

HOUSE BILL 2845

State of Washington 61st Legislature 2010 Regular Session

By Representatives Alexander, Haler, Rodne, Angel, Schmick, and Ross

Read first time 01/15/10. Referred to Committee on Commerce & Labor.

1 AN ACT Relating to privatizing the sale of liquor; amending RCW
2 66.08.030, 66.08.070, 66.08.130, 66.08.140, 66.08.150, 66.24.010,
3 66.24.012, 66.24.015, 66.24.025, 66.24.120, 66.44.200, 66.44.318,
4 66.44.340, 66.04.010, 66.08.020, 66.08.026, 66.08.030, 66.08.050,
5 66.08.060, 66.08.167, 66.16.110, 66.12.110, 66.12.120, 66.12.140,
6 66.20.010, 66.20.160, 66.20.170, 66.20.180, 66.20.190, 66.20.200,
7 66.20.210, 66.24.145, 66.24.360, 66.24.371, 66.24.380, 66.24.395,
8 66.24.395, 66.24.540, 66.24.590, 66.28.060, 66.32.010, 66.44.150, and
9 66.44.160; reenacting and amending RCW 66.04.010; adding new sections
10 to chapter 66.08 RCW; creating a new section; recodifying RCW
11 66.16.110; repealing RCW 66.08.070, 66.08.160, 66.08.165, 66.08.166,
12 66.08.220, 66.08.235, 66.16.010, 66.16.040, 66.16.041, 66.16.050,
13 66.16.060, 66.16.070, 66.16.090, 66.16.100, 66.16.120, and 66.28.180;
14 and providing effective dates.

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

16 PART I - INTENT

17 NEW SECTION. Sec. 101. (1) The legislature intends for
18 privatization of retail and distribution of liquor to result in a

1 system that is more efficient than public sector retail and
2 distribution. The legislature finds that the present system of state
3 control includes a markup amount at distribution that generates revenue
4 for the state and local governments, and that this markup will be
5 eliminated when liquor sales and distribution are privatized. The
6 legislature further intends that the privatization of liquor sales and
7 distribution not result in revenue losses to state or local governments
8 as compared to projected revenues assumed under state control, not
9 including any separate licenses or franchises.

10 (2) Therefore, the legislature directs the liquor control board and
11 the department of revenue, with assistance from legislative staff and
12 the office of financial management, to present a report to the
13 legislature no later than December 1, 2010, on a recommended method and
14 rates of liquor taxation that would generate the same future projected
15 revenue for the state and local jurisdictions as under the current
16 state control system. The report may also include recommendations on
17 tax enforcement and simplification to the current system of liquor
18 taxation and distribution of revenues.

19 PART II - CURRENT CHANGES

20 **Sec. 201.** RCW 66.04.010 and 2009 c 373 s 1 and 2009 c 271 s 2 are
21 each reenacted and amended to read as follows:

22 In this title, unless the context otherwise requires:

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

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

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

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

1 (c) Acquires ownership of beer or wine for transportation into and
2 resale in the state of Washington; and which beer or wine is produced
3 by a brewery or winery in the United States outside of the state of
4 Washington; and

5 (d) Is appointed by the brewery or winery referenced in (c) of this
6 subsection as its authorized representative for marketing and selling
7 its products within the United States in accordance with a written
8 agreement between the authorized representative and such brewery or
9 winery pursuant to this title.

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

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

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

21 (6) "Board" means the liquor control board, constituted under this
22 title.

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

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

34 (9) "Confection" means a preparation of sugar, honey, or other
35 natural or artificial sweeteners in combination with chocolate, fruits,
36 nuts, dairy products, or flavorings, in the form of bars, drops, or
37 pieces.

1 (10) "Consume" includes the putting of liquor to any use, whether
2 by drinking or otherwise.

3 (11) "Contract liquor store" means a business that sells liquor on
4 behalf of the board through a contract with a contract liquor store
5 manager.

6 (12) "Craft distillery" means a distillery that pays the reduced
7 licensing fee under RCW 66.24.140.

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

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

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

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

17 (17) "Drug store" means a place whose principal business is, the
18 sale of drugs, medicines and pharmaceutical preparations and maintains
19 a regular prescription department and employs a registered pharmacist
20 during all hours the drug store is open.

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

25 (19) "Employee" means any person employed by the board.

26 (20) "Flavored malt beverage" means:

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

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

35 (21) "Fund" means 'liquor revolving fund.'

36 (22) "Hotel" means buildings, structures, and grounds, having
37 facilities for preparing, cooking, and serving food, that are kept,
38 used, maintained, advertised, or held out to the public to be a place

1 where food is served and sleeping accommodations are offered for pay to
2 transient guests, in which twenty or more rooms are used for the
3 sleeping accommodation of such transient guests. The buildings,
4 structures, and grounds must be located on adjacent property either
5 owned or leased by the same person or persons.

6 (23) "Importer" means a person who buys distilled spirits from a
7 distillery outside the state of Washington and imports such spirituous
8 liquor into the state for sale to the board or for export.

9 (24) "Imprisonment" means confinement in the county jail.

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

22 (26) "Liquor franchise" means a specific location designated by the
23 board where spirits, wine, and beer may be sold in original packages
24 for off-premises consumption, or where liquor may be sold to holders of
25 a permit to purchase.

26 (27) "Liquor franchise agreement" means approval by the board to
27 operate a liquor franchise in accordance with the provisions of this
28 title.

29 (28) "Liquor franchise applicant" means any person who bids for a
30 liquor franchise agreement to sell spirits, wine, and beer in
31 accordance with the provisions of this title.

32 (29) "Liquor franchise area" means a geographic area designated as
33 such by the board for the purpose of issuing franchise agreements.

34 (30) "Liquor franchise holder" means a person who has been granted
35 a liquor franchise agreement in accordance with the provisions of this
36 title.

37 (31) "Malt beverage" or "malt liquor" means any beverage such as
38 beer, ale, lager beer, stout, and porter obtained by the alcoholic

1 fermentation of an infusion or decoction of pure hops, or pure extract
2 of hops and pure barley malt or other wholesome grain or cereal in pure
3 water containing not more than eight percent of alcohol by weight, and
4 not less than one-half of one percent of alcohol by volume. For the
5 purposes of this title, any such beverage containing more than eight
6 percent of alcohol by weight shall be referred to as "strong beer."

7 ~~((+27+))~~ (32) "Manufacturer" means a person engaged in the
8 preparation of liquor for sale, in any form whatsoever.

9 ~~((+28+))~~ (33) "Nightclub" means an establishment that provides
10 entertainment and has as its primary source of revenue (a) the sale of
11 alcohol for consumption on the premises, (b) cover charges, or (c)
12 both, and has an occupancy load of one hundred or more.

13 ~~((+29+))~~ (34) "Package" means any container or receptacle used for
14 holding liquor.

15 ~~((+30+))~~ (35) "Passenger vessel" means any boat, ship, vessel,
16 barge, or other floating craft of any kind carrying passengers for
17 compensation.

18 ~~((+31+))~~ (36) "Permit" means a permit for the purchase of liquor
19 under this title.

20 ~~((+32+))~~ (37) "Person" means an individual, copartnership,
21 association, or corporation.

22 ~~((+33+))~~ (38) "Physician" means a medical practitioner duly and
23 regularly licensed and engaged in the practice of his profession within
24 the state pursuant to chapter 18.71 RCW.

25 ~~((+34+))~~ (39) "Prescription" means a memorandum signed by a
26 physician and given by him to a patient for the obtaining of liquor
27 pursuant to this title for medicinal purposes.

28 ~~((+35+))~~ (40) "Public place" includes streets and alleys of
29 incorporated cities and towns; state or county or township highways or
30 roads; buildings and grounds used for school purposes; public dance
31 halls and grounds adjacent thereto; those parts of establishments where
32 beer may be sold under this title, soft drink establishments, public
33 buildings, public meeting halls, lobbies, halls and dining rooms of
34 hotels, restaurants, theatres, stores, garages and filling stations
35 which are open to and are generally used by the public and to which the
36 public is permitted to have unrestricted access; railroad trains,
37 stages, and other public conveyances of all kinds and character, and
38 the depots and waiting rooms used in conjunction therewith which are

1 open to unrestricted use and access by the public; publicly owned
2 bathing beaches, parks, and/or playgrounds; and all other places of
3 like or similar nature to which the general public has unrestricted
4 right of access, and which are generally used by the public.

5 ((+36+)) (41) "Regulations" means regulations made by the board
6 under the powers conferred by this title.

7 ((+37+)) (42) "Restaurant" means any establishment provided with
8 special space and accommodations where, in consideration of payment,
9 food, without lodgings, is habitually furnished to the public, not
10 including drug stores and soda fountains.

11 ((+38+)) (43) "Sale" and "sell" include exchange, barter, and
12 traffic; and also include the selling or supplying or distributing, by
13 any means whatsoever, of liquor, or of any liquid known or described as
14 beer or by any name whatever commonly used to describe malt or brewed
15 liquor or of wine, by any person to any person; and also include a sale
16 or selling within the state to a foreign consignee or his agent in the
17 state. "Sale" and "sell" shall not include the giving, at no charge,
18 of a reasonable amount of liquor by a person not licensed by the board
19 to a person not licensed by the board, for personal use only. "Sale"
20 and "sell" also does not include a raffle authorized under RCW
21 9.46.0315(~~(:—PROVIDED, That)~~). However, the nonprofit organization
22 conducting the raffle has obtained the appropriate permit from the
23 board.

24 ((+39+)) (44) "Soda fountain" means a place especially equipped
25 with apparatus for the purpose of dispensing soft drinks, whether mixed
26 or otherwise.

27 ((+40+)) (45) "Spirits" means any beverage which contains alcohol
28 obtained by distillation, except flavored malt beverages, but including
29 wines exceeding twenty-four percent of alcohol by volume.

30 ((+41+)) (46) "Store" means a state liquor store established under
31 this title.

32 ((+42+)) (47) "Tavern" means any establishment with special space
33 and accommodation for sale by the glass and for consumption on the
34 premises, of beer, as herein defined.

35 ((+43+)) (48)(a) "Wine" means any alcoholic beverage obtained by
36 fermentation of fruits (grapes, berries, apples, et cetera) or other
37 agricultural product containing sugar, to which any saccharine
38 substances may have been added before, during or after fermentation,

1 and containing not more than twenty-four percent of alcohol by volume,
2 including sweet wines fortified with wine spirits, such as port,
3 sherry, muscatel and angelica, not exceeding twenty-four percent of
4 alcohol by volume and not less than one-half of one percent of alcohol
5 by volume. For purposes of this title, any beverage containing no more
6 than fourteen percent of alcohol by volume when bottled or packaged by
7 the manufacturer shall be referred to as "table wine," and any beverage
8 containing alcohol in an amount more than fourteen percent by volume
9 when bottled or packaged by the manufacturer shall be referred to as
10 "fortified wine." However, "fortified wine" (~~shall~~) does not
11 include: (i) Wines that are both sealed or capped by cork closure and
12 aged two years or more; and (ii) wines that contain more than fourteen
13 percent alcohol by volume solely as a result of the natural
14 fermentation process and that have not been produced with the addition
15 of wine spirits, brandy, or alcohol.

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

18 (~~(44)~~) (49) "Wine distributor" means a person who buys wine from
19 a domestic winery, wine certificate of approval holder, or wine
20 importer, or who acquires foreign produced wine from a source outside
21 of the United States, for the purpose of selling the same not in
22 violation of this title, or who represents such vintner or winery as
23 agent.

24 (~~(45)~~) (50) "Wine importer" means a person or business within
25 Washington who purchases wine from a wine certificate of approval
26 holder or who acquires foreign produced wine from a source outside of
27 the United States for the purpose of selling the same pursuant to this
28 title.

29 (~~(46)~~) (51) "Winery" means a business conducted by any person for
30 the manufacture of wine for sale, other than a domestic winery.

31 **Sec. 202.** RCW 66.08.030 and 2002 c 119 s 2 are each amended to
32 read as follows:

33 (1) For the purpose of carrying into effect the provisions of this
34 title according to their true intent or of supplying any deficiency
35 therein, the board may make such regulations not inconsistent with the
36 spirit of this title as are deemed necessary or advisable. All
37 regulations so made shall be a public record and shall be filed in the

1 office of the code reviser, and thereupon shall have the same force and
2 effect as if incorporated in this title. Such regulations, together
3 with a copy of this title, shall be published in pamphlets and shall be
4 distributed as directed by the board.

5 (2) Without thereby limiting the generality of the provisions
6 contained in subsection (1) of this section, it is declared that the
7 power of the board to make regulations in the manner set out in that
8 subsection (~~shall~~) extends to:

9 (a) Regulating the equipment and management of liquor franchises
10 and stores and warehouses in which state liquor is sold or kept, and
11 prescribing the books and records to be kept therein and the reports to
12 be made thereon to the board;

13 (b) Prescribing the duties of the employees of the board, and
14 regulating their conduct in the discharge of their duties;

15 (c) Governing the purchase of liquor by the state and the
16 furnishing of liquor to stores established under this title;

17 (d) Determining the classes, varieties, and brands of liquor to be
18 kept for sale at any store;

19 (~~(e) (prescribing, subject to RCW 66.16.080, the hours during which~~
20 ~~the state liquor stores shall be kept open for the sale of liquor;~~

21 ~~(f))~~ Providing for the issuing and distributing of price lists
22 showing the price to be paid by purchasers for each variety of liquor
23 kept for sale under this title;

24 ~~((g))~~ (f) Prescribing an official seal and official labels and
25 stamps and determining the manner in which they shall be attached to
26 every package of liquor sold or sealed under this title, including the
27 prescribing of different official seals or different official labels
28 for different classes of liquor;

29 ~~((h))~~ (g) Providing for the payment by the board in whole or in
30 part of the carrying charges on liquor shipped by freight or express;

31 ~~((i))~~ (h) Prescribing forms to be used for purposes of this title
32 or the regulations, and the terms and conditions to be contained in
33 permits and licenses issued under this title, and the qualifications
34 for receiving a permit or license issued under this title, including a
35 criminal history record information check. The board may submit the
36 criminal history record information check to the Washington state
37 patrol and to the identification division of the federal bureau of
38 investigation in order that these agencies may search their records for

1 prior arrests and convictions of the individual or individuals who
2 filled out the forms. The board shall require fingerprinting of any
3 applicant whose criminal history record information check is submitted
4 to the federal bureau of investigation;

5 ~~((+j))~~ (i) Prescribing the fees payable in respect of permits and
6 licenses and liquor franchise agreements issued under this title for
7 which no fees are prescribed in this title, and prescribing the fees
8 for anything done or permitted to be done under the regulations;

9 ~~((+k))~~ (j) Prescribing the kinds and quantities of liquor which
10 may be kept on hand by the holder of a special permit for the purposes
11 named in the permit, regulating the manner in which the same shall be
12 kept and disposed of, and providing for the inspection of the same at
13 any time at the instance of the board;

14 ~~((+l))~~ (k) Regulating the sale of liquor kept by the holders of
15 licenses and liquor franchise agreements which entitle the holder to
16 purchase and keep liquor for sale;

17 ~~((+m))~~ (l) Prescribing the records of purchases or sales of liquor
18 kept by the holders of licenses and liquor franchise agreements, and
19 the reports to be made thereon to the board, and providing for
20 inspection of the records so kept;

21 ~~((+n))~~ (m) Prescribing the kinds and quantities of liquor for
22 which a prescription may be given, and the number of prescriptions
23 which may be given to the same patient within a stated period;

24 ~~((+o))~~ (n) Prescribing the manner of giving and serving notices
25 required by this title or the regulations, where not otherwise provided
26 for in this title;

27 ~~((+p))~~ (o) Regulating premises in which liquor is kept for export
28 from the state, or from which liquor is exported, prescribing the books
29 and records to be kept therein and the reports to be made thereon to
30 the board, and providing for the inspection of the premises and the
31 books, records and the liquor so kept;

32 ~~((+q))~~ (p) Prescribing the conditions and qualifications requisite
33 for the obtaining of club licenses and the books and records to be kept
34 and the returns to be made by clubs, prescribing the manner of
35 licensing clubs in any municipality or other locality, and providing
36 for the inspection of clubs;

37 ~~((+r))~~ (q) Prescribing the conditions, accommodations and

1 qualifications requisite for the obtaining of licenses to sell beer and
2 wines, and regulating the sale of beer and wines thereunder;

3 ~~((+s))~~ (r) Specifying and regulating the time and periods when,
4 and the manner, methods and means by which manufacturers shall deliver
5 liquor within the state; and the time and periods when, and the manner,
6 methods and means by which liquor may lawfully be conveyed or carried
7 within the state;

8 ~~((+t))~~ (s) Providing for the making of returns by brewers of their
9 sales of beer shipped within the state, or from the state, showing the
10 gross amount of such sales and providing for the inspection of brewers'
11 books and records, and for the checking of the accuracy of any such
12 returns;

13 ~~((+u))~~ (t) Providing for the making of returns by the wholesalers
14 of beer whose breweries are located beyond the boundaries of the state;

15 ~~((+v))~~ (u) Providing for the making of returns by any other liquor
16 manufacturers, showing the gross amount of liquor produced or
17 purchased, the amount sold within and exported from the state, and to
18 whom so sold or exported, and providing for the inspection of the
19 premises of any such liquor manufacturers, their books and records, and
20 for the checking of any such return;

21 ~~((+w))~~ (v) Providing for the giving of fidelity bonds by any or
22 all of the employees of the board(~~(+—PROVIDED, That)~~). However, the
23 premiums therefor shall be paid by the board;

24 ~~((+x))~~ (w) Providing for the shipment by mail or common carrier of
25 liquor to any person holding a permit and residing in any unit which
26 has, by election pursuant to this title, prohibited the sale of liquor
27 therein;

28 ~~((+y))~~ (x) Prescribing methods of manufacture, conditions of
29 sanitation, standards of ingredients, quality and identity of alcoholic
30 beverages manufactured, sold, bottled, or handled by licensees and the
31 board; and conducting from time to time, in the interest of the public
32 health and general welfare, scientific studies and research relating to
33 alcoholic beverages and the use and effect thereof;

34 ~~((+z))~~ (y) Seizing, confiscating and destroying all alcoholic
35 beverages manufactured, sold or offered for sale within this state
36 which do not conform in all respects to the standards prescribed by
37 this title or the regulations of the board(~~(+—PROVIDED,)~~). Nothing
38 herein contained shall be construed as authorizing the liquor board to

1 prescribe, alter, limit or in any way change the present law as to the
2 quantity or percentage of alcohol used in the manufacturing of wine or
3 other alcoholic beverages.

4 **Sec. 203.** RCW 66.08.070 and 1985 c 226 s 2 are each amended to
5 read as follows:

6 (1) Every order for the purchase of liquor shall be authorized by
7 the board, and no order for liquor shall be valid or binding unless it
8 is so authorized and signed by the board or its authorized designee.

9 (2) A duplicate of every such order shall be kept on file in the
10 office of the board.

11 (3) All cancellations of such orders made by the board shall be
12 signed in the same manner and duplicates thereof kept on file in the
13 office of the board. Nothing in this title shall be construed as
14 preventing the board from accepting liquor on consignment.

15 (4) In the purchase of wine or malt beverages the board shall not
16 require, as a term or condition of purchase, any warranty or
17 affirmation with respect to the relationship of the price charged the
18 board to any price charged any other buyer.

19 (5) This section does not apply to liquor franchises pursuant to
20 this title.

21 **Sec. 204.** RCW 66.08.130 and 1981 1st ex.s. c 5 s 4 are each
22 amended to read as follows:

23 For the purpose of obtaining information concerning any matter
24 relating to the administration or enforcement of this title, the board,
25 or any person appointed by it in writing for the purpose, may inspect
26 the books and records of

27 (1) any manufacturer;

28 (2) any license holder;

29 (3) any liquor franchise holder;

30 (4) any drug store holding a permit to sell on prescriptions;

31 ~~((+4))~~ (5) the freight and express books and records and all
32 waybills, bills of lading, receipts and documents in the possession of
33 any common carrier doing business within the state, containing any
34 information or record relating to any goods shipped or carried, or
35 consigned or received for shipment or carriage within the state. Every
36 manufacturer, license holder, liquor franchise holder, drug store

1 holding a permit to sell on prescriptions, and common carrier, and
2 every owner or officer or employee of the foregoing, who neglects or
3 refuses to produce and submit for inspection any book, record or
4 document referred to in this section when requested to do so by the
5 board or by a person so appointed by it shall be guilty of a violation
6 of this title.

7 **Sec. 205.** RCW 66.08.140 and 1945 c 48 s 1 are each amended to read
8 as follows:

9 For the purpose of obtaining information concerning any matter
10 relating to the administration or enforcement of this title, the board,
11 or any person appointed by it in writing for the purpose, may inspect
12 the books, documents and records of any person lending money to or in
13 any manner financing any license, or liquor franchise agreement, holder
14 or applicant for license, or liquor franchise holder insofar as such
15 books, documents and/or records pertain to the financial transaction
16 involved. Every person who neglects or refuses to produce and submit
17 for inspection any book, record or document as required by this section
18 when requested to do so by the board or by a person duly appointed by
19 it shall be guilty of a violation of this title.

20 **Sec. 206.** RCW 66.08.150 and 2007 c 370 s 3 are each amended to
21 read as follows:

22 The action, order, or decision of the board as to any denial of an
23 application for the reissuance of a permit ~~((or))~~, license, or liquor
24 franchise agreement or as to any revocation, suspension, or
25 modification of any permit ~~((or))~~, license, or liquor franchise
26 agreement shall be an adjudicative proceeding and subject to the
27 applicable provisions of chapter 34.05 RCW.

28 (1) An opportunity for a hearing may be provided an applicant for
29 the reissuance of a permit ~~((or))~~, license, or liquor franchise
30 agreement prior to the disposition of the application, and if no such
31 opportunity for a prior hearing is provided then an opportunity for a
32 hearing to reconsider the application must be provided the applicant.

33 (2) An opportunity for a hearing must be provided a permittee
34 ~~((or))~~, licensee, or liquor franchise holder prior to a revocation or
35 modification of any permit ~~((or))~~, license, or liquor franchise

1 agreement and, except as provided in subsection (4) of this section,
2 prior to the suspension of any permit ~~((or))~~, license, or liquor
3 franchise agreement.

4 (3) No hearing shall be required until demanded by the applicant,
5 permittee, ~~((or))~~ licensee, or liquor franchise holder.

6 (4) The board may summarily suspend a license ~~((or))~~, permit, or
7 liquor franchise agreement for a period of up to one hundred eighty
8 days without a prior hearing if it finds that public health, safety, or
9 welfare imperatively require emergency action, and it incorporates a
10 finding to that effect in its order. Proceedings for revocation or
11 other action must be promptly instituted and determined. An
12 administrative law judge may extend the summary suspension period for
13 up to one calendar year in the event the proceedings for revocation or
14 other action cannot be completed during the initial one hundred eighty
15 day period due to actions by the ~~((licensee or))~~ permittee, licensee,
16 or liquor franchise holder. The board's enforcement division shall
17 complete a preliminary staff investigation of the violation before
18 requesting an emergency suspension by the board.

19 **Sec. 207.** RCW 66.24.010 and 2009 c 271 s 6 are each amended to
20 read as follows:

21 (1) Every license and liquor franchise agreement shall be issued in
22 the name of the applicant, and the holder thereof shall not allow any
23 other person to use the license.

24 (2) For the purpose of considering any application for a license or
25 liquor franchise agreement, or the renewal of a license or liquor
26 franchise agreement, the board may cause an inspection of the premises
27 to be made, and may inquire into all matters in connection with the
28 construction and operation of the premises. For the purpose of
29 reviewing any application for a license or liquor franchise agreement
30 and for considering the denial, suspension, revocation, or renewal or
31 denial thereof, of any license or liquor franchise agreement, the
32 liquor control board may consider any prior criminal conduct of the
33 applicant including an administrative violation history record with the
34 board and a criminal history record information check. The board may
35 submit the criminal history record information check to the Washington
36 state patrol and to the identification division of the federal bureau
37 of investigation in order that these agencies may search their records

1 for prior arrests and convictions of the individual or individuals who
2 filled out the forms. The board shall require fingerprinting of any
3 applicant whose criminal history record information check is submitted
4 to the federal bureau of investigation. The provisions of RCW 9.95.240
5 and of chapter 9.96A RCW (~~shall~~) do not apply to such cases. Subject
6 to the provisions of this section, the board may, in its discretion,
7 grant or deny the renewal or license or liquor franchise agreement
8 applied for. Denial may be based on, without limitation, the existence
9 of chronic illegal activity documented in objections submitted pursuant
10 to subsections (8)(d) and (12) of this section. Authority to approve
11 an uncontested or unopposed license or liquor franchise agreement may
12 be granted by the board to any staff member the board designates in
13 writing. Conditions for granting such authority shall be adopted by
14 rule. No retail license or liquor franchise agreement of any kind may
15 be issued to:

16 (a) A person doing business as a sole proprietor who has not
17 resided in the state for at least one month prior to receiving a
18 license, except in cases of licenses or liquor franchise agreements
19 issued to dining places on railroads, boats, or aircraft;

20 (b) A copartnership, unless all of the members thereof are
21 qualified to obtain a license or liquor franchise agreement, as
22 provided in this section;

23 (c) A person whose place of business is conducted by a manager or
24 agent, unless such manager or agent possesses the same qualifications
25 required of the licensee, or liquor franchise holder;

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

30 (3)(a) The board may, in its discretion, subject to the provisions
31 of RCW 66.08.150, suspend or cancel any license or liquor franchise
32 agreement; and all rights of the licensee, or liquor franchise holder
33 to keep or sell liquor thereunder shall be suspended or terminated, as
34 the case may be.

35 (b) The board shall immediately suspend the license (~~or~~),
36 certificate, or liquor franchise agreement of a person who has been
37 certified pursuant to RCW 74.20A.320 by the department of social and
38 health services as a person who is not in compliance with a support

1 order. If the person has continued to meet all other requirements for
2 reinstatement during the suspension, reissuance of the license ~~((or))~~,
3 certificate ~~((shall be))~~, or liquor franchise agreement is automatic
4 upon the board's receipt of a release issued by the department of
5 social and health services stating that the licensee, or liquor
6 franchise holder is in compliance with the order.

7 (c) The board may request the appointment of administrative law
8 judges under chapter 34.12 RCW who shall have power to administer
9 oaths, issue subpoenas for the attendance of witnesses and the
10 production of papers, books, accounts, documents, and testimony,
11 examine witnesses, and to receive testimony in any inquiry,
12 investigation, hearing, or proceeding in any part of the state, under
13 such rules and regulations as the board may adopt.

14 (d) Witnesses shall be allowed fees and mileage each way to and
15 from any such inquiry, investigation, hearing, or proceeding at the
16 rate authorized by RCW 34.05.446. Fees need not be paid in advance of
17 appearance of witnesses to testify or to produce books, records, or
18 other legal evidence.

19 (e) In case of disobedience of any person to comply with the order
20 of the board or a subpoena issued by the board, or any of its members,
21 or administrative law judges, or on the refusal of a witness to testify
22 to any matter regarding which he or she may be lawfully interrogated,
23 the judge of the superior court of the county in which the person
24 resides, on application of any member of the board or administrative
25 law judge, shall compel obedience by contempt proceedings, as in the
26 case of disobedience of the requirements of a subpoena issued from said
27 court or a refusal to testify therein.

28 (4) Upon receipt of notice of the suspension or cancellation of a
29 license or liquor franchise agreement, the licensee, or liquor
30 franchise holder shall forthwith deliver up the license to the board.
31 Where the license or liquor franchise agreement has been suspended
32 only, the board shall return the license or liquor franchise agreement
33 to the licensee, or liquor franchise holder at the expiration or
34 termination of the period of suspension. The board shall notify all
35 vendors in the city or place where the licensee, or liquor franchise
36 holder has its premises of the suspension or cancellation of the
37 license or liquor franchise agreement; and no employee may allow or

1 cause any liquor to be delivered to or for any person at the premises
2 of that licensee, or liquor franchise holder.

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

8 (b) Unless sooner canceled, every license issued by the board shall
9 expire at midnight of the thirtieth day of June of the fiscal year for
10 which it was issued. However, if the board deems it feasible and
11 desirable to do so, it may establish, by rule pursuant to chapter 34.05
12 RCW, a system for staggering the annual renewal dates for any and all
13 licenses authorized by this chapter. If such a system of staggered
14 annual renewal dates is established by the board, the license fees
15 provided by this chapter shall be appropriately prorated during the
16 first year that the system is in effect.

17 (6) Every license or liquor franchise agreement issued under this
18 section shall be subject to all conditions and restrictions imposed by
19 this title or by rules adopted by the board. All conditions and
20 restrictions imposed by the board in the issuance of an individual
21 license or liquor franchise agreement shall be listed on the face of
22 the individual license or liquor franchise agreement along with the
23 trade name, address, and expiration date.

24 (7) Every licensee, or liquor franchise holder shall post and keep
25 posted its license, ~~((or))~~ licenses, or liquor franchise agreement, in
26 a conspicuous place on the premises.

27 (8)(a) Unless (b) of this subsection applies, before the board
28 issues a new or renewal license or liquor franchise agreement to an
29 applicant it shall give notice of such application to the chief
30 executive officer of the incorporated city or town, if the application
31 is for a license within an incorporated city or town, or to the county
32 legislative authority, if the application is for a license or liquor
33 franchise agreement outside the boundaries of incorporated cities or
34 towns.

35 (b) If the application for a special occasion license or liquor
36 franchise agreement is for an event held during a county, district, or
37 area fair as defined by RCW 15.76.120, and the county, district, or
38 area fair is located on property owned by the county but located within

1 an incorporated city or town, the county legislative authority shall be
2 the entity notified by the board under (a) of this subsection. The
3 board shall send a duplicate notice to the incorporated city or town
4 within which the fair is located.

5 (c) The incorporated city or town through the official or employee
6 selected by it, or the county legislative authority or the official or
7 employee selected by it, (~~shall have~~) has the right to file with the
8 board within twenty days after the date of transmittal of such notice
9 for applications, or at least thirty days prior to the expiration date
10 for renewals, written objections against the applicant or against the
11 premises for which the new or renewal license or liquor franchise
12 agreement is asked. The board may extend the time period for
13 submitting written objections.

14 (d) The written objections shall include a statement of all facts
15 upon which such objections are based, and in case written objections
16 are filed, the city or town or county legislative authority may request
17 and the liquor control board may in its discretion hold a hearing
18 subject to the applicable provisions of Title 34 RCW. If the board
19 makes an initial decision to deny a license (~~or~~), renewal, or liquor
20 franchise agreement based on the written objections of an incorporated
21 city or town or county legislative authority, the applicant may request
22 a hearing subject to the applicable provisions of Title 34 RCW. If
23 such a hearing is held at the request of the applicant, liquor control
24 board representatives shall present and defend the board's initial
25 decision to deny a license (~~or~~), renewal, or liquor franchise
26 agreement.

27 (e) Upon the granting of a license or liquor franchise agreement
28 under this title the board shall send written notification to the chief
29 executive officer of the incorporated city or town in which the license
30 or liquor franchise agreement is granted, or to the county legislative
31 authority if the license or liquor franchise agreement is granted
32 outside the boundaries of incorporated cities or towns. When the
33 license or liquor franchise agreement is for a special occasion license
34 or liquor franchise agreement for an event held during a county,
35 district, or area fair as defined by RCW 15.76.120, and the county,
36 district, or area fair is located on county-owned property but located
37 within an incorporated city or town, the written notification shall be

1 sent to both the incorporated city or town and the county legislative
2 authority.

3 (9)(a) Before the board issues any license or liquor franchise
4 agreement to any applicant, it shall give (i) due consideration to the
5 location of the business to be conducted under such license or liquor
6 franchise agreement with respect to the proximity of churches, schools,
7 and public institutions and (ii) written notice, with receipt
8 verification, of the application to public institutions identified by
9 the board as appropriate to receive such notice, churches, and schools
10 within five hundred feet of the premises (~~to be licensed~~). The board
11 shall not issue a liquor license for either on-premises or off-premises
12 consumption covering any premises not now licensed, if such premises
13 are within five hundred feet of the premises of any tax-supported
14 public elementary or secondary school measured along the most direct
15 route over or across established public walks, streets, or other public
16 passageway from the main entrance of the school to the nearest public
17 entrance of the premises proposed for license or liquor franchise
18 agreement, and if, after receipt by the school of the notice as
19 provided in this subsection, the board receives written objection,
20 within twenty days after receiving such notice, from an official
21 representative or representatives of the school within five hundred
22 feet of said proposed licensed premises, indicating to the board that
23 there is an objection to the issuance of such license or liquor
24 franchise agreement because of proximity to a school. The board may
25 extend the time period for submitting objections. For the purpose of
26 this section, "church" means a building erected for and used
27 exclusively for religious worship and schooling or other activity in
28 connection therewith. For the purpose of this section, "public
29 institution" means institutions of higher education, parks, community
30 centers, libraries, and transit centers.

31 (b) No liquor license may be issued or reissued by the board to any
32 motor sports facility (~~or~~), licensee, or liquor franchise agreement
33 operating within the motor sports facility unless the motor sports
34 facility enforces a program reasonably calculated to prevent alcohol or
35 alcoholic beverages not purchased within the facility from entering the
36 facility and such program is approved by local law enforcement
37 agencies.

1 (c) It is the intent under this subsection (9) that a retail
2 license or liquor franchise agreement shall not be issued by the board
3 where doing so would, in the judgment of the board, adversely affect a
4 private school meeting the requirements for private schools under Title
5 28A RCW, which school is within five hundred feet of the proposed
6 licensee, or liquor franchise holder. The board shall fully consider
7 and give substantial weight to objections filed by private schools. If
8 a license or liquor franchise agreement is issued despite the proximity
9 of a private school, the board shall state in a letter addressed to the
10 private school the board's reasons for issuing the license or liquor
11 franchise agreement.

12 (10) The restrictions set forth in subsection (9) of this section
13 shall not prohibit the board from authorizing the assumption of
14 existing licenses now located within the restricted area by other
15 persons or licenses or relocations of existing licensed premises within
16 the restricted area. In no case may the licensed premises be moved
17 closer to a church or school than it was before the assumption or
18 relocation.

19 (11)(a) Nothing in this section prohibits the board, in its
20 discretion, from issuing a temporary retail or distributor license to
21 an applicant to operate the retail or distributor premises during the
22 period the application for the license is pending. The board may
23 establish a fee for a temporary license by rule.

24 (b) A temporary license issued by the board under this section
25 shall be for a period not to exceed sixty days. A temporary license
26 may be extended at the discretion of the board for additional periods
27 of sixty days upon payment of an additional fee and upon compliance
28 with all conditions required in this section.

29 (c) Refusal by the board to issue or extend a temporary license
30 shall not entitle the applicant to request a hearing. A temporary
31 license may be canceled or suspended summarily at any time if the board
32 determines that good cause for cancellation or suspension exists. RCW
33 66.08.130 applies to temporary licenses.

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

1 (12) In determining whether to grant or deny a license or renewal
2 of any license, the board shall give substantial weight to objections
3 from an incorporated city or town or county legislative authority based
4 upon chronic illegal activity associated with the applicant's
5 operations of the premises proposed to be licensed or the applicant's
6 operation of any other licensed premises, or the conduct of the
7 applicant's patrons inside or outside the licensed premises. "Chronic
8 illegal activity" means (a) a pervasive pattern of activity that
9 threatens the public health, safety, and welfare of the city, town, or
10 county including, but not limited to, open container violations,
11 assaults, disturbances, disorderly conduct, or other criminal law
12 violations, or as documented in crime statistics, police reports,
13 emergency medical response data, calls for service, field data, or
14 similar records of a law enforcement agency for the city, town, county,
15 or any other municipal corporation or any state agency; or (b) an
16 unreasonably high number of citations for violations of RCW 46.61.502
17 associated with the applicant's or licensee's operation of any licensed
18 premises as indicated by the reported statements given to law
19 enforcement upon arrest.

20 **Sec. 208.** RCW 66.24.012 and 1997 c 58 s 862 are each amended to
21 read as follows:

22 The board shall immediately suspend the license or liquor franchise
23 agreement of a person who has been certified pursuant to RCW 74.20A.320
24 by the department of social and health services as a person who is not
25 in compliance with a support order or a residential or visitation
26 order. If the person has continued to meet all other requirements for
27 reinstatement during the suspension, reissuance of the license or
28 liquor franchise agreement shall be automatic upon the board's receipt
29 of a release issued by the department of social and health services
30 stating that the licensee or liquor franchise holder is in compliance
31 with the order.

32 **Sec. 209.** RCW 66.24.015 and 1988 c 200 s 4 are each amended to
33 read as follows:

34 An application for a new annual retail license under this title
35 shall be accompanied by payment of a nonrefundable seventy-five dollar
36 fee to cover expenses incurred in processing the application. If the

1 application is approved, the application fee shall be applied toward
2 the fee charged for the license. An application for a liquor franchise
3 agreement under this title shall be accompanied by a nonrefundable fee
4 to be determined by the board by rule. If the liquor franchise
5 application is approved, the application fee shall be applied toward
6 the fee charged for the license.

7 **Sec. 210.** RCW 66.24.025 and 2002 c 119 s 4 are each amended to
8 read as follows:

9 (1) If the board approves, a license or liquor franchise agreement
10 may be transferred, without charge, to the surviving spouse only of a
11 deceased licensee or liquor franchise holder if the parties were
12 maintaining a marital community and the license or liquor franchise
13 agreement was issued in the names of one or both of the parties. For
14 the purpose of considering the qualifications of the surviving party or
15 parties to receive a liquor license or liquor franchise agreement, the
16 liquor control board may require a criminal history record information
17 check. The board may submit the criminal history record information
18 check to the Washington state patrol and to the identification division
19 of the federal bureau of investigation in order that these agencies may
20 search their records for prior arrests and convictions of the
21 individual or individuals who filled out the forms. The board shall
22 require fingerprinting of any applicant whose criminal history record
23 information check is submitted to the federal bureau of investigation.

24 (2) The proposed sale of more than ten percent of the outstanding
25 and/or issued stock of a licensed corporation or any proposed change in
26 the officers of a licensed corporation must be reported to the board,
27 and board approval must be obtained before such changes are made. A
28 fee of seventy-five dollars will be charged for the processing of such
29 change of stock ownership and/or corporate officers.

30 **Sec. 211.** RCW 66.24.120 and 1973 1st ex.s. c 209 s 12 are each
31 amended to read as follows:

32 The board in suspending any license or liquor franchise agreement
33 may further provide in the order of suspension that such suspension
34 shall be vacated upon payment to the board by the licensee or liquor
35 franchise holder of a monetary penalty in an amount then fixed by the
36 board.

1 **Sec. 212.** RCW 66.44.200 and 1998 c 259 s 1 are each amended to
2 read as follows:

3 (1) No person shall sell any liquor to any person apparently under
4 the influence of liquor.

5 (2)(a) No person who is apparently under the influence of liquor
6 may purchase or consume liquor on any premises licensed by the board or
7 any liquor franchise designated by the board.

8 (b) A violation of this subsection is an infraction punishable by
9 a fine of not more than five hundred dollars.

10 (c) A defendant's intoxication may not be used as a defense in an
11 action under this subsection.

12 (~~((d) Until July 1, 2000, every establishment licensed under RCW~~
13 ~~66.24.330 or 66.24.420 shall conspicuously post in the establishment~~
14 ~~notice of the prohibition against the purchase or consumption of liquor~~
15 ~~under this subsection.))~~)

16 (3) An administrative action for violation of subsection (1) of
17 this section and an infraction issued for violation of subsection (2)
18 of this section arising out of the same incident are separate actions
19 and the outcome of one shall not determine the outcome of the other.

20 **Sec. 213.** RCW 66.44.318 and 1995 c 100 s 2 are each amended to
21 read as follows:

22 Licensees holding nonretail class liquor licenses and liquor
23 franchise holders are permitted to allow their employees between
24 (~~{the}~~) the ages of eighteen and twenty-one to stock, merchandise,
25 and handle liquor, beer, or wine on or about the nonretail premises if
26 there is an adult twenty-one years of age or older on duty supervising
27 such activities on the premises.

28 **Sec. 214.** RCW 66.44.340 and 1999 c 281 s 11 are each amended to
29 read as follows:

30 Employers holding grocery store or beer and/or wine specialty shop
31 licenses and liquor franchise holders exclusively are permitted to
32 allow their employees, between the ages of eighteen and twenty-one
33 years, to sell, stock, and handle liquor, beer, or wine in, on or about
34 any establishment holding a grocery store or beer and/or wine specialty
35 shop license or liquor franchise agreement exclusively(~~(+—PROVIDED,~~
36 ~~That~~) if there is an adult twenty-one years of age or older on duty

1 supervising the sale of liquor at the licensed premises(~~(~~PROVIDED,~~~~
2 ~~That~~)). Minor employees may make deliveries of beer and/or wine
3 purchased from licensees holding grocery store or beer and/or wine
4 specialty shop licenses exclusively, when delivery is made to cars of
5 customers adjacent to such licensed premises but only, however, when
6 the minor employee is accompanied by the purchaser.

7 NEW SECTION. **Sec. 215.** A new section is added to chapter 66.08
8 RCW to read as follows:

9 (1) By July 1, 2012, the board must close all state liquor stores
10 and state liquor distribution facilities, and must sell at auction all
11 assets pertaining to the state sale and distribution of liquor. Funds
12 received from these auctions shall be deposited in the state general
13 fund.

14 (2) By July 1, 2012, the board must:

15 (a) Determine liquor franchise areas throughout the state in which
16 a certain number of liquor franchises can be located;

17 (b) Establish criteria for the placement of liquor franchises in
18 liquor franchise areas, including input gained from cities, counties,
19 towns, schools, churches, and public institutions pursuant to RCW
20 66.24.010, and the amount of the bid submitted by the liquor franchise
21 applicant;

22 (c) Collect information from incorporated cities and towns
23 regarding acceptable locations for liquor franchises within their
24 boundaries. The board must not locate liquor franchises in any
25 locations that have not been deemed acceptable by cities and towns; and

26 (d) Award liquor franchise agreements to applicants in all liquor
27 franchise areas.

28 (3) The board shall provide an orderly transition from state liquor
29 store sales to liquor franchise sales.

30 (4) After July 1, 2012, it is unlawful for the board to lease space
31 for or to operate a state retail or wholesale liquor store.

32 (5) Nothing in this section shall be construed to eliminate liquor
33 vendors as referenced in RCW 66.08.050.

34 (6) The board may adopt rules to carry out the provisions of this
35 section. These rules may include, but are not limited to:

36 (a) The establishment of franchise agreement periods, expiration
37 dates, and renewal procedures;

- 1 (b) The enumeration of records to be kept by franchise holders;
- 2 (c) The procedures for advertising and other promotion of sales of
3 spirits by liquor franchise holders, in accordance with RCW 66.08.060;
4 and
- 5 (d) The establishment of fees and administrative penalties for
6 liquor franchise holders.
- 7 (7) The price of liquor sold at liquor franchises must be set by
8 each liquor franchise holder, but cannot be less than the price the
9 franchise holder paid to obtain the liquor, including any applicable
10 taxes.
- 11 (8) The board shall determine the hours and days, subject to RCW
12 66.08.167, during which liquor may be sold at liquor franchises.

13 **PART III - FUTURE CHANGES**

14 **Sec. 301.** RCW 66.04.010 and 2010 c . . . s 201 (section 201 of
15 this act) are each amended to read as follows:

16 In this title, unless the context otherwise requires:

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

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

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

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

31 (c) Acquires ownership of beer or wine for transportation into and
32 resale in the state of Washington; and which beer or wine is produced
33 by a brewery or winery in the United States outside of the state of
34 Washington; and

35 (d) Is appointed by the brewery or winery referenced in (c) of this
36 subsection as its authorized representative for marketing and selling

1 its products within the United States in accordance with a written
2 agreement between the authorized representative and such brewery or
3 winery pursuant to this title.

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

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

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

15 (6) "Board" means the liquor control board, constituted under this
16 title.

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

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

28 (9) "Confection" means a preparation of sugar, honey, or other
29 natural or artificial sweeteners in combination with chocolate, fruits,
30 nuts, dairy products, or flavorings, in the form of bars, drops, or
31 pieces.

32 (10) "Consume" includes the putting of liquor to any use, whether
33 by drinking or otherwise.

34 (11) "Contract liquor store" means a business that sells liquor on
35 behalf of the board through a contract with a contract liquor store
36 manager.

37 (12) "Craft distillery" means a distillery that pays the reduced
38 licensing fee under RCW 66.24.140.

1 (13) "Dentist" means a practitioner of dentistry duly and regularly
2 licensed and engaged in the practice of his profession within the state
3 pursuant to chapter 18.32 RCW.

4 (14) "Distiller" means a person engaged in the business of
5 distilling spirits.

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

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

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

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

18 (19) "Employee" means any person employed by the board.

19 (20) "Flavored malt beverage" means:

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

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

28 (21) "Fund" means 'liquor revolving fund.'

29 (22) "Hotel" means buildings, structures, and grounds, having
30 facilities for preparing, cooking, and serving food, that are kept,
31 used, maintained, advertised, or held out to the public to be a place
32 where food is served and sleeping accommodations are offered for pay to
33 transient guests, in which twenty or more rooms are used for the
34 sleeping accommodation of such transient guests. The buildings,
35 structures, and grounds must be located on adjacent property either
36 owned or leased by the same person or persons.

37 (23) "Importer" means a person who buys distilled spirits from a

1 distillery outside the state of Washington and imports such spirituous
2 liquor into the state for sale to the board or for export.

3 (24) "Imprisonment" means confinement in the county jail.

4 (25) "Liquor" includes the four varieties of liquor herein defined
5 (alcohol, spirits, wine and beer), and all fermented, spirituous,
6 vinous, or malt liquor, or combinations thereof, and mixed liquor, a
7 part of which is fermented, spirituous, vinous or malt liquor, or
8 otherwise intoxicating; and every liquid or solid or semisolid or other
9 substance, patented or not, containing alcohol, spirits, wine or beer,
10 and all drinks or drinkable liquids and all preparations or mixtures
11 capable of human consumption, and any liquid, semisolid, solid, or
12 other substance, which contains more than one percent of alcohol by
13 weight shall be conclusively deemed to be intoxicating. Liquor does
14 not include confections or food products that contain one percent or
15 less of alcohol by weight.

16 (26) "Liquor franchise" means a specific location designated by the
17 board where spirits, wine, and beer may be sold in original packages
18 for off-premises consumption, or where liquor may be sold to holders of
19 a permit to purchase.

20 (27) "Liquor franchise agreement" means approval by the board to
21 operate a liquor franchise in accordance with the provisions of this
22 title.

23 (28) "Liquor franchise applicant" means any person who bids for a
24 liquor franchise agreement to sell spirits, wine, and beer in
25 accordance with the provisions of this title.

26 (29) "Liquor franchise area" means a geographic area designated as
27 such by the board for the purpose of issuing franchise agreements.

28 (30) "Liquor franchise holder" means a person who has been granted
29 a liquor franchise agreement in accordance with the provisions of this
30 title.

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

1 (32) "Manufacturer" means a person engaged in the preparation of
2 liquor for sale, in any form whatsoever.

3 (33) "Nightclub" means an establishment that provides entertainment
4 and has as its primary source of revenue (a) the sale of alcohol for
5 consumption on the premises, (b) cover charges, or (c) both, and has an
6 occupancy load of one hundred or more.

7 (34) "Package" means any container or receptacle used for holding
8 liquor.

9 (35) "Passenger vessel" means any boat, ship, vessel, barge, or
10 other floating craft of any kind carrying passengers for compensation.

11 (36) "Permit" means a permit for the purchase of liquor under this
12 title.

13 (37) "Person" means an individual, copartnership, association, or
14 corporation.

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

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

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

36 (41) "Regulations" means regulations made by the board under the
37 powers conferred by this title.

1 (42) "Restaurant" means any establishment provided with special
2 space and accommodations where, in consideration of payment, food,
3 without lodgings, is habitually furnished to the public, not including
4 drug stores and soda fountains.

5 (43) "Sale" and "sell" include exchange, barter, and traffic; and
6 also include the selling or supplying or distributing, by any means
7 whatsoever, of liquor, or of any liquid known or described as beer or
8 by any name whatever commonly used to describe malt or brewed liquor or
9 of wine, by any person to any person; and also include a sale or
10 selling within the state to a foreign consignee or his agent in the
11 state. "Sale" and "sell" shall not include the giving, at no charge,
12 of a reasonable amount of liquor by a person not licensed by the board
13 to a person not licensed by the board, for personal use only. "Sale"
14 and "sell" also does not include a raffle authorized under RCW
15 9.46.0315. However, the nonprofit organization conducting the raffle
16 has obtained the appropriate permit from the board.

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

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

23 ~~(46) ("Store" means a state liquor store established under this
24 title.~~

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

28 ~~((48))~~ (47)(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" does 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 ~~((+49+))~~ (48) "Wine distributor" means a person who buys wine from
12 a domestic winery, wine certificate of approval holder, or wine
13 importer, or who acquires foreign produced wine from a source outside
14 of the United States, for the purpose of selling the same not in
15 violation of this title, or who represents such vintner or winery as
16 agent.

17 ~~((+50+))~~ (49) "Wine importer" means a person or business within
18 Washington who purchases wine from a wine certificate of approval
19 holder or who acquires foreign produced wine from a source outside of
20 the United States for the purpose of selling the same pursuant to this
21 title.

22 ~~((+51+))~~ (50) "Winery" means a business conducted by any person for
23 the manufacture of wine for sale, other than a domestic winery.

24 **Sec. 302.** RCW 66.08.020 and 1933 ex.s. c 62 s 5 are each amended
25 to read as follows:

26 The administration of this title(~~(, including the general control,~~
27 ~~management and supervision of all liquor stores, shall be)) is vested
28 in the liquor control board, constituted under this title.~~

29 **Sec. 303.** RCW 66.08.026 and 2008 c 67 s 1 are each amended to read
30 as follows:

31 Administrative expenses of the board shall be appropriated and paid
32 from the liquor revolving fund. These administrative expenses shall
33 include, but not be limited to: The salaries and expenses of the board
34 and its employees, (~~(the cost of opening additional state liquor stores~~
35 ~~and warehouses,)) legal services, pilot projects, annual or other
36 audits, and other general costs of conducting the business of the~~

1 board. (~~The administrative expenses shall not include costs of liquor~~
2 ~~and lottery tickets purchased, the cost of transportation and delivery~~
3 ~~to the point of distribution, the cost of operating, maintaining,~~
4 ~~relocating, and leasing state liquor stores and warehouses, other costs~~
5 ~~pertaining to the acquisition and receipt of liquor and lottery~~
6 ~~tickets, agency commissions for contract liquor stores, transaction~~
7 ~~fees associated with credit or debit card purchases for liquor in state~~
8 ~~liquor stores and in contract liquor stores pursuant to RCW 66.16.040~~
9 ~~and 66.16.041, sales tax, and those amounts distributed pursuant to RCW~~
10 ~~66.08.180, 66.08.190, 66.08.200, 66.08.210 and 66.08.220. Agency~~
11 ~~commissions for contract liquor stores shall be established by the~~
12 ~~liquor control board after consultation with and approval by the~~
13 ~~director of the office of financial management.)) All expenditures and~~
14 payment of obligations authorized by this section are subject to the
15 allotment requirements of chapter 43.88 RCW.

16 **Sec. 304.** RCW 66.08.030 and 2010 c. . . s 202 (section 202 of this
17 act) are each amended to read as follows:

18 (1) For the purpose of carrying into effect the provisions of this
19 title according to their true intent or of supplying any deficiency
20 therein, the board may make such regulations not inconsistent with the
21 spirit of this title as are deemed necessary or advisable. All
22 regulations so made shall be a public record and shall be filed in the
23 office of the code reviser, and thereupon shall have the same force and
24 effect as if incorporated in this title. Such regulations, together
25 with a copy of this title, shall be published in pamphlets and shall be
26 distributed as directed by the board.

27 (2) Without thereby limiting the generality of the provisions
28 contained in subsection (1) of this section, it is declared that the
29 power of the board to make regulations in the manner set out in that
30 subsection extends to:

31 ~~(a) ((Regulating the equipment and management of liquor franchises~~
32 ~~and stores and warehouses in which state liquor is sold or kept, and~~
33 ~~prescribing the books and records to be kept therein and the reports to~~
34 ~~be made thereon to the board;~~

35 ~~(b))~~ Prescribing the duties of the employees of the board, and
36 regulating their conduct in the discharge of their duties;

1 ~~((c) Governing the purchase of liquor by the state and the~~
2 ~~furnishing of liquor to stores established under this title;~~

3 ~~(d) Determining the classes, varieties, and brands of liquor to be~~
4 ~~kept for sale at any store;~~

5 ~~(e) Providing for the issuing and distributing of price lists~~
6 ~~showing the price to be paid by purchasers for each variety of liquor~~
7 ~~kept for sale under this title;~~

8 ~~(f))~~ (b) Prescribing an official seal and official labels and
9 stamps and determining the manner in which they shall be attached to
10 every package of liquor sold or sealed under this title, including the
11 prescribing of different official seals or different official labels
12 for different classes of liquor;

13 ~~((g) Providing for the payment by the board in whole or in part of~~
14 ~~the carrying charges on liquor shipped by freight or express;~~

15 ~~(h))~~ (c) Prescribing forms to be used for purposes of this title
16 or the regulations, and the terms and conditions to be contained in
17 permits and licenses issued under this title, and the qualifications
18 for receiving a permit or license issued under this title, including a
19 criminal history record information check. The board may submit the
20 criminal history record information check to the Washington state
21 patrol and to the identification division of the federal bureau of
22 investigation in order that these agencies may search their records for
23 prior arrests and convictions of the individual or individuals who
24 filled out the forms. The board shall require fingerprinting of any
25 applicant whose criminal history record information check is submitted
26 to the federal bureau of investigation;

27 ~~((i))~~ (d) Prescribing the fees payable in respect of permits and
28 licenses and liquor franchise agreements issued under this title for
29 which no fees are prescribed in this title, and prescribing the fees
30 for anything done or permitted to be done under the regulations;

31 ~~((j))~~ (e) Prescribing the kinds and quantities of liquor which
32 may be kept on hand by the holder of a special permit for the purposes
33 named in the permit, regulating the manner in which the same shall be
34 kept and disposed of, and providing for the inspection of the same at
35 any time at the instance of the board;

36 ~~((k))~~ (f) Regulating the sale of liquor kept by the holders of
37 licenses and liquor franchise agreements which entitle the holder to
38 purchase and keep liquor for sale;

1 (~~(l)~~) (g) Prescribing the records of purchases or sales of liquor
2 kept by the holders of licenses and liquor franchise agreements, and
3 the reports to be made thereon to the board, and providing for
4 inspection of the records so kept;

5 (~~(m)~~) (h) Prescribing the kinds and quantities of liquor for
6 which a prescription may be given, and the number of prescriptions
7 which may be given to the same patient within a stated period;

8 (~~(n)~~) (i) Prescribing the manner of giving and serving notices
9 required by this title or the regulations, where not otherwise provided
10 for in this title;

11 (~~(o)~~) (j) Regulating premises in which liquor is kept for export
12 from the state, or from which liquor is exported, prescribing the books
13 and records to be kept therein and the reports to be made thereon to
14 the board, and providing for the inspection of the premises and the
15 books, records and the liquor so kept;

16 (~~(p)~~) (k) Prescribing the conditions and qualifications requisite
17 for the obtaining of club licenses and the books and records to be kept
18 and the returns to be made by clubs, prescribing the manner of
19 licensing clubs in any municipality or other locality, and providing
20 for the inspection of clubs;

21 (~~(q)~~) (l) Prescribing the conditions, accommodations and
22 qualifications requisite for the obtaining of licenses to sell beer and
23 wines, and regulating the sale of beer and wines thereunder;

24 (~~(r)~~) (m) Specifying and regulating the time and periods when,
25 and the manner, methods and means by which manufacturers shall deliver
26 liquor within the state; and the time and periods when, and the manner,
27 methods and means by which liquor may lawfully be conveyed or carried
28 within the state;

29 (~~(s)~~) (n) Providing for the making of returns by brewers of their
30 sales of beer shipped within the state, or from the state, showing the
31 gross amount of such sales and providing for the inspection of brewers'
32 books and records, and for the checking of the accuracy of any such
33 returns;

34 (~~(t)~~) (o) Providing for the making of returns by the wholesalers
35 of beer whose breweries are located beyond the boundaries of the state;

36 (~~(u)~~) (p) Providing for the making of returns by any other liquor
37 manufacturers, showing the gross amount of liquor produced or
38 purchased, the amount sold within and exported from the state, and to

1 whom so sold or exported, and providing for the inspection of the
2 premises of any such liquor manufacturers, their books and records, and
3 for the checking of any such return;

4 ~~((v))~~ (q) Providing for the giving of fidelity bonds by any or
5 all of the employees of the board. However, the premiums therefor
6 shall be paid by the board;

7 ~~((w))~~ (r) Providing for the shipment by mail or common carrier of
8 liquor to any person holding a permit and residing in any unit which
9 has, by election pursuant to this title, prohibited the sale of liquor
10 therein;

11 ~~((x))~~ (s) Prescribing methods of manufacture, conditions of
12 sanitation, standards of ingredients, quality and identity of alcoholic
13 beverages manufactured, sold, bottled, or handled by licensees and the
14 board; and conducting from time to time, in the interest of the public
15 health and general welfare, scientific studies and research relating to
16 alcoholic beverages and the use and effect thereof;

17 ~~((y))~~ (t) Seizing, confiscating and destroying all alcoholic
18 beverages manufactured, sold or offered for sale within this state
19 which do not conform in all respects to the standards prescribed by
20 this title or the regulations of the board. Nothing herein contained
21 shall be construed as authorizing the liquor board to prescribe, alter,
22 limit or in any way change the present law as to the quantity or
23 percentage of alcohol used in the manufacturing of wine or other
24 alcoholic beverages.

25 **Sec. 305.** RCW 66.08.050 and 2005 c 151 s 3 are each amended to
26 read as follows:

27 The board, subject to the provisions of this title and the rules,
28 shall:

29 (1) ~~((Determine the localities within which state liquor stores
30 shall be established throughout the state, and the number and situation
31 of the stores within each locality;~~

32 ~~(2) Appoint in cities and towns and other communities, in which no
33 state liquor store is located, contract liquor stores. In addition,
34 the board may))~~ Appoint, in its discretion, a manufacturer that also
35 manufactures liquor products other than wine under a license under this
36 title, as a contract liquor store for the purpose of sale of liquor
37 products of its own manufacture on the licensed premises only. ~~((Such~~

1 ~~contract liquor stores shall be authorized to sell liquor under the~~
2 ~~guidelines provided by law, rule, or contract, and))~~ Such contract
3 liquor stores shall be subject to such additional rules and regulations
4 consistent with this title as the board may require;

5 ~~((3) Establish all necessary warehouses for the storing and~~
6 ~~bottling, diluting and rectifying of stocks of liquors for the purposes~~
7 ~~of this title;~~

8 ~~(4) Provide for the leasing for periods not to exceed ten years of~~
9 ~~all premises required for the conduct of the business; and for~~
10 ~~remodeling the same, and the procuring of their furnishings, fixtures,~~
11 ~~and supplies; and for obtaining options of renewal of such leases by~~
12 ~~the lessee. The terms of such leases in all other respects shall be~~
13 ~~subject to the direction of the board;~~

14 ~~(5))~~ (2) Determine the nature, form and capacity of all packages
15 to be used for containing liquor kept for sale under this title;

16 ~~((6))~~ (3) Execute or cause to be executed, all contracts, papers,
17 and documents in the name of the board, under such regulations as the
18 board may fix;

19 ~~((7))~~ (4) Pay all customs, duties, excises, charges and
20 obligations whatsoever relating to the business of the board;

21 ~~((8) Require bonds from all employees in the discretion of the~~
22 ~~board, and to determine the amount of fidelity bond of each such~~
23 ~~employee;~~

24 ~~(9))~~ (5) Perform services for the state lottery commission to such
25 extent, and for such compensation, as may be mutually agreed upon
26 between the board and the commission;

27 ~~((10))~~ (6) Accept and deposit into the general fund-local account
28 and disburse, subject to appropriation, federal grants or other funds
29 or donations from any source for the purpose of improving public
30 awareness of the health risks associated with alcohol consumption by
31 youth and the abuse of alcohol by adults in Washington state. The
32 board's alcohol awareness program shall cooperate with federal and
33 state agencies, interested organizations, and individuals to effect an
34 active public beverage alcohol awareness program;

35 ~~((11))~~ (7) Perform all other matters and things, whether similar
36 to the foregoing or not, to carry out the provisions of this title, and
37 shall have full power to do each and every act necessary to the conduct
38 of its business, including all buying, selling, preparation and

1 approval of forms, and every other function of the business whatsoever,
2 subject only to audit by the state auditor: PROVIDED, That the board
3 shall have no authority to regulate the content of spoken language on
4 licensed premises where wine and other liquors are served and where
5 there is not a clear and present danger of disorderly conduct being
6 provoked by such language.

7 **Sec. 306.** RCW 66.08.060 and 2005 c 231 s 3 are each amended to
8 read as follows:

9 ~~((1) The board shall not advertise liquor in any form or through
10 any medium whatsoever.~~

11 ~~(2) In store liquor merchandising is not advertising for the
12 purposes of this section.~~

13 (3)) The board shall have power to adopt any and all reasonable
14 rules as to the kind, character, and location of advertising of liquor.

15 **Sec. 307.** RCW 66.08.167 and 2005 c 231 s 4 are each amended to
16 read as follows:

17 (1) ~~((Before the board determines which state liquor stores))~~ The
18 board may adopt rules regarding which liquor franchises will be open on
19 Sundays(, it). In adopting Sunday sales rules, the board shall give:

20 (a) Due consideration to the location of the liquor ~~((store))~~ franchise
21 with respect to the proximity of places of worship, schools, and public
22 institutions; (b) due consideration to motor vehicle accident data in
23 the proximity of the liquor ~~((store))~~ franchise; and (c) written notice
24 by certified mail of the proposed Sunday opening, including proposed
25 Sunday opening hours, to places of worship, schools, and public
26 institutions within five hundred feet of the liquor ~~((store))~~ franchise
27 proposed to be open on Sunday.

28 (2) Before permitting ~~((an agency vendor))~~ a liquor ~~((store))~~
29 franchise to open for business on Sunday, the board must meet the due
30 consideration and written notice requirements established in subsection
31 (1) of this section.

32 (3) For the purpose of this section, "place of worship" means a
33 building erected for and used exclusively for religious worship and
34 schooling or other related religious activity.

1 **Sec. 308.** RCW 66.16.110 and 1993 c 422 s 2 are each amended to
2 read as follows:

3 The board shall cause liquor franchises to (~~be posted~~) post in
4 conspicuous places, in a number determined by the board, (~~within each~~
5 ~~state liquor store,~~) notices in print not less than one inch high
6 warning persons that consumption of alcohol shortly before conception
7 or during pregnancy may cause birth defects, including fetal alcohol
8 syndrome and fetal alcohol effects.

9 **Sec. 309.** RCW 66.12.110 and 1999 c 281 s 3 are each amended to
10 read as follows:

11 A person twenty-one years of age or over may bring into the state
12 from without the United States, free of tax and markup, for his
13 personal or household use such alcoholic beverages as have been
14 declared and permitted to enter the United States duty free under
15 federal law.

16 Such entry of alcoholic beverages in excess of that herein provided
17 may be authorized by the board upon payment of (~~an equivalent markup~~
18 ~~and tax as would be applicable to the purchase of the same or similar~~
19 ~~liquor at retail from a Washington state liquor store~~) state sales
20 tax. The board shall adopt appropriate regulations pursuant to chapter
21 34.05 RCW for the purpose of carrying out the provisions of this
22 section. The board may issue a spirits, beer, and wine private club
23 license to a charitable or nonprofit corporation of the state of
24 Washington, the majority of the officers and directors of which are
25 United States citizens and the minority of the officers and directors
26 of which are citizens of the Dominion of Canada, and where the location
27 of the premises for such spirits, beer, and wine private club license
28 is not more than ten miles south of the border between the United
29 States and the province of British Columbia.

30 **Sec. 310.** RCW 66.12.120 and 1995 c 100 s 1 are each amended to
31 read as follows:

32 Notwithstanding any other provision of Title 66 RCW, a person
33 twenty-one years of age or over may, free of tax and markup, for
34 personal or household use, bring into the state of Washington from
35 another state no more than once per calendar month up to two liters of
36 spirits or wine or two hundred eighty-eight ounces of beer.

1 Additionally, such person may be authorized by the board to bring into
2 the state of Washington from another state a reasonable amount of
3 alcoholic beverages in excess of that provided in this section for
4 personal or household use only upon payment of (~~an equivalent markup~~
5 ~~and tax as would be applicable to the purchase of the same or similar~~
6 ~~liquor at retail from a state liquor store~~) state sales tax. The
7 board shall adopt appropriate regulations pursuant to chapter 34.05 RCW
8 for the purpose of carrying into effect the provisions of this section.

9 **Sec. 311.** RCW 66.12.140 and 1982 c 85 s 8 are each amended to read
10 as follows:

11 (1) Nothing in this title shall prevent the use of beer, wine,
12 and/or spirituous liquor, for cooking purposes only, in conjunction
13 with a culinary or restaurant course offered by a college, university,
14 community college, area vocational technical institute, or private
15 vocational school. Further, nothing in this title shall prohibit the
16 making of beer or wine in food fermentation courses offered by a
17 college, university, community college, area vocational technical
18 institute, or private vocational school.

19 (2) "Culinary or restaurant course" as used in this section means
20 a course of instruction which includes practical experience in food
21 preparation under the supervision of an instructor who is twenty-one
22 years of age or older.

23 (3) Persons under twenty-one years of age participating in culinary
24 or restaurant courses may handle beer, wine, or spirituous liquor for
25 purposes of participating in the courses, but nothing in this section
26 shall be construed to authorize consumption of liquor by persons under
27 twenty-one years of age or to authorize possession of liquor by persons
28 under twenty-one years of age at any time or place other than while
29 preparing food under the supervision of the course instructor.

30 (4) Beer, wine, and/or spirituous liquor to be used in culinary or
31 restaurant courses shall be purchased at retail from (~~the board or~~)
32 a retailer licensed under this title. All such liquor shall be
33 securely stored in the food preparation area and shall not be displayed
34 in an area open to the general public.

35 (5) Colleges, universities, community colleges, area vocational
36 technical institutes, and private vocational schools shall obtain the

1 prior written approval of the board for use of beer, wine, and/or
2 spirituous liquor for cooking purposes in their culinary or restaurant
3 courses.

4 **Sec. 312.** RCW 66.20.010 and 2008 c 181 s 602 are each amended to
5 read as follows:

6 Upon application in the prescribed form being made to any employee
7 authorized by the board to issue permits, accompanied by payment of the
8 prescribed fee, and upon the employee being satisfied that the
9 applicant should be granted a permit under this title, the employee
10 shall issue to the applicant under such regulations and at such fee as
11 may be prescribed by the board a permit of the class applied for, as
12 follows:

13 (1) Where the application is for a special permit by a physician or
14 dentist, or by any person in charge of an institution regularly
15 conducted as a hospital or sanitorium for the care of persons in ill
16 health, or as a home devoted exclusively to the care of aged people, a
17 special liquor purchase permit, except that the governor may waive the
18 requirement for a special liquor purchase permit under this subsection
19 pursuant to an order issued under RCW 43.06.220(2);

20 (2) Where the application is for a special permit by a person
21 engaged within the state in mechanical or manufacturing business or in
22 scientific pursuits requiring alcohol for use therein, or by any
23 private individual, a special permit to purchase alcohol for the
24 purpose named in the permit, except that the governor may waive the
25 requirement for a special liquor purchase permit under this subsection
26 pursuant to an order issued under RCW 43.06.220(2);

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

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

35 (5) Where the application is for a special permit by a manufacturer
36 to import or purchase within the state alcohol, malt, and other

1 materials containing alcohol to be used in the manufacture of liquor,
2 or other products, a special permit;

3 (6) Where the application is for a special permit by a person
4 operating a drug store to purchase liquor at retail prices only, to be
5 thereafter sold by such person on the prescription of a physician, a
6 special liquor purchase permit, except that the governor may waive the
7 requirement for a special liquor purchase permit under this subsection
8 pursuant to an order issued under RCW 43.06.220(2);

9 (7) Where the application is for a special permit by an authorized
10 representative of a military installation operated by or for any of the
11 armed forces within the geographical boundaries of the state of
12 Washington, a special permit to purchase liquor for use on such
13 military installation (~~(at prices to be fixed by the board)~~);

14 (8) Where the application is for a special permit by a
15 manufacturer, importer, or distributor, or representative thereof, to
16 serve liquor without charge to delegates and guests at a convention of
17 a trade association composed of licensees of the board, when the said
18 liquor is served in a hospitality room or from a booth in a board-
19 approved suppliers' display room at the convention, and when the liquor
20 so served is for consumption in the said hospitality room or display
21 room during the convention, anything in Title 66 RCW to the contrary
22 notwithstanding. Any such spirituous liquor shall be purchased from
23 (~~(the board)~~) a liquor franchise or a spirits, beer, and wine
24 restaurant licensee and any such beer and wine shall be subject to the
25 taxes imposed by RCW 66.24.290 and 66.24.210;

26 (9) Where the application is for a special permit by a
27 manufacturer, importer, or distributor, or representative thereof, to
28 donate liquor for a reception, breakfast, luncheon, or dinner for
29 delegates and guests at a convention of a trade association composed of
30 licensees of the board, when the liquor so donated is for consumption
31 at the said reception, breakfast, luncheon, or dinner during the
32 convention, anything in Title 66 RCW to the contrary notwithstanding.
33 Any such spirituous liquor shall be purchased from the (~~(board)~~) liquor
34 franchise or a spirits, beer, and wine restaurant licensee and any such
35 beer and wine shall be subject to the taxes imposed by RCW 66.24.290
36 and 66.24.210;

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

1 donate and/or serve liquor without charge to delegates and guests at an
2 international trade fair, show, or exposition held under the auspices
3 of a federal, state, or local governmental entity or organized and
4 promoted by a nonprofit organization, anything in Title 66 RCW to the
5 contrary notwithstanding. Any such spirituous liquor shall be
6 purchased from (~~the board~~) a liquor franchise and any such beer or
7 wine shall be subject to the taxes imposed by RCW 66.24.290 and
8 66.24.210;

9 (11) Where the application is for an annual special permit by a
10 person operating a bed and breakfast lodging facility to donate or
11 serve wine or beer without charge to overnight guests of the facility
12 if the wine or beer is for consumption on the premises of the facility.
13 "Bed and breakfast lodging facility," as used in this subsection, means
14 a facility offering from one to eight lodging units and breakfast to
15 travelers and guests.

16 **Sec. 313.** RCW 66.20.160 and 2005 c 151 s 8 are each amended to
17 read as follows:

18 Words and phrases as used in RCW 66.20.160 to 66.20.210, inclusive,
19 shall have the following meaning:

20 "Card of identification" means any one of those cards described in
21 RCW 66.16.040.

22 "Licensee" means the holder of a retail liquor license issued by
23 the board, and includes any employee or agent of the licensee.

24 (~~"Store employee" means a person employed in a state liquor store
25 to sell liquor.~~) "Liquor franchise holder" means a person who has been
26 granted a liquor franchise agreement in accordance with the provisions
27 of this title.

28 **Sec. 314.** RCW 66.20.170 and 1973 1st ex.s. c 209 s 5 are each
29 amended to read as follows:

30 A card of identification may, for the purpose of this title and for
31 the purpose of procuring liquor, be accepted as an identification card
32 by any licensee or (~~store employee~~) liquor franchise holder and as
33 evidence of legal age of the person presenting such card, provided the
34 licensee or (~~store employee~~) liquor franchise holder complies with
35 the conditions and procedures prescribed herein and such regulations as
36 may be made by the board.

1 **Sec. 315.** RCW 66.20.180 and 2005 c 151 s 9 are each amended to
2 read as follows:

3 A card of identification shall be presented by the holder thereof
4 upon request of any licensee, (~~store employee,~~) contract liquor store
5 manager, contract liquor store employee, liquor franchise holder, peace
6 officer, or enforcement officer of the board for the purpose of aiding
7 the licensee, (~~store employee,~~) contract liquor store manager,
8 contract liquor store employee, liquor franchise holder, peace officer,
9 or enforcement officer of the board to determine whether or not such
10 person is of legal age to purchase liquor when such person desires to
11 procure liquor from a licensed establishment or state liquor store or
12 contract liquor store.

13 **Sec. 316.** RCW 66.20.190 and 1981 1st ex.s. c 5 s 9 are each
14 amended to read as follows:

15 In addition to the presentation by the holder and verification by
16 the licensee or (~~store employee~~) liquor franchise holder of such card
17 of identification, the licensee or (~~store employee~~) liquor franchise
18 holder who is still in doubt about the true age of the holder shall
19 require the person whose age may be in question to sign a certification
20 card and record an accurate description and serial number of his card
21 of identification thereon. Such statement shall be upon a five-inch by
22 eight-inch file card, which card shall be filed alphabetically by the
23 licensee or (~~store employee~~) liquor franchise holder at or before the
24 close of business on the day on which the statement is executed, in the
25 file box containing a suitable alphabetical index and the card shall be
26 subject to examination by any peace officer or agent or employee of the
27 board at all times. The certification card shall also contain in bold-
28 face type a statement stating that the signer understands that
29 conviction for unlawful purchase of alcoholic beverages or misuse of
30 the certification card may result in criminal penalties including
31 imprisonment or fine or both.

32 **Sec. 317.** RCW 66.20.200 and 2003 c 53 s 295 are each amended to
33 read as follows:

34 (1) It shall be unlawful for the owner of a card of identification
35 to transfer the card to any other person for the purpose of aiding such
36 person to procure alcoholic beverages from any licensee or (~~store~~

1 ~~employee~~) liquor franchise holder. Any person who shall permit his or
2 her card of identification to be used by another or transfer such card
3 to another for the purpose of aiding such transferee to obtain
4 alcoholic beverages from a licensee or (~~store employee~~) liquor
5 franchise holder or gain admission to a premises or portion of a
6 premises classified by the board as off-limits to persons under twenty-
7 one years of age, shall be guilty of a misdemeanor punishable as
8 provided by RCW 9A.20.021, except that a minimum fine of two hundred
9 fifty dollars shall be imposed and any sentence requiring community
10 restitution shall require not fewer than twenty-five hours of community
11 restitution.

12 (2) Any person not entitled thereto who unlawfully procures or has
13 issued or transferred to him or her a card of identification, and any
14 person who possesses a card of identification not issued to him or her,
15 and any person who makes any false statement on any certification card
16 required by RCW 66.20.190, to be signed by him or her, shall be guilty
17 of a misdemeanor punishable as provided by RCW 9A.20.021, except that
18 a minimum fine of two hundred fifty dollars shall be imposed and any
19 sentence requiring community restitution shall require not fewer than
20 twenty-five hours of community restitution.

21 **Sec. 318.** RCW 66.20.210 and 1973 1st ex.s. c 209 s 9 are each
22 amended to read as follows:

23 No licensee or the agent or employee of the licensee, or (~~store~~
24 ~~employee~~) liquor franchise holder, shall be prosecuted criminally or
25 be sued in any civil action for serving liquor to a person under legal
26 age to purchase liquor if such person has presented a card of
27 identification in accordance with RCW 66.20.180, and has signed a
28 certification card as provided in RCW 66.20.190.

29 Such card in the possession of a licensee may be offered as a
30 defense in any hearing held by the board for serving liquor to the
31 person who signed the card and may be considered by the board as
32 evidence that the licensee acted in good faith.

33 **Sec. 319.** RCW 66.24.145 and 2008 c 94 s 2 are each amended to read
34 as follows:

35 (1) Any craft distillery may sell spirits of its own production for
36 consumption off the premises, up to two liters per person per day.

1 (~~Spirits sold under this subsection must be purchased from the board~~
2 ~~and sold at the retail price established by the board.~~) A craft
3 distillery selling spirits under this subsection must comply with the
4 applicable laws and rules relating to retailers.

5 (~~(3)-(2)~~) (2) Any craft distillery licensed under this section
6 may provide, free of charge, one-half ounce or less samples of spirits
7 of its own production to persons on the premises of the distillery.
8 The maximum total per person per day is two ounces. Every person who
9 participates in any manner in the service of samples must obtain a
10 class 12 alcohol server permit. (~~Spirits used for samples must be~~
11 ~~purchased from the board.~~

12 ~~(4)-(3)~~) (3) The board shall adopt rules to implement the
13 alcohol server permit requirement and may adopt additional rules to
14 implement this section.

15 (~~(5)-(4)~~) (4) Distilling is an agricultural practice.

16 **Sec. 320.** RCW 66.24.360 and 2007 c 226 s 2 are each amended to
17 read as follows:

18 There shall be a beer and/or wine retailer's license to be
19 designated as a grocery store license to sell beer, strong beer, and/or
20 wine at retail in bottles, cans, and original containers, not to be
21 consumed upon the premises where sold(~~(, at any store other than the~~
22 ~~state liquor stores)~~).

23 (1) Licensees obtaining a written endorsement from the board may
24 also sell malt liquor in kegs or other containers capable of holding
25 less than five and one-half gallons of liquid.

26 (2) The annual fee for the grocery store license is one hundred
27 fifty dollars for each store.

28 (3) The board shall issue a restricted grocery store license
29 authorizing the licensee to sell beer and only table wine, if the board
30 finds upon issuance or renewal of the license that the sale of strong
31 beer or fortified wine would be against the public interest. In
32 determining the public interest, the board shall consider at least the
33 following factors:

34 (a) The likelihood that the applicant will sell strong beer or
35 fortified wine to persons who are intoxicated;

36 (b) Law enforcement problems in the vicinity of the applicant's

1 establishment that may arise from persons purchasing strong beer or
2 fortified wine at the establishment; and

3 (c) Whether the sale of strong beer or fortified wine would be
4 detrimental to or inconsistent with a government-operated or funded
5 alcohol treatment or detoxification program in the area.

6 If the board receives no evidence or objection that the sale of
7 strong beer or fortified wine would be against the public interest, it
8 shall issue or renew the license without restriction, as applicable.
9 The burden of establishing that the sale of strong beer or fortified
10 wine by the licensee would be against the public interest is on those
11 persons objecting.

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

15 (5) Upon approval by the board, the grocery store licensee may also
16 receive an endorsement to permit the international export of beer,
17 strong beer, and wine.

18 (a) Any beer, strong beer, or wine sold under this endorsement must
19 have been purchased from a licensed beer or wine distributor licensed
20 to do business within the state of Washington.

21 (b) Any beer, strong beer, and wine sold under this endorsement
22 must be intended for consumption outside the state of Washington and
23 the United States and appropriate records must be maintained by the
24 licensee.

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

27 ~~(d))~~ Any beer, strong beer, or wine sold under this license must
28 be sold at a price no less than the acquisition price paid by the
29 holder of the license.

30 ~~((e))~~ (d) The annual cost of this endorsement is five hundred
31 dollars and is in addition to the license fees paid by the licensee for
32 a grocery store license.

33 (6) A grocery store licensee holding a snack bar license under RCW
34 66.24.350 may receive an endorsement to allow the sale of confections
35 containing more than one percent but not more than ten percent alcohol
36 by weight to persons twenty-one years of age or older.

1 **Sec. 321.** RCW 66.24.371 and 2009 c 373 s 6 are each amended to
2 read as follows:

3 (1) There shall be a beer and/or wine retailer's license to be
4 designated as a beer and/or wine specialty shop license to sell beer,
5 strong beer, and/or wine at retail in bottles, cans, and original
6 containers, not to be consumed upon the premises where sold(~~(, at any~~
7 ~~store other than the state liquor stores)~~). Licensees obtaining a
8 written endorsement from the board may also sell malt liquor in kegs or
9 other containers capable of holding four gallons or more of liquid.
10 The annual fee for the beer and/or wine specialty shop license is one
11 hundred dollars for each store. The sale of any container holding four
12 gallons or more must comply with RCW 66.28.200 and 66.28.220.

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

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

25 (a) The likelihood that the applicant will sell strong beer or
26 fortified wine to persons who are intoxicated;

27 (b) Law enforcement problems in the vicinity of the applicant's
28 establishment that may arise from persons purchasing strong beer or
29 fortified wine at the establishment; and

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

33 If the board receives no evidence or objection that the sale of
34 strong beer or fortified wine would be against the public interest, it
35 shall issue or renew the license without restriction, as applicable.
36 The burden of establishing that the sale of strong beer or fortified
37 wine by the licensee would be against the public interest is on those
38 persons objecting.

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

4 **Sec. 322.** RCW 66.24.380 and 2005 c 151 s 10 are each amended to
5 read as follows:

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

12 (1) The not-for-profit society or organization is limited to sales
13 of no more than twelve calendar days per year. For the purposes of
14 this subsection, special occasion licensees that are "agricultural area
15 fairs" or "agricultural county, district, and area fairs," as defined
16 by RCW 15.76.120, that receive a special occasion license may, once per
17 calendar year, count as one event fairs that last multiple days, so
18 long as alcohol sales are at set dates, times, and locations, and the
19 board receives prior notification of the dates, times, and locations.
20 The special occasion license applicant will pay the sixty dollars per
21 day for this event.

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

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

27 (4) Spirituous liquor sold under this special occasion license must
28 be purchased at a (~~state liquor store or contract liquor store without~~
29 ~~discount at retail prices, including all taxes~~) liquor franchise.

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

33 **Sec. 323.** RCW 66.24.395 and 2009 c 507 s 7 are each amended to
34 read as follows:

35 (1)(a) There shall be a license that may be issued to corporations,
36 associations, or persons operating as federally licensed commercial

1 common passenger carriers engaged in interstate commerce, in or over
2 territorial limits of the state of Washington on passenger trains,
3 vessels, or airplanes. Such license shall permit the sale of
4 spirituous liquor, wine, and beer at retail for passenger consumption
5 within the state upon one such train passenger car, vessel, or
6 airplane, while in or over the territorial limits of the state. Such
7 license shall include the privilege of transporting into and storing
8 within the state such liquor for subsequent retail sale to passengers
9 in passenger train cars, vessels or airplanes. The fees for such
10 master license shall be eight hundred twenty-nine dollars per annum
11 (class CCI-1)(~~(+ PROVIDED, That)~~). However:

12 (i) Upon payment of an additional sum of six dollars per annum per
13 car, or vessel, or airplane, the privileges authorized by such license
14 classes shall extend to additional cars, or vessels, or airplanes
15 operated by the same licensee within the state, and a duplicate license
16 for each additional car, or vessel, or airplane shall be issued(~~(+
17 PROVIDED, FURTHER, That)~~);

18 (ii) Such licensee may make such sales and/or service upon cars, or
19 vessels, or airplanes in emergency for not more than five consecutive
20 days without such license(~~(+ AND PROVIDED, FURTHER, That)~~); and

21 (iii) Such license shall be valid only while such cars, or vessels,
22 or airplanes are actively operated as common carriers for hire in
23 interstate commerce and not while they are out of such common carrier
24 service.

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

34 (2) Alcoholic beverages sold and delivered in this state to
35 interstate common carriers for use under the provisions of this section
36 shall be considered exported from the state, subject to the conditions
37 provided in subsection (1)(b) of this section. The storage facilities

1 for liquor within the state by common carriers licensed under this
2 section shall be subject to written approval by the board.

3 **Sec. 324.** RCW 66.24.395 and 1997 c 321 s 25 are each amended to
4 read as follows:

5 (1)(a) There shall be a license that may be issued to corporations,
6 associations, or persons operating as federally licensed commercial
7 common passenger carriers engaged in interstate commerce, in or over
8 territorial limits of the state of Washington on passenger trains,
9 vessels, or airplanes. Such license shall permit the sale of
10 spirituous liquor, wine, and beer at retail for passenger consumption
11 within the state upon one such train passenger car, vessel, or
12 airplane, while in or over the territorial limits of the state. Such
13 license shall include the privilege of transporting into and storing
14 within the state such liquor for subsequent retail sale to passengers
15 in passenger train cars, vessels or airplanes. The fees for such
16 master license shall be seven hundred fifty dollars per annum (class
17 CCI-1). However: (~~PROVIDED, That~~)

18 (i) Upon payment of an additional sum of five dollars per annum per
19 car, or vessel, or airplane, the privileges authorized by such license
20 classes shall extend to additional cars, or vessels, or airplanes
21 operated by the same licensee within the state, and a duplicate license
22 for each additional car, or vessel, or airplane shall be issued(~~(+~~
23 ~~PROVIDED, FURTHER, That~~));

24 (ii) Such licensee may make such sales and/or service upon cars, or
25 vessels, or airplanes in emergency for not more than five consecutive
26 days without such license(~~(+ AND PROVIDED, FURTHER, That)~~); and

27 (iii) Such license shall be valid only while such cars, or vessels,
28 or airplanes are actively operated as common carriers for hire in
29 interstate commerce and not while they are out of such common carrier
30 service.

31 (b) Alcoholic beverages sold and/or served for consumption by such
32 interstate common carriers while within or over the territorial limits
33 of this state shall be subject to (~~such board markup and~~) the state
34 liquor taxes in an amount to approximate the revenue that would have
35 been realized from (~~such markup and~~) the taxes had the alcoholic
36 beverages been purchased in Washington(~~(+ PROVIDED, That the board's~~

1 ~~markup shall be applied on spirituous liquor only~~). Such common
2 carriers shall report such sales and/or service and pay (~~such markup~~
3 ~~and~~) taxes in accordance with procedures prescribed by the board.

4 (2) Alcoholic beverages sold and delivered in this state to
5 interstate common carriers for use under the provisions of this section
6 shall be considered exported from the state, subject to the conditions
7 provided in subsection (1)(b) of this section. The storage facilities
8 for liquor within the state by common carriers licensed under this
9 section shall be subject to written approval by the board.

10 **Sec. 325.** RCW 66.24.540 and 1999 c 129 s 1 are each amended to
11 read as follows:

12 There shall be a retailer's license to be designated as a motel
13 license. The motel license may be issued to a motel regardless of
14 whether it holds any other class of license under this title. No
15 license may be issued to a motel offering rooms to its guests on an
16 hourly basis. The license authorizes the licensee to:

17 (1) Sell, at retail, in locked honor bars, spirits in individual
18 bottles not to exceed fifty milliliters, beer in individual cans or
19 bottles not to exceed twelve ounces, and wine in individual bottles not
20 to exceed one hundred eighty-seven milliliters, to registered guests of
21 the motel for consumption in guest rooms.

22 (a) Each honor bar must also contain snack foods. No more than
23 one-half of the guest rooms may have honor bars.

24 (b) ~~((All spirits to be sold under the license must be purchased~~
25 ~~from the board.~~

26 ~~(c))~~ The licensee shall require proof of age from the guest
27 renting a guest room and requesting the use of an honor bar. The guest
28 shall also execute an affidavit verifying that no one under twenty-one
29 years of age shall have access to the spirits, beer, and wine in the
30 honor bar.

31 (2) Provide without additional charge, to overnight guests of the
32 motel, beer and wine by the individual serving for on-premises
33 consumption at a specified regular date, time, and place as may be
34 fixed by the board. Self-service by attendees is prohibited. All beer
35 and wine service must be done by an alcohol server as defined in RCW
36 66.20.300 and comply with RCW 66.20.310.

37 The annual fee for a motel license is five hundred dollars.

1 "Motel" as used in this section means a transient accommodation
2 licensed under chapter 70.62 RCW.

3 As used in this section, "spirits," "beer," and "wine" have the
4 meanings defined in RCW 66.04.010.

5 **Sec. 326.** RCW 66.24.590 and 2008 c 41 s 11 are each amended to
6 read as follows:

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

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

13 (a) Sell spiritous liquor, beer, and wine, by the individual glass,
14 at retail, for consumption on the premises, including mixed drinks and
15 cocktails compounded and mixed on the premises;

16 (b) Sell, at retail, from locked honor bars, in individual units,
17 spirits not to exceed fifty milliliters, beer in individual units not
18 to exceed twelve ounces, and wine in individual bottles not to exceed
19 three hundred eighty-five milliliters, to registered guests of the
20 hotel for consumption in guest rooms. The licensee shall require proof
21 of age from the guest renting a guest room and requesting the use of an
22 honor bar. The guest shall also execute an affidavit verifying that no
23 one under twenty-one years of age shall have access to the spirits,
24 beer, and wine in the honor bar;

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

29 (d) Sell beer, including strong beer, wine, or spirits, in the
30 manufacturer's sealed container or by the individual drink to guests
31 through room service, or through service to occupants of private
32 residential units which are part of the buildings or complex of
33 buildings that include the hotel;

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

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

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

9 (3) If all or any facilities for alcoholic beverage service and the
10 preparation, cooking, and serving of food are operated under contract
11 or joint venture agreement, the operator may hold a license separate
12 from the license held by the operator of the hotel. Food and beverage
13 inventory used in separate licensed operations at the hotel may not be
14 shared and shall be separately owned and stored by the separate
15 licensees.

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

18 ~~(5))~~ All on-premise alcoholic beverage service must be done by an
19 alcohol server as defined in RCW 66.20.300 and must comply with RCW
20 66.20.310.

21 ~~((6))~~ (5)(a) The hotel license allows the licensee to remove from
22 the liquor stocks at the licensed premises, liquor for sale and service
23 at event locations at a specified date and place not currently licensed
24 by the board. If the event is open to the public, it must be sponsored
25 by a society or organization as defined by RCW 66.24.375. If
26 attendance at the event is limited to members or invited guests of the
27 sponsoring individual, society, or organization, the requirement that
28 the sponsor must be a society or organization as defined by RCW
29 66.24.375 is waived.

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

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

37 ~~((7))~~ (6) The holder of this license or its manager may furnish
38 spirits, beer, or wine to the licensee's employees who are twenty-one

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

9 ~~((+8))~~ (7) Minors may be allowed in all areas of the hotel where
10 alcohol may be consumed; however, the consumption must be incidental to
11 the primary use of the area. These areas include, but are not limited
12 to, tennis courts, hotel lobbies, and swimming pool areas. If an area
13 is not a mixed use area, and is primarily used for alcohol service, the
14 area must be designated and restricted to access by minors.

15 ~~((+9))~~ (8) The annual fee for this license is two thousand
16 dollars.

17 ~~((+10))~~ (9) As used in this section, "hotel," "spirits," "beer,"
18 and "wine" have the meanings defined in RCW 66.24.410 and 66.04.010.

19 **Sec. 327.** RCW 66.28.060 and 2008 c 94 s 7 are each amended to read
20 as follows:

21 Every distillery licensed under this title shall make monthly
22 reports to the board pursuant to the regulations. ~~((No such distillery
23 shall make any sale of spirits within the state of Washington except to
24 the board and as provided in RCW 66.24.145.))~~

25 **Sec. 328.** RCW 66.32.010 and 1955 c 39 s 3 are each amended to read
26 as follows:

27 Except as permitted by the board, no liquor shall be kept or had by
28 any person within this state unless the package in which the liquor was
29 contained had, while containing that liquor, been sealed with the
30 official seal adopted by the board, except in the case of:

31 (1) ~~((Liquor imported by the board; or
32 +2))~~ Liquor manufactured in the state for ~~((sale to the board or
33 for))~~ export; or

34 ~~((+3))~~ (2) Beer, purchased in accordance with the provisions of
35 law; or

36 ~~((+4))~~ (3) Wine or beer exempted in RCW 66.12.010.

1 **Sec. 329.** RCW 66.44.150 and 1955 c 289 s 5 are each amended to
2 read as follows:

3 If any person in this state buys alcoholic beverages from any
4 person other than (~~the board, a state liquor store, or~~) some person
5 authorized by the board to sell them, he shall be guilty of a
6 misdemeanor.

7 **Sec. 330.** RCW 66.44.160 and 1955 c 289 s 6 are each amended to
8 read as follows:

9 Except as otherwise provided in this title, any person who has or
10 keeps or transports alcoholic beverages other than those purchased from
11 (~~the board, a state liquor store,~~) a liquor franchise or some person
12 authorized by the board to sell them(~~(r)~~) shall be guilty of a
13 violation of this title.

14 NEW SECTION. **Sec. 331.** The following acts or parts of acts are
15 each repealed:

16 (1) RCW 66.08.070 (Purchase of liquor by board--Consignment not
17 prohibited--Warranty or affirmation not required for wine or malt
18 purchases) and 2010 c ... s 203 (section 203 of this act), 1985 c 226
19 s 2, 1973 1st ex.s. c 209 s 1, & 1933 ex.s. c 62 s 67;

20 (2) RCW 66.08.160 (Acquisition of warehouse authorized) and 1947 c
21 134 s 1;

22 (3) RCW 66.08.165 (Strategies to improve operational efficiency and
23 revenue) and 2005 c 231 s 1;

24 (4) RCW 66.08.166 (Sunday sales authorized--Store selection and
25 other requirements) and 2005 c 231 s 2;

26 (5) RCW 66.08.220 (Liquor revolving fund--Separate account--
27 Distribution) and 2009 c 271 s 4, 2007 c 370 s 15, 1999 c 281 s 2, &
28 1949 c 5 s 11;

29 (6) RCW 66.08.235 (Liquor control board construction and
30 maintenance account) and 2005 c 151 s 4, 2002 c 371 s 918, & 1997 c 75
31 s 1;

32 (7) RCW 66.16.010 (Board may establish--Price standards--Prices in
33 special instances) and 2005 c 518 s 935, 2003 1st sp.s. c 25 s 928,
34 1939 c 172 s 10, 1937 c 62 s 1, & 1933 ex.s. c 62 s 4;

35 (8) RCW 66.16.040 (Sales of liquor by employees--Identification
36 cards--Permit holders--Sales for cash--Exception) and 2005 c 206 s 1,

1 2005 c 151 s 5, 2005 c 102 s 1, 2004 c 61 s 1, 1996 c 291 s 1, 1995 c
2 16 s 1, 1981 1st ex.s. c 5 s 8, 1979 c 158 s 217, 1973 1st ex.s. c 209
3 s 3, 1971 ex.s. c 15 s 1, 1959 c 111 s 1, & 1933 ex.s. c 62 s 7;

4 (9) RCW 66.16.041 (Credit and debit card purchases--Rules--
5 Provision, installation, maintenance of equipment by board--
6 Consideration of offsetting liquor revolving fund balance reduction)
7 and 2005 c 151 s 6, 2004 c 63 s 2, 1998 c 265 s 3, 1997 c 148 s 2, &
8 1996 c 291 s 2;

9 (10) RCW 66.16.050 (Sale of beer and wine to person licensed to
10 sell) and 1933 ex.s. c 62 s 8;

11 (11) RCW 66.16.060 (Sealed packages may be required, exception) and
12 1943 c 216 s 1 & 1933 ex.s. c 62 s 9;

13 (12) RCW 66.16.070 (Liquor cannot be opened or consumed on store
14 premises) and 1933 ex.s. c 62 s 10;

15 (13) RCW 66.16.090 (Record of individual purchases confidential--
16 Penalty for disclosure) and 1933 ex.s. c 62 s 89;

17 (14) RCW 66.16.100 (Fortified wine sales) and 1997 c 321 s 42 &
18 1987 c 386 s 5;

19 (15) RCW 66.16.120 (Employees working on Sabbath) and 2005 c 231
20 s 5; and

21 (16) RCW 66.28.180 (Price list--Contents--Contracts and memoranda
22 with distributors) and 2009 c 506 s 10, 2006 c 302 s 10, & 2005 c 274
23 s 327.

24 **PART IV - MISCELLANEOUS**

25 NEW SECTION. **Sec. 401.** RCW 66.16.110 is recodified as a section
26 in chapter 66.08 RCW.

27 NEW SECTION. **Sec. 402.** (1) Sections 201 through 215 of this act
28 take effect August 1, 2010.

29 (2) Sections 301 through 331 of this act take effect July 1, 2012.

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