 (1) There shall be a retailer's license, to be known and designated
29 as a spirits, beer, and wine restaurant license, to sell spirituous
30 liquor by the individual glass, beer, and wine, at retail, for
31 consumption on the premises, including mixed drinks and cocktails
32 compounded or mixed on the premises only(~~(:—PROVIDED, That a hotel,~~
33 ~~or)~~). A club licensed under chapter 70.62 RCW with overnight sleeping
34 accommodations, that is licensed under this section may sell liquor by
35 the bottle to registered guests of the ((~~hotel—or~~)) club for
36 consumption in guest rooms, hospitality rooms, or at banquets in the

1 (~~hotel or~~) club(~~(: PROVIDED FURTHER, That)~~). A patron of a bona
2 fide (~~hotel,~~) restaurant(~~(,)~~) or club licensed under this section may
3 remove from the premises recorked or recapped in its original container
4 any portion of wine which was purchased for consumption with a meal,
5 and registered guests who have purchased liquor from the (~~hotel or~~)
6 club by the bottle may remove from the premises any unused portion of
7 such liquor in its original container. Such license may be issued only
8 to bona fide restaurants(~~(, hotels)~~) and clubs, and to dining, club and
9 buffet cars on passenger trains, and to dining places on passenger
10 boats and airplanes, and to dining places at civic centers with
11 facilities for sports, entertainment, and conventions, and to such
12 other establishments operated and maintained primarily for the benefit
13 of tourists, vacationers and travelers as the board shall determine are
14 qualified to have, and in the discretion of the board should have, a
15 spirits, beer, and wine restaurant license under the provisions and
16 limitations of this title.

17 (2) The board may issue an endorsement to the spirits, beer, and
18 wine restaurant license that allows the holder of a spirits, beer, and
19 wine restaurant license to sell for off-premises consumption wine
20 vinted and bottled in the state of Washington and carrying a label
21 exclusive to the license holder selling the wine. Spirits and beer may
22 not be sold for off-premises consumption under this section. The
23 annual fee for the endorsement under this subsection is one hundred
24 twenty dollars.

25 (3) The holder of a spirits, beer, and wine license or its manager
26 may furnish beer, wine, or spirituous liquor to the licensee's
27 employees free of charge as may be required for use in connection with
28 instruction on beer, wine, or spirituous liquor. The instruction may
29 include the history, nature, values, and characteristics of beer, wine,
30 or spirituous liquor, the use of wine lists, and the methods of
31 presenting, serving, storing, and handling beer, wine, and spirituous
32 liquor. The spirits, beer, and wine restaurant licensee must use the
33 beer, wine, or spirituous liquor it obtains under its license for the
34 sampling as part of the instruction. The instruction must be given on
35 the premises of the spirits, beer, and wine restaurant licensee.

36 **Sec. 14.** RCW 66.08.180 and 2000 c 192 s 1 are each amended to read
37 as follows:

1 Except as provided in RCW 66.24.290(1), moneys in the liquor
2 revolving fund shall be distributed by the board at least once every
3 three months in accordance with RCW 66.08.190, 66.08.200 and 66.08.210:
4 PROVIDED, That the board shall reserve from distribution such amount
5 not exceeding five hundred thousand dollars as may be necessary for the
6 proper administration of this title.

7 (1) All license fees, penalties and forfeitures derived under
8 chapter 13, Laws of 1935 from spirits, beer, and wine restaurant;
9 spirits, beer, and wine private club; hotel; and sports entertainment
10 facility licenses or spirits, beer, and wine restaurant; spirits, beer,
11 and wine private club; and sports entertainment facility licensees
12 shall every three months be disbursed by the board as follows:

13 (a) Three hundred thousand dollars per biennium, to the death
14 investigations account for the state toxicology program pursuant to RCW
15 68.50.107; and

16 (b) Of the remaining funds:

17 (i) 6.06 percent to the University of Washington and 4.04 percent
18 to Washington State University for alcoholism and drug abuse research
19 and for the dissemination of such research; and

20 (ii) 89.9 percent to the general fund to be used by the department
21 of social and health services solely to carry out the purposes of RCW
22 70.96A.050;

23 (2) The first fifty-five dollars per license fee provided in RCW
24 66.24.320 and 66.24.330 up to a maximum of one hundred fifty thousand
25 dollars annually shall be disbursed every three months by the board to
26 the general fund to be used for juvenile alcohol and drug prevention
27 programs for kindergarten through third grade to be administered by the
28 superintendent of public instruction;

29 (3) Twenty percent of the remaining total amount derived from
30 license fees pursuant to RCW 66.24.320, 66.24.330, 66.24.350, and
31 66.24.360, shall be transferred to the general fund to be used by the
32 department of social and health services solely to carry out the
33 purposes of RCW 70.96A.050; and

34 (4) One-fourth cent per liter of the tax imposed by RCW 66.24.210
35 shall every three months be disbursed by the board to Washington State
36 University solely for wine and wine grape research, extension programs
37 related to wine and wine grape research, and resident instruction in
38 both wine grape production and the processing aspects of the wine

1 industry in accordance with RCW 28B.30.068. The director of financial
2 management shall prescribe suitable accounting procedures to ensure
3 that the funds transferred to the general fund to be used by the
4 department of social and health services and appropriated are
5 separately accounted for.

6 **Sec. 15.** RCW 66.08.220 and 1999 c 281 s 2 are each amended to read
7 as follows:

8 The board shall set aside in a separate account in the liquor
9 revolving fund an amount equal to ten percent of its gross sales of
10 liquor to spirits, beer, and wine restaurant; spirits, beer, and wine
11 private club; hotel; and sports entertainment facility licensees
12 collected from these licensees pursuant to the provisions of RCW
13 82.08.150, less the fifteen percent discount provided for in RCW
14 66.24.440; and the moneys in said separate account shall be distributed
15 in accordance with the provisions of RCW 66.08.190, 66.08.200 and
16 66.08.210(~~(: PROVIDED, HOWEVER, That)~~). No election unit in which the
17 sale of liquor under spirits, beer, and wine restaurant; spirits, beer,
18 and wine private club; and sports entertainment facility licenses is
19 unlawful shall be entitled to share in the distribution of moneys from
20 such separate account.

21 **Sec. 16.** RCW 66.20.010 and 1998 c 126 s 1 are each amended to read
22 as follows:

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

30 (1) Where the application is for a special permit by a physician or
31 dentist, or by any person in charge of an institution regularly
32 conducted as a hospital or sanitorium for the care of persons in ill
33 health, or as a home devoted exclusively to the care of aged people, a
34 special liquor purchase permit;

35 (2) Where the application is for a special permit by a person
36 engaged within the state in mechanical or manufacturing business or in

1 scientific pursuits requiring alcohol for use therein, or by any
2 private individual, a special permit to purchase alcohol for the
3 purpose named in the permit;

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

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

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

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

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

25 (8) Where the application is for a special permit by a
26 manufacturer, importer, or distributor, or representative thereof, to
27 serve liquor without charge to delegates and guests at a convention of
28 a trade association composed of licensees of the board, when the said
29 liquor is served in a hospitality room or from a booth in a board-
30 approved suppliers' display room at the convention, and when the liquor
31 so served is for consumption in the said hospitality room or display
32 room during the convention, anything in Title 66 RCW to the contrary
33 notwithstanding. Any such spirituous liquor shall be purchased from
34 the board or a spirits, beer, and wine restaurant licensee and any such
35 beer and wine shall be subject to the taxes imposed by RCW 66.24.290
36 and 66.24.210;

37 (9) Where the application is for a special permit by a
38 manufacturer, importer, or distributor, or representative thereof, to

1 donate liquor for a reception, breakfast, luncheon, or dinner for
2 delegates and guests at a convention of a trade association composed of
3 licensees of the board, when the liquor so donated is for consumption
4 at the said reception, breakfast, luncheon, or dinner during the
5 convention, anything in Title 66 RCW to the contrary notwithstanding.
6 Any such spirituous liquor shall be purchased from the board or a
7 spirits, beer, and wine restaurant licensee and any such beer and wine
8 shall be subject to the taxes imposed by RCW 66.24.290 and 66.24.210;

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

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

25 **Sec. 17.** RCW 66.20.310 and 1997 c 321 s 45 are each amended to
26 read as follows:

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

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

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

35 (2)(a) Effective January 1, 1997, except as provided in (d) of this
36 subsection, every person employed, under contract or otherwise, by an
37 annual retail liquor licensee holding a license as authorized by RCW

1 66.24.320, 66.24.330, 66.24.350, 66.24.400, 66.24.425, 66.24.450,
2 section 11 of this act, or 66.24.570, who as part of his or her
3 employment participates in any manner in the sale or service of
4 alcoholic beverages shall have issued to them a class 12 or class 13
5 permit.

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

12 (c) No licensee described in (a) of this subsection, except as
13 provided in (d) of this subsection, may employ or accept the services
14 of any person without the person first having a valid class 12 or class
15 13 permit.

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

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

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

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

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

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

33 (5) The suspension or revocation of a permit under this section
34 does not relieve a licensee from responsibility for any act of the
35 employee or agent while employed upon the retail licensed premises.
36 The board may, as appropriate, revoke or suspend either the permit of
37 the employee who committed the violation or the license of the licensee

1 upon whose premises the violation occurred, or both the permit and the
2 license.

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

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

11 (7) Grocery stores licensed under RCW 66.24.360, the primary
12 commercial activity of which is the sale of grocery products and for
13 which the sale and service of beer and wine for on-premises consumption
14 with food is incidental to the primary business, and employees of such
15 establishments, are exempt from RCW 66.20.300 through 66.20.350.

16 **Sec. 18.** RCW 66.24.410 and 1983 c 3 s 164 are each amended to read
17 as follows:

18 (1) "Spirituous liquor," as used in RCW 66.24.400 to 66.24.450,
19 inclusive, means "liquor" as defined in RCW 66.04.010, except "wine"
20 and "beer" sold as such.

21 (2) "Restaurant" as used in RCW 66.24.400 to 66.24.450, inclusive,
22 means an establishment provided with special space and accommodations
23 where, in consideration of payment, food, without lodgings, is
24 habitually furnished to the public, not including drug stores and soda
25 fountains: PROVIDED, That such establishments shall be approved by the
26 board and that the board shall be satisfied that such establishment is
27 maintained in a substantial manner as a place for preparing, cooking
28 and serving of complete meals. The service of only fry orders or such
29 food and victuals as sandwiches, hamburgers, or salads shall not be
30 deemed in compliance with this definition.

31 (3) "Hotel," "clubs," "wine" and "beer" are used in RCW 66.24.400
32 to 66.24.450, inclusive, with the meaning given in chapter 66.04 RCW(
33 ~~PROVIDED, That any such hotel shall be provided with special space and~~
34 ~~accommodations where, in consideration of payment, food is habitually~~
35 ~~furnished to the public: PROVIDED FURTHER, That the board shall be~~
36 ~~satisfied that such hotel is maintained in a substantial manner as a~~

1 ~~place for preparing, cooking and serving of complete meals. The~~
2 ~~service of only fry orders, sandwiches, hamburgers, or salads shall not~~
3 ~~be deemed in compliance with this definition)).~~

4 **Sec. 19.** RCW 66.24.420 and 2006 c 101 s 3 and 2006 c 85 s 1 are
5 each reenacted and amended to read as follows:

6 (1) The spirits, beer, and wine restaurant license shall be issued
7 in accordance with the following schedule of annual fees:

8 (a) The annual fee for a spirits, beer, and wine restaurant license
9 shall be graduated according to the dedicated dining area and type of
10 service provided as follows:

11	Less than 50% dedicated dining area	\$2,000
12	50% or more dedicated dining area	\$1,600
13	Service bar only	\$1,000

14 (b) The annual fee for the license when issued to any other
15 spirits, beer, and wine restaurant licensee outside of incorporated
16 cities and towns shall be prorated according to the calendar quarters,
17 or portion thereof, during which the licensee is open for business,
18 except in case of suspension or revocation of the license.

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

34 (d) Where the license shall be issued to any corporation,
35 association, or person operating dining places at a publicly or
36 privately owned civic or convention center with facilities for sports,

1 entertainment, or conventions, or a combination thereof, with more than
2 one place where liquor is to be dispensed and sold, such license shall
3 be issued upon the payment of the annual fee, which shall be a master
4 license and shall permit such sale within and from one such place.
5 Such license may be extended to additional places on the premises at
6 the discretion of the board and a duplicate license may be issued for
7 each such additional place. The holder of a master license for a
8 dining place at such a publicly or privately owned civic or convention
9 center must maintain in a substantial manner at least one place on the
10 premises for preparing, cooking, and serving of complete meals, and
11 food service shall be available on request in other licensed places on
12 the premises. An additional license fee of ten dollars shall be
13 required for such duplicate licenses.

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

32 (2) The board, so far as in its judgment is reasonably possible,
33 shall confine spirits, beer, and wine restaurant licenses to the
34 business districts of cities and towns and other communities, and not
35 grant such licenses in residential districts, nor within the immediate
36 vicinity of schools, without being limited in the administration of
37 this subsection to any specific distance requirements.

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

9 (4) The total number of spirits, beer, and wine restaurant licenses
10 issued in the state of Washington by the board, not including spirits,
11 beer, and wine private club licenses, shall not in the aggregate at any
12 time exceed one license for each one thousand four hundred fifty of
13 population in the state, determined according to the yearly population
14 determination developed by the office of financial management pursuant
15 to RCW 43.62.030.

16 (5) Notwithstanding the provisions of subsection (4) of this
17 section, the board shall refuse a spirits, beer, and wine restaurant
18 license to any applicant if in the opinion of the board the spirits,
19 beer, and wine restaurant licenses already granted for the particular
20 locality are adequate for the reasonable needs of the community.

21 (6)(a) The board may issue a caterer's endorsement to this license
22 to allow the licensee to remove the liquor stocks at the licensed
23 premises, for use as liquor for sale and service at event locations at
24 a specified date and, except as provided in subsection (7) of this
25 section, place not currently licensed by the board. If the event is
26 open to the public, it must be sponsored by a society or organization
27 as defined by RCW 66.24.375. If attendance at the event is limited to
28 members or invited guests of the sponsoring individual, society, or
29 organization, the requirement that the sponsor must be a society or
30 organization as defined by RCW 66.24.375 is waived. Cost of the
31 endorsement is three hundred fifty dollars.

32 (b) 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.

1 (7) Licensees under this section that hold a caterer's endorsement
2 are allowed to use this endorsement on a domestic winery premises or on
3 the premises of a passenger vessel under the following conditions:

4 (a) Agreements between the domestic winery or passenger vessel, as
5 the case may be, and the retail licensee shall be in writing, contain
6 no exclusivity clauses regarding the alcohol beverages to be served,
7 and be filed with the board; and

8 (b) The domestic winery or passenger vessel, as the case may be,
9 and the retail licensee shall be separately contracted and compensated
10 by the persons sponsoring the event for their respective services.

11 **Sec. 20.** RCW 66.24.440 and 1998 c 126 s 8 are each amended to read
12 as follows:

13 Each spirits, beer, and wine restaurant, spirits, beer, and wine
14 private club, hotel, and sports entertainment facility licensee shall
15 be entitled to purchase any spirituous liquor items salable under such
16 license from the board at a discount of not less than fifteen percent
17 from the retail price fixed by the board, together with all taxes.

18 NEW SECTION. **Sec. 21.** Sections 4 and 6 of this act expire June
19 30, 2008.

20 NEW SECTION. **Sec. 22.** Sections 5 and 7 of this act take effect
21 June 30, 2008.

22 NEW SECTION. **Sec. 23.** Sections 10 through 20 of this act take
23 effect July 1, 2008."

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