

CERTIFICATION OF ENROLLMENT
SUBSTITUTE SENATE BILL 6485

Chapter 290, Laws of 2010

61st Legislature
2010 Regular Session

CRAFT DISTILLERIES

EFFECTIVE DATE: 06/10/10

Passed by the Senate March 9, 2010
YEAS 43 NAYS 3

BRAD OWEN

President of the Senate

Passed by the House March 3, 2010
YEAS 96 NAYS 2

FRANK CHOPP

Speaker of the House of Representatives

Approved April 1, 2010, 3:26 p.m.

CHRISTINE GREGOIRE

Governor of the State of Washington

CERTIFICATE

I, Thomas Hoemann, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **SUBSTITUTE SENATE BILL 6485** as passed by the Senate and the House of Representatives on the dates hereon set forth.

THOMAS HOEMANN

Secretary

FILED

April 2, 2010

**Secretary of State
State of Washington**

SUBSTITUTE SENATE BILL 6485

AS AMENDED BY THE HOUSE

Passed Legislature - 2010 Regular Session

State of Washington 61st Legislature 2010 Regular Session

By Senate Labor, Commerce & Consumer Protection (originally sponsored by Senators Marr, King, Kohl-Welles, Hewitt, Hatfield, Delvin, Hobbs, and Rockefeller)

READ FIRST TIME 02/04/10.

1 AN ACT Relating to craft distilleries; and amending RCW 66.24.140,
2 66.24.145, 66.28.310, and 66.24.520.

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

4 **Sec. 1.** RCW 66.24.140 and 2008 c 94 s 1 are each amended to read
5 as follows:

6 There shall be a license to distillers, including blending,
7 rectifying and bottling; fee two thousand dollars per annum, unless
8 provided otherwise as follows:

9 (1) For distillers producing (~~twenty~~) sixty thousand gallons or
10 less of spirits with at least half of the raw materials used in the
11 production grown in Washington, the license fee shall be reduced to one
12 hundred dollars per annum;

13 (2) The board shall license stills used and to be used solely and
14 only by a commercial chemist for laboratory purposes, and not for the
15 manufacture of liquor for sale, at a fee of twenty dollars per annum;

16 (3) The board shall license stills used and to be used solely and
17 only for laboratory purposes in any school, college or educational
18 institution in the state, without fee; and

1 (4) The board shall license stills which shall have been duly
2 licensed as fruit and/or wine distilleries by the federal government,
3 used and to be used solely as fruit and/or wine distilleries in the
4 production of fruit brandy and wine spirits, at a fee of two hundred
5 dollars per annum.

6 **Sec. 2.** RCW 66.24.145 and 2008 c 94 s 2 are each amended to read
7 as follows:

8 (1) Any craft distillery may sell spirits of its own production for
9 consumption off the premises, up to two liters per person per day.
10 Spirits sold under this subsection must be purchased from the board and
11 sold at the retail price established by the board. A craft distillery
12 selling spirits under this subsection must comply with the applicable
13 laws and rules relating to retailers.

14 (2) Any craft distillery may contract distill spirits for, and sell
15 contract distilled spirits to, holders of distillers' or manufacturers'
16 licenses, including licenses issued under RCW 66.24.520, or for export.

17 (3) (~~(2)~~) Any craft distillery licensed under this section may
18 provide, free of charge, one-half ounce or less samples of spirits of
19 its own production to persons on the premises of the distillery. The
20 maximum total per person per day is two ounces. Every person who
21 participates in any manner in the service of samples must obtain a
22 class 12 alcohol server permit. Spirits used for samples must be
23 purchased from the board.

24 (4) (~~(3)~~) The board shall adopt rules to implement the alcohol
25 server permit requirement and may adopt additional rules to implement
26 this section.

27 (5) (~~(4)~~) Distilling is an agricultural practice.

28 **Sec. 3.** RCW 66.28.310 and 2009 c 506 s 7 are each amended to read
29 as follows:

30 (1)(a) Nothing in RCW 66.28.305 prohibits an industry member from
31 providing retailers branded promotional items which are of nominal
32 value, singly or in the aggregate. Such items include but are not
33 limited to: Trays, lighters, blotters, postcards, pencils, coasters,
34 menu cards, meal checks, napkins, clocks, mugs, glasses, bottles or can
35 openers, corkscrews, matches, printed recipes, shirts, hats, visors,
36 and other similar items. Branded promotional items:

1 (i) Must be used exclusively by the retailer or its employees in a
2 manner consistent with its license;

3 (ii) Must bear imprinted advertising matter of the industry member
4 only;

5 (iii) May be provided by industry members only to retailers and
6 their employees and may not be provided by or through retailers or
7 their employees to retail customers; and

8 (iv) May not be targeted to or appeal principally to youth.

9 (b) An industry member is not obligated to provide any such branded
10 promotional items, and a retailer may not require an industry member to
11 provide such branded promotional items as a condition for selling any
12 alcohol to the retailer.

13 (c) Any industry member or retailer or any other person asserting
14 that the provision of branded promotional items as allowed in (a) of
15 this subsection has resulted or is more likely than not to result in
16 undue influence or an adverse impact on public health and safety, or is
17 otherwise inconsistent with the criteria in (a) of this subsection may
18 file a complaint with the board. Upon receipt of a complaint the board
19 may conduct such investigation as it deems appropriate in the
20 circumstances. If the investigation reveals the provision of branded
21 promotional items has resulted in or is more likely than not to result
22 in undue influence or has resulted or is more likely than not to result
23 in an adverse impact on public health and safety or is otherwise
24 inconsistent with (a) of this subsection the board may issue an
25 administrative violation notice to the industry member, to the
26 retailer, or both. The recipient of the administrative violation
27 notice may request a hearing under chapter 34.05 RCW.

28 (2) Nothing in RCW 66.28.305 prohibits an industry member from
29 providing to a special occasion licensee and a special occasion
30 licensee from receiving services for:

31 (a) Installation of draft beer dispensing equipment or advertising;
32 (~~(e)~~)

33 (b) Advertising, pouring, or dispensing of beer or wine at a beer
34 or wine tasting exhibition or judging event; or

35 (c) Pouring or dispensing of spirits by a licensed domestic
36 distiller or the accredited representative of a distiller,
37 manufacturer, importer, or distributor of spirituous liquor licensed
38 under RCW 66.24.310.

1 (3) Nothing in RCW 66.28.305 prohibits industry members from
2 performing, and retailers from accepting the service of building,
3 rotating, and restocking displays and stockroom inventories; rotating
4 and rearranging can and bottle displays of their own products;
5 providing point of sale material and brand signs; pricing case goods of
6 their own brands; and performing such similar business services
7 consistent with board rules, or personal services as described in
8 subsection (5) of this section.

9 (4) Nothing in RCW 66.28.305 prohibits:

10 (a) Industry members from listing on their internet web sites
11 information related to retailers who sell or promote their products,
12 including direct links to the retailers' internet web sites; and

13 (b) Retailers from listing on their internet web sites information
14 related to industry members whose products those retailers sell or
15 promote, including direct links to the industry members' web sites; or

16 (c) Industry members and retailers from producing, jointly or
17 together with regional, state, or local industry associations,
18 brochures and materials promoting tourism in Washington state which
19 contain information regarding retail licensees, industry members, and
20 their products.

21 (5) Nothing in RCW 66.28.305 prohibits the performance of personal
22 services offered from time to time by a domestic winery or certificate
23 of approval holder to retailers when the personal services are (a)
24 conducted at a licensed premises, and (b) intended to inform, educate,
25 or enhance customers' knowledge or experience of the manufacturer's
26 products. The performance of personal services may include
27 participation and pouring, bottle signing events, and other similar
28 informational or educational activities at the premises of a retailer
29 holding a spirits, beer, and wine restaurant license, a wine and/or
30 beer restaurant license, a specialty wine shop license, a special
31 occasion license, or a private club license. A domestic winery or
32 certificate of approval holder is not obligated to perform any such
33 personal services, and a retail licensee may not require a domestic
34 winery or certificate of approval holder to conduct any personal
35 service as a condition for selling any alcohol to the retail licensee.
36 Except as provided in RCW 66.28.150, the cost of sampling may not be
37 borne, directly or indirectly, by any domestic winery or certificate of
38 approval holder or any distributor. Nothing in this section prohibits

1 wineries, certificate of approval holders, and retail licensees from
2 identifying the producers on private labels authorized under RCW
3 66.24.400, 66.24.425, and 66.24.450.

4 (6) Nothing in RCW 66.28.305 prohibits an industry member from
5 entering into an arrangement with any holder of a sports entertainment
6 facility license or an affiliated business for brand advertising at the
7 licensed facility or promoting events held at the sports entertainment
8 facility as authorized under RCW 66.24.570.

9 **Sec. 4.** RCW 66.24.520 and 1986 c 214 s 1 are each amended to read
10 as follows:

11 There shall be a grower's license to sell wine or spirits made from
12 grapes or other agricultural products owned at the time of vinification
13 or distillation by the licensee in bulk to holders of domestic
14 wineries', distillers', or manufacturers' licenses or for export. The
15 wine or spirits shall be made upon the premises of a domestic winery or
16 craft distillery licensee and is referred to in this section as
17 grower's wine or grower's spirits. A grower's license authorizes the
18 agricultural product grower to contract for the manufacturing of wine
19 or spirits from the grower's own agricultural product, store wine or
20 spirits in bulk made from agricultural products produced by the holder
21 of this license, and to sell wine or spirits in bulk made from the
22 grower's own agricultural products to a winery or distillery in the
23 state of Washington or to export in bulk for sale out-of-state. The
24 annual fee for a grower's license shall be seventy-five dollars. For
25 the purpose of chapter 66.28 RCW, a grower licensee shall be deemed a
26 manufacturer.

Passed by the Senate March 9, 2010.
Passed by the House March 3, 2010.
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