

CERTIFICATION OF ENROLLMENT

SUBSTITUTE SENATE BILL 6770

Chapter 41, Laws of 2008

60th Legislature
2008 Regular Session

ALCOHOLIC BEVERAGES--REGULATION

EFFECTIVE DATE: 06/12/08 - Except sections 7 and 9, which become effective 06/30/08; and sections 3, 10, and 11, which become effective 07/01/08.

Passed by the Senate February 18, 2008
YEAS 47 NAYS 0

BRAD OWEN

President of the Senate

Passed by the House March 4, 2008
YEAS 93 NAYS 0

FRANK CHOPP

Speaker of the House of Representatives

Approved March 17, 2008, 3:04 p.m.

CERTIFICATE

I, Thomas Hoemann, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **SUBSTITUTE SENATE BILL 6770** as passed by the Senate and the House of Representatives on the dates hereon set forth.

THOMAS HOEMANN

Secretary

FILED

March 18, 2008

CHRISTINE GREGOIRE

Governor of the State of Washington

**Secretary of State
State of Washington**

SUBSTITUTE SENATE BILL 6770

Passed Legislature - 2008 Regular Session

State of Washington 60th Legislature 2008 Regular Session

By Senate Labor, Commerce, Research & Development (originally sponsored by Senators Kohl-Welles, Holmquist, McAuliffe, Hewitt, and Delvin)

READ FIRST TIME 02/07/08.

1 AN ACT Relating to alcoholic beverage regulation; amending RCW
2 66.20.300, 66.20.310, 66.20.310, 66.24.185, 66.24.170, 66.24.240,
3 66.24.240, 66.24.590, and 66.28.040; reenacting and amending RCW
4 66.24.244, 66.24.244, and 66.24.400; providing effective dates; and
5 providing expiration dates.

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

7 **Sec. 1.** RCW 66.20.300 and 1997 c 321 s 44 are each amended to read
8 as follows:

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

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

12 (2) "Alcohol server" means any person (~~servicing or selling alcohol,~~
13 ~~spirits, wines, or beer~~) who as part of his or her employment
14 participates in the sale or service of alcoholic beverages for on-
15 premise consumption at (~~an on-premises~~) a retail licensed
16 (~~facility~~) premise as a regular requirement of his or her employment,
17 and includes those persons eighteen years of age or older permitted by
18 the liquor laws of this state to serve alcoholic beverages with meals.

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

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

4 (5) "Retail licensed premises" means any:

5 (a) Premises licensed to sell alcohol by the glass or by the drink,
6 or in original containers primarily for consumption on the premises as
7 authorized by RCW 66.24.320, 66.24.330, 66.24.350, 66.24.400,
8 66.24.425, 66.24.450, and 66.24.570; and

9 (b) Facility established by a domestic winery for serving and
10 selling wine pursuant to RCW 66.24.170(4).

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

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

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

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

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

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

35 (c) ((~~No licensee described in (a) of this subsection,~~)) Except as
36 provided in (d) of this subsection, no licensee holding a license as
37 authorized by RCW 66.24.320, 66.24.330, 66.24.350, 66.24.400,

1 66.24.425, 66.24.450, and 66.24.570 may employ or accept the services
2 of any person without the person first having a valid class 12 or class
3 13 permit.

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

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

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

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

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

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

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

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

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

36 (7) Grocery stores licensed under RCW 66.24.360, the primary
37 commercial activity of which is the sale of grocery products and for

1 which the sale and service of beer and wine for on-premises consumption
2 with food is incidental to the primary business, and employees of such
3 establishments, are exempt from RCW 66.20.300 through 66.20.350.

4 **Sec. 3.** RCW 66.20.310 and 2007 c 370 s 17 are each amended to read
5 as follows:

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

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

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

14 (2)(a) Effective January 1, 1997, except as provided in (d) of this
15 subsection, every ((~~person~~)) alcohol server employed, under contract or
16 otherwise, ((~~by an annual retail liquor licensee holding a license as~~
17 ~~authorized by RCW 66.24.320, 66.24.330, 66.24.350, 66.24.400,~~
18 ~~66.24.425, 66.24.450, 66.24.590, or 66.24.570, who as part of his or~~
19 ~~her employment participates in any manner in the sale or service of~~
20 ~~alcoholic beverages~~)) at a retail licensed premise shall have issued to
21 them a class 12 or class 13 permit.

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

28 ((~~No licensee described in (a) of this subsection,~~)) Except as
29 provided in (d) of this subsection, no licensee holding a license as
30 authorized by RCW 66.24.320, 66.24.330, 66.24.350, 66.24.400,
31 66.24.425, 66.24.450, and 66.24.570 may employ or accept the services
32 of any person without the person first having a valid class 12 or class
33 13 permit.

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

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

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

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

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

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

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

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

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

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

35 **Sec. 4.** RCW 66.24.185 and 1999 c 281 s 4 are each amended to read
36 as follows:

37 (1) There shall be a license for bonded wine warehouses which shall

1 authorize the storage and handling of bottled wine (~~only~~). Under
2 this license a licensee may maintain a warehouse for the storage of
3 wine off the premises of a winery.

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

11 (3) All bottled wine shipped to a bonded wine warehouse from a
12 winery or another bonded wine warehouse shall remain under bond and no
13 tax imposed under RCW 66.24.210 shall be due, unless the wine is
14 removed from bond and shipped to a licensed Washington wine
15 distributor. Wine may be removed from a bonded wine warehouse only for
16 the purpose of being (a) exported from the state, (b) shipped to a
17 licensed Washington wine distributor, (~~or~~) (c) returned to a winery
18 or bonded wine warehouse, or shipped to a consumer pursuant to RCW
19 66.20.360 through 66.20.390.

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

25 (5) A license applicant shall hold a federal permit for a bonded
26 wine cellar and may be required to post a continuing wine tax bond of
27 such an amount and in such a form as may be required by the board prior
28 to the issuance of a bonded wine warehouse license. The fee for this
29 license shall be one hundred dollars per annum.

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

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

37 (8) Handling of bottled wine, as provided for in this section,
38 includes packaging and repackaging services; bottle labeling services;

1 creating baskets or variety packs that may or may not include nonwine
2 products; and picking, packing, and shipping wine orders direct to
3 consumer. A winery contracting with a bonded wine warehouse for
4 handling bottled wine must comply with all applicable state and federal
5 laws and shall be responsible for financial transactions in direct to
6 consumer shipping activities.

7 **Sec. 5.** RCW 66.24.170 and 2007 c 16 s 2 are each amended to read
8 as follows:

9 (1) There shall be a license for domestic wineries; fee to be
10 computed only on the liters manufactured: Less than two hundred fifty
11 thousand liters per year, one hundred dollars per year; and two hundred
12 fifty thousand liters or more per year, four hundred dollars per year.

13 (2) The license allows for the manufacture of wine in Washington
14 state from grapes or other agricultural products.

15 (3) Any domestic winery licensed under this section may also act as
16 a retailer of wine of its own production. Any domestic winery licensed
17 under this section may act as a distributor of its own production.
18 Notwithstanding any language in this title to the contrary, a domestic
19 winery may use a common carrier to deliver up to one hundred cases of
20 its own production, in the aggregate, per month to licensed Washington
21 retailers. A domestic winery may not arrange for any such common
22 carrier shipments to licensed retailers of wine not of its own
23 production. Except as provided in this section, any winery operating
24 as a distributor and/or retailer under this subsection shall comply
25 with the applicable laws and rules relating to distributors and/or
26 retailers.

27 (4) A domestic winery licensed under this section, at locations
28 separate from any of its production or manufacturing sites, may serve
29 samples of its own products, with or without charge, and sell wine of
30 its own production at retail (~~for off-premise consumption~~), provided
31 that: (a) Each additional location has been approved by the board
32 under RCW 66.24.010; (b) the total number of additional locations does
33 not exceed two; (~~and~~) (c) a winery may not act as a distributor at
34 any such additional location; and (d) any person selling or serving
35 wine at an additional location for on-premise consumption must obtain
36 a class 12 or class 13 alcohol server permit. Each additional location
37 is deemed to be part of the winery license for the purpose of this

1 title. At additional locations operated by multiple wineries under
2 this section, if the board cannot connect a violation of RCW 66.44.200
3 or 66.44.270 to a single licensee, the board may hold all licensees
4 operating the additional location jointly liable. Nothing in this
5 subsection shall be construed to prevent a domestic winery from holding
6 multiple domestic winery licenses.

7 (5)(a) A domestic winery licensed under this section may apply to
8 the board for an endorsement to sell wine of its own production at
9 retail for off-premises consumption at a qualifying farmers market.
10 The annual fee for this endorsement is seventy-five dollars. An
11 endorsement issued pursuant to this subsection does not count toward
12 the two additional retail locations limit specified in this section.

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

19 (c) The wine sold at qualifying farmers markets must be made
20 entirely from grapes grown in a recognized Washington appellation or
21 from other agricultural products grown in this state.

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

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

1 winery to sell bottled wine at retail at its farmers market location,
2 the board shall notify the persons or entities of such application for
3 authorization pursuant to RCW 66.24.010 (8) and (9). An authorization
4 granted under this subsection (5)(e) may be withdrawn by the board for
5 any violation of this title or any rules adopted under this title.

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

9 (g) For the purposes of this subsection:

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

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

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

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

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

25 (E) No vendor is a franchisee.

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

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

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

36 (6) Wine produced in Washington state by a domestic winery licensee
37 may be shipped out-of-state for the purpose of making it into sparkling

1 wine and then returned to such licensee for resale. Such wine shall be
2 deemed wine manufactured in the state of Washington for the purposes of
3 RCW 66.24.206, and shall not require a special license.

4 **Sec. 6.** RCW 66.24.240 and 2007 c 370 s 6 are each amended to read
5 as follows:

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

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

21 (3) A domestic brewery may hold ((a)) up to two retail licenses
22 ((under this chapter)) to operate an on or off-premise tavern, beer
23 and/or wine restaurant, or spirits, beer, and wine restaurant. This
24 retail license is separate from the brewery license. A brewery that
25 holds a tavern license, spirits, beer, and wine restaurant license, or
26 a beer and/or wine restaurant license shall hold the same privileges
27 and endorsements as permitted under RCW 66.24.320, 66.24.330, and
28 66.24.420.

29 (4) ~~((If the brewery licensee holds a separate license for a~~
30 ~~spirits, beer, and wine restaurant or a beer and/or wine restaurant~~
31 ~~operated on the brewery premises, the licensee may hold a second retail~~
32 ~~license for a spirits, beer, and wine restaurant or a beer and/or wine~~
33 ~~restaurant at a location separate from the brewery premises.~~

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

1 (~~(6)~~) (5)(a) A domestic brewery licensed under this section and
2 qualified for a reduced rate of taxation pursuant to RCW
3 66.24.290(3)(b) may apply to the board for an endorsement to sell
4 bottled beer of its own production at retail for off-premises
5 consumption at a qualifying farmers market. The annual fee for this
6 endorsement is seventy-five dollars.

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

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

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

23 (e) Before a domestic brewery may sell bottled beer at a qualifying
24 farmers market, the farmers market must apply to the board for
25 authorization for any domestic brewery with an endorsement approved
26 under this subsection to sell bottled beer at retail at the farmers
27 market. This application shall include, at a minimum: (i) A map of
28 the farmers market showing all booths, stalls, or other designated
29 locations at which an approved domestic brewery may sell bottled beer;
30 and (ii) the name and contact information for the on-site market
31 managers who may be contacted by the board or its designee to verify
32 the locations at which bottled beer may be sold. Before authorizing a
33 qualifying farmers market to allow an approved domestic brewery to sell
34 bottled beer at retail at its farmers market location, the board shall
35 notify the persons or entities of such application for authorization
36 pursuant to RCW 66.24.010 (8) and (9). An authorization granted under
37 this subsection (~~(6)~~) (5)(e) may be withdrawn by the board for any
38 violation of this title or any rules adopted under this title.

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

4 (g) For the purposes of this subsection:

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

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

12 (B) The total combined gross annual sales of vendors who are
13 farmers exceeds the total combined gross annual sales of vendors who
14 are processors or resellers;

15 (C) The total combined gross annual sales of vendors who are
16 farmers, processors, or resellers exceeds the total combined gross
17 annual sales of vendors who are not farmers, processors, or resellers;

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

20 (E) No vendor is a franchisee.

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

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

28 (iv) "Reseller" means a natural person who buys agricultural
29 products from a farmer and resells the products directly to the
30 consumer.

31 **Sec. 7.** RCW 66.24.240 and 2007 c 370 s 7 are each amended to read
32 as follows:

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

36 (2) Any domestic brewery, except for a brand owner of malt
37 beverages under RCW 66.04.010(6), licensed under this section may also

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

10 (3) A domestic brewery may hold ((a)) up to two retail licenses
11 ((under this chapter)) to operate an on or off-premise tavern, beer
12 and/or wine restaurant, or spirits, beer, and wine restaurant. This
13 retail license is separate from the brewery license. A brewery that
14 holds a tavern license, a spirits, beer, and wine restaurant license,
15 or a beer and/or wine restaurant license shall hold the same privileges
16 and endorsements as permitted under RCW 66.24.320, 66.24.330, and
17 66.24.420.

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

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

27 ~~((6))~~ (5)(a) A domestic brewery licensed under this section and
28 qualified for a reduced rate of taxation pursuant to RCW
29 66.24.290(3)(b) may apply to the board for an endorsement to sell
30 bottled beer of its own production at retail for off-premises
31 consumption at a qualifying farmers market. The annual fee for this
32 endorsement is seventy-five dollars.

33 (b) For each month during which a domestic brewery will sell beer
34 at a qualifying farmers market, the domestic brewery must provide the
35 board or its designee a list of the dates, times, and locations at
36 which bottled beer may be offered for sale. This list must be received
37 by the board before the domestic brewery may offer beer for sale at a
38 qualifying farmers 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 domestic brewery license for the purpose of this
5 title. The approved locations under an endorsement granted under this
6 subsection do not include the tasting or sampling privilege of a
7 domestic brewery. The domestic brewery may not store beer at a farmers
8 market beyond the hours that the domestic brewery offers bottled beer
9 for sale. The domestic brewery may not act as a distributor from a
10 farmers market location.

11 (e) Before a domestic brewery may sell bottled beer at a qualifying
12 farmers market, the farmers market must apply to the board for
13 authorization for any domestic brewery with an endorsement approved
14 under this subsection to sell bottled beer at retail at the farmers
15 market. This application shall include, at a minimum: (i) A map of
16 the farmers market showing all booths, stalls, or other designated
17 locations at which an approved domestic brewery may sell bottled beer;
18 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 domestic brewery to sell
22 bottled beer at retail at its farmers market location, the board shall
23 notify the persons or entities of such application for authorization
24 pursuant to RCW 66.24.010 (8) and (9). An authorization granted under
25 this subsection (~~((+6+))~~) (5)(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 such additional rules as may be
29 necessary to implement this section.

30 (g) For the purposes of this subsection:

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. 8.** RCW 66.24.244 and 2007 c 370 s 4 and 2007 c 222 s 1 are
21 each reenacted and amended to read 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 licensed under this section may also act as a
26 distributor and/or retailer for beer and strong beer of its own
27 production. Any microbrewery licensed under this section may act as a
28 distributor for beer of its own production. Strong beer may not be
29 sold at a farmers market or under any endorsement which may authorize
30 microbreweries to sell beer at farmers markets. Any microbrewery
31 operating as a distributor and/or retailer under this subsection shall
32 comply with the applicable laws and rules relating to distributors
33 and/or retailers. A microbrewery holding a spirits, beer, and wine
34 restaurant license may sell beer of its own production for off-premises
35 consumption from its restaurant premises in kegs or in a sanitary
36 container brought to the premises by the purchaser or furnished by the
37 licensee and filled at the tap by the licensee at the time of sale.

1 (3) The board may issue ((a)) up to two retail licenses allowing a
2 microbrewery to operate ((a)) an on or off-premise tavern, beer and/or
3 wine restaurant, or spirits, beer, and wine restaurant ((~~under RCW~~
4 ~~66.24.420~~)).

5 (4) ((~~The board may issue a license to a microbrewery allowing for~~
6 ~~on-premises consumption of beer, including strong beer, wine, or both~~
7 ~~of other manufacture if purchased from a Washington state licensed~~
8 ~~distributor. The microbrewer must determine, at the time the license~~
9 ~~is issued, whether the licensed premises will be operated as a tavern~~
10 ~~with persons under twenty one years of age not allowed as provided for~~
11 ~~in RCW 66.24.330, or as a beer and/or wine restaurant as described in~~
12 ~~RCW 66.24.320.~~

13 (+5)) A microbrewery that holds a tavern license, spirits, beer,
14 and wine restaurant license, or a beer and/or wine restaurant license
15 shall hold the same privileges and endorsements as permitted under RCW
16 66.24.320, 66.24.330, and 66.24.420.

17 ((~~6~~) If the microbrewery licensee holds a separate license for a
18 spirits, beer, and wine restaurant or a beer and/or wine restaurant,
19 operated on the brewery premises, the licensee may hold a second retail
20 license for a spirits, beer, and wine restaurant or a beer and/or wine
21 restaurant, at a location separate from the licensed brewery premises.

22 (+7)) (5)(a) A microbrewery licensed under this section may apply
23 to the board for an endorsement to sell bottled beer of its own
24 production at retail for off-premises consumption at a qualifying
25 farmers market. The annual fee for this endorsement is seventy-five
26 dollars.

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

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

35 (d) Each approved location in a qualifying farmers market is deemed
36 to be part of the microbrewery license for the purpose of this title.
37 The approved locations under an endorsement granted under this
38 subsection ((+7)) (5) do not constitute the tasting or sampling

1 privilege of a microbrewery. The microbrewery may not store beer at a
2 farmers market beyond the hours that the microbrewery offers bottled
3 beer for sale. The microbrewery may not act as a distributor from a
4 farmers market location.

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

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

24 (g) For the purposes of this subsection (~~((7))~~) (5):

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

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

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

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

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

3 (E) No vendor is a franchisee.

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

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

11 (iv) "Reseller" means a natural person who buys agricultural
12 products from a farmer and resells the products directly to the
13 consumer.

14 (6) Any microbrewery licensed under this section may contract-
15 produce beer for another microbrewer. This contract-production is not
16 a sale for the purposes of RCW 66.28.170 and 66.28.180.

17 **Sec. 9.** RCW 66.24.244 and 2007 c 370 s 5 and 2007 c 222 s 2 are
18 each reenacted and amended to read as follows:

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

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

34 (3) The board may issue ((a)) up to two retail licenses allowing a
35 microbrewery to operate ((a)) an on or off-premise tavern, beer and/or
36 wine restaurant, or spirits, beer, and wine restaurant ((~~under RCW~~
37 ~~66.24.420~~)).

1 (4) ~~((The board may issue a license to a microbrewery allowing for~~
2 ~~on-premises consumption of beer, including strong beer, wine, or both~~
3 ~~of other manufacture if purchased from a Washington state licensed~~
4 ~~distributor. The microbrewer must determine, at the time the license~~
5 ~~is issued, whether the licensed premises will be operated as a tavern~~
6 ~~with persons under twenty one years of age not allowed as provided for~~
7 ~~in RCW 66.24.330, or as a beer and/or wine restaurant as described in~~
8 ~~RCW 66.24.320.~~

9 ~~(5))~~) A microbrewery that holds a tavern license, spirits, beer,
10 and wine restaurant license, or a beer and/or wine restaurant license
11 shall hold the same privileges and endorsements as permitted under RCW
12 66.24.320, 66.24.330, and 66.24.420.

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

18 ~~(7))~~) (5)(a) A microbrewery licensed under this section may apply
19 to the board for an endorsement to sell bottled beer of its own
20 production at retail for off-premises consumption at a qualifying
21 farmers market. The annual fee for this endorsement is seventy-five
22 dollars.

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

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

31 (d) Each approved location in a qualifying farmers market is deemed
32 to be part of the microbrewery license for the purpose of this title.
33 The approved locations under an endorsement granted under this
34 subsection ~~((7))~~) (5) do not constitute the tasting or sampling
35 privilege of a microbrewery. The microbrewery may not store beer at a
36 farmers market beyond the hours that the microbrewery offers bottled
37 beer for sale. The microbrewery may not act as a distributor from a
38 farmers market location.

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

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

20 (g) For the purposes of this subsection (~~((7))~~) (5):

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

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

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

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

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

36 (E) No vendor is a franchisee.

37 (ii) "Farmer" means a natural person who sells, with or without

1 processing, agricultural products that he or she raises on land he or
2 she owns or leases in this state or in another state's county that
3 borders this state.

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

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

10 (6) Any microbrewery licensed under this section may
11 contract-produce beer for another microbrewer. This contract-
12 production is not a sale for the purposes of RCW 66.28.170 and
13 66.28.180.

14 **Sec. 10.** RCW 66.24.400 and 2007 c 370 s 13 and 2007 c 53 s 1 are
15 each reenacted and amended to read as follows:

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

1 should have, a spirits, beer, and wine restaurant license under the
2 provisions and limitations of this title.

3 (2) The board may issue an endorsement to the spirits, beer, and
4 wine restaurant license that allows the holder of a spirits, beer, and
5 wine restaurant license to sell bottled wine for off-premises
6 consumption (~~wine vinted and bottled in the state of Washington and~~
7 ~~carrying a label exclusive to the license holder selling the wine~~)).
8 Spirits and beer may not be sold for off-premises consumption under
9 this section except as provided in subsection (4) of this section. The
10 annual fee for the endorsement under this subsection is one hundred
11 twenty dollars.

12 (3) The holder of a spirits, beer, and wine license or its manager
13 may furnish beer, wine, or spirituous liquor to the licensee's
14 employees free of charge as may be required for use in connection with
15 instruction on beer, wine, or spirituous liquor. The instruction may
16 include the history, nature, values, and characteristics of beer, wine,
17 or spirituous liquor, the use of wine lists, and the methods of
18 presenting, serving, storing, and handling beer, wine, and spirituous
19 liquor. The spirits, beer, and wine restaurant licensee must use the
20 beer, wine, or spirituous liquor it obtains under its license for the
21 sampling as part of the instruction. The instruction must be given on
22 the premises of the spirits, beer, and wine restaurant licensee.

23 (4) The board may issue an endorsement to the spirits, beer, and
24 wine restaurant license that allows the holder of a spirits, beer, and
25 wine restaurant license to sell for off-premises consumption malt
26 liquor in kegs or other containers that are capable of holding four
27 gallons or more of liquid and are registered in accordance with RCW
28 66.28.200. The annual fee for the endorsement under this subsection is
29 one hundred twenty dollars.

30 **Sec. 11.** RCW 66.24.590 and 2007 c 370 s 11 are each amended to
31 read as follows:

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

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

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

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

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

18 (d) 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 which are part of the buildings or complex of
22 buildings that include the hotel;

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 66.28.040 and 2004 c 160 s 11 are each amended to
8 read as follows:

9 Except as permitted by the board under RCW 66.20.010, no domestic
10 brewery, microbrewery, distributor, distiller, domestic winery,
11 importer, rectifier, certificate of approval holder, or other
12 manufacturer of liquor shall, within the state of Washington, give to
13 any person any liquor; but nothing in this section nor in RCW 66.28.010
14 shall prevent a domestic brewery, microbrewery, distributor, domestic
15 winery, distiller, certificate of approval holder, or importer from
16 furnishing samples of beer, wine, or spirituous liquor to authorized
17 licensees for the purpose of negotiating a sale, in accordance with
18 regulations adopted by the liquor control board, provided that the
19 samples are subject to taxes imposed by RCW 66.24.290 and 66.24.210,
20 and in the case of spirituous liquor, any product used for samples must
21 be purchased at retail from the board; nothing in this section shall
22 prevent the furnishing of samples of liquor to the board for the
23 purpose of negotiating the sale of liquor to the state liquor control
24 board; nothing in this section shall prevent a domestic brewery,
25 microbrewery, domestic winery, distillery, certificate of approval
26 holder, or distributor from furnishing beer, wine, or spirituous liquor
27 for instructional purposes under RCW 66.28.150; nothing in this section
28 shall prevent a domestic winery, certificate of approval holder, or
29 distributor from furnishing wine without charge, subject to the taxes
30 imposed by RCW 66.24.210, to a not-for-profit group organized and
31 operated solely for the purpose of enology or the study of viticulture
32 which has been in existence for at least six months and that uses wine
33 so furnished solely for such educational purposes or a domestic winery,
34 or an out-of-state certificate of approval holder, from furnishing wine
35 without charge or a domestic brewery, or an out-of-state certificate of
36 approval holder, from furnishing beer without charge, subject to the
37 taxes imposed by RCW 66.24.210 or 66.24.290, to a nonprofit charitable

1 corporation or association exempt from taxation under section 501(c)(3)
2 or (6) of the internal revenue code of 1986 (26 U.S.C. Sec. 501(c)(3)
3 or (6)) for use consistent with the purpose or purposes entitling it to
4 such exemption; nothing in this section shall prevent a domestic
5 brewery or microbrewery from serving beer without charge, on the
6 brewery premises; nothing in this section shall prevent donations of
7 wine for the purposes of RCW 66.12.180; and nothing in this section
8 shall prevent a domestic winery from serving wine without charge, on
9 the winery premises.

10 NEW SECTION. **Sec. 13.** Section 2 of this act expires July 1, 2008.

11 NEW SECTION. **Sec. 14.** Sections 6 and 8 of this act expire June
12 30, 2008.

13 NEW SECTION. **Sec. 15.** Sections 7 and 9 of this act take effect
14 June 30, 2008.

15 NEW SECTION. **Sec. 16.** Sections 3, 10, and 11 of this act take
16 effect July 1, 2008.

Passed by the Senate February 18, 2008.

Passed by the House March 4, 2008.

Approved by the Governor March 17, 2008.

Filed in Office of Secretary of State March 18, 2008.