

ESSB 6470 - H COMM AMD

By Committee on Commerce & Gaming

NOT ADOPTED 03/03/2016

1 Strike everything after the enacting clause and insert the
2 following:

3 "Sec. 1. RCW 66.24.170 and 2014 c 105 s 1 and 2014 c 27 s 1 are
4 each reenacted and amended to read as follows:

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

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

12 (3) Any domestic winery licensed under this section may also act
13 as a retailer of wine of its own production. Any domestic winery
14 licensed under this section may act as a distributor of its own
15 production. Notwithstanding any language in this title to the
16 contrary, a domestic winery may use a common carrier to deliver up to
17 one hundred cases of its own production, in the aggregate, per month
18 to licensed Washington retailers. A domestic winery may not arrange
19 for any such common carrier shipments to licensed retailers of wine
20 not of its own production. Except as provided in this section, any
21 winery operating as a distributor and/or retailer under this
22 subsection must comply with the applicable laws and rules relating to
23 distributors and/or retailers, except that a winery operating as a
24 distributor may maintain a warehouse off the premises of the winery
25 for the distribution of wine of its own production provided that: (a)
26 The warehouse has been approved by the board under RCW 66.24.010; and
27 (b) the number of warehouses off the premises of the winery does not
28 exceed one.

29 (4) A domestic winery licensed under this section, at locations
30 separate from any of its production or manufacturing sites, may serve
31 samples of its own products, with or without charge, may sell wine of
32 its own production at retail, and may sell for off-premises

1 consumption wines of its own production in kegs or sanitary
2 containers meeting the applicable requirements of federal law brought
3 to the premises by the purchaser or furnished by the licensee and
4 filled at the tap at the time of sale, provided that: (a) Each
5 additional location has been approved by the board under RCW
6 66.24.010; (b) the total number of additional locations does not
7 exceed two; (c) a winery may not act as a distributor at any such
8 additional location; and (d) any person selling or serving wine at an
9 additional location for (~~on-premise~~~~[on-premises]~~) on-premises
10 consumption must obtain a class 12 or class 13 alcohol server permit.
11 Each additional location is deemed to be part of the winery license
12 for the purpose of this title. At additional locations operated by
13 multiple wineries under this section, if the board cannot connect a
14 violation of RCW 66.44.200 or 66.44.270 to a single licensee, the
15 board may hold all licensees operating the additional location
16 jointly liable. Nothing in this subsection may be construed to
17 prevent a domestic winery from holding multiple domestic winery
18 licenses.

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

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

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

34 (d) Each approved location in a qualifying farmers market is
35 deemed to be part of the winery license for the purpose of this
36 title. The approved locations under an endorsement granted under this
37 subsection include tasting or sampling privileges subject to the
38 conditions pursuant to RCW 66.24.175. The winery may not store wine
39 at a farmers market beyond the hours that the winery offers bottled

1 wine for sale. The winery may not act as a distributor from a farmers
2 market location.

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

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

22 (g) For the purposes of this subsection:

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

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

30 (B) The total combined gross annual sales of vendors who are
31 farmers exceeds the total combined gross annual sales of vendors who
32 are processors or resellers. However, if a farmers market does not
33 satisfy this subsection (5)(g)(i)(B), a farmers market is still
34 considered a "qualifying farmers market" if the total combined gross
35 annual sales of farmers and processors at the farmers market is one
36 million dollars or more;

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

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

3 (E) No vendor is a franchisee.

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

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

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

15 (6) Wine produced in Washington state by a domestic winery
16 licensee may be shipped out-of-state for the purpose of making it
17 into sparkling wine and then returned to such licensee for resale.
18 Such wine (~~(shall be)~~) is deemed wine manufactured in the state of
19 Washington for the purposes of RCW 66.24.206, and shall not require a
20 special license.

21 (7) During an event held by a nonprofit holding a special
22 occasion license issued under RCW 66.24.380, a domestic winery
23 licensed under this section may take orders, either in writing or
24 electronically, and accept payment for wines of its own production
25 under the following conditions:

26 (a) Wine produced by the domestic winery may be served for on-
27 premises consumption by the special occasion licensee;

28 (b) The domestic winery delivers wine to the consumer on a date
29 after the conclusion of the special occasion event;

30 (c) The domestic winery delivers wine to the consumer at a
31 location different from the location at which the special occasion
32 event is held;

33 (d) The domestic winery complies with all requirements in chapter
34 66.20 RCW for direct sale of wine to consumers;

35 (e) The wine is not sold for resale; and

36 (f) The domestic winery is entitled to all proceeds from the sale
37 and delivery of its wine to a consumer after the conclusion of the
38 special occasion event, but may enter into an agreement to share a
39 portion of the proceeds of these sales with the special occasion
40 licensee licensed under RCW 66.24.380.

1 **Sec. 2.** RCW 66.24.380 and 2012 c 2 s 112 are each amended to
2 read as follows:

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

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

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

22 (3) In addition to offering the sale of wine by the individual
23 serving for on-premises consumption, the licensee may sell wine in
24 original, unopened containers for on-premises consumption if
25 permission is obtained from the board prior to the event.

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

28 (~~(4)~~) (5) Liquor sold under this special occasion license must
29 be purchased from a licensee of the board.

30 (~~(5)~~) (6) Any violation of this section is a class 1 civil
31 infraction having a maximum penalty of two hundred fifty dollars as
32 provided for in chapter 7.80 RCW.

33 **Sec. 3.** RCW 66.12.110 and 2012 c 117 s 272 are each amended to
34 read as follows:

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

1 Such entry of alcoholic beverages in excess of that herein
2 provided may be authorized by the board upon payment of an equivalent
3 (~~markup and~~) tax as would be applicable to the purchase of the same
4 or similar liquor at retail (~~from a Washington state liquor store~~)
5 in this state. The board (~~shall~~) must adopt appropriate regulations
6 pursuant to chapter 34.05 RCW for the purpose of carrying out the
7 provisions of this section. The board may issue a spirits, beer, and
8 wine private club license to a charitable or nonprofit corporation of
9 the state of Washington, the majority of the officers and directors
10 of which are United States citizens and the minority of the officers
11 and directors of which are citizens of the Dominion of Canada, and
12 where the location of the premises for such spirits, beer, and wine
13 private club license is not more than ten miles south of the border
14 between the United States and the province of British Columbia.

15 **Sec. 4.** RCW 66.12.120 and 1995 c 100 s 1 are each amended to
16 read as follows:

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

31 **Sec. 5.** RCW 66.12.240 and 2009 c 361 s 1 are each amended to
32 read as follows:

33 (1) Nothing in this title applies to or prevents a wedding
34 boutique or art gallery from offering or supplying without charge
35 wine or beer by the individual glass to a customer for consumption on
36 the premises. However, the customer must be at least twenty-one years
37 of age and may only be offered one glass of wine or beer, and wine or
38 beer served or consumed (~~shall~~) must be purchased from a Washington

1 state licensed retailer (~~(or a Washington state liquor store or~~
2 ~~agency))~~) at full retail price. A wedding boutique or art gallery
3 offering wine or beer without charge may not advertise the service of
4 complimentary wine or beer and may not sell wine or beer in any
5 manner. Any employee involved in the service of wine or beer must
6 complete a board-approved limited alcohol server training program.

7 (2) (~~For the purposes of this section:~~) The definitions in this
8 subsection apply throughout this section unless the context clearly
9 requires otherwise.

10 (a) "Art gallery" means a room or building devoted to the
11 exhibition and/or sale of the works of art.

12 (b) "Wedding boutique" means a business primarily engaged in the
13 sale of wedding merchandise.

14 **Sec. 6.** RCW 66.20.010 and 2015 c 195 s 1, 2015 c 194 s 3, and
15 2015 c 59 s 1 are each reenacted and amended to read as follows:

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

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

30 (2) Where the application is for a special permit by a person
31 engaged within the state in mechanical or manufacturing business or
32 in scientific pursuits requiring alcohol for use therein, or by any
33 private individual, a special permit to purchase alcohol for the
34 purpose named in the permit, except that the governor may waive the
35 requirement for a special liquor purchase permit under this
36 subsection pursuant to an order issued under RCW 43.06.220(2);

37 (3) Where the application is for a special permit to consume
38 liquor at a banquet, at a specified date and place, a special permit

1 to purchase liquor for consumption at such banquet, to such
2 applicants as may be fixed by the board;

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

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

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

17 (7) Where the application is for a special permit by an
18 authorized representative of a military installation operated by or
19 for any of the armed forces within the geographical boundaries of the
20 state of Washington, a special permit to purchase liquor for use on
21 such military installation;

22 (8) Where the application is for a special permit by a vendor
23 that manufactures or sells a product which cannot be effectively
24 presented to potential buyers without serving it with liquor or by a
25 manufacturer, importer, or distributor, or representative thereof, to
26 serve liquor without charge to delegates and guests at a convention
27 of a trade association composed of licensees of the board, when the
28 said liquor is served in a hospitality room or from a booth in a
29 board-approved suppliers' display room at the convention, and when
30 the liquor so served is for consumption in the said hospitality room
31 or display room during the convention, anything in this title to the
32 contrary notwithstanding. Any such spirituous liquor must be
33 purchased from a spirits retailer or distributor, and any such liquor
34 is subject to the taxes imposed by RCW 82.08.150, 66.24.290, and
35 66.24.210;

36 (9) Where the application is for a special permit by a
37 manufacturer, importer, or distributor, or representative thereof, to
38 donate liquor for a reception, breakfast, luncheon, or dinner for
39 delegates and guests at a convention of a trade association composed
40 of licensees of the board, when the liquor so donated is for

1 consumption at the said reception, breakfast, luncheon, or dinner
2 during the convention, anything in this title to the contrary
3 notwithstanding. Any such spirituous liquor must be purchased from a
4 spirits retailer or distributor, and any such liquor is subject to
5 the taxes imposed by RCW 82.08.150, 66.24.290, and 66.24.210;

6 (10) Where the application is for a special permit by a
7 manufacturer, importer, or distributor, or representative thereof, to
8 donate and/or serve liquor without charge to delegates and guests at
9 an international trade fair, show, or exposition held under the
10 auspices of a federal, state, or local governmental entity or
11 organized and promoted by a nonprofit organization, anything in this
12 title to the contrary notwithstanding. Any such spirituous liquor
13 must be purchased from a liquor spirits retailer or distributor, and
14 any such liquor is subject to the taxes imposed by RCW 82.08.150,
15 66.24.290, and 66.24.210;

16 (11) Where the application is for an annual special permit by a
17 person operating a bed and breakfast lodging facility to donate or
18 serve wine or beer without charge to overnight guests of the facility
19 if the wine or beer is for consumption on the premises of the
20 facility. "Bed and breakfast lodging facility," as used in this
21 subsection, means a facility offering from one to eight lodging units
22 and breakfast to travelers and guests;

23 (12) Where the application is for a special permit to allow
24 tasting of alcohol by persons at least eighteen years of age under
25 the following circumstances:

26 (a) The application is from a community or technical college as
27 defined in RCW 28B.50.030, a regional university, or a state
28 university;

29 (b) The person who is permitted to taste under this subsection is
30 enrolled as a student in a required or elective class that is part of
31 a culinary, sommelier, wine business, enology, viticulture, wine
32 technology, beer technology, or spirituous technology-related degree
33 program;

34 (c) The alcohol served to any person in the degree-related
35 programs under (b) of this subsection is tasted but not consumed for
36 the purposes of educational training as part of the class curriculum
37 with the approval of the educational provider;

38 (d) The service and tasting of alcoholic beverages is supervised
39 by a faculty or staff member of the educational provider who is
40 twenty-one years of age or older. The supervising faculty or staff

1 member shall possess a class 12 or 13 alcohol server permit under the
2 provisions of RCW 66.20.310;

3 (e) The enrolled student permitted to taste the alcoholic
4 beverages does not purchase the alcoholic beverages; and

5 (f) The permit fee for the special permit provided for in this
6 subsection (12) must be waived by the board;

7 (13) Where the application is for a special permit by a
8 distillery or craft distillery for an event not open to the general
9 public to be held or conducted at a specific place, including at the
10 licensed premise of the applying distillery or craft distillery, upon
11 a specific date for the purpose of tasting and selling spirits of its
12 own production. The distillery or craft distillery must obtain a
13 permit for a fee of ten dollars per event. An application for the
14 permit must be submitted for private banquet permits prior to the
15 event and, once issued, must be posted in a conspicuous place at the
16 premises for which the permit was issued during all times the permit
17 is in use. No licensee may receive more than twelve permits under
18 this subsection (13) each year;

19 (14) Where the application is for a special permit by a
20 manufacturer of wine for an event not open to the general public to
21 be held or conducted at a specific place upon a specific date for the
22 purpose of tasting and selling wine of its own production. The winery
23 must obtain a permit for a fee of ten dollars per event. An
24 application for the permit must be submitted at least ten days before
25 the event and once issued, must be posted in a conspicuous place at
26 the premises for which the permit was issued during all times the
27 permit is in use. No more than twelve events per year may be held by
28 a single manufacturer under this subsection;

29 (15) Where the application is for a special permit by an
30 individual or business to sell a private collection of wine or
31 spirits to an individual or business. The seller must obtain a permit
32 at least five business days before the sale, for a fee of twenty-five
33 dollars per sale. The seller must provide an inventory of products
34 sold and the agreed price on a form provided by the board. The seller
35 shall submit the report and taxes due to the board no later than
36 twenty calendar days after the sale. A permit may be issued under
37 this section to allow the sale of a private collection to licensees,
38 but may not be issued to a licensee to sell to a private individual
39 or business which is not otherwise authorized under the license held
40 by the seller. If the liquor is purchased by a licensee, all sales

1 are subject to taxes assessed as on liquor acquired from any other
2 source. The board may adopt rules to implement this section.

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

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

11 **Sec. 8.** RCW 66.20.180 and 2005 c 151 s 9 are each amended to
12 read as follows:

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

23 **Sec. 9.** RCW 66.20.190 and 2012 c 117 s 280 are each amended to
24 read as follows:

25 In addition to the presentation by the holder and verification by
26 the licensee (~~(or store employee)~~) of such card of identification,
27 the licensee (~~(or store employee)~~) who is still in doubt about the
28 true age of the holder (~~(shall)~~) must require the person whose age
29 may be in question to sign a certification card and record an
30 accurate description and serial number of his or her card of
31 identification thereon. Such statement (~~(shall)~~) must be upon a five-
32 inch by eight-inch file card, which card (~~(shall)~~) must be filed
33 alphabetically by the licensee (~~(or store employee)~~) at or before the
34 close of business on the day on which the statement is executed, in
35 the file box containing a suitable alphabetical index and the card
36 (~~(shall)~~) must be subject to examination by any peace officer or
37 agent or employee of the board at all times. The certification card

1 (~~shall~~) must also contain in bold-face type a statement stating
2 that the signer understands that conviction for unlawful purchase of
3 alcoholic beverages or misuse of the certification card may result in
4 criminal penalties including imprisonment or fine or both.

5 **Sec. 10.** RCW 66.20.200 and 2003 c 53 s 295 are each amended to
6 read as follows:

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

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

31 **Sec. 11.** RCW 66.20.210 and 1973 1st ex.s. c 209 s 9 are each
32 amended to read as follows:

33 (1) No licensee or the agent or employee of the licensee (~~or~~
34 ~~store employee, shall~~) may be prosecuted criminally or be sued in
35 any civil action for serving liquor to a person under legal age to
36 purchase liquor if such person has presented a card of identification
37 in accordance with RCW 66.20.180, and has signed a certification card
38 as provided in RCW 66.20.190.

1 (2) Such card in the possession of a licensee may be offered as a
2 defense in any hearing held by the board for serving liquor to the
3 person who signed the card and may be considered by the board as
4 evidence that the licensee acted in good faith.

5 **Sec. 12.** RCW 66.24.210 and 2012 c 20 s 2 are each amended to
6 read as follows:

7 (1) There is hereby imposed upon all wines except cider sold to
8 wine distributors (~~(and the Washington state liquor control board,~~)
9 within the state a tax at the rate of twenty and one-fourth cents per
10 liter. Any domestic winery or certificate of approval holder acting
11 as a distributor of its own production (~~(shall)~~) must pay taxes
12 imposed by this section. There is hereby imposed on all cider sold to
13 wine distributors (~~(and the Washington state liquor control board)~~)
14 within the state a tax at the rate of three and fifty-nine one-
15 hundredths cents per liter. However, wine sold or shipped in bulk
16 from one winery to another winery (~~(shall)~~) is not (~~(be)~~) subject to
17 such tax.

18 (a) The tax provided for in this section shall be collected by
19 direct payments based on wine purchased by wine distributors.

20 (b) Except as provided in subsection (7) of this section, every
21 person purchasing wine under the provisions of this section (~~(shall)~~)
22 must on or before the twentieth day of each month report to the board
23 all purchases during the preceding calendar month in such manner and
24 upon such forms as may be prescribed by the board, and with such
25 report (~~(shall)~~) must pay the tax due from the purchases covered by
26 such report unless the same has previously been paid. Any such
27 purchaser of wine whose applicable tax payment is not postmarked by
28 the twentieth day following the month of purchase will be assessed a
29 penalty at the rate of two percent a month or fraction thereof. The
30 board may require that every such person shall execute to and file
31 with the board a bond to be approved by the board, in such amount as
32 the board may fix, securing the payment of the tax. If any such
33 person fails to pay the tax when due, the board may (~~(forthwith)~~)
34 suspend or cancel the license until all taxes are paid.

35 (c) Any licensed retailer authorized to purchase wine from a
36 certificate of approval holder with a direct shipment endorsement or
37 a domestic winery (~~(shall)~~) must make monthly reports to the liquor
38 (~~(control)~~) and cannabis board on wine purchased during the preceding

1 calendar month in the manner and upon such forms as may be prescribed
2 by the board.

3 (2) An additional tax is imposed equal to the rate specified in
4 RCW 82.02.030 multiplied by the tax payable under subsection (1) of
5 this section. All revenues collected during any month from this
6 additional tax (~~shall~~) must be transferred to the state general
7 fund by the twenty-fifth day of the following month.

8 (3) An additional tax is imposed on wines subject to tax under
9 subsection (1) of this section, at the rate of one-fourth of one cent
10 per liter for wine sold after June 30, 1987. After June 30, 1996,
11 such additional tax does not apply to cider. An additional tax of
12 five one-hundredths of one cent per liter is imposed on cider sold
13 after June 30, 1996. All revenues collected under this subsection (3)
14 shall be disbursed quarterly to the Washington wine commission for
15 use in carrying out the purposes of chapter 15.88 RCW.

16 (4) An additional tax is imposed on all wine subject to tax under
17 subsection (1) of this section. The additional tax is equal to
18 twenty-three and forty-four one-hundredths cents per liter on
19 fortified wine as defined in RCW 66.04.010 when bottled or packaged
20 by the manufacturer, one cent per liter on all other wine except
21 cider, and eighteen one-hundredths of one cent per liter on cider.
22 All revenues collected during any month from this additional tax
23 shall be deposited in the state general fund by the twenty-fifth day
24 of the following month.

25 (5)(a) An additional tax is imposed on all cider subject to tax
26 under subsection (1) of this section. The additional tax is equal to
27 two and four one-hundredths cents per liter of cider sold after June
28 30, 1996, and before July 1, 1997, and is equal to four and seven
29 one-hundredths cents per liter of cider sold after June 30, 1997.

30 (b) All revenues collected from the additional tax imposed under
31 this subsection (5) (~~shall~~) must be deposited in the state general
32 fund.

33 (6) For the purposes of this section, "cider" means table wine
34 that contains not less than one-half of one percent of alcohol by
35 volume and not more than seven percent of alcohol by volume and is
36 made from the normal alcoholic fermentation of the juice of sound,
37 ripe apples or pears. "Cider" includes, but is not limited to,
38 flavored, sparkling, or carbonated cider and cider made from
39 condensed apple or pear must.

1 (7) For the purposes of this section, out-of-state wineries
2 (~~shall~~) must pay taxes under this section on wine sold and shipped
3 directly to Washington state residents in a manner consistent with
4 the requirements of a wine distributor under subsections (1) through
5 (4) of this section, except wineries shall be responsible for the tax
6 and not the resident purchaser.

7 (8) Notwithstanding any other provision of this section, any
8 domestic winery or wine certificate of approval holder acting as a
9 distributor of its own production that had total taxable sales of
10 wine in Washington state of six thousand gallons or less during the
11 calendar year preceding the date on which the tax would otherwise be
12 due is not required to pay taxes under this section more often than
13 annually.

14 **Sec. 13.** RCW 66.28.030 and 2012 c 2 s 113 are each amended to
15 read as follows:

16 Every domestic distillery, brewery, and microbrewery, domestic
17 winery, certificate of approval holder, licensed (~~liquor~~) spirits
18 importer, licensed wine importer, and licensed beer importer is
19 responsible for the conduct of any licensed spirits, beer, or wine
20 distributor in selling, or contracting to sell, to retail licensees,
21 spirits, beer, or wine manufactured by such domestic distillery,
22 brewery, microbrewery, domestic winery, manufacturer holding a
23 certificate of approval, sold by an authorized representative holding
24 a certificate of approval, or imported by such (~~liquor~~) spirits,
25 beer, or wine importer. Where the board finds that any licensed
26 spirits, beer, or wine distributor has violated any of the provisions
27 of this title or of the regulations of the board in selling or
28 contracting to sell spirits, beer, or wine to retail licensees, the
29 board may, in addition to any punishment inflicted or imposed upon
30 such distributor, prohibit the sale of the brand or brands of
31 spirits, beer, or wine involved in such violation to any or all
32 retail licensees within the trade territory usually served by such
33 distributor for such period of time as the board may fix,
34 irrespective of whether the distiller manufacturing such spirits or
35 the (~~liquor~~) spirits importer importing such spirits, brewer
36 manufacturing such beer or the beer importer importing such beer, or
37 the domestic winery manufacturing such wine or the wine importer
38 importing such wine or the certificate of approval holder

1 manufacturing such spirits, beer, or wine or acting as authorized
2 representative actually participated in such violation.

3 **Sec. 14.** RCW 66.28.035 and 2012 c 39 s 7 are each amended to
4 read as follows:

5 (1) By the (~~15th~~) 20th day of each month, all spirits
6 certificate of approval holders must file with the board, in a form
7 and manner required by the board, a report of all spirits delivered
8 to purchasers in this state during the preceding month (~~along with a~~
9 ~~copy~~). Copies of the invoices for all such purchases or other
10 information required by the board that would disclose the identity of
11 the purchasers must be made available upon request.

12 (2) A spirits certificate of approval holder may not ship or
13 cause to be transported into this state any spirits unless the
14 purchaser to whom the spirits are to be delivered is:

15 (a) Licensed by the board to sell spirits in this state, and the
16 license is in good standing; or

17 (b) Otherwise legally authorized to sell spirits in this state.

18 (3) The liquor (~~control~~) and cannabis board must maintain on
19 its web site a list of all purchasers that meet the conditions of
20 subsection (2) of this section.

21 (4) A violation of this section is grounds for suspension of a
22 spirits certificate of approval license in accordance with RCW
23 66.08.150, in addition to any punishment as may be authorized by RCW
24 66.28.030.

25 **Sec. 15.** RCW 66.28.040 and 2014 c 92 s 2 are each amended to
26 read as follows:

27 Except as permitted by the board under RCW 66.20.010, no domestic
28 brewery, microbrewery, distributor, distiller, domestic winery,
29 importer, rectifier, certificate of approval holder, or other
30 manufacturer of liquor may, within the state of Washington, give to
31 any person any liquor; but nothing in this section nor in RCW
32 66.28.305 prevents a domestic brewery, microbrewery, distributor,
33 domestic winery, distiller, certificate of approval holder, or
34 importer from furnishing samples of beer, wine, or spirituous liquor
35 to authorized licensees for the purpose of negotiating a sale, in
36 accordance with regulations adopted by the liquor (~~control~~) and
37 cannabis board, provided that the samples are subject to taxes
38 imposed by RCW 66.24.290 and 66.24.210; nothing in this section

1 prevents a domestic brewery, microbrewery, domestic winery,
2 distillery, certificate of approval holder, or distributor from
3 furnishing beer, wine, or spirituous liquor for instructional
4 purposes under RCW 66.28.150; nothing in this section prevents a
5 domestic winery, certificate of approval holder, or distributor from
6 furnishing wine without charge, subject to the taxes imposed by RCW
7 66.24.210, to a not-for-profit group organized and operated solely
8 for the purpose of enology or the study of viticulture which has been
9 in existence for at least six months and that uses wine so furnished
10 solely for such educational purposes or a domestic winery, or an out-
11 of-state certificate of approval holder, from furnishing wine without
12 charge or a domestic brewery, or an out-of-state certificate of
13 approval holder, from furnishing beer without charge, subject to the
14 taxes imposed by RCW 66.24.210 or 66.24.290, or a domestic distiller
15 licensed under RCW 66.24.140 or an accredited representative of a
16 distiller, manufacturer, importer, or distributor of spirituous
17 liquor licensed under RCW 66.24.310, from furnishing spirits without
18 charge, to a nonprofit charitable corporation or association exempt
19 from taxation under 26 U.S.C. Sec. 501(c)(3) or (6) of the internal
20 revenue code of 1986 for use consistent with the purpose or purposes
21 entitling it to such exemption; nothing in this section prevents a
22 domestic brewery or microbrewery from serving beer without charge, on
23 the brewery premises; nothing in this section prevents donations of
24 wine for the purposes of RCW 66.12.180; nothing in this section
25 prevents a domestic winery from serving wine without charge, on the
26 winery premises; and nothing in this section prevents a craft
27 distillery from serving spirits, on the distillery premises subject
28 to RCW 66.24.145.

29 **Sec. 16.** RCW 66.44.350 and 2014 c 29 s 4 are each amended to
30 read as follows:

31 Notwithstanding provisions of RCW 66.44.310, employees of
32 businesses holding beer and/or wine restaurant; beer and/or wine
33 private club; snack bar; spirits, beer, and wine restaurant; spirits,
34 beer, and wine private club; catering; and sports entertainment
35 facility licenses who are (~~licensees~~) between eighteen and twenty-
36 one years of age (~~and over~~) may take orders for, serve, and sell
37 liquor in any part of the licensed premises except cocktail lounges,
38 bars, or other areas classified by the Washington state liquor
39 (~~control~~) and cannabis board as off-limits to persons under twenty-

1 one years of age: PROVIDED, That such employees may enter such
2 restricted areas to perform work assignments including picking up
3 liquor for service in other parts of the licensed premises,
4 performing clean up work, setting up and arranging tables, delivering
5 supplies, delivering messages, serving food, and seating patrons:
6 PROVIDED FURTHER, That such employees (~~shall~~) remain in the areas
7 off-limits to minors no longer than is necessary to carry out their
8 aforementioned duties: PROVIDED FURTHER, That such employees
9 (~~shall~~) are not be permitted to perform activities or functions of
10 a bartender.

11 NEW SECTION. **Sec. 17.** RCW 66.24.440 (Liquor by the drink,
12 spirits, beer, and wine restaurant, spirits, beer, and wine private
13 club, hotel, spirits, beer, and wine nightclub, sports entertainment
14 facility, and VIP airport lounge license—Purchase of liquor by
15 licensees—Discount) and 2011 c 325 s 3, 2009 c 271 s 8, 2007 c 370 s
16 20, 1998 c 126 s 8, 1997 c 321 s 29, & 1949 c 5 s 5 are each
17 repealed."

18 Correct the title.

EFFECT: Eliminates the requirement that a domestic winery must have a liquor license endorsement before it can accept purchase orders for its wine at an event sponsored by a nonprofit holding a special occasion license.

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