
HOUSE BILL 2299

State of Washington 60th Legislature 2007 Regular Session

By Representative Williams

Read first time 02/19/2007. Referred to Committee on Commerce & Labor.

1 AN ACT Relating to retailer licenses for the sale of alcoholic
2 beverages; amending RCW 66.44.310, 66.24.400, 66.08.180, 66.08.220,
3 66.20.010, 66.20.310, 66.24.410, and 66.24.440; reenacting and amending
4 RCW 66.04.010 and 66.24.420; adding a new section to chapter 66.24 RCW;
5 and providing an effective date.

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

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

9 In this title, unless the context otherwise requires:

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

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

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

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

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

9 (d) Is appointed by the brewery or winery referenced in (c) of this
10 subsection as its exclusive authorized representative for marketing and
11 selling its products within the United States in accordance with a
12 written agreement between the authorized representative and such
13 brewery or winery pursuant to this title. The board may waive the
14 requirement for the written agreement of exclusivity in situations
15 consistent with the normal marketing practices of certain products,
16 such as classified growths.

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

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

24 (5) "Beer importer" means a person or business within Washington
25 who purchases beer from a beer certificate of approval holder or who
26 acquires foreign produced beer from a source outside of the United
27 States for the purpose of selling the same pursuant to this title.

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

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

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

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

6 (10) "Contract liquor store" means a business that sells liquor on
7 behalf of the board through a contract with a contract liquor store
8 manager.

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

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

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

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

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

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

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

27 (18) "Flavored malt beverage" means:

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

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

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

37 (20) "Hotel" means every building (~~or other~~), structure, and
38 amenities as may be offered that are kept, used, maintained,

1 advertised, or held out to the public to be a place where food is
2 served and sleeping accommodations are offered for pay to transient
3 guests, in which twenty or more rooms are used for the sleeping
4 accommodation of such transient guests and (~~having one or more dining~~
5 ~~rooms where meals are served to such transient guests, such sleeping~~
6 ~~accommodations and dining rooms being conducted in the same building~~
7 ~~and buildings, in connection therewith, and such structure or~~
8 ~~structures being provided, in the judgment of the board, with adequate~~
9 ~~and sanitary kitchen and dining room equipment and capacity, for~~
10 ~~preparing, cooking and serving suitable food for its guests: PROVIDED~~
11 ~~FURTHER, That in cities and towns of less than five thousand~~
12 ~~population, the board shall have authority to waive the provisions~~
13 ~~requiring twenty or more rooms)) shall include all grounds and other
14 buildings or structures as may exist thereon and any amenities whether
15 exterior or within a structure or building as may be offered, and
16 having facilities for preparing, cooking, and serving food.~~

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

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

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

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

35 (25) "Malt beverage" or "malt liquor" means any beverage such as
36 beer, ale, lager beer, stout, and porter obtained by the alcoholic
37 fermentation of an infusion or decoction of pure hops, or pure extract
38 of hops and pure barley malt or other wholesome grain or cereal in pure

1 water containing not more than eight percent of alcohol by weight, and
2 not less than one-half of one percent of alcohol by volume. For the
3 purposes of this title, any such beverage containing more than eight
4 percent of alcohol by weight shall be referred to as "strong beer."

5 (26) "Package" means any container or receptacle used for holding
6 liquor.

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

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

11 (29) "Person" means an individual, copartnership, association, or
12 corporation.

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

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

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

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

36 (34) "Restaurant" means any establishment provided with special
37 space and accommodations where, in consideration of payment, food,

1 without lodgings, is habitually furnished to the public, not including
2 drug stores and soda fountains.

3 (35) "Sale" and "sell" include exchange, barter, and traffic; and
4 also include the selling or supplying or distributing, by any means
5 whatsoever, of liquor, or of any liquid known or described as beer or
6 by any name whatever commonly used to describe malt or brewed liquor or
7 of wine, by any person to any person; and also include a sale or
8 selling within the state to a foreign consignee or his agent in the
9 state. "Sale" and "sell" shall not include the giving, at no charge,
10 of a reasonable amount of liquor by a person not licensed by the board
11 to a person not licensed by the board, for personal use only. "Sale"
12 and "sell" also does not include a raffle authorized under RCW
13 9.46.0315: PROVIDED, That the nonprofit organization conducting the
14 raffle has obtained the appropriate permit from the board.

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

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

21 (38) "Store" means a state liquor store established under this
22 title.

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

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

28 (41)(a) "Wine" means any alcoholic beverage obtained by
29 fermentation of fruits (grapes, berries, apples, et cetera) or other
30 agricultural product containing sugar, to which any saccharine
31 substances may have been added before, during or after fermentation,
32 and containing not more than twenty-four percent of alcohol by volume,
33 including sweet wines fortified with wine spirits, such as port,
34 sherry, muscatel and angelica, not exceeding twenty-four percent of
35 alcohol by volume and not less than one-half of one percent of alcohol
36 by volume. For purposes of this title, any beverage containing no more
37 than fourteen percent of alcohol by volume when bottled or packaged by
38 the manufacturer shall be referred to as "table wine," and any beverage

1 containing alcohol in an amount more than fourteen percent by volume
2 when bottled or packaged by the manufacturer shall be referred to as
3 "fortified wine." However, "fortified wine" shall not include: (i)
4 Wines that are both sealed or capped by cork closure and aged two years
5 or more; and (ii) wines that contain more than fourteen percent alcohol
6 by volume solely as a result of the natural fermentation process and
7 that have not been produced with the addition of wine spirits, brandy,
8 or alcohol.

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

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

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

20 NEW SECTION. **Sec. 2.** A new section is added to chapter 66.24 RCW
21 to read as follows:

22 (1) There shall be a retailer's license to be designated as a hotel
23 license. The hotel license may be issued to an applicant regardless of
24 whether the applicant holds any other class of retail license under
25 this title. No license may be issued to a hotel offering rooms to its
26 guests on an hourly basis. If all or any facilities for alcoholic
27 beverage service and the preparation, cooking, and serving of food are
28 operated under contract or joint venture agreement, the operator may
29 hold a license separate from the license held by the operator of the
30 hotel. Food and beverage inventory used in separate licensed
31 operations at the hotel may not be shared and shall be separately owned
32 and stored by the separate licensees. Food service provided for room
33 service, banquets or conferences, or restaurant operation under this
34 license shall meet the requirements of rules adopted by the board.

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

36 (a) Sell, at retail, from locked honor bars, in individual units,
37 spirits not to exceed fifty milliliters, beer in individual units not

1 to exceed twelve ounces, and wine in individual bottles not to exceed
2 three hundred eighty-five milliliters, to registered guests of the
3 hotel for consumption in guest rooms.

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

6 (ii) The licensee shall require proof of age from the guest renting
7 a guest room and requesting the use of an honor bar. The guest shall
8 also execute an affidavit verifying that no one under twenty-one years
9 of age shall have access to the spirits, beer, and wine in the honor
10 bar;

11 (b) Provide without additional charge, to overnight guests,
12 spirits, beer, and wine, including wine by the bottle, by the
13 individual serving for on-premises consumption at a specified regular
14 date, time, and place as may be fixed by the board. Self-service by
15 attendees is prohibited. All alcoholic beverage service must be done
16 by an alcohol server as defined in RCW 66.20.300 and comply with RCW
17 66.20.310;

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

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

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

29 (f) Place in guest rooms at check-in, a complimentary bottle of
30 beer, including strong beer, or wine, including wine carrying a label
31 exclusive to the hotel license holder, in a manufacturer-sealed
32 container, and make a reference to this service in promotional
33 material.

34 (3)(a) The facilities may be owned or leased, and operated by the
35 hotel or another party under a contract or joint venture agreement with
36 the licensee, or may be owned or leased, and operated by another party
37 holding a contract or joint venture agreement with the licensee. Food

1 and alcohol beverage service for banquets and conferences at the hotel
2 and for guest rooms shall be provided by the hotel or through another
3 party operating the food and beverage services at the hotel's location.

4 (b) The license issued to a hotel shall be valid only upon the
5 contiguous property of the hotel, and where all facilities and grounds
6 at the hotel are owned or leased by the same person or persons.

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

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

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

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

32 (6) Minors may be allowed in all areas of the hotel where alcohol
33 may be consumed; however, the consumption must be incidental to the
34 primary use of the area. These areas include, but are not limited to,
35 tennis courts, hotel lobbies, and swimming pool areas. If an area is
36 not a mixed use area, and is primarily used for alcohol service, the
37 area must be designated and restricted to access by minors.

1 (7) Minors may be allowed for special dining occasions in an area,
2 such as a lounge that is normally off-limits to minors, if no seating
3 or beverage consumption is allowed at a bar, which may be used as a
4 service bar for the special dining occasion, if dining will predominate
5 over the consumption of alcoholic beverages during the special use, and
6 if the license holder has provided advance written notice to the board
7 of the occasion, date, and hours of the special use. Once advance
8 written notice has been received for an event, the licensee will not be
9 required to provide such notice again for any similar event for that
10 calendar year.

11 (8) The annual fee for this license is two thousand dollars. The
12 fee shall be prorated according to the calendar quarters, or portion
13 thereof, during which the licensee is open for business, except in case
14 of suspension or revocation of the license.

15 (9) As used in this section, "hotel," "spirits," "beer," and "wine"
16 have the meanings defined in RCW 66.24.410 and 66.04.010.

17 **Sec. 3.** RCW 66.44.310 and 1998 c 126 s 14 are each amended to read
18 as follows:

19 (1) Except as otherwise provided by RCW 66.44.316 (~~and~~),
20 66.44.350, and section 2 of this act, it shall be a misdemeanor:

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

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

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

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

1 **Sec. 4.** RCW 66.24.400 and 2005 c 152 s 2 are each amended to read
2 as follows:

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

29 (2) The board may issue an endorsement to the spirits, beer, and
30 wine restaurant license that allows the holder of a spirits, beer, and
31 wine restaurant license to sell for off-premises consumption wine
32 vinted and bottled in the state of Washington and carrying a label
33 exclusive to the license holder selling the wine. Spirits and beer may
34 not be sold for off-premises consumption under this section. The
35 annual fee for the endorsement under this subsection is one hundred
36 twenty dollars.

37 (3) The holder of a spirits, beer, and wine license or its manager
38 may furnish beer, wine, or spirituous liquor to the licensee's

1 employees free of charge as may be required for use in connection with
2 instruction on beer, wine, or spirituous liquor. The instruction may
3 include the history, nature, values, and characteristics of beer, wine,
4 or spirituous liquor, the use of wine lists, and the methods of
5 presenting, serving, storing, and handling beer, wine, and spirituous
6 liquor. The spirits, beer, and wine restaurant licensee must use the
7 beer, wine, or spirituous liquor it obtains under its license for the
8 sampling as part of the instruction. The instruction must be given on
9 the premises of the spirits, beer, and wine restaurant licensee.

10 **Sec. 5.** RCW 66.08.180 and 2000 c 192 s 1 are each amended to read
11 as follows:

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

18 (1) All license fees, penalties and forfeitures derived under
19 chapter 13, Laws of 1935 from spirits, beer, and wine restaurant;
20 spirits, beer, and wine private club; hotel; and sports entertainment
21 facility licenses or spirits, beer, and wine restaurant; spirits, beer,
22 and wine private club; and sports entertainment facility licensees
23 shall every three months be disbursed by the board as follows:

24 (a) Three hundred thousand dollars per biennium, to the death
25 investigations account for the state toxicology program pursuant to RCW
26 68.50.107; and

27 (b) Of the remaining funds:

28 (i) 6.06 percent to the University of Washington and 4.04 percent
29 to Washington State University for alcoholism and drug abuse research
30 and for the dissemination of such research; and

31 (ii) 89.9 percent to the general fund to be used by the department
32 of social and health services solely to carry out the purposes of RCW
33 70.96A.050;

34 (2) The first fifty-five dollars per license fee provided in RCW
35 66.24.320 and 66.24.330 up to a maximum of one hundred fifty thousand
36 dollars annually shall be disbursed every three months by the board to

1 the general fund to be used for juvenile alcohol and drug prevention
2 programs for kindergarten through third grade to be administered by the
3 superintendent of public instruction;

4 (3) Twenty percent of the remaining total amount derived from
5 license fees pursuant to RCW 66.24.320, 66.24.330, 66.24.350, and
6 66.24.360, shall be transferred to the general fund to be used by the
7 department of social and health services solely to carry out the
8 purposes of RCW 70.96A.050; and

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

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

21 The board shall set aside in a separate account in the liquor
22 revolving fund an amount equal to ten percent of its gross sales of
23 liquor to spirits, beer, and wine restaurant; spirits, beer, and wine
24 private club; hotel; and sports entertainment facility licensees
25 collected from these licensees pursuant to the provisions of RCW
26 82.08.150, less the fifteen percent discount provided for in RCW
27 66.24.440; and the moneys in said separate account shall be distributed
28 in accordance with the provisions of RCW 66.08.190, 66.08.200 and
29 66.08.210(~~(: PROVIDED, HOWEVER, That)~~). No election unit in which the
30 sale of liquor under spirits, beer, and wine restaurant; spirits, beer,
31 and wine private club; and sports entertainment facility licenses is
32 unlawful shall be entitled to share in the distribution of moneys from
33 such separate account.

34 **Sec. 7.** RCW 66.20.010 and 1998 c 126 s 1 are each amended to read
35 as follows:

36 Upon application in the prescribed form being made to any employee

1 authorized by the board to issue permits, accompanied by payment of the
2 prescribed fee, and upon the employee being satisfied that the
3 applicant should be granted a permit under this title, the employee
4 shall issue to the applicant under such regulations and at such fee as
5 may be prescribed by the board a permit of the class applied for, as
6 follows:

7 (1) Where the application is for a special permit by a physician or
8 dentist, or by any person in charge of an institution regularly
9 conducted as a hospital or sanatorium for the care of persons in ill
10 health, or as a home devoted exclusively to the care of aged people, a
11 special liquor purchase permit;

12 (2) Where the application is for a special permit by a person
13 engaged within the state in mechanical or manufacturing business or in
14 scientific pursuits requiring alcohol for use therein, or by any
15 private individual, a special permit to purchase alcohol for the
16 purpose named in the permit;

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

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

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

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

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

1 (8) Where the application is for a special permit by a
2 manufacturer, importer, or distributor, or representative thereof, to
3 serve liquor without charge to delegates and guests at a convention of
4 a trade association composed of licensees of the board, when the said
5 liquor is served in a hospitality room or from a booth in a board-
6 approved suppliers' display room at the convention, and when the liquor
7 so served is for consumption in the said hospitality room or display
8 room during the convention, anything in Title 66 RCW to the contrary
9 notwithstanding. Any such spirituous liquor shall be purchased from
10 the board or a spirits, beer, and wine restaurant licensee and any such
11 beer and wine shall be subject to the taxes imposed by RCW 66.24.290
12 and 66.24.210;

13 (9) Where the application is for a special permit by a
14 manufacturer, importer, or distributor, or representative thereof, to
15 donate liquor for a reception, breakfast, luncheon, or dinner for
16 delegates and guests at a convention of a trade association composed of
17 licensees of the board, when the liquor so donated is for consumption
18 at the said reception, breakfast, luncheon, or dinner during the
19 convention, anything in Title 66 RCW to the contrary notwithstanding.
20 Any such spirituous liquor shall be purchased from the board or a
21 spirits, beer, and wine restaurant licensee and any such beer and wine
22 shall be subject to the taxes imposed by RCW 66.24.290 and 66.24.210;

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

32 (11) Where the application is for an annual special permit by a
33 person operating a bed and breakfast lodging facility to donate or
34 serve wine or beer without charge to overnight guests of the facility
35 if the wine or beer is for consumption on the premises of the facility.
36 "Bed and breakfast lodging facility," as used in this subsection, means
37 a (~~hotel or similar~~) facility offering from one to eight lodging
38 units and breakfast to travelers and guests.

1 **Sec. 8.** RCW 66.20.310 and 1997 c 321 s 45 are each amended to read
2 as follows:

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

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

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

11 (2)(a) Effective January 1, 1997, except as provided in (d) of this
12 subsection, every person employed, under contract or otherwise, by an
13 annual retail liquor licensee holding a license as authorized by RCW
14 66.24.320, 66.24.330, 66.24.350, 66.24.400, 66.24.425, 66.24.450,
15 section 2 of this act, or 66.24.570, who as part of his or her
16 employment participates in any manner in the sale or service of
17 alcoholic beverages shall have issued to them a class 12 or class 13
18 permit.

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

25 (c) No licensee described in (a) of this subsection, except as
26 provided in (d) of this subsection, may employ or accept the services
27 of any person without the person first having a valid class 12 or class
28 13 permit.

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

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

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

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

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

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

8 (5) The suspension or revocation of a permit under this section
9 does not relieve a licensee from responsibility for any act of the
10 employee or agent while employed upon the retail licensed premises.
11 The board may, as appropriate, revoke or suspend either the permit of
12 the employee who committed the violation or the license of the licensee
13 upon whose premises the violation occurred, or both the permit and the
14 license.

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

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

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

28 **Sec. 9.** RCW 66.24.410 and 1983 c 3 s 164 are each amended to read
29 as follows:

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

33 (2) "Restaurant" as used in RCW 66.24.400 to 66.24.450, inclusive,
34 means an establishment provided with special space and accommodations
35 where, in consideration of payment, food, without lodgings, is
36 habitually furnished to the public, not including drug stores and soda
37 fountains: PROVIDED, That such establishments shall be approved by the

1 board and that the board shall be satisfied that such establishment is
2 maintained in a substantial manner as a place for preparing, cooking
3 and serving of complete meals. The service of only fry orders or such
4 food and victuals as sandwiches, hamburgers, or salads shall not be
5 deemed in compliance with this definition.

6 (3) "Hotel," "clubs," "wine" and "beer" are used in RCW 66.24.400
7 to 66.24.450, inclusive, with the meaning given in chapter 66.04 RCW(~~+~~
8 ~~PROVIDED, That any such hotel shall be provided with special space and~~
9 ~~accommodations where, in consideration of payment, food is habitually~~
10 ~~furnished to the public: PROVIDED FURTHER, That the board shall be~~
11 ~~satisfied that such hotel is maintained in a substantial manner as a~~
12 ~~place for preparing, cooking and serving of complete meals. The~~
13 ~~service of only fry orders, sandwiches, hamburgers, or salads shall not~~
14 ~~be deemed in compliance with this definition)).~~

15 **Sec. 10.** RCW 66.24.420 and 2006 c 101 s 3 and 2006 c 85 s 1 are
16 each reenacted and amended to read as follows:

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

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

22	Less than 50% dedicated dining area	\$2,000
23	50% or more dedicated dining area	\$1,600
24	Service bar only	\$1,000

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

30 (c) Where the license shall be issued to any corporation,
31 association or person operating a bona fide restaurant in an airport
32 terminal facility providing service to transient passengers with more
33 than one place where liquor is to be dispensed and sold, such license
34 shall be issued upon the payment of the annual fee, which shall be a
35 master license and shall permit such sale within and from one such
36 place. Such license may be extended to additional places on the

1 premises at the discretion of the board and a duplicate license may be
2 issued for each such additional place. The holder of a master license
3 for a restaurant in an airport terminal facility must maintain in a
4 substantial manner at least one place on the premises for preparing,
5 cooking, and serving of complete meals, and such food service shall be
6 available on request in other licensed places on the premises. An
7 additional license fee of twenty-five percent of the annual master
8 license fee shall be required for such duplicate licenses.

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

25 (e) Where the license shall be issued to any corporation,
26 association or person operating more than one building containing
27 dining places at privately owned facilities which are open to the
28 public and where there is a continuity of ownership of all adjacent
29 property, such license shall be issued upon the payment of an annual
30 fee which shall be a master license and shall permit such sale within
31 and from one such place. Such license may be extended to the
32 additional dining places on the property (~~or, in the case of a~~
33 ~~spirits, beer, and wine restaurant licensed hotel, property owned or~~
34 ~~controlled by leasehold interest by that hotel for use as a conference~~
35 ~~or convention center or banquet facility open to the general public for~~
36 ~~special events in the same metropolitan area, at the discretion of the~~
37 ~~board and a duplicate license may be issued for each additional~~
38 ~~place)). The holder of the master license for the dining place shall~~

1 not offer alcoholic beverages for sale, service, and consumption at the
2 additional place unless food service is available at both the location
3 of the master license and the duplicate license. An additional license
4 fee of twenty dollars shall be required for such duplicate licenses.

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

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

19 (4) The total number of spirits, beer, and wine restaurant licenses
20 issued in the state of Washington by the board, not including spirits,
21 beer, and wine private club licenses, shall not in the aggregate at any
22 time exceed one license for each one thousand four hundred fifty of
23 population in the state, determined according to the yearly population
24 determination developed by the office of financial management pursuant
25 to RCW 43.62.030.

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

31 (6)(a) The board may issue a caterer's endorsement to this license
32 to allow the licensee to remove the liquor stocks at the licensed
33 premises, for use as liquor for sale and service at event locations at
34 a specified date and, except as provided in subsection (7) of this
35 section, place not currently licensed by the board. If the event is
36 open to the public, it must be sponsored by a society or organization
37 as defined by RCW 66.24.375. If attendance at the event is limited to
38 members or invited guests of the sponsoring individual, society, or

1 organization, the requirement that the sponsor must be a society or
2 organization as defined by RCW 66.24.375 is waived. Cost of the
3 endorsement is three hundred fifty dollars.

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

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

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

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

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

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

27 NEW SECTION. **Sec. 12.** This act takes effect July 1, 2008.

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