

SSB 5788 - S AMD 168
By Senator Sheldon

WITHDRAWN 03/07/2011

1 On page 1, after line 8, insert the following:

2 "PART I - INTENT

3 NEW SECTION. **Sec. 101.** The legislature intends for privatization
4 of retail and distribution of liquor to result in a system that is more
5 efficient than public sector retail and distribution. The legislature
6 finds that the present system of state control includes a markup amount
7 at distribution that generates revenue for the state and local
8 governments, and that this markup will be eliminated when liquor sales
9 and distribution are privatized. The legislature further intends that
10 the privatization of liquor sales and distribution not result in
11 revenue losses to state or local governments as compared to projected
12 revenues assumed under state control, not including any separate
13 licenses or franchises.

14 **PART II - CURRENT CHANGES**

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

17 In this title, unless the context otherwise requires:

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

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

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

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

5 (c) Acquires ownership of beer or wine for transportation into and
6 resale in the state of Washington; and which beer or wine is produced
7 by a brewery or winery in the United States outside of the state of
8 Washington; and

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

30 (20) "Flavored malt beverage" means:

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

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

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

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

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

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

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

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

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

33 (28) "Liquor franchise applicant" means any person who submits an
34 application for a liquor franchise agreement to sell spirits, wine, and
35 beer in accordance with the provisions of this title.

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

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

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

12 ~~((+27+))~~ (32) "Manufacturer" means a person engaged in the
13 preparation of liquor for sale, in any form whatsoever.

14 ~~((+28+))~~ (33) "Nightclub" means an establishment that provides
15 entertainment and has as its primary source of revenue (a) the sale of
16 alcohol for consumption on the premises, (b) cover charges, or (c)
17 both, and has an occupancy load of one hundred or more.

18 ~~((+29+))~~ (34) "Package" means any container or receptacle used for
19 holding liquor.

20 ~~((+30+))~~ (35) "Passenger vessel" means any boat, ship, vessel,
21 barge, or other floating craft of any kind carrying passengers for
22 compensation.

23 ~~((+31+))~~ (36) "Permit" means a permit for the purchase of liquor
24 under this title.

25 ~~((+32+))~~ (37) "Person" means an individual, copartnership,
26 association, or corporation.

27 ~~((+33+))~~ (38) "Physician" means a medical practitioner duly and
28 regularly licensed and engaged in the practice of his profession within
29 the state pursuant to chapter 18.71 RCW.

30 ~~((+34+))~~ (39) "Prescription" means a memorandum signed by a
31 physician and given by him to a patient for the obtaining of liquor
32 pursuant to this title for medicinal purposes.

33 ~~((+35+))~~ (40) "Public place" includes streets and alleys of
34 incorporated cities and towns; state or county or township highways or
35 roads; buildings and grounds used for school purposes; public dance
36 halls and grounds adjacent thereto; those parts of establishments where
37 beer may be sold under this title, soft drink establishments, public
38 buildings, public meeting halls, lobbies, halls and dining rooms of

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

10 ((+36+)) (41) "Regulations" means regulations made by the board
11 under the powers conferred by this title.

12 ((+37+)) (42) "Restaurant" means any establishment provided with
13 special space and accommodations where, in consideration of payment,
14 food, without lodgings, is habitually furnished to the public, not
15 including drug stores and soda fountains.

16 ((+38+)) (43) "Sale" and "sell" include exchange, barter, and
17 traffic; and also include the selling or supplying or distributing, by
18 any means whatsoever, of liquor, or of any liquid known or described as
19 beer or by any name whatever commonly used to describe malt or brewed
20 liquor or of wine, by any person to any person; and also include a sale
21 or selling within the state to a foreign consignee or his agent in the
22 state. "Sale" and "sell" shall not include the giving, at no charge,
23 of a reasonable amount of liquor by a person not licensed by the board
24 to a person not licensed by the board, for personal use only. "Sale"
25 and "sell" also does not include a raffle authorized under RCW
26 9.46.0315(~~(:—PROVIDED, That)~~). However, the nonprofit organization
27 conducting the raffle has obtained the appropriate permit from the
28 board.

29 ((+39+)) (44) "Soda fountain" means a place especially equipped
30 with apparatus for the purpose of dispensing soft drinks, whether mixed
31 or otherwise.

32 ((+40+)) (45) "Spirits" means any beverage which contains alcohol
33 obtained by distillation, except flavored malt beverages, but including
34 wines exceeding twenty-four percent of alcohol by volume.

35 ((+41+)) (46) "Store" means a state liquor store established under
36 this title.

37 ((+42+)) (47) "Tavern" means any establishment with special space

1 and accommodation for sale by the glass and for consumption on the
2 premises, of beer, as herein defined.

3 ((+43+)) (48)(a) "Wine" means any alcoholic beverage obtained by
4 fermentation of fruits (grapes, berries, apples, et cetera) or other
5 agricultural product containing sugar, to which any saccharine
6 substances may have been added before, during or after fermentation,
7 and containing not more than twenty-four percent of alcohol by volume,
8 including sweet wines fortified with wine spirits, such as port,
9 sherry, muscatel and angelica, not exceeding twenty-four percent of
10 alcohol by volume and not less than one-half of one percent of alcohol
11 by volume. For purposes of this title, any beverage containing no more
12 than fourteen percent of alcohol by volume when bottled or packaged by
13 the manufacturer shall be referred to as "table wine," and any beverage
14 containing alcohol in an amount more than fourteen percent by volume
15 when bottled or packaged by the manufacturer shall be referred to as
16 "fortified wine." However, "fortified wine" (~~shall~~) does not
17 include: (i) Wines that are both sealed or capped by cork closure and
18 aged two years or more; and (ii) wines that contain more than fourteen
19 percent alcohol by volume solely as a result of the natural
20 fermentation process and that have not been produced with the addition
21 of wine spirits, brandy, or alcohol.

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

24 ((+44+)) (49) "Wine distributor" means a person who buys wine from
25 a domestic winery, wine certificate of approval holder, or wine
26 importer, or who acquires foreign produced wine from a source outside
27 of the United States, for the purpose of selling the same not in
28 violation of this title, or who represents such vintner or winery as
29 agent.

30 ((+45+)) (50) "Wine importer" means a person or business within
31 Washington who purchases wine from a wine certificate of approval
32 holder or who acquires foreign produced wine from a source outside of
33 the United States for the purpose of selling the same pursuant to this
34 title.

35 ((+46+)) (51) "Winery" means a business conducted by any person for
36 the manufacture of wine for sale, other than a domestic winery.

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

3 (1) For the purpose of carrying into effect the provisions of this
4 title according to their true intent or of supplying any deficiency
5 therein, the board may make such regulations not inconsistent with the
6 spirit of this title as are deemed necessary or advisable. All
7 regulations so made shall be a public record and shall be filed in the
8 office of the code reviser, and thereupon shall have the same force and
9 effect as if incorporated in this title. Such regulations, together
10 with a copy of this title, shall be published in pamphlets and shall be
11 distributed as directed by the board.

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

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

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

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

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

26 (e) Prescribing(~~, subject to RCW 66.16.080, the hours during which~~
27 ~~the state liquor stores shall be kept open for the sale of liquor~~) the
28 hours of operation for a liquor franchise encompassing a retail area
29 less than ten thousand square feet;

30 (f) Providing for the issuing and distributing of price lists
31 showing the price to be paid by purchasers for each variety of liquor
32 kept for sale under this title;

33 (g) Prescribing an official seal and official labels and stamps and
34 determining the manner in which they shall be attached to every package
35 of liquor sold or sealed under this title, including the prescribing of
36 different official seals or different official labels for different
37 classes of liquor;

1 (h) Providing for the payment by the board in whole or in part of
2 the carrying charges on liquor shipped by freight or express;

3 (i) Prescribing forms to be used for purposes of this title or the
4 regulations, and the terms and conditions to be contained in permits
5 and licenses issued under this title, and the qualifications for
6 receiving a permit or license issued under this title, including a
7 criminal history record information check. The board may submit the
8 criminal history record information check to the Washington state
9 patrol and to the identification division of the federal bureau of
10 investigation in order that these agencies may search their records for
11 prior arrests and convictions of the individual or individuals who
12 filled out the forms. The board shall require fingerprinting of any
13 applicant whose criminal history record information check is submitted
14 to the federal bureau of investigation;

15 (j) Prescribing the fees payable in respect of permits and licenses
16 and liquor franchise agreements issued under this title for which no
17 fees are prescribed in this title, and prescribing the fees for
18 anything done or permitted to be done under the regulations;

19 (k) Prescribing the kinds and quantities of liquor which may be
20 kept on hand by the holder of a special permit for the purposes named
21 in the permit, regulating the manner in which the same shall be kept
22 and disposed of, and providing for the inspection of the same at any
23 time at the instance of the board;

24 (l) Regulating the sale of liquor kept by the holders of licenses
25 and liquor franchise agreements which entitle the holder to purchase
26 and keep liquor for sale;

27 (m) Prescribing the records of purchases or sales of liquor kept by
28 the holders of licenses and liquor franchise agreements, and the
29 reports to be made thereon to the board, and providing for inspection
30 of the records so kept;

31 (n) Prescribing the kinds and quantities of liquor for which a
32 prescription may be given, and the number of prescriptions which may be
33 given to the same patient within a stated period;

34 (o) Prescribing the manner of giving and serving notices required
35 by this title or the regulations, where not otherwise provided for in
36 this title;

37 (p) Regulating premises in which liquor is kept for export from the
38 state, or from which liquor is exported, prescribing the books and

1 records to be kept therein and the reports to be made thereon to the
2 board, and providing for the inspection of the premises and the books,
3 records and the liquor so kept;

4 (q) Prescribing the conditions and qualifications requisite for the
5 obtaining of club licenses and the books and records to be kept and the
6 returns to be made by clubs, prescribing the manner of licensing clubs
7 in any municipality or other locality, and providing for the inspection
8 of clubs;

9 (r) Prescribing the conditions, accommodations and qualifications
10 requisite for the obtaining of licenses to sell beer and wines, and
11 regulating the sale of beer and wines thereunder;

12 (s) Specifying and regulating the time and periods when, and the
13 manner, methods and means by which manufacturers shall deliver liquor
14 within the state; and the time and periods when, and the manner,
15 methods and means by which liquor may lawfully be conveyed or carried
16 within the state;

17 (t) Providing for the making of returns by brewers of their sales
18 of beer shipped within the state, or from the state, showing the gross
19 amount of such sales and providing for the inspection of brewers' books
20 and records, and for the checking of the accuracy of any such returns;

21 (u) Providing for the making of returns by the wholesalers of beer
22 whose breweries are located beyond the boundaries of the state;

23 (v) Providing for the making of returns by any other liquor
24 manufacturers, showing the gross amount of liquor produced or
25 purchased, the amount sold within and exported from the state, and to
26 whom so sold or exported, and providing for the inspection of the
27 premises of any such liquor manufacturers, their books and records, and
28 for the checking of any such return;

29 (w) Providing for the giving of fidelity bonds by any or all of the
30 employees of the board(~~(:—PROVIDED, That)~~). However, the premiums
31 therefor shall be paid by the board;

32 (x) Providing for the shipment by mail or common carrier of liquor
33 to any person holding a permit and residing in any unit which has, by
34 election pursuant to this title, prohibited the sale of liquor therein;

35 (y) Prescribing methods of manufacture, conditions of sanitation,
36 standards of ingredients, quality and identity of alcoholic beverages
37 manufactured, sold, bottled, or handled by licensees and the board; and

1 conducting from time to time, in the interest of the public health and
2 general welfare, scientific studies and research relating to alcoholic
3 beverages and the use and effect thereof;

4 (z) Seizing, confiscating and destroying all alcoholic beverages
5 manufactured, sold or offered for sale within this state which do not
6 conform in all respects to the standards prescribed by this title or
7 the regulations of the board(~~(+—PROVIDED,~~)). Nothing herein contained
8 shall be construed as authorizing the liquor board to prescribe, alter,
9 limit or in any way change the present law as to the quantity or
10 percentage of alcohol used in the manufacturing of wine or other
11 alcoholic beverages.

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

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

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

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

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

27 (5) This section does not apply to liquor franchises pursuant to
28 this title.

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

31 For the purpose of obtaining information concerning any matter
32 relating to the administration or enforcement of this title, the board,
33 or any person appointed by it in writing for the purpose, may inspect
34 the books and records of

- 35 (1) any manufacturer;
- 36 (2) any license holder;

1 (3) any liquor franchise holder;
2 (4) any drug store holding a permit to sell on prescriptions;
3 ((+4)) (5) the freight and express books and records and all
4 waybills, bills of lading, receipts and documents in the possession of
5 any common carrier doing business within the state, containing any
6 information or record relating to any goods shipped or carried, or
7 consigned or received for shipment or carriage within the state. Every
8 manufacturer, license holder, liquor franchise holder, drug store
9 holding a permit to sell on prescriptions, and common carrier, and
10 every owner or officer or employee of the foregoing, who neglects or
11 refuses to produce and submit for inspection any book, record or
12 document referred to in this section when requested to do so by the
13 board or by a person so appointed by it shall be guilty of a violation
14 of this title.

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

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

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

30 The action, order, or decision of the board as to any denial of an
31 application for the reissuance of a permit ((~~or~~)) license, or liquor
32 franchise agreement or as to any revocation, suspension, or
33 modification of any permit ((~~or~~)) license, or liquor franchise
34 agreement shall be an adjudicative proceeding and subject to the
35 applicable provisions of chapter 34.05 RCW.

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

6 (2) An opportunity for a hearing must be provided a permittee
7 ~~((or))~~, licensee, or liquor franchise holder prior to a revocation or
8 modification of any permit ~~((or))~~, license, or liquor franchise
9 agreement and, except as provided in subsection (4) of this section,
10 prior to the suspension of any permit ~~((or))~~, license, or liquor
11 franchise agreement.

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

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

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

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

32 (2) For the purpose of considering any application for a license or
33 liquor franchise agreement, or the renewal of a license or liquor
34 franchise agreement, the board may cause an inspection of the premises
35 to be made, and may inquire into all matters in connection with the
36 construction and operation of the premises. For the purpose of
37 reviewing any application for a license or liquor franchise agreement

1 and for considering the denial, suspension, revocation, or renewal or
2 denial thereof, of any license or liquor franchise agreement, the
3 liquor control board may consider any prior criminal conduct of the
4 applicant including an administrative violation history record with the
5 board and a criminal history record information check. The board may
6 submit the criminal history record information check to the Washington
7 state patrol and to the identification division of the federal bureau
8 of investigation in order that these agencies may search their records
9 for prior arrests and convictions of the individual or individuals who
10 filled out the forms. The board shall require fingerprinting of any
11 applicant whose criminal history record information check is submitted
12 to the federal bureau of investigation. The provisions of RCW 9.95.240
13 and of chapter 9.96A RCW (~~shall~~) do not apply to such cases. Subject
14 to the provisions of this section, the board may, in its discretion,
15 grant or deny the renewal or license or liquor franchise agreement
16 applied for. Denial may be based on, without limitation, the existence
17 of chronic illegal activity documented in objections submitted pursuant
18 to subsections (8)(d) and (12) of this section. Authority to approve
19 an uncontested or unopposed license or liquor franchise agreement may
20 be granted by the board to any staff member the board designates in
21 writing. Conditions for granting such authority shall be adopted by
22 rule. No retail license or liquor franchise agreement of any kind may
23 be issued to:

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

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

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

34 (d) A corporation or a limited liability company, unless it was
35 created under the laws of the state of Washington or holds a
36 certificate of authority to transact business in the state of
37 Washington.

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

6 (b) The board shall immediately suspend the license ~~((or))~~,
7 certificate, or liquor franchise agreement of a person who has been
8 certified pursuant to RCW 74.20A.320 by the department of social and
9 health services as a person who is not in compliance with a support
10 order. If the person has continued to meet all other requirements for
11 reinstatement during the suspension, reissuance of the license ~~((or))~~,
12 certificate ((shall be)), or liquor franchise agreement is automatic
13 upon the board's receipt of a release issued by the department of
14 social and health services stating that the licensee, or liquor
15 franchise holder is in compliance with the order.

16 (c) The board may request the appointment of administrative law
17 judges under chapter 34.12 RCW who shall have power to administer
18 oaths, issue subpoenas for the attendance of witnesses and the
19 production of papers, books, accounts, documents, and testimony,
20 examine witnesses, and to receive testimony in any inquiry,
21 investigation, hearing, or proceeding in any part of the state, under
22 such rules and regulations as the board may adopt.

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

28 (e) In case of disobedience of any person to comply with the order
29 of the board or a subpoena issued by the board, or any of its members,
30 or administrative law judges, or on the refusal of a witness to testify
31 to any matter regarding which he or she may be lawfully interrogated,
32 the judge of the superior court of the county in which the person
33 resides, on application of any member of the board or administrative
34 law judge, shall compel obedience by contempt proceedings, as in the
35 case of disobedience of the requirements of a subpoena issued from said
36 court or a refusal to testify therein.

37 (4) Upon receipt of notice of the suspension or cancellation of a
38 license or liquor franchise agreement, the licensee, or liquor

1 franchise holder shall forthwith deliver up the license to the board.
2 Where the license or liquor franchise agreement has been suspended
3 only, the board shall return the license or liquor franchise agreement
4 to the licensee, or liquor franchise holder at the expiration or
5 termination of the period of suspension. The board shall notify all
6 vendors in the city or place where the licensee, or liquor franchise
7 holder has its premises of the suspension or cancellation of the
8 license or liquor franchise agreement; and no employee may allow or
9 cause any liquor to be delivered to or for any person at the premises
10 of that licensee, or liquor franchise holder.

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

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

25 (6) Every license or liquor franchise agreement issued under this
26 section shall be subject to all conditions and restrictions imposed by
27 this title or by rules adopted by the board. All conditions and
28 restrictions imposed by the board in the issuance of an individual
29 license or liquor franchise agreement shall be listed on the face of
30 the individual license or liquor franchise agreement along with the
31 trade name, address, and expiration date.

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

35 (8)(a) Unless (b) of this subsection applies, before the board
36 issues a new or renewal license or liquor franchise agreement to an
37 applicant it shall give notice of such application to the chief
38 executive officer of the incorporated city or town, if the application

1 is for a license within an incorporated city or town, or to the county
2 legislative authority, if the application is for a license or liquor
3 franchise agreement outside the boundaries of incorporated cities or
4 towns.

5 (b) If the application for a special occasion license or liquor
6 franchise agreement is for an event held during a county, district, or
7 area fair as defined by RCW 15.76.120, and the county, district, or
8 area fair is located on property owned by the county but located within
9 an incorporated city or town, the county legislative authority shall be
10 the entity notified by the board under (a) of this subsection. The
11 board shall send a duplicate notice to the incorporated city or town
12 within which the fair is located.

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

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

35 (e) Upon the granting of a license or liquor franchise agreement
36 under this title the board shall send written notification to the chief
37 executive officer of the incorporated city or town in which the license
38 or liquor franchise agreement is granted, or to the county legislative

1 authority if the license or liquor franchise agreement is granted
2 outside the boundaries of incorporated cities or towns. When the
3 license or liquor franchise agreement is for a special occasion license
4 or liquor franchise agreement for an event held during a county,
5 district, or area fair as defined by RCW 15.76.120, and the county,
6 district, or area fair is located on county-owned property but located
7 within an incorporated city or town, the written notification shall be
8 sent to both the incorporated city or town and the county legislative
9 authority.

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

1 (b) No liquor license may be issued or reissued by the board to any
2 motor sports facility (~~(or)~~), licensee, or liquor franchise agreement
3 operating within the motor sports facility unless the motor sports
4 facility enforces a program reasonably calculated to prevent alcohol or
5 alcoholic beverages not purchased within the facility from entering the
6 facility and such program is approved by local law enforcement
7 agencies.

8 (c) It is the intent under this subsection (9) that a retail
9 license or liquor franchise agreement shall not be issued by the board
10 where doing so would, in the judgment of the board, adversely affect a
11 private school meeting the requirements for private schools under Title
12 28A RCW, which school is within five hundred feet of the proposed
13 licensee, or liquor franchise holder. The board shall fully consider
14 and give substantial weight to objections filed by private schools. If
15 a license or liquor franchise agreement is issued despite the proximity
16 of a private school, the board shall state in a letter addressed to the
17 private school the board's reasons for issuing the license or liquor
18 franchise agreement.

19 (10) The restrictions set forth in subsection (9) of this section
20 shall not prohibit the board from authorizing the assumption of
21 existing licenses now located within the restricted area by other
22 persons or licenses or relocations of existing licensed premises within
23 the restricted area. In no case may the licensed premises be moved
24 closer to a church or school than it was before the assumption or
25 relocation.

26 (11)(a) Nothing in this section prohibits the board, in its
27 discretion, from issuing a temporary retail or distributor license to
28 an applicant to operate the retail or distributor premises during the
29 period the application for the license is pending. The board may
30 establish a fee for a temporary license by rule.

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

36 (c) Refusal by the board to issue or extend a temporary license
37 shall not entitle the applicant to request a hearing. A temporary

1 license may be canceled or suspended summarily at any time if the board
2 determines that good cause for cancellation or suspension exists. RCW
3 66.08.130 applies to temporary licenses.

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

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

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

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

1 stating that the licensee or liquor franchise holder is in compliance
2 with the order.

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

5 An application for a new annual retail license under this title
6 shall be accompanied by payment of a nonrefundable seventy-five dollar
7 fee to cover expenses incurred in processing the application. If the
8 application is approved, the application fee shall be applied toward
9 the fee charged for the license. An application for a liquor franchise
10 agreement under this title shall be accompanied by a nonrefundable fee
11 to be determined by the board by rule. If the liquor franchise
12 application is approved, the application fee shall be applied toward
13 the fee charged for the license.

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

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

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

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

3 Employers holding grocery store or beer and/or wine specialty shop
4 licenses and liquor franchise holders exclusively are permitted to
5 allow their employees, between the ages of eighteen and twenty-one
6 years, to sell, stock, and handle liquor, beer, or wine in, on or about
7 any establishment holding a grocery store or beer and/or wine specialty
8 shop license or liquor franchise agreement exclusively(~~(+—PROVIDED,~~
9 ~~That))~~ if there is an adult twenty-one years of age or older on duty
10 supervising the sale of liquor at the licensed premises(~~(+—PROVIDED,~~
11 ~~That)).~~ Minor employees may make deliveries of beer and/or wine
12 purchased from licensees holding grocery store or beer and/or wine
13 specialty shop licenses exclusively, when delivery is made to cars of
14 customers adjacent to such licensed premises but only, however, when
15 the minor employee is accompanied by the purchaser.

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

18 (1) By July 1, 2013, the board must close all state liquor stores
19 and state liquor distribution facilities, and must sell at auction all
20 assets pertaining to the state sale and distribution of liquor. Funds
21 received from these auctions shall be deposited in the state general
22 fund.

23 (2)(a) By July 1, 2013, the board must:

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

26 (ii) Establish criteria for the placement of liquor franchises in
27 liquor franchise areas, including input gained from cities, counties,
28 towns, schools, churches, and public institutions pursuant to RCW
29 66.24.010, and the amount of the purchase price offered by the liquor
30 franchise applicant;

31 (iii) Collect information from incorporated cities and towns
32 regarding acceptable locations for liquor franchises within their
33 boundaries. The board must not locate liquor franchises in any
34 locations that have not been deemed acceptable by cities and towns;

35 (iv) Award liquor franchise agreements to applicants in all liquor
36 franchise areas;

1 (v) Grant a liquor franchise agreement to a liquor franchise
2 applicant who has paid applicable fees, has retail sales of grocery
3 products for off-premises consumption that are more than forty percent
4 of the applicant's gross sales, and operates a fully enclosed retail
5 area encompassing at least ten thousand square feet. The board may
6 issue a liquor franchise to an applicant with a retail area
7 encompassing less than ten thousand square feet if the board determines
8 that no applicant in the community the applicant serves meets the
9 square footage requirement and the applicant meets operational
10 requirements established by the board by rule or the applicant has
11 obtained the approval of local government;

12 (vi) Grant a liquor franchise agreement to a liquor franchise
13 applicant who has paid applicable fees and is a membership organization
14 that requires members to be eighteen years of age and operates a fully
15 enclosed retail area encompassing at least ten thousand square feet;
16 and

17 (vii) Grant a liquor franchise agreement to a liquor franchise
18 applicant who has paid applicable fees and is a federally recognized
19 tribe with a current state contract for the sales of spirits, wine, or
20 beer.

21 (b) For the purposes of subsection (a)(v) through (vii) of this
22 subsection (2), no liquor franchise applicant can be granted a liquor
23 franchise agreement if the liquor franchise applicant has had more than
24 one public safety violation within the past two years.

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

27 (4) After July 1, 2013, it is unlawful for the board to lease space
28 for or to operate a state retail or wholesale liquor store.

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

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

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

35 (b) The enumeration of records to be kept by franchise holders;

36 (c) The procedures for advertising and other promotion of sales of
37 spirits by liquor franchise holders, in accordance with RCW 66.08.060;

38 and

1 (d) The establishment of fees and administrative penalties for
2 liquor franchise holders.

3 (7) The price of liquor sold at liquor franchises must be set by
4 each liquor franchise holder, but cannot be less than the price the
5 franchise holder paid to obtain the liquor, including any applicable
6 taxes.

7 (8) The board shall determine the hours and days, subject to RCW
8 66.08.167, during which liquor may be sold at liquor franchises.

9 **PART III - FUTURE CHANGES**

10 **Sec. 301.** RCW 66.04.010 and 2011 c . . . s 201 (section 201 of
11 this act) are each amended to read as follows:

12 In this title, unless the context otherwise requires:

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

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

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

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

27 (c) Acquires ownership of beer or wine for transportation into and
28 resale in the state of Washington; and which beer or wine is produced
29 by a brewery or winery in the United States outside of the state of
30 Washington; and

31 (d) Is appointed by the brewery or winery referenced in (c) of this
32 subsection as its authorized representative for marketing and selling
33 its products within the United States in accordance with a written
34 agreement between the authorized representative and such brewery or
35 winery pursuant to this title.

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

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

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

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

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

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

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

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

31 (11) "Contract liquor store" means a business that sells liquor on
32 behalf of the board through a contract with a contract liquor store
33 manager.

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

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

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

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

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

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

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

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

16 (20) "Flavored malt beverage" means:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

26 ~~((48))~~ (47)(a) "Wine" means any alcoholic beverage obtained by
27 fermentation of fruits (grapes, berries, apples, et cetera) or other
28 agricultural product containing sugar, to which any saccharine
29 substances may have been added before, during or after fermentation,
30 and containing not more than twenty-four percent of alcohol by volume,
31 including sweet wines fortified with wine spirits, such as port,
32 sherry, muscatel and angelica, not exceeding twenty-four percent of
33 alcohol by volume and not less than one-half of one percent of alcohol
34 by volume. For purposes of this title, any beverage containing no more
35 than fourteen percent of alcohol by volume when bottled or packaged by
36 the manufacturer shall be referred to as "table wine," and any beverage
37 containing alcohol in an amount more than fourteen percent by volume
38 when bottled or packaged by the manufacturer shall be referred to as

1 "fortified wine." However, "fortified wine" does not include: (i)
2 Wines that are both sealed or capped by cork closure and aged two years
3 or more; and (ii) wines that contain more than fourteen percent alcohol
4 by volume solely as a result of the natural fermentation process and
5 that have not been produced with the addition of wine spirits, brandy,
6 or alcohol.

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

9 ~~((+49+))~~ (48) "Wine distributor" means a person who buys wine from
10 a domestic winery, wine certificate of approval holder, or wine
11 importer, or who acquires foreign produced wine from a source outside
12 of the United States, for the purpose of selling the same not in
13 violation of this title, or who represents such vintner or winery as
14 agent.

15 ~~((+50+))~~ (49) "Wine importer" means a person or business within
16 Washington who purchases wine from a wine certificate of approval
17 holder or who acquires foreign produced wine from a source outside of
18 the United States for the purpose of selling the same pursuant to this
19 title.

20 ~~((+51+))~~ (50) "Winery" means a business conducted by any person for
21 the manufacture of wine for sale, other than a domestic winery.

22 **Sec. 302.** RCW 66.08.012 and 1961 c 307 s 7 are each amended to
23 read as follows:

24 There shall be a board, known as the "Washington state liquor
25 control board," consisting of three members~~((,-to))~~. One member shall
26 be qualified by local government experience. Two members shall be
27 qualified by experience or training in matters pertaining to retail
28 sales and/or distribution. All three members shall be appointed by the
29 governor, with the consent of the senate, who shall each be paid an
30 annual salary to be fixed by the governor in accordance with the
31 provisions of RCW 43.03.040. The governor may, in his or her
32 discretion, appoint one of the members as chair of the board, and a
33 majority of the members shall constitute a quorum of the board.

34 **Sec. 303.** RCW 66.08.020 and 1933 ex.s. c 62 s 5 are each amended
35 to read as follows:

1 with a copy of this title, shall be published in pamphlets and shall be
2 distributed as directed by the board.

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

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

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

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

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

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

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

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

27 ~~(h))~~ (c) Prescribing forms to be used for purposes of this title
28 or the regulations, and the terms and conditions to be contained in
29 permits and licenses issued under this title, and the qualifications
30 for receiving a permit or license issued under this title, including a
31 criminal history record information check. The board may submit the
32 criminal history record information check to the Washington state
33 patrol and to the identification division of the federal bureau of
34 investigation in order that these agencies may search their records for
35 prior arrests and convictions of the individual or individuals who
36 filled out the forms. The board shall require fingerprinting of any
37 applicant whose criminal history record information check is submitted
38 to the federal bureau of investigation;

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

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

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

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

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

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

23 (~~(o)~~) (j) Regulating premises in which liquor is kept for export
24 from the state, or from which liquor is exported, prescribing the books
25 and records to be kept therein and the reports to be made thereon to
26 the board, and providing for the inspection of the premises and the
27 books, records and the liquor so kept;

28 (~~(p)~~) (k) Prescribing the conditions and qualifications requisite
29 for the obtaining of club licenses and the books and records to be kept
30 and the returns to be made by clubs, prescribing the manner of
31 licensing clubs in any municipality or other locality, and providing
32 for the inspection of clubs;

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

36 (~~(r)~~) (m) Specifying and regulating the time and periods when,
37 and the manner, methods and means by which manufacturers shall deliver

1 liquor within the state; and the time and periods when, and the manner,
2 methods and means by which liquor may lawfully be conveyed or carried
3 within the state;

4 ~~((s))~~ (n) Providing for the making of returns by brewers of their
5 sales of beer shipped within the state, or from the state, showing the
6 gross amount of such sales and providing for the inspection of brewers'
7 books and records, and for the checking of the accuracy of any such
8 returns;

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

11 ~~((u))~~ (p) Providing for the making of returns by any other liquor
12 manufacturers, showing the gross amount of liquor produced or
13 purchased, the amount sold within and exported from the state, and to
14 whom so sold or exported, and providing for the inspection of the
15 premises of any such liquor manufacturers, their books and records, and
16 for the checking of any such return;

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

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

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

30 ~~((y))~~ (t) Seizing, confiscating and destroying all alcoholic
31 beverages manufactured, sold or offered for sale within this state
32 which do not conform in all respects to the standards prescribed by
33 this title or the regulations of the board. Nothing herein contained
34 shall be construed as authorizing the liquor board to prescribe, alter,
35 limit or in any way change the present law as to the quantity or
36 percentage of alcohol used in the manufacturing of wine or other
37 alcoholic beverages.

1 **Sec. 306.** RCW 66.08.050 and 2005 c 151 s 3 are each amended to
2 read as follows:

3 The board, subject to the provisions of this title and the rules,
4 shall:

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

8 ~~(2) Appoint in cities and towns and other communities, in which no~~
9 ~~state liquor store is located, contract liquor stores. In addition,~~
10 ~~the board may))~~ Appoint, in its discretion, a manufacturer that also
11 manufactures liquor products other than wine under a license under this
12 title, as a contract liquor store for the purpose of sale of liquor
13 products of its own manufacture on the licensed premises only. ~~((Such~~
14 ~~contract liquor stores shall be authorized to sell liquor under the~~
15 ~~guidelines provided by law, rule, or contract, and))~~ Such contract
16 liquor stores shall be subject to such additional rules and regulations
17 consistent with this title as the board may require;

18 ~~((3) Establish all necessary warehouses for the storing and~~
19 ~~bottling, diluting and rectifying of stocks of liquors for the purposes~~
20 ~~of this title;~~

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

27 ~~(5))~~ (2) Determine the nature, form and capacity of all packages
28 to be used for containing liquor kept for sale under this title;

29 ~~((6))~~ (3) Execute or cause to be executed, all contracts, papers,
30 and documents in the name of the board, under such regulations as the
31 board may fix;

32 ~~((7))~~ (4) Pay all customs, duties, excises, charges and
33 obligations whatsoever relating to the business of the board;

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

37 ~~(9))~~ (5) Perform services for the state lottery commission to such

1 extent, and for such compensation, as may be mutually agreed upon
2 between the board and the commission;

3 ~~((+10))~~ (6) Accept and deposit into the general fund-local account
4 and disburse, subject to appropriation, federal grants or other funds
5 or donations from any source for the purpose of improving public
6 awareness of the health risks associated with alcohol consumption by
7 youth and the abuse of alcohol by adults in Washington state. The
8 board's alcohol awareness program shall cooperate with federal and
9 state agencies, interested organizations, and individuals to effect an
10 active public beverage alcohol awareness program;

11 ~~((+11))~~ (7) Perform all other matters and things, whether similar
12 to the foregoing or not, to carry out the provisions of this title, and
13 shall have full power to do each and every act necessary to the conduct
14 of its business, including all buying, selling, preparation and
15 approval of forms, and every other function of the business whatsoever,
16 subject only to audit by the state auditor(~~(+---PROVIDED, That)~~).
17 However, the board shall have no authority to regulate the content of
18 spoken language on licensed premises where wine and other liquors are
19 served and where there is not a clear and present danger of disorderly
20 conduct being provoked by such language.

21 **Sec. 307.** RCW 66.08.060 and 2005 c 231 s 3 are each amended to
22 read as follows:

23 ~~((+1) The board shall not advertise liquor in any form or through
24 any medium whatsoever.~~

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

27 ~~(3))~~ The board shall have power to adopt any and all reasonable
28 rules as to the kind, character, and location of advertising of liquor
29 for liquor franchise holders encompassing a retail area less than ten
30 thousand square feet.

31 **Sec. 308.** RCW 66.08.167 and 2005 c 231 s 4 are each amended to
32 read as follows:

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

36 (a) Due consideration to the location of the liquor (~~store~~) franchise

1 with respect to the proximity of places of worship, schools, and public
2 institutions; (b) due consideration to motor vehicle accident data in
3 the proximity of the liquor (~~(store)~~) franchise; and (c) written notice
4 by certified mail of the proposed Sunday opening, including proposed
5 Sunday opening hours, to places of worship, schools, and public
6 institutions within five hundred feet of the liquor (~~(store)~~) franchise
7 proposed to be open on Sunday.

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

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

15 **Sec. 309.** RCW 66.16.110 and 1993 c 422 s 2 are each amended to
16 read as follows:

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

23 **Sec. 310.** RCW 66.12.110 and 1999 c 281 s 3 are each amended to
24 read as follows:

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

30 Such entry of alcoholic beverages in excess of that herein provided
31 may be authorized by the board upon payment of (~~(an equivalent markup~~
32 ~~and tax as would be applicable to the purchase of the same or similar~~
33 ~~liquor at retail from a Washington state liquor store)~~) state sales
34 tax. The board shall adopt appropriate regulations pursuant to chapter
35 34.05 RCW for the purpose of carrying out the provisions of this
36 section. The board may issue a spirits, beer, and wine private club

1 license to a charitable or nonprofit corporation of the state of
2 Washington, the majority of the officers and directors of which are
3 United States citizens and the minority of the officers and directors
4 of which are citizens of the Dominion of Canada, and where the location
5 of the premises for such spirits, beer, and wine private club license
6 is not more than ten miles south of the border between the United
7 States and the province of British Columbia.

8 **Sec. 311.** RCW 66.12.120 and 1995 c 100 s 1 are each amended to
9 read as follows:

10 Notwithstanding any other provision of Title 66 RCW, a person
11 twenty-one years of age or over may, free of tax and markup, for
12 personal or household use, bring into the state of Washington from
13 another state no more than once per calendar month up to two liters of
14 spirits or wine or two hundred eighty-eight ounces of beer.
15 Additionally, such person may be authorized by the board to bring into
16 the state of Washington from another state a reasonable amount of
17 alcoholic beverages in excess of that provided in this section for
18 personal or household use only upon payment of (~~(an equivalent markup~~
19 ~~and tax as would be applicable to the purchase of the same or similar~~
20 ~~liquor at retail from a state liquor store)) state sales tax. The
21 board shall adopt appropriate regulations pursuant to chapter 34.05 RCW
22 for the purpose of carrying into effect the provisions of this section.~~

23 **Sec. 312.** RCW 66.12.140 and 1982 c 85 s 8 are each amended to read
24 as follows:

25 (1) Nothing in this title shall prevent the use of beer, wine,
26 and/or spirituous liquor, for cooking purposes only, in conjunction
27 with a culinary or restaurant course offered by a college, university,
28 community college, area vocational technical institute, or private
29 vocational school. Further, nothing in this title shall prohibit the
30 making of beer or wine in food fermentation courses offered by a
31 college, university, community college, area vocational technical
32 institute, or private vocational school.

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

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

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

13 (5) Colleges, universities, community colleges, area vocational
14 technical institutes, and private vocational schools shall obtain the
15 prior written approval of the board for use of beer, wine, and/or
16 spirituous liquor for cooking purposes in their culinary or restaurant
17 courses.

18 **Sec. 313.** RCW 66.20.010 and 2008 c 181 s 602 are each amended to
19 read as follows:

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

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

34 (2) Where the application is for a special permit by a person
35 engaged within the state in mechanical or manufacturing business or in
36 scientific pursuits requiring alcohol for use therein, or by any
37 private individual, a special permit to purchase alcohol for the

1 purpose named in the permit, except that the governor may waive the
2 requirement for a special liquor purchase permit under this subsection
3 pursuant to an order issued under RCW 43.06.220(2);

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

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

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

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

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

27 (8) Where the application is for a special permit by a vendor that
28 manufactures or sells a product which cannot be effectively presented
29 to potential buyers without serving it with liquor or by a
30 manufacturer, importer, or distributor, or representative thereof, to
31 serve liquor without charge to delegates and guests at a convention of
32 a trade association composed of licensees of the board, when the said
33 liquor is served in a hospitality room or from a booth in a board-
34 approved suppliers' display room at the convention, and when the liquor
35 so served is for consumption in the said hospitality room or display
36 room during the convention, anything in Title 66 RCW to the contrary
37 notwithstanding. Any such spirituous liquor shall be purchased from

1 ((~~the board~~)) a liquor franchise or a spirits, beer, and wine
2 restaurant licensee and any such beer and wine shall be subject to the
3 taxes imposed by RCW 66.24.290 and 66.24.210;

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

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

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

32 **Sec. 314.** RCW 66.20.160 and 2005 c 151 s 8 are each amended to
33 read as follows:

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

36 "Card of identification" means any one of those cards described in
37 RCW 66.16.040.

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

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

7 **Sec. 315.** RCW 66.20.170 and 1973 1st ex.s. c 209 s 5 are each
8 amended to read as follows:

9 A card of identification may, for the purpose of this title and for
10 the purpose of procuring liquor, be accepted as an identification card
11 by any licensee or (~~store employee~~) liquor franchise holder and as
12 evidence of legal age of the person presenting such card, provided the
13 licensee or (~~store employee~~) liquor franchise holder complies with
14 the conditions and procedures prescribed herein and such regulations as
15 may be made by the board.

16 **Sec. 316.** RCW 66.20.180 and 2005 c 151 s 9 are each amended to
17 read as follows:

18 A card of identification shall be presented by the holder thereof
19 upon request of any licensee, (~~store employee,~~) contract liquor store
20 manager, contract liquor store employee, liquor franchise holder, peace
21 officer, or enforcement officer of the board for the purpose of aiding
22 the licensee, (~~store employee,~~) contract liquor store manager,
23 contract liquor store employee, liquor franchise holder, peace officer,
24 or enforcement officer of the board to determine whether or not such
25 person is of legal age to purchase liquor when such person desires to
26 procure liquor from a licensed establishment or state liquor store or
27 contract liquor store.

28 **Sec. 317.** RCW 66.20.190 and 1981 1st ex.s. c 5 s 9 are each
29 amended to read as follows:

30 In addition to the presentation by the holder and verification by
31 the licensee or (~~store employee~~) liquor franchise holder of such card
32 of identification, the licensee or (~~store employee~~) liquor franchise
33 holder who is still in doubt about the true age of the holder shall
34 require the person whose age may be in question to sign a certification
35 card and record an accurate description and serial number of his card

1 of identification thereon. Such statement shall be upon a five-inch by
2 eight-inch file card, which card shall be filed alphabetically by the
3 licensee or (~~store-employee~~) liquor franchise holder at or before the
4 close of business on the day on which the statement is executed, in the
5 file box containing a suitable alphabetical index and the card shall be
6 subject to examination by any peace officer or agent or employee of the
7 board at all times. The certification card shall also contain in bold-
8 face type a statement stating that the signer understands that
9 conviction for unlawful purchase of alcoholic beverages or misuse of
10 the certification card may result in criminal penalties including
11 imprisonment or fine or both.

12 **Sec. 318.** RCW 66.20.200 and 2003 c 53 s 295 are each amended to
13 read as follows:

14 (1) It shall be unlawful for the owner of a card of identification
15 to transfer the card to any other person for the purpose of aiding such
16 person to procure alcoholic beverages from any licensee or (~~store
17 employee~~) liquor franchise holder. Any person who shall permit his or
18 her card of identification to be used by another or transfer such card
19 to another for the purpose of aiding such transferee to obtain
20 alcoholic beverages from a licensee or (~~store-employee~~) liquor
21 franchise holder or gain admission to a premises or portion of a
22 premises classified by the board as off-limits to persons under twenty-
23 one years of age, shall be guilty of a misdemeanor punishable as
24 provided by RCW 9A.20.021, except that a minimum fine of two hundred
25 fifty dollars shall be imposed and any sentence requiring community
26 restitution shall require not fewer than twenty-five hours of community
27 restitution.

28 (2) Any person not entitled thereto who unlawfully procures or has
29 issued or transferred to him or her a card of identification, and any
30 person who possesses a card of identification not issued to him or her,
31 and any person who makes any false statement on any certification card
32 required by RCW 66.20.190, to be signed by him or her, shall be guilty
33 of a misdemeanor punishable as provided by RCW 9A.20.021, except that
34 a minimum fine of two hundred fifty dollars shall be imposed and any
35 sentence requiring community restitution shall require not fewer than
36 twenty-five hours of community restitution.

1 **Sec. 319.** RCW 66.20.210 and 1973 1st ex.s. c 209 s 9 are each
2 amended to read as follows:

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

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

13 **Sec. 320.** RCW 66.24.145 and 2010 c 290 s 2 are each amended to
14 read as follows:

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

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

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

31 (4) The board shall adopt rules to implement the alcohol server
32 permit requirement and may adopt additional rules to implement this
33 section.

34 (5) Distilling is an agricultural practice.

35 **Sec. 321.** RCW 66.24.360 and 2007 c 226 s 2 are each amended to
36 read as follows:

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

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

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

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

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

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

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

25 If the board receives no evidence or objection that the sale of
26 strong beer or fortified wine would be against the public interest, it
27 shall issue or renew the license without restriction, as applicable.
28 The burden of establishing that the sale of strong beer or fortified
29 wine by the licensee would be against the public interest is on those
30 persons objecting.

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

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

37 (a) Any beer, strong beer, or wine sold under this endorsement must

1 have been purchased from a licensed beer or wine distributor licensed
2 to do business within the state of Washington.

3 (b) Any beer, strong beer, and wine sold under this endorsement
4 must be intended for consumption outside the state of Washington and
5 the United States and appropriate records must be maintained by the
6 licensee.

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

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

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

15 (6) A grocery store licensee holding a snack bar license under RCW
16 66.24.350 may receive an endorsement to allow the sale of confections
17 containing more than one percent but not more than ten percent alcohol
18 by weight to persons twenty-one years of age or older.

19 **Sec. 322.** RCW 66.24.371 and 2009 c 373 s 6 are each amended to
20 read as follows:

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

31 (2) Licensees under this section may provide, free or for a charge,
32 single-serving samples of two ounces or less to customers for the
33 purpose of sales promotion. Sampling activities of licensees under
34 this section are subject to RCW (~~66.28.010~~) 66.28.305 and 66.28.040
35 and the cost of sampling under this section may not be borne, directly
36 or indirectly, by any manufacturer, importer, or distributor of liquor.

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

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

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

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

15 If the board receives no evidence or objection that the sale of
16 strong beer or fortified wine would be against the public interest, it
17 shall issue or renew the license without restriction, as applicable.
18 The burden of establishing that the sale of strong beer or fortified
19 wine by the licensee would be against the public interest is on those
20 persons objecting.

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

24 **Sec. 323.** RCW 66.24.380 and 2005 c 151 s 10 are each amended to
25 read as follows:

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

32 (1) The not-for-profit society or organization is limited to sales
33 of no more than twelve calendar days per year. For the purposes of
34 this subsection, special occasion licensees that are "agricultural area
35 fairs" or "agricultural county, district, and area fairs," as defined
36 by RCW 15.76.120, that receive a special occasion license may, once per
37 calendar year, count as one event fairs that last multiple days, so

1 long as alcohol sales are at set dates, times, and locations, and the
2 board receives prior notification of the dates, times, and locations.
3 The special occasion license applicant will pay the sixty dollars per
4 day for this event.

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

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

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

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

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

18 (1)(a) There shall be a license that may be issued to corporations,
19 associations, or persons operating as federally licensed commercial
20 common passenger carriers engaged in interstate commerce, in or over
21 territorial limits of the state of Washington on passenger trains,
22 vessels, or airplanes. Such license shall permit the sale of
23 spirituous liquor, wine, and beer at retail for passenger consumption
24 within the state upon one such train passenger car, vessel, or
25 airplane, while in or over the territorial limits of the state. Such
26 license shall include the privilege of transporting into and storing
27 within the state such liquor for subsequent retail sale to passengers
28 in passenger train cars, vessels or airplanes. The fees for such
29 master license shall be seven hundred fifty dollars per annum (class
30 CCI-1)(~~(+ PROVIDED, That)~~). However:

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

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

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

8 (b) Alcoholic beverages sold and/or served for consumption by such
9 interstate common carriers while within or over the territorial limits
10 of this state shall be subject to (~~(such board markup and)~~) the state
11 liquor taxes in an amount to approximate the revenue that would have
12 been realized from (~~(such markup and)~~) the taxes had the alcoholic
13 beverages been purchased in Washington(~~(PROVIDED, That the board's~~
14 ~~markup shall be applied on spirituous liquor only)~~). Such common
15 carriers shall report such sales and/or service and pay (~~(such markup~~
16 ~~and)~~) taxes in accordance with procedures prescribed by the board.

17 (2) Alcoholic beverages sold and delivered in this state to
18 interstate common carriers for use under the provisions of this section
19 shall be considered exported from the state, subject to the conditions
20 provided in subsection (1)(b) of this section. The storage facilities
21 for liquor within the state by common carriers licensed under this
22 section shall be subject to written approval by the board.

23 **Sec. 325.** RCW 66.24.400 and 2008 c 41 s 10 are each amended to
24 read as follows:

25 (1) There shall be a retailer's license, to be known and designated
26 as a spirits, beer, and wine restaurant license, to sell spirituous
27 liquor by the individual glass, beer, and wine, at retail, for
28 consumption on the premises, including mixed drinks and cocktails
29 compounded or mixed on the premises only. A club licensed under
30 chapter 70.62 RCW with overnight sleeping accommodations, that is
31 licensed under this section may sell liquor by the bottle to registered
32 guests of the club for consumption in guest rooms, hospitality rooms,
33 or at banquets in the club. A patron of a bona fide restaurant or club
34 licensed under this section may remove from the premises recorked or
35 recapped in its original container any portion of wine which was
36 purchased for consumption with a meal, and registered guests who have
37 purchased liquor from the club by the bottle may remove from the

1 premises any unused portion of such liquor in its original container.
2 Such license may be issued only to bona fide restaurants and clubs, and
3 to dining, club and buffet cars on passenger trains, and to dining
4 places on passenger boats and airplanes, and to dining places at civic
5 centers with facilities for sports, entertainment, and conventions, and
6 to such other establishments operated and maintained primarily for the
7 benefit of tourists, vacationers and travelers as the board shall
8 determine are qualified to have, and in the discretion of the board
9 should have, a spirits, beer, and wine restaurant license under the
10 provisions and limitations of this title.

11 (2) The board may issue an endorsement to the spirits, beer, and
12 wine restaurant license that allows the holder of a spirits, beer, and
13 wine restaurant license to sell bottled wine for off-premises
14 consumption. Spirits and beer may not be sold for off-premises
15 consumption under this section except as provided in subsection (4) of
16 this section. The annual fee for the endorsement under this subsection
17 is one hundred twenty dollars.

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

29 (4) The board may issue an endorsement to the spirits, beer, and
30 wine restaurant license that allows the holder of a spirits, beer, and
31 wine restaurant license to sell for off-premises consumption malt
32 liquor in kegs or other containers that are capable of holding four
33 gallons or more of liquid and are registered in accordance with RCW
34 66.28.200. Beer may also be sold under the endorsement to a purchaser
35 in a sanitary container brought to the premises by the purchaser or
36 furnished by the licensee and filled at the tap by the retailer at the
37 time of sale. The annual fee for the endorsement under this subsection
38 is one hundred twenty dollars.

1 (5) The board may issue an endorsement to the spirits, beer, and
2 wine restaurant license that allows the holder of a spirits, beer, and
3 wine restaurant license or liquor franchise holder to purchase spirits,
4 beer, and wine from Washington state distributors or directly from out-
5 of-state distillers, brewers, or wineries.

6 **Sec. 326.** RCW 66.24.540 and 1999 c 129 s 1 are each amended to
7 read as follows:

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

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

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

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

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

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

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

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

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

1 **Sec. 327.** RCW 66.24.590 and 2008 c 41 s 11 are each amended to
2 read as follows:

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

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

9 (a) Sell (~~(spiritous))~~ spirituos liquor, beer, and wine, by the
10 individual glass, at retail, for consumption on the premises, including
11 mixed drinks and cocktails compounded and mixed on the premises;

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

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

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

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

33 (f) Sell beer to a purchaser in a sanitary container brought to the
34 premises by the purchaser or furnished by the licensee and filled at
35 the tap in the restaurant area by the licensee at the time of sale;

36 (g) Sell for on or off-premises consumption, including through room
37 service and service to occupants of private residential units managed

1 by the hotel, wine carrying a label exclusive to the hotel license
2 holder;

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

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

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

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

19 ~~((6))~~ (5)(a) The hotel license allows the licensee to remove from
20 the liquor stocks at the licensed premises, liquor for sale and service
21 at event locations at a specified date and place not currently licensed
22 by the board. If the event is open to the public, it must be sponsored
23 by a society or organization as defined by RCW 66.24.375. If
24 attendance at the event is limited to members or invited guests of the
25 sponsoring individual, society, or organization, the requirement that
26 the sponsor must be a society or organization as defined by RCW
27 66.24.375 is waived.

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

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

35 ~~((7))~~ (6) The holder of this license or its manager may furnish
36 spirits, beer, or wine to the licensee's employees who are twenty-one
37 years of age or older free of charge as may be required for use in
38 connection with instruction on spirits, beer, and wine. The

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

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

13 ~~((+9))~~ (8) The annual fee for this license is two thousand
14 dollars.

15 ~~((+10))~~ (9) As used in this section, "hotel," "spirits," "beer,"
16 and "wine" have the meanings defined in RCW 66.24.410 and 66.04.010.

17 **Sec. 328.** RCW 66.28.060 and 2008 c 94 s 7 are each amended to read
18 as follows:

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

23 **Sec. 329.** RCW 66.32.010 and 1955 c 39 s 3 are each amended to read
24 as follows:

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

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

32 ~~((+3))~~ (2) Beer, purchased in accordance with the provisions of
33 law; or

34 ~~((+4))~~ (3) Wine or beer exempted in RCW 66.12.010.

1 **Sec. 330.** 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 or she shall be guilty of a
6 misdemeanor.

7 **Sec. 331.** 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. 332.** 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 2011 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 Renumber the remaining parts and sections consecutively and correct
25 any internal references accordingly.

26 Beginning on page 6, line 25, strike all of sections 203 and 204

27 Renumber the remaining sections consecutively and correct any
28 internal references accordingly.

29 On page 16, line 11, after "66.28.170" strike "and 66.28.180" and
30 insert "((~~and 66.28.180~~))"

31 Beginning on page 18, line 4, strike all of section 213

32 Renumber the remaining sections consecutively and correct any

1 internal references accordingly.

2 Beginning on page 21, line 24, strike all of section 401

3 Renumber the remaining sections consecutively and correct any
4 internal references accordingly.

5 Beginning on page 24, line 5, strike all of section 403

6 Renumber the remaining sections consecutively and correct any
7 internal references accordingly.

8 On page 26, beginning on line 23, strike all of section 501 and
9 insert the following:

10 "NEW SECTION. **Sec. 901.** RCW 66.16.110 is recodified as a section
11 in chapter 66.08 RCW.

12 NEW SECTION. **Sec. 902.** (1) Sections 201 through 215 of this act
13 take effect August 1, 2011.

14 (2) Sections 301 through 332 of this act take effect July 1, 2013.

15 (3) Section 604 of this act is necessary for the immediate
16 preservation of the public peace, health, or safety, or support of the
17 state government and its existing public institutions, and takes effect
18 July 1, 2011.

19 NEW SECTION. **Sec. 903.** The secretary of state shall submit this
20 act to the people for their adoption and ratification, or rejection, at
21 the next general election to be held in this state, in accordance with
22 Article II, section 1 of the state Constitution and the laws adopted to
23 facilitate its operation."

WITHDRAWN 03/07/2011

1 On page 1, line 1 of the title, after "Relating to" strike the
2 remainder of the title and insert "liquor; amending RCW 66.08.030,
3 66.08.070, 66.08.130, 66.08.140, 66.08.150, 66.24.010, 66.24.012,
4 66.24.015, 66.24.025, 66.24.120, 66.44.200, 66.44.318, 66.44.340,
5 66.04.010, 66.08.012, 66.08.020, 66.08.026, 66.08.030, 66.08.050,
6 66.08.060, 66.08.167, 66.16.110, 66.12.110, 66.12.120, 66.12.140,
7 66.20.010, 66.20.160, 66.20.170, 66.20.180, 66.20.190, 66.20.200,
8 66.20.210, 66.24.145, 66.24.360, 66.24.371, 66.24.380, 66.24.395,
9 66.24.400, 66.24.540, 66.24.590, 66.28.060, 66.32.010, 66.44.150,
10 66.44.160, 66.28.290, 66.24.570, 66.24.580, 66.28.040, 66.28.042,
11 66.28.043, 66.28.155, 66.28.190, 66.24.240, 66.24.310, and 66.24.450;
12 reenacting and amending RCW 66.04.010 and 66.28.310; adding new
13 sections to chapter 66.08 RCW; creating a new section; recodifying RCW
14 66.16.110; repealing RCW 66.08.070, 66.08.160, 66.08.165, 66.08.166,
15 66.08.220, 66.08.235, 66.16.010, 66.16.040, 66.16.041, 66.16.050,
16 66.16.060, 66.16.070, 66.16.090, 66.16.100, 66.16.120, 66.28.180, and
17 66.28.010; providing effective dates; providing for submission of this
18 act to a vote of the people; and declaring an emergency."

EFFECT: (1) State run liquor stores are to be transitioned to privately run liquor franchises. By July 1, 2013, the Liquor Control Board will close all state liquor stores and distribution facilities and must sell at auction all related assets.

(2) Liquor franchise agreements are to be granted to:

(a) Applicants that are retail grocery businesses that have retail sales of grocery products for off-premises consumption that are more than 40% of the applicant's gross sales and operate a fully enclosed retail area of at least 10,000 square feet, with some exceptions;

(b) Applicants that are membership organizations that require members to be 18 years of age and operate an enclosed retail space of over 10,000 square feet;

(c) Federally recognized tribes who currently have state contracts.

(3) The Liquor Control Board can issue an endorsement to spirits,

beer, and wine restaurant licensees that allows them to purchase spirits, beer, or wine from Washington state distributors or directly from out-of-state distillers, brewers, or wineries.

(4) The amendment is drafted as a referendum and would be submitted to the public at the next state general election.

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