

E2SSB 5549 - H COMM AMD

By Committee on Commerce & Gaming

ADOPTED 03/05/2020

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

3 "Sec. 1. RCW 66.24.140 and 2017 c 260 s 1 are each amended to
4 read as follows:

5 (1) There is a license to distillers, including blending,
6 rectifying, and bottling; fee two thousand dollars per annum, unless
7 provided otherwise as follows:

8 (a) For distillers producing one hundred fifty thousand gallons
9 or less of spirits with at least half of the raw materials used in
10 the production grown in Washington, the license fee must be reduced
11 to one hundred dollars per annum;

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

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

18 (d) The board must license stills that have been duly licensed as
19 fruit and/or wine distilleries by the federal government, used and to
20 be used solely as fruit and/or wine distilleries in the production of
21 fruit brandy and wine spirits, at a fee of two hundred dollars per
22 annum.

23 (2) Any distillery licensed under this section may:

24 (a) Sell, for off-premises consumption, spirits of ((its)) the
25 distillery's own production ((for consumption off the premises)),
26 spirits produced by another distillery or craft distillery licensed
27 in this state, or vermouth or sparkling wine products produced by a
28 licensee in this state. A distillery selling spirits or other alcohol
29 authorized under this subsection must comply with the applicable laws
30 and rules relating to retailers for those products;

1 (b) Contract distilled spirits for, and sell contract distilled
2 spirits to, holders of distillers' or manufacturers' licenses,
3 including licenses issued under RCW 66.24.520, or for export; and

4 (c) ~~((Provide samples subject to the following conditions:~~

5 ~~(i) For the purposes of this subsection, the maximum amount of~~
6 ~~alcohol per person per day is two ounces;~~

7 ~~(ii) Provide free or for a charge one-half ounce or less samples~~
8 ~~of spirits of its own production to persons on the premises of the~~
9 ~~distillery. Spirits samples may be adulterated with nonalcoholic~~
10 ~~mixers, mixers with alcohol of the distiller's own production, water,~~
11 ~~and/or ice;~~

12 ~~(iii) Sell adulterated samples of spirits of their own~~
13 ~~production, water, and/or ice to persons on the premises at the~~
14 ~~distillery; and~~

15 ~~(iv) Every person who participates in any manner in the service~~
16 ~~of these samples must obtain a class 12 alcohol server permit)) Serve~~

17 samples of spirits for free or for a charge, and sell servings of
18 spirits, vermouth, and sparkling wine to customers for on-premises
19 consumption, at the premises of the distillery indoors, outdoors, or
20 in any combination thereof, and at the distillery's off-site tasting
21 rooms in accordance with this chapter, subject to the following
22 conditions:

23 (i) A distillery may provide to customers, for free or for a
24 charge, for on-premises consumption, spirits samples that are one-
25 half ounce or less per sample of spirits, and that may be adulterated
26 with water, ice, other alcohol entitled to be served or sold on the
27 licensed premises under this section, or nonalcoholic mixers;

28 (ii) A distillery may sell, for on-premises consumption, servings
29 of spirits of the distillery's own production or spirits produced by
30 another distillery or craft distillery licensed in this state, which
31 must be adulterated with water, ice, other alcohol entitled to be
32 sold or served on the licensed premises, or nonalcoholic mixers if
33 the revenue derived from the sale of spirits for on-premises
34 consumption under this subsection (2)(c)(ii) does not comprise more
35 than thirty percent of the overall gross revenue earned in the
36 tasting room during the calendar year. Any distiller who sells
37 adulterated products under this subsection, must file an annual
38 report with the board that summarizes the distiller's revenue
39 sources; and

1 (iii) A distillery may sell, for on-premises consumption,
2 servings of vermouth or sparkling wine products produced by a
3 licensee in this state.

4 (3) (a) If a distillery provides or sells spirits or other alcohol
5 products authorized to be sold or provided to customers for on-
6 premises or off-premises consumption that are produced by another
7 distillery, craft distillery, or licensee in this state, then at any
8 one time no more than twenty-five percent of the alcohol stock-
9 keeping units offered or sold by the distillery at its distillery
10 premises and at any off-site tasting rooms licensed under section 3
11 of this act may be vermouth, sparkling wine, or spirits made by
12 another distillery, craft distillery, or licensee in this state. If a
13 distillery sells fewer than twenty alcohol stock-keeping units of
14 products of its own production, it may sell up to five alcohol stock-
15 keeping units of vermouth, sparkling wine, or spirits produced by
16 another distillery, craft distillery, or licensee in this state.

17 (b) A person is limited to receiving or purchasing, for on-
18 premises consumption, no more than two ounces total of spirits that
19 are unadulterated. Any additional spirits purchased for on-premises
20 consumption must be adulterated as authorized in this section.

21 (c) (i) No person under twenty-one years of age may be on the
22 premises of a distillery tasting room, including an off-site tasting
23 room licensed under section 3 of this act, unless they are
24 accompanied by their parent or legal guardian.

25 (ii) Every distillery tasting room, including the off-site
26 tasting rooms licensed under section 3 of this act, where alcohol is
27 sampled, sold, or served, must include a designated area where
28 persons under twenty-one years of age are allowed to enter. Such
29 location may be in a separate room or a designated area within the
30 tasting room separated from the remainder of the tasting room space
31 as authorized by the board.

32 (iii) Except for (c) (iv) of this subsection, or an event where a
33 private party has secured a private banquet permit, no person under
34 twenty-one years of age may be on the distillery premises, or the
35 off-site tasting rooms licensed under section 3 of this act, past
36 9:00 p.m.

37 (iv) Notwithstanding the limitations of (c) (iii) of this
38 subsection, persons under twenty-one years of age who are children of
39 owners, operators, or managers of a distillery or an off-site tasting
40 room licensed under section 3 of this act, may be in any area of a

1 distillery, tasting room, or an off-site tasting room licensed under
2 section 3 of this act, provided they must be under the direct
3 supervision of their parent or legal guardian while on the premises.

4 (d) Any person serving or selling spirits or other alcohol
5 authorized to be served or sold by a distillery must obtain a class
6 12 alcohol server permit.

7 (e) A distillery may sell nonalcoholic products at retail.

8 **Sec. 2.** RCW 66.24.145 and 2015 c 194 s 2 are each amended to
9 read as follows:

10 (1) (a) Any craft distillery may sell, for off-premises
11 consumption, spirits of its own production ((for consumption off the
12 premises)), spirits produced by another craft distillery or
13 distillery licensed in this state, and vermouth and sparkling wine
14 products produced by a licensee in this state.

15 (b) A craft distillery selling spirits or other alcohol
16 authorized under this subsection must comply with the applicable laws
17 and rules relating to retailers for those products.

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

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

29 ~~(4) (a) A distillery or craft distillery licensee may apply to the~~
30 ~~board for an endorsement to sell spirits of its own production at~~
31 ~~retail for off-premises consumption at a qualifying farmers market.~~
32 ~~The annual fee for this endorsement is seventy-five dollars.~~

33 ~~(b) For each month during which a distillery or craft distillery~~
34 ~~will sell spirits at a qualifying farmers market, the distillery or~~
35 ~~craft distillery must provide the board or its designee a list of the~~
36 ~~dates, times, and locations at which bottled spirits may be offered~~
37 ~~for sale. This list must be received by the board before the spirits~~
38 ~~may be offered for sale at a qualifying farmers market.~~

1 ~~(c) Each approved location in a qualifying farmers market is~~
2 ~~deemed to be part of the distillery or craft distillery license for~~
3 ~~the purpose of this title. The approved locations under an~~
4 ~~endorsement granted under this subsection do not include tasting or~~
5 ~~sampling privileges. The distillery or craft distillery may not store~~
6 ~~spirits at a farmers market beyond the hours that the bottled spirits~~
7 ~~are offered for sale. The distillery or craft distillery may not act~~
8 ~~as a distributor from a farmers market location.~~

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

27 ~~(e) For the purposes of this subsection (4), "qualifying farmers~~
28 ~~market" has the same meaning as defined in RCW 66.24.170.) serve~~
29 ~~samples of spirits for free or for a charge, and sell servings of~~
30 ~~spirits, vermouth, and sparkling wine products to customers for on-~~
31 ~~premises consumption, at the premises of the distillery indoors,~~
32 ~~outdoors, or in any combination thereof, and at the distillery's off-~~
33 ~~site tasting rooms, in accordance with this chapter, subject to the~~
34 ~~following conditions:~~

35 ~~(a) A craft distillery may provide to customers, for free or for~~
36 ~~a charge, for on-premises consumption, spirits samples that are one-~~
37 ~~half ounce or less per sample of spirits, and that may be adulterated~~
38 ~~with water, ice, other alcohol entitled to be sold or served on the~~
39 ~~licensed premises, or nonalcoholic mixers;~~

1 (b) A craft distillery may sell, for on-premises consumption,
2 servings of spirits of the craft distillery's own production and
3 spirits produced by another distillery, craft distillery, or licensee
4 in this state, which must be adulterated with water, ice, other
5 alcohol entitled to be sold or served on the licensed premises, or
6 nonalcoholic mixers if the revenue derived from the sale of spirits
7 for on-premises consumption under this subsection (3)(b) does not
8 comprise more than thirty percent of the overall gross revenue earned
9 in the tasting room during the calendar year. Any distiller who sells
10 adulterated products under this subsection, must file an annual
11 report with the board that summarizes the distiller's revenue
12 sources; and

13 (c) A distillery may sell, for on-premises consumption, servings
14 of vermouth or sparkling wine products produced by a licensee in this
15 state.

16 (4) (a) If a craft distillery provides or sells spirits or other
17 alcohol products authorized to be sold or provided to customers for
18 on-premises or off-premises consumption that are produced by another
19 distillery, craft distillery, or licensee in this state, then at any
20 one time no more than twenty-five percent of the alcohol stock-
21 keeping units offered or sold by the craft distillery at its craft
22 distillery premises and at any off-site tasting rooms licensed under
23 section 3 of this act may be vermouth, sparkling wine, or spirits
24 produced by another distillery, craft distillery, or licensee in this
25 state. If a distillery sells fewer than twenty alcohol stock-keeping
26 units of products of its own production, it may sell up to five
27 alcohol stock-keeping units of vermouth, sparkling wine, or spirits
28 produced by another distillery, craft distillery, or licensee in this
29 state.

30 (b) A person is limited to receiving or purchasing, for on-
31 premises consumption, no more than two ounces total of spirits that
32 are unadulterated. Any additional spirits purchased for on-premises
33 consumption must be adulterated.

34 (c) Any person serving or selling spirits or other alcohol
35 authorized to be served or sold by a craft distillery must obtain a
36 class 12 alcohol server permit.

37 (5) The board must adopt rules to implement the alcohol server
38 permit requirement and may adopt additional rules to implement this
39 section.

40 (6) Distilling is an agricultural practice.

1 (7) (a) No person under twenty-one years of age may be on the
2 premises of a craft distillery tasting room, including an off-site
3 tasting room licensed under section 3 of this act, unless they are
4 accompanied by their parent or guardian.

5 (b) Every craft distillery tasting room, including the off-site
6 tasting rooms licensed under section 3 of this act, where alcohol is
7 sampled, sold, or served, must include a designated area where
8 persons under twenty-one years of age are allowed to enter. Such
9 location may be in a separate room or a designated area within the
10 tasting room separated from the remainder of the tasting room space
11 as authorized by the board.

12 (c) Except for (d) of this subsection, or an event where a
13 private party has secured a private banquet permit, no person under
14 twenty-one years of age may be on the distillery premises, or the
15 off-site tasting rooms licensed under section 3 of this act, past
16 9:00 p.m.

17 (d) Notwithstanding the limitations in (c) of this subsection,
18 persons under twenty-one years of age who are children of owners,
19 operators, or managers of a craft distillery or an off-site tasting
20 room licensed under section 3 of this act, may be in any area of a
21 licensed craft distillery, tasting room, or an off-site tasting room
22 licensed under section 3 of this act, provided they must be under the
23 direct supervision of their parent or guardian while on the premises.

24 (8) A craft distillery may sell nonalcoholic products at retail.

25 NEW SECTION. Sec. 3. A new section is added to chapter 66.24
26 RCW to read as follows:

27 (1) There is a tasting room license available to distillery and
28 craft distillery licensees. A tasting room license authorizes the
29 operation of an off-site tasting room, in addition to a tasting room
30 attached to the distillery's or craft distillery's production
31 facility, at which the licensee may sample, serve, and sell spirits
32 and alcohol products authorized to be sampled, served, and sold under
33 RCW 66.24.140 and 66.24.145, for on-premises and off-premises
34 consumption, subject to the same limitations as provided in RCW
35 66.24.140 and 66.24.145.

36 (2) A distillery or craft distillery licensed production facility
37 is eligible for no more than two off-site tasting room licenses
38 located in this state, which may be indoors, or outdoors or a
39 combination thereof, and which shall be administratively tied to a

1 licensed production facility. A separate license is required for the
2 operation of each off-site tasting room. The fee for each off-site
3 tasting room license is two thousand dollars per annum. No additional
4 license is required for a distillery or craft distillery to sample,
5 serve, and sell spirits and alcohol to customers in a tasting room on
6 the distillery or craft distillery premises as authorized under this
7 section, section 5 of this act, RCW 66.24.140, 66.24.145, 66.28.040,
8 66.24.630, and 66.28.310. Off-site tasting rooms may have a section
9 identified and segregated as federally bonded spaces for the storage
10 of bulk or packaged spirits. Product of the licensee's production may
11 be bottled or packaged in the space.

12 NEW SECTION. **Sec. 4.** A new section is added to chapter 66.24
13 RCW to read as follows:

14 (1) A distillery licensed under RCW 66.24.140 or 66.24.145, or an
15 off-site tasting room authorized under section 3 of this act, must
16 provide, for free or for a charge, food offerings to customers during
17 public service hours. For the purposes of this section, "food
18 offerings" means a combination of small serving food items to include
19 a mix of hors d'oeuvre type foods, cheeses, fruits, vegetables, deli-
20 style meats, chips, pretzels, nuts, popcorn, crackers, or similar
21 items.

22 (2) A distillery providing food offerings under this section must
23 comply with the local city or county health requirements for such
24 level of service.

25 (3) In addition to the food offerings requirement in subsection
26 (1) of this section, distillers and craft distillers shall post, in a
27 conspicuous place within any tasting room, a list of at least five
28 local restaurants or food trucks where customers can purchase food
29 for consumption in the tasting room. The list shall include names,
30 addresses, contact information, and hours of operation for each
31 restaurant or food truck named.

32 (4) Distilleries that have secured spirits, beer, and wine retail
33 license privileges under RCW 66.24.400 shall not allow customers to
34 bring in food from outside restaurants or food trucks and are not
35 subject to the provision of subsections (1) and (3) of this section.

36 (5) Requirements for food offerings shall be determined by the
37 board in rule. The rules for food offerings shall:

38 (a) Include the ability for such food to be prepackaged for
39 individual sale and consumption;

1 (b) Allow food offerings to be preprepared off-site for plating
2 for the customer;

3 (c) Not require any warming, cooking, or heating off-site or on-
4 site prior to service; and

5 (d) Not require the installation, maintenance, or use of any food
6 heating device or apparatus to prepare any food offerings.

7 (6) A distillery licensed under RCW 66.24.140 or 66.24.145, or an
8 off-site tasting room authorized under section 3 of this act, may
9 install and use any type of commercial heating device or element to
10 heat food offerings under this section without impacting their
11 privileges under this act.

12 NEW SECTION. **Sec. 5.** A new section is added to chapter 66.24
13 RCW to read as follows:

14 (1) Of the off-site tasting rooms allowed in this chapter, any
15 distillery, craft distillery, domestic winery, or any combination of
16 licensees thereof, licensed under this chapter may jointly occupy and
17 co-operate up to two off-site locations, which may be indoors,
18 outdoors, or a combination thereof, at which they may sample, serve,
19 and sell products of their own production and products authorized to
20 be sampled, served, and sold under the terms of their license. The
21 licensees must maintain separate storage of products and separate
22 financials. The distillery or craft distillery tasting rooms
23 referenced in this section shall be the off-site tasting rooms
24 allowed, and have the privileges and limitations provided in this
25 chapter. This section does not create additional numbers of
26 authorized tasting rooms beyond what is authorized by this section,
27 section 3 of this act, and in RCW 66.24.140, 66.24.145, 66.28.040,
28 66.24.630, and 66.28.310.

29 (2) Any domestic brewery, microbrewery, domestic winery,
30 distillery, or craft distillery licensed under this chapter, or any
31 combination of licensees thereof, whose property parcels or buildings
32 are located in direct physical proximity to one another may share a
33 standing or seated tasting area for patrons to use, which may be
34 indoors, outdoors, or a combination thereof. Each licensee may
35 sample, serve, and sell products the licensee is authorized to
36 sample, serve, and sell under the terms of its license, for on-
37 premises consumption in the jointly operated consumption area. Each
38 licensee must use distinctly marked glassware or serving containers
39 to identify the source of any product being consumed. The distillery

1 or craft distillery tasting rooms shall be the on-site or off-site
2 tasting rooms allowed, and have the privileges and limitations
3 provided in this chapter.

4 (3) Licensees operating under this section must comply with the
5 applicable laws and rules relating to retailers.

6 (4) Licensees operating under this section must comply with all
7 applicable laws and rules relating to sampling and serving, as may be
8 allowed by their license type.

9 (5) All licensees who participate in:

10 (a) A jointly operated off-premises location allowed under
11 subsection (1) of this section, or

12 (b) A conjoined consumption area allowed under subsection (2) of
13 this section must share staffing resources. All participating
14 licensees shall be jointly responsible for any violation or
15 enforcement issues unless it can be demonstrated that the violation
16 or enforcement issue was due to one or more licensee's specific
17 conduct or action, in which case the violation or enforcement applies
18 only to those identified licensees.

19 (6) Every person who participates in any manner in the sale or
20 service of samples or servings of spirits must obtain a class 12
21 alcohol server permit. Every person who participates in any manner in
22 the sale or service of samples or servings of beer and wine must
23 obtain a class 12 or class 13 alcohol server permit.

24 NEW SECTION. **Sec. 6.** A new section is added to chapter 66.24
25 RCW to read as follows:

26 (1) The number of licenses allowed to be issued for off-site
27 tasting rooms authorized under section 3 of this act shall not exceed
28 one hundred fifty.

29 (2) The limitations in subsection (1) of this section do not
30 apply to an off-site tasting room authorized under section 3 of this
31 act that has been granted a license under RCW 66.24.400.

32 NEW SECTION. **Sec. 7.** A new section is added to chapter 66.24
33 RCW to read as follows:

34 Nothing in this chapter prohibits a distillery licensed under RCW
35 66.24.140 or 66.24.145, or an off-site tasting room licensed under
36 section 3 of this act, from obtaining a license under RCW 66.24.400
37 for the same premises.

1 **Sec. 8.** RCW 66.28.040 and 2016 c 235 s 15 are each amended to
2 read as follows:

3 (1) Except as permitted by the board under RCW 66.20.010, or as
4 allowed under this title, no domestic brewery, microbrewery,
5 distributor, distiller, domestic winery, importer, rectifier,
6 certificate of approval holder, or other manufacturer of liquor may,
7 within the state of Washington, give to any person any liquor(~~+~~
8 ~~but~~) without charge.

9 (2) Nothing in this section nor in RCW 66.28.305 prevents a
10 domestic brewery, microbrewery, distributor, domestic winery,
11 distiller, certificate of approval holder, or importer from
12 furnishing samples of beer, wine, or spirituous liquor to authorized
13 licensees for the purpose of negotiating a sale, in accordance with
14 regulations adopted by the liquor and cannabis board, provided that
15 the samples are subject to taxes imposed by RCW 66.24.290 and
16 66.24.210(~~+~~).

17 (3) Nothing in this section prevents a domestic brewery,
18 microbrewery, domestic winery, distillery, certificate of approval
19 holder, or distributor from furnishing beer, wine, or spirituous
20 liquor for instructional purposes under RCW 66.28.150(~~+~~).

21 (4) Nothing in this section prevents a domestic winery,
22 certificate of approval holder, or distributor from furnishing wine
23 without charge, subject to the taxes imposed by RCW 66.24.210, to a
24 not-for-profit group organized and operated solely for the purpose of
25 enology or the study of viticulture which has been in existence for
26 at least six months and that uses wine so furnished solely for such
27 educational purposes or a domestic winery, or an out-of-state
28 certificate of approval holder, from furnishing wine without charge
29 or a domestic brewery, or an out-of-state certificate of approval
30 holder, from furnishing beer without charge, subject to the taxes
31 imposed by RCW 66.24.210 or 66.24.290, or a domestic distiller
32 licensed under RCW 66.24.140 or an accredited representative of a
33 distiller, manufacturer, importer, or distributor of spirituous
34 liquor licensed under RCW 66.24.310, from furnishing spirits without
35 charge, to a nonprofit charitable corporation or association exempt
36 from taxation under 26 U.S.C. Sec. 501(c)(3) or (6) of the internal
37 revenue code of 1986 for use consistent with the purpose or purposes
38 entitling it to such exemption(~~+~~).

1 (5) Nothing in this section prevents a domestic brewery or
2 microbrewery from serving beer without charge, on the brewery
3 premises((†)).

4 (6) Nothing in this section prevents donations of wine for the
5 purposes of RCW 66.12.180((†)).

6 (7) Nothing in this section prevents a domestic winery from
7 serving wine without charge, on the winery premises((†and)).

8 (8) Nothing in this section prevents a ((craft distillery from
9 selling spirits, on the distillery premises subject to RCW
10 66.24.145)) distillery licensed under RCW 66.24.140 or 66.24.145, or
11 an off-site tasting room authorized under section 3 of this act, from
12 providing, without charge, samples of spirits, including spirits
13 adulterated with other alcohol entitled to be served to customers on
14 the distillery premises or at an off-site tasting room.

15 **Sec. 9.** RCW 66.24.630 and 2017 c 96 s 4 are each amended to read
16 as follows:

17 (1) There is a spirits retail license to: Sell spirits in
18 original containers to consumers for consumption off the licensed
19 premises and to permit holders; sell spirits in original containers
20 to retailers licensed to sell spirits for consumption on the
21 premises, for resale at their licensed premises according to the
22 terms of their licenses, although no single sale may exceed twenty-
23 four liters, unless the sale is by a licensee that was a contract
24 liquor store manager of a contract liquor store at the location of
25 its spirits retail licensed premises from which it makes such sales;
26 and export spirits.

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

32 (a) Maintain a schedule by stock-keeping unit of all their
33 purchases of spirits from spirits retail licensees, including
34 combination spirits, beer, and wine licensees holding a license
35 issued pursuant to RCW 66.24.035, indicating the identity of the
36 seller and the quantities purchased; and

37 (b) Provide, not more frequently than quarterly, a report for
38 each scheduled item containing the identity of the purchasing on-

1 premises licensee and the quantities of that scheduled item purchased
2 since any preceding report to:

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

5 (ii) A distiller acting as distributor of the scheduled item in
6 the area.

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

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

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

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

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

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

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

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

11 (ii) To other registered facilities; or

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

16 (e) For purposes of negotiating volume discounts, a group of
17 individual retailers authorized to sell spirits for consumption off
18 the licensed premises may accept delivery of spirits at their
19 individual licensed premises or at any one of the individual
20 licensee's premises, or at a warehouse facility registered with the
21 board.

22 (4) (a) Except as otherwise provided in RCW 66.24.632, or in (b)
23 of this subsection, each spirits retail licensee must pay to the
24 board, for deposit into the liquor revolving fund, a license issuance
25 fee equivalent to seventeen percent of all spirits sales revenues
26 under the license, exclusive of taxes collected by the licensee and
27 of sales of items on which a license fee payable under this section
28 has otherwise been incurred. The board must establish rules setting
29 forth the timing of such payments and reporting of sales dollar
30 volume by the licensee, with payments required quarterly in arrears.
31 The first payment is due October 1, 2012.

32 (b) This subsection (4) does not apply to craft distilleries for
33 sales of spirits of the craft distillery's own production.

34 (5) In addition to the payment required under subsection (4) of
35 this section, each licensee must pay an annual license renewal fee of
36 one hundred sixty-six dollars. The board must periodically review and
37 adjust the renewal fee as may be required to maintain it as
38 comparable to annual license renewal fees for licenses to sell beer
39 and wine not for consumption on the licensed premises. If required by

1 law at the time, any increase of the annual renewal fee becomes
2 effective only upon ratification by the legislature.

3 (6) As a condition to receiving and renewing a spirits retail
4 license the licensee must provide training as prescribed by the board
5 by rule for individuals who sell spirits or who manage others who
6 sell spirits regarding compliance with laws and regulations regarding
7 sale of spirits, including without limitation the prohibitions
8 against sale of spirits to individuals who are underage or visibly
9 intoxicated. The training must be provided before the individual
10 first engages in the sale of spirits and must be renewed at least
11 every five years. The licensee must maintain records documenting the
12 nature and frequency of the training provided. An employee training
13 program is presumptively sufficient if it incorporates a "responsible
14 vendor program" adopted by the board.

15 (7) The maximum penalties prescribed by the board in WAC
16 314-29-020 through 314-29-040 relating to fines and suspensions are
17 doubled for violations relating to the sale of spirits by spirits
18 retail licensees.

19 (8)(a) The board must adopt regulations concerning the adoption
20 and administration of a compliance training program for spirits
21 retail licensees, to be known as a "responsible vendor program," to
22 reduce underage drinking, encourage licensees to adopt specific best
23 practices to prevent sales to minors, and provide licensees with an
24 incentive to give their employees ongoing training in responsible
25 alcohol sales and service.

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

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

32 (d) To participate in the responsible vendor program, licensees
33 must submit an application form to the board. If the application
34 establishes that the licensee meets the qualifications to join the
35 program, the board must send the licensee a membership certificate.

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

38 (i) Provide ongoing training to employees;

39 (ii) Accept only certain forms of identification for alcohol
40 sales;

1 (iii) Adopt policies on alcohol sales and checking
2 identification;

3 (iv) Post specific signs in the business; and

4 (v) Keep records verifying compliance with the program's
5 requirements.

6 (f)(i) A spirits retail licensee that also holds a grocery store
7 license under RCW 66.24.360 or a beer and/or wine specialty shop
8 license under RCW 66.24.371 may, upon board approval and pursuant to
9 board rules, transition to a combination spirits, beer, and wine
10 license pursuant to RCW 66.24.035.

11 (ii) An applicant that would qualify for a spirits retail license
12 under this section and that qualifies for a combination spirits,
13 beer, and wine license pursuant to RCW 66.24.035 may apply for a
14 license pursuant to RCW 66.24.035 instead of applying for a spirits
15 retail license under this section.

16 **Sec. 10.** RCW 66.28.310 and 2019 c 149 s 1 are each amended to
17 read as follows:

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

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

27 (ii) Must bear imprinted advertising matter of the industry
28 member only, except imprinted advertising matter of the industry
29 member can include the logo of a professional sports team which the
30 industry member is licensed to use;

31 (iii) May be provided by industry members only to retailers and
32 their employees and may not be provided by or through retailers or
33 their employees to retail customers; and

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

35 (b) An industry member is not obligated to provide any such
36 branded promotional items, and a retailer may not require an industry
37 member to provide such branded promotional items as a condition for
38 selling any alcohol to the retailer.

1 (c) Any industry member or retailer or any other person asserting
2 that the provision of branded promotional items as allowed in (a) of
3 this subsection has resulted or is more likely than not to result in
4 undue influence or an adverse impact on public health and safety, or
5 is otherwise inconsistent with the criteria in (a) of this subsection
6 may file a complaint with the board. Upon receipt of a complaint the
7 board may conduct such investigation as it deems appropriate in the
8 circumstances. If the investigation reveals the provision of branded
9 promotional items has resulted in or is more likely than not to
10 result in undue influence or has resulted or is more likely than not
11 to result in an adverse impact on public health and safety or is
12 otherwise inconsistent with (a) of this subsection the board may
13 issue an administrative violation notice to the industry member, to
14 the retailer, or both. The recipient of the administrative violation
15 notice may request a hearing under chapter 34.05 RCW.

16 (2) Nothing in RCW 66.28.305 prohibits:

17 (a) An industry member from providing to a special occasion
18 licensee and a special occasion licensee from receiving services for:

19 (i) Installation of draft beer dispensing equipment or
20 advertising;

21 (ii) Advertising, pouring, or dispensing of beer or wine at a
22 beer or wine tasting exhibition or judging event; or

23 (iii) Pouring or dispensing of spirits by a licensed domestic
24 distiller or the accredited representative of a distiller,
25 manufacturer, importer, or distributor of spirituous liquor licensed
26 under RCW 66.24.310; or

27 (b) Special occasion licensees from paying for beer, wine, or
28 spirits immediately following the end of the special occasion event;
29 or

30 (c) Wineries, breweries, or distilleries that are participating
31 in a special occasion event from paying reasonable booth fees to the
32 special occasion licensee.

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

1 (4) Nothing in RCW 66.28.305 prohibits:

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

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

9 (c) Manufacturers, distributors, or their licensed
10 representatives from using web sites or social media accounts in
11 their name to post, repost, or share promotional information or
12 images about events featuring a product of the manufacturer's own
13 production or a product sold by the distributor, held at an on-
14 premises licensed liquor retailer's location or a licensed special
15 occasion event. The promotional information may include links to
16 purchase event tickets. Manufacturers, distributors, or their
17 licensed representatives may not pay a third party to enhance
18 viewership of a specific post. Industry members, or their licensed
19 representatives, are not obligated to post, repost, or share
20 information or images on a web site or on social media. A licensed
21 liquor retailer may not require an industry member or their licensed
22 representative to post, repost, or share information or images on a
23 web site or on social media as a condition for selling any alcohol to
24 the retailer or participating in a retailer's event; or

25 (d) Industry members and retailers from producing, jointly or
26 together with regional, state, or local industry associations,
27 brochures and materials promoting tourism in Washington state which
28 contain information regarding retail licensees, industry members, and
29 their products.

30 (5) Nothing in RCW 66.28.305 prohibits the performance of
31 personal services offered from time to time by a domestic winery or
32 certificate of approval holder to retailers when the personal
33 services are (a) conducted at a licensed premises, and (b) intended
34 to inform, educate, or enhance customers' knowledge or experience of
35 the manufacturer's products. The performance of personal services may
36 include participation and pouring, bottle signing events, and other
37 similar informational or educational activities at the premises of a
38 retailer holding a spirits, beer, and wine restaurant license, a wine
39 and/or beer restaurant license, a specialty wine shop license, a
40 special occasion license, a grocery store license with a tasting

1 endorsement, or a private club license. A domestic winery or
2 certificate of approval holder is not obligated to perform any such
3 personal services, and a retail licensee may not require a domestic
4 winery or certificate of approval holder to conduct any personal
5 service as a condition for selling any alcohol to the retail
6 licensee, or as a condition for including any product of the domestic
7 winery or certificate of approval holder in any tasting conducted by
8 the licensee. Except as provided in RCW 66.28.150, the cost of
9 sampling may not be borne, directly or indirectly, by any domestic
10 winery or certificate of approval holder or any distributor. Nothing
11 in this section prohibits wineries, breweries, microbreweries,
12 certificate of approval holders, and retail licensees from
13 identifying the producers on private labels authorized under RCW
14 66.24.400, 66.24.425, 66.24.450, 66.24.360, and 66.24.371.

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

20 (7) Nothing in RCW 66.28.305 prohibits the performance of
21 personal services offered from time to time by a domestic brewery,
22 microbrewery, or beer certificate of approval holder to grocery store
23 licensees with a tasting endorsement when the personal services are
24 (a) conducted at a licensed premises in conjunction with a tasting
25 event, and (b) intended to inform, educate, or enhance customers'
26 knowledge or experience of the manufacturer's products. The
27 performance of personal services may include participation and
28 pouring, bottle signing events, and other similar informational or
29 educational activities. A domestic brewery, microbrewery, or beer
30 certificate of approval holder is not obligated to perform any such
31 personal services, and a grocery store licensee may not require the
32 performance of any personal service as a condition for including any
33 product in any tasting conducted by the licensee.

34 (8) Nothing in RCW 66.28.305 prohibits an arrangement between a
35 domestic winery and a restaurant licensed under RCW 66.24.320 or
36 66.24.400 to waive a corkage fee.

37 (9) Nothing in this section prohibits professional sports teams
38 who hold a retail liquor license or their agents from accepting bona
39 fide liquor advertising from manufacturers, importers, distributors,
40 or their agents for use in the sporting arena. Professional sports

1 teams who hold a retail liquor license or their agents may license
2 the manufacturer, importer, distributor, or their agents to use the
3 name and trademarks of the professional sports team in their
4 advertising and promotions, under the following conditions:

5 (a) Such advertising must be paid for by said manufacturer,
6 importer, distributor, or their agent at the published advertising
7 rate or at a reasonable fair market value.

8 (b) Such advertising may carry with it no express or implied
9 offer on the part of the manufacturer, importer, distributor, or
10 their agent, or promise on the part of the retail licensee whose
11 operation is directly or indirectly part of the sporting arena, to
12 stock or list any particular brand of liquor to the total or partial
13 exclusion of any other brand.

14 (10) Nothing in RCW 66.28.305 prohibits a licensed domestic
15 brewery or microbrewery from providing branded promotional items
16 which are of nominal value, singly or in the aggregate, to a
17 nonprofit charitable corporation or association exempt from taxation
18 under 26 U.S.C. Sec. 501(c)(3) of the internal revenue code as it
19 existed on July 24, 2015, for use consistent with the purpose or
20 purposes entitling it to such exemption.

21 (11) Nothing in RCW 66.28.305 prohibits a distillery, craft
22 distillery, or spirits certificate of approval holder from providing
23 branded promotional items of nominal value, singly or in the
24 aggregate, to a nonprofit charitable corporation or association
25 exempt from taxation under Title 26 U.S.C. Sec. 501(c)(3) of the
26 federal internal revenue code of 1986, as amended, as of the
27 effective date of this section, for use consistent with the purpose
28 or purposes entitling it to such exemption.

29 **Sec. 11.** RCW 42.56.270 and 2019 c 394 s 10, 2019 c 344 s 14, and
30 2019 c 212 s 12 are each reenacted and amended to read as follows:

31 The following financial, commercial, and proprietary information
32 is exempt from disclosure under this chapter:

33 (1) Valuable formulae, designs, drawings, computer source code or
34 object code, and research data obtained by any agency within five
35 years of the request for disclosure when disclosure would produce
36 private gain and public loss;

37 (2) Financial information supplied by or on behalf of a person,
38 firm, or corporation for the purpose of qualifying to submit a bid or
39 proposal for (a) a ferry system construction or repair contract as

1 required by RCW 47.60.680 through 47.60.750; (b) highway construction
2 or improvement as required by RCW 47.28.070; or (c) alternative
3 public works contracting procedures as required by RCW 39.10.200
4 through 39.10.905;

5 (3) Financial and commercial information and records supplied by
6 private persons pertaining to export services provided under chapters
7 43.163 and 53.31 RCW, and by persons pertaining to export projects
8 under RCW 43.23.035;

9 (4) Financial and commercial information and records supplied by
10 businesses or individuals during application for loans or program
11 services provided by chapters 43.325, 43.163, 43.160, 43.330, and
12 43.168 RCW, or during application for economic development loans or
13 program services provided by any local agency;

14 (5) Financial information, business plans, examination reports,
15 and any information produced or obtained in evaluating or examining a
16 business and industrial development corporation organized or seeking
17 certification under chapter 31.24 RCW;

18 (6) Financial and commercial information supplied to the state
19 investment board by any person when the information relates to the
20 investment of public trust or retirement funds and when disclosure
21 would result in loss to such funds or in private loss to the
22 providers of this information;

23 (7) Financial and valuable trade information under RCW 51.36.120;

24 (8) Financial, commercial, operations, and technical and research
25 information and data submitted to or obtained by the clean Washington
26 center in applications for, or delivery of, program services under
27 chapter 70.95H RCW;

28 (9) Financial and commercial information requested by the public
29 stadium authority from any person or organization that leases or uses
30 the stadium and exhibition center as defined in RCW 36.102.010;

31 (10)(a) Financial information, including but not limited to
32 account numbers and values, and other identification numbers supplied
33 by or on behalf of a person, firm, corporation, limited liability
34 company, partnership, or other entity related to an application for a
35 horse racing license submitted pursuant to RCW 67.16.260(1)(b),
36 marijuana producer, processor, or retailer license, liquor license,
37 gambling license, or lottery retail license;

38 (b) Internal control documents, independent auditors' reports and
39 financial statements, and supporting documents: (i) Of house-banked
40 social card game licensees required by the gambling commission

1 pursuant to rules adopted under chapter 9.46 RCW; or (ii) submitted
2 by tribes with an approved tribal/state compact for class III gaming;

3 (c) Valuable formulae or financial or proprietary commercial
4 information records received during a consultative visit or while
5 providing consultative services to a licensed marijuana business in
6 accordance with RCW 69.50.561;

7 (11) Proprietary data, trade secrets, or other information that
8 relates to: (a) A vendor's unique methods of conducting business; (b)
9 data unique to the product or services of the vendor; or (c)
10 determining prices or rates to be charged for services, submitted by
11 any vendor to the department of social and health services or the
12 health care authority for purposes of the development, acquisition,
13 or implementation of state purchased health care as defined in RCW
14 41.05.011;

15 (12)(a) When supplied to and in the records of the department of
16 commerce:

17 (i) Financial and proprietary information collected from any
18 person and provided to the department of commerce pursuant to RCW
19 43.330.050(8); and

20 (ii) Financial or proprietary information collected from any
21 person and provided to the department of commerce or the office of
22 the governor in connection with the siting, recruitment, expansion,
23 retention, or relocation of that person's business and until a siting
24 decision is made, identifying information of any person supplying
25 information under this subsection and the locations being considered
26 for siting, relocation, or expansion of a business;

27 (b) When developed by the department of commerce based on
28 information as described in (a)(i) of this subsection, any work
29 product is not exempt from disclosure;

30 (c) For the purposes of this subsection, "siting decision" means
31 the decision to acquire or not to acquire a site;

32 (d) If there is no written contact for a period of sixty days to
33 the department of commerce from a person connected with siting,
34 recruitment, expansion, retention, or relocation of that person's
35 business, information described in (a)(ii) of this subsection will be
36 available to the public under this chapter;

37 (13) Financial and proprietary information submitted to or
38 obtained by the department of ecology or the authority created under
39 chapter 70.95N RCW to implement chapter 70.95N RCW;

1 (14) Financial, commercial, operations, and technical and
2 research information and data submitted to or obtained by the life
3 sciences discovery fund authority in applications for, or delivery
4 of, grants under (~~chapter 43.350~~) RCW 43.330.502, to the extent
5 that such information, if revealed, would reasonably be expected to
6 result in private loss to the providers of this information;

7 (15) Financial and commercial information provided as evidence to
8 the department of licensing as required by RCW 19.112.110 or
9 19.112.120, except information disclosed in aggregate form that does
10 not permit the identification of information related to individual
11 fuel licensees;

12 (16) Any production records, mineral assessments, and trade
13 secrets submitted by a permit holder, mine operator, or landowner to
14 the department of natural resources under RCW 78.44.085;

15 (17)(a) Farm plans developed by conservation districts, unless
16 permission to release the farm plan is granted by the landowner or
17 operator who requested the plan, or the farm plan is used for the
18 application or issuance of a permit;

19 (b) Farm plans developed under chapter 90.48 RCW and not under
20 the federal clean water act, 33 U.S.C. Sec. 1251 et seq., are subject
21 to RCW 42.56.610 and 90.64.190;

22 (18) Financial, commercial, operations, and technical and
23 research information and data submitted to or obtained by a health
24 sciences and services authority in applications for, or delivery of,
25 grants under RCW 35.104.010 through 35.104.060, to the extent that
26 such information, if revealed, would reasonably be expected to result
27 in private loss to providers of this information;

28 (19) Information gathered under chapter 19.85 RCW or RCW
29 34.05.328 that can be identified to a particular business;

30 (20) Financial and commercial information submitted to or
31 obtained by the University of Washington, other than information the
32 university is required to disclose under RCW 28B.20.150, when the
33 information relates to investments in private funds, to the extent
34 that such information, if revealed, would reasonably be expected to
35 result in loss to the University of Washington consolidated endowment
36 fund or to result in private loss to the providers of this
37 information;

38 (21) Market share data submitted by a manufacturer under RCW
39 70.95N.190(4);

1 (22) Financial information supplied to the department of
2 financial institutions, when filed by or on behalf of an issuer of
3 securities for the purpose of obtaining the exemption from state
4 securities registration for small securities offerings provided under
5 RCW 21.20.880 or when filed by or on behalf of an investor for the
6 purpose of purchasing such securities;

7 (23) Unaggregated or individual notices of a transfer of crude
8 oil that is financial, proprietary, or commercial information,
9 submitted to the department of ecology pursuant to RCW
10 90.56.565(1)(a), and that is in the possession of the department of
11 ecology or any entity with which the department of ecology has shared
12 the notice pursuant to RCW 90.56.565;

13 (24) Financial institution and retirement account information,
14 and building security plan information, supplied to the liquor and
15 cannabis board pursuant to RCW 69.50.325, 69.50.331, 69.50.342, and
16 69.50.345, when filed by or on behalf of a licensee or prospective
17 licensee for the purpose of obtaining, maintaining, or renewing a
18 license to produce, process, transport, or sell marijuana as allowed
19 under chapter 69.50 RCW;

20 (25) Marijuana transport information, vehicle and driver
21 identification data, and account numbers or unique access identifiers
22 issued to private entities for traceability system access, submitted
23 by an individual or business to the liquor and cannabis board under
24 the requirements of RCW 69.50.325, 69.50.331, 69.50.342, and
25 69.50.345 for the purpose of marijuana product traceability.
26 Disclosure to local, state, and federal officials is not considered
27 public disclosure for purposes of this section;

28 (26) Financial and commercial information submitted to or
29 obtained by the retirement board of any city that is responsible for
30 the management of an employees' retirement system pursuant to the
31 authority of chapter 35.39 RCW, when the information relates to
32 investments in private funds, to the extent that such information, if
33 revealed, would reasonably be expected to result in loss to the
34 retirement fund or to result in private loss to the providers of this
35 information except that (a) the names and commitment amounts of the
36 private funds in which retirement funds are invested and (b) the
37 aggregate quarterly performance results for a retirement fund's
38 portfolio of investments in such funds are subject to disclosure;

39 (27) Proprietary financial, commercial, operations, and technical
40 and research information and data submitted to or obtained by the

1 liquor and cannabis board in applications for marijuana research
2 licenses under RCW 69.50.372, or in reports submitted by marijuana
3 research licensees in accordance with rules adopted by the liquor and
4 cannabis board under RCW 69.50.372;

5 (28) Trade secrets, technology, proprietary information, and
6 financial considerations contained in any agreements or contracts,
7 entered into by a licensed marijuana business under RCW 69.50.395,
8 which may be submitted to or obtained by the state liquor and
9 cannabis board;

10 (29) Financial, commercial, operations, and technical and
11 research information and data submitted to or obtained by the Andy
12 Hill cancer research endowment program in applications for, or
13 delivery of, grants under chapter 43.348 RCW, to the extent that such
14 information, if revealed, would reasonably be expected to result in
15 private loss to providers of this information;

16 (30) Proprietary information filed with the department of health
17 under chapter 69.48 RCW; (~~and~~)

18 (31) Records filed with the department of ecology under chapter
19 70.375 RCW that a court has determined are confidential valuable
20 commercial information under RCW 70.375.130; and

21 (32) Unaggregated financial, proprietary, or commercial
22 information submitted to or obtained by the liquor and cannabis board
23 in applications for licenses under RCW 66.24.140 or 66.24.145, or in
24 any reports or remittances submitted by a person licensed under RCW
25 66.24.140 or 66.24.145 under rules adopted by the liquor and cannabis
26 board under chapter 66.08 RCW.

27 NEW SECTION. Sec. 12. A new section is added to chapter 66.24
28 RCW to read as follows:

29 The board may adopt rules to implement this act.

30 NEW SECTION. Sec. 13. If any provision of this act or its
31 application to any person or circumstance is held invalid, the
32 remainder of the act or the application of the provision to other
33 persons or circumstances is not affected.

34 NEW SECTION. Sec. 14. Sections 3, 5, 6, 7, and 10 of this act
35 take effect January 1, 2021."

36 Correct the title.

EFFECT: Provides that persons under age 21 must be accompanied by their parent or legal guardian to be on the premises of a distillery's on-site or off-site tasting rooms (and may not be accompanied only by another adult who has responsibility for them but who is not a parent or legal guardian). Prohibits persons under age 21 from being on the premises of a distillery or off-site tasting room past 9:00 p.m., except for an event covered by a private banquet permit or when the person is a child of an owner, operator, or manager.

Provides that children of owners, operators, or managers of a distillery or off-site tasting room may be in any area of the distillery or off-site tasting room (including past 9:00 p.m.) if the children are under the direct supervision of their parent or guardian.

Eliminates a reference to a 42-inch barrier as one of the authorized types of separations between a tasting room space and the designated area where persons under age 21 are allowed to enter a distillery tasting room.

Requires distilleries to provide, free or for a charge, food offerings to customers during public service hours at distillery tasting rooms. Defines "food offerings" to be a combination of small serving food items to include a mix of hors d'oeuvre type foods, cheeses, fruits, vegetables, deli-style meats, chips, pretzels, nuts, popcorn, crackers, or similar items. Also requires the posting of a list of at least five local restaurants or food trucks where customers can purchase food for consumption in the tasting room. Requires the LCB to further determine requirements for food offerings through rule, subject to limitations.

Limits the number of off-site tasting room licenses that may be issued to 150 total licenses. Provides that this limitation does not apply to an off-site tasting room that has also been granted a license as a spirits, beer, and wine restaurant.

Modifies terminology, makes various other changes, and grants the Liquor and Cannabis Board rule-making authority to implement the act.

Modifies the effective date, so the creation of the off-site tasting room license, the authorization for co-operated tasting rooms and conjoined consumption areas, and the authorization for the provision of branded promotional items to nonprofits take effect on January 1, 2021, whereas the following provisions have a 90-day effective date: (1) The new privileges and limitations for distilleries to sell spirits and other products from on-site tasting rooms; (2) the elimination of existing authority for distilleries to sell bottled spirits at farmers' markets under a license endorsement; (3) the new food service requirements for distillery tasting rooms; (4) the new Public Records Act exemption related to unaggregated financial, proprietary, or commercial information; and (5) the grant of rule-making authority to the LCB to implement the act.

--- END ---