

SB 6220 - S AMD 531
By Senator Ranker

PULLED 03/04/2014

1 On page 1, after line 9, insert the following:

2 "Sec. 2. RCW 66.24.630 and 2012 2nd sp.s. c 6 s 401 are each
3 amended to read as follows:

4 (1) There is a spirits retail license to: Sell spirits in original
5 containers to consumers for consumption off the licensed premises and
6 to permit holders; sell spirits in original containers to retailers
7 licensed to sell spirits for consumption on the premises, for resale at
8 their licensed premises according to the terms of their licenses,
9 although (~~no single sale may exceed twenty-four liters~~) sales may not
10 exceed forty-eight liters each day to a retailer licensed to sell
11 spirits for consumption on the premises, unless the sale is by a
12 licensee that was a contract liquor store manager of a contract liquor
13 store at the location of its spirits retail licensed premises from
14 which it makes such sales; and export spirits. Sales made to retailers
15 licensed to sell spirits for consumption on the premises must be made
16 at the location of the spirits retail licensed premises and may not be
17 delivered to a retailer licensed to sell spirits for consumption on the
18 premises.

19 (2) For the purposes of this title, a spirits retail license is a
20 retail license, and a sale by a spirits retailer is a retail sale only
21 if not for resale. Nothing in this title authorizes sales by on-sale
22 licensees to other retail licensees. The board must establish by rule
23 an obligation of on-sale spirits retailers to:

24 (a) Maintain a schedule by stock-keeping unit of all their
25 purchases of spirits from spirits retail licensees, indicating the
26 identity of the seller and the quantities purchased; and

27 (b) Provide, not more frequently than quarterly, a report for each
28 scheduled item containing the identity of the purchasing on-premise
29 licensee and the quantities of that scheduled item purchased since any
30 preceding report to:

1 (i) A distributor authorized by the distiller to distribute a
2 scheduled item in the on-sale licensee's geographic area; or

3 (ii) A distiller acting as distributor of the scheduled item in the
4 area.

5 (3)(a) Except as otherwise provided in (c) of this subsection, the
6 board may issue spirits retail licenses only for premises comprising at
7 least ten thousand square feet of fully enclosed retail space within a
8 single structure, including storerooms and other interior auxiliary
9 areas but excluding covered or fenced exterior areas, whether or not
10 attached to the structure, and only to applicants that the board
11 determines will maintain systems for inventory management, employee
12 training, employee supervision, and physical security of the product
13 substantially as effective as those of stores currently operated by the
14 board with respect to preventing sales to or pilferage by underage or
15 inebriated persons.

16 (b) License issuances and renewals are subject to RCW 66.24.010 and
17 the regulations promulgated thereunder, including without limitation
18 rights of cities, towns, county legislative authorities, the public,
19 churches, schools, and public institutions to object to or prevent
20 issuance of local liquor licenses. However, existing grocery premises
21 licensed to sell beer and/or wine are deemed to be premises "now
22 licensed" under RCW 66.24.010(9)(a) for the purpose of processing
23 applications for spirits retail licenses.

24 (c) The board may not deny a spirits retail license to an otherwise
25 qualified contract liquor store at its contract location or to the
26 holder of former state liquor store operating rights sold at auction
27 under RCW 66.24.620 on the grounds of location, nature, or size of the
28 premises to be licensed. The board may not deny a spirits retail
29 license to applicants that are not contract liquor stores or operating
30 rights holders on the grounds of the size of the premises to be
31 licensed, if such applicant is otherwise qualified and the board
32 determines that:

33 (i) There is no retail spirits license holder in the trade area
34 that the applicant proposes to serve;

35 (ii) The applicant meets, or upon licensure will meet, the
36 operational requirements established by the board by rule; and

37 (iii) The licensee has not committed more than one public safety
38 violation within the three years preceding application.

1 (d) A retailer authorized to sell spirits for consumption on or off
2 the licensed premises may accept delivery of spirits at its licensed
3 premises or at one or more warehouse facilities registered with the
4 board, which facilities may also warehouse and distribute nonliquor
5 items, and from which the retailer may deliver to its own licensed
6 premises and, pursuant to sales permitted under subsection (1) of this
7 section:

8 (i) To other retailer premises licensed to sell spirits for
9 consumption on the licensed premises;

10 (ii) To other registered facilities; or

11 (iii) To lawful purchasers outside the state. The facilities may
12 be registered and utilized by associations, cooperatives, or comparable
13 groups of retailers, including at least one retailer licensed to sell
14 spirits.

15 (4)(a) Except as otherwise provided in (b) of this subsection, each
16 spirits retail licensee must pay to the board, for deposit into the
17 liquor revolving fund, a license issuance fee equivalent to seventeen
18 percent of all spirits sales revenues under the license, exclusive of
19 taxes collected by the licensee and of sales of items on which a
20 license fee payable under this section has otherwise been incurred.
21 The board must establish rules setting forth the timing of such
22 payments and reporting of sales dollar volume by the licensee, with
23 payments required quarterly in arrears. The first payment is due
24 October 1, 2012.

25 (b) This subsection (4) does not apply to craft distilleries.

26 (5) In addition to the payment required under subsection (4) of
27 this section, each licensee must pay an annual license renewal fee of
28 one hundred sixty-six dollars. The board must periodically review and
29 adjust the renewal fee as may be required to maintain it as comparable
30 to annual license renewal fees for licenses to sell beer and wine not
31 for consumption on the licensed premises. If required by law at the
32 time, any increase of the annual renewal fee becomes effective only
33 upon ratification by the legislature.

34 (6) As a condition to receiving and renewing a retail spirits
35 license the licensee must provide training as prescribed by the board
36 by rule for individuals who sell spirits or who manage others who sell
37 spirits regarding compliance with laws and regulations regarding sale
38 of spirits, including without limitation the prohibitions against sale

1 of spirits to individuals who are underage or visibly intoxicated. The
2 training must be provided before the individual first engages in the
3 sale of spirits and must be renewed at least every five years. The
4 licensee must maintain records documenting the nature and frequency of
5 the training provided. An employee training program is presumptively
6 sufficient if it incorporates a "responsible vendor program"
7 promulgated by the board.

8 (7) The maximum penalties prescribed by the board in WAC 314-29-020
9 through 314-29-040 relating to fines and suspensions are doubled for
10 violations relating to the sale of spirits by retail spirits licensees.

11 (8)(a) The board must promulgate regulations concerning the
12 adoption and administration of a compliance training program for
13 spirits retail licensees, to be known as a "responsible vendor
14 program," to reduce underage drinking, encourage licensees to adopt
15 specific best practices to prevent sales to minors, and provide
16 licensees with an incentive to give their employees ongoing training in
17 responsible alcohol sales and service.

18 (b) Licensees who join the responsible vendor program under this
19 section and maintain all of the program's requirements are not subject
20 to the doubling of penalties provided in this section for a single
21 violation in any period of twelve calendar months.

22 (c) The responsible vendor program must be free, voluntary, and
23 self-monitoring.

24 (d) To participate in the responsible vendor program, licensees
25 must submit an application form to the board. If the application
26 establishes that the licensee meets the qualifications to join the
27 program, the board must send the licensee a membership certificate.

28 (e) A licensee participating in the responsible vendor program must
29 at a minimum:

- 30 (i) Provide ongoing training to employees;
- 31 (ii) Accept only certain forms of identification for alcohol sales;
- 32 (iii) Adopt policies on alcohol sales and checking identification;
- 33 (iv) Post specific signs in the business; and
- 34 (v) Keep records verifying compliance with the program's
35 requirements."

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1 On page 1, line 1 of the title, after "Relating to" strike the
2 remainder of the title and insert "retailers selling spirits for
3 resale; amending RCW 66.24.630; and adding a new section to chapter
4 66.24 RCW."

EFFECT: Limits sales for resale to 48 liters per day to a
business licensed for on premise consumption and sales must be made at
the location of the seller and delivery cannot occur.

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