

CERTIFICATION OF ENROLLMENT
THIRD SUBSTITUTE HOUSE BILL 1359

Chapter 116, Laws of 2022

67th Legislature
2022 Regular Session

LIQUOR LICENSE FEES—TEMPORARY REDUCTION

EFFECTIVE DATE: April 1, 2022

Passed by the House March 10, 2022
Yeas 95 Nays 3

LAURIE JINKINS

**Speaker of the House of
Representatives**

Passed by the Senate March 10, 2022
Yeas 49 Nays 0

DENNY HECK

President of the Senate

Approved March 24, 2022 8:35 AM

JAY INSLEE

Governor of the State of Washington

CERTIFICATE

I, Bernard Dean, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **THIRD SUBSTITUTE HOUSE BILL 1359** as passed by the House of Representatives and the Senate on the dates hereon set forth.

BERNARD DEAN

Chief Clerk

FILED

March 24, 2022

**Secretary of State
State of Washington**

THIRD SUBSTITUTE HOUSE BILL 1359

AS AMENDED BY THE SENATE

Passed Legislature - 2022 Regular Session

State of Washington 67th Legislature 2022 Regular Session

By House Commerce & Gaming (originally sponsored by Representatives Stonier, MacEwen, Robertson, Shewmake, Ormsby, and Macri)

READ FIRST TIME 02/03/22.

1 AN ACT Relating to temporarily reducing liquor license fees;
2 amending RCW 66.24.420, 66.24.590, 66.24.600, 66.24.655, 66.24.690,
3 66.24.140, 66.24.146, 66.24.170, 66.24.240, 66.24.244, 66.24.320,
4 66.24.330, 66.24.350, 66.24.540, 66.24.570, 66.24.580, and 66.24.650;
5 reenacting and amending RCW 66.24.495 and 66.24.680; creating a new
6 section; providing an effective date; providing an expiration date;
7 and declaring an emergency.

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

9 NEW SECTION. **Sec. 1.** The legislature finds that operations of
10 businesses in the hospitality industry have been significantly
11 disrupted since the beginning of the COVID-19 pandemic. Many of these
12 businesses, including restaurants, hotels, theaters, caterers, and
13 nightclubs maintain state liquor licenses in order to offer their
14 customers beer, wine, or spirits as products or amenities as
15 authorized under the terms of their licenses. However, many
16 licensees' businesses were completely or partially closed for much of
17 2020 and continue to be closed or substantially disrupted in 2021 and
18 2022. Recognizing many licensees' inability to fully operate and use
19 their license, and the financial hardships faced by many licensees,
20 the legislature intends to provide relief to the hospitality industry
21 by reducing certain liquor license fees in 2022 and 2023.

1 **Sec. 2.** RCW 66.24.420 and 2021 c 6 s 9 are each amended to read
2 as follows:

3 (1) The spirits, beer, and wine restaurant license shall be
4 issued in accordance with the following schedule of annual fees:

5 (a) The annual fee for a spirits, beer, and wine restaurant
6 license shall be graduated according to the dedicated dining area and
7 type of service provided as follows:

8	Less than 50% dedicated dining area	(\$2,000)
9		<u>\$1,000</u>
10	50% or more dedicated dining area	(\$1,600)
11		<u>\$800</u>
12	Service bar only	(\$1,000)
13		<u>\$500</u>

14 (b) The annual fee for the license when issued to any other
15 spirits, beer, and wine restaurant licensee outside of incorporated
16 cities and towns shall be prorated according to the calendar
17 quarters, or portion thereof, during which the licensee is open for
18 business, except in case of suspension or revocation of the license.

19 (c) Where the license shall be issued to any corporation,
20 association or person operating a bona fide restaurant in an airport
21 terminal facility providing service to transient passengers with more
22 than one place where liquor is to be dispensed and sold, such license
23 shall be issued upon the payment of the annual fee, which shall be a
24 master license and shall permit such sale within and from one such
25 place. Such license may be extended to additional places on the
26 premises at the discretion of the board and a duplicate license may
27 be issued for each such additional place. The holder of a master
28 license for a restaurant in an airport terminal facility must
29 maintain in a substantial manner at least one place on the premises
30 for preparing, cooking, and serving of complete meals, and such food
31 service shall be available on request in other licensed places on the
32 premises. An additional license fee of twenty-five percent of the
33 annual master license fee shall be required for such duplicate
34 licenses.

35 (d) Where the license shall be issued to any corporation,
36 association, or person operating dining places at a publicly or
37 privately owned civic or convention center with facilities for
38 sports, entertainment, or conventions, or a combination thereof, with

1 more than one place where liquor is to be dispensed and sold, such
2 license shall be issued upon the payment of the annual fee, which
3 shall be a master license and shall permit such sale within and from
4 one such place. Such license may be extended to additional places on
5 the premises at the discretion of the board and a duplicate license
6 may be issued for each such additional place. The holder of a master
7 license for a dining place at such a publicly or privately owned
8 civic or convention center must maintain in a substantial manner at
9 least one place on the premises for preparing, cooking, and serving
10 of complete meals, and food service shall be available on request in
11 other licensed places on the premises. An additional license fee of
12 ten dollars shall be required for such duplicate licenses.

13 (e) The annual fees in this subsection (1) are waived during the
14 12-month period beginning with the second calendar month after
15 February 28, 2021, for:

16 (i) Licenses that expire during the 12-month waiver period under
17 this subsection (1)(e); and

18 (ii) Licenses issued to persons previously licensed under this
19 section at any time during the 12-month period prior to the 12-month
20 waiver period under this subsection (1)(e).

21 (f) The waivers in (e) of this subsection do not apply to any
22 licensee that:

23 (i) Had their license suspended by the board for health and
24 safety violations of state COVID-19 guidelines; or

25 (ii) Received an order of immediate restraint or citation from
26 the department of labor and industries for allowing an employee to
27 perform work where business activity was prohibited in violation of
28 an emergency proclamation of the governor under RCW 43.06.220.

29 (g) Upon request of the department of revenue, the board and the
30 department of labor and industries must both provide a list of
31 persons that they have determined to be ineligible for a fee waiver
32 under (e) of this subsection for the reasons described in (f) of this
33 subsection. Unless otherwise agreed, any list must be received by the
34 department of revenue no later than 15 calendar days after the
35 request is made.

36 (2) The board, so far as in its judgment is reasonably possible,
37 shall confine spirits, beer, and wine restaurant licenses to the
38 business districts of cities and towns and other communities, and not
39 grant such licenses in residential districts, nor within the
40 immediate vicinity of schools, without being limited in the

1 administration of this subsection to any specific distance
2 requirements.

3 (3) The board shall have discretion to issue spirits, beer, and
4 wine restaurant licenses outside of cities and towns in the state of
5 Washington. The purpose of this subsection is to enable the board, in
6 its discretion, to license in areas outside of cities and towns and
7 other communities, establishments which are operated and maintained
8 primarily for the benefit of tourists, vacationers and travelers, and
9 also golf and country clubs, and common carriers operating dining,
10 club and buffet cars, or boats.

11 (4) The combined total number of spirits, beer, and wine
12 nightclub licenses, and spirits, beer, and wine restaurant licenses
13 issued in the state of Washington by the board, not including
14 spirits, beer, and wine private club licenses, shall not in the
15 aggregate at any time exceed one license for each one thousand two
16 hundred of population in the state, determined according to the
17 yearly population determination developed by the office of financial
18 management pursuant to RCW 43.62.030.

19 (5) Notwithstanding the provisions of subsection (4) of this
20 section, the board shall refuse a spirits, beer, and wine restaurant
21 license to any applicant if in the opinion of the board the spirits,
22 beer, and wine restaurant licenses already granted for the particular
23 locality are adequate for the reasonable needs of the community.

24 (6)(a) The board may issue a caterer's endorsement to this
25 license to allow the licensee to remove the liquor stocks at the
26 licensed premises, for use as liquor for sale and service at event
27 locations at a specified date and, except as provided in subsection
28 (7) of this section, place not currently licensed by the board. If
29 the event is open to the public, it must be sponsored by a society or
30 organization as defined by RCW 66.24.375. If attendance at the event
31 is limited to members or invited guests of the sponsoring individual,
32 society, or organization, the requirement that the sponsor must be a
33 society or organization as defined by RCW 66.24.375 is waived. Cost
34 of the endorsement is three hundred fifty dollars.

35 (b) The holder of this license with a catering endorsement shall,
36 if requested by the board, notify the board or its designee of the
37 date, time, place, and location of any catered event. Upon request,
38 the licensee shall provide to the board all necessary or requested
39 information concerning the society or organization that will be
40 holding the function at which the endorsed license will be utilized.

1 (c) The holder of this license with a caterer's endorsement may,
2 under conditions established by the board, store liquor on the
3 premises of another not licensed by the board so long as there is a
4 written agreement between the licensee and the other party to provide
5 for ongoing catering services, the agreement contains no exclusivity
6 clauses regarding the alcoholic beverages to be served, and the
7 agreement is filed with the board.

8 (d) The holder of this license with a caterer's endorsement may,
9 under conditions established by the board, store liquor on other
10 premises operated by the licensee so long as the other premises are
11 owned or controlled by a leasehold interest by that licensee. A
12 duplicate license may be issued for each additional premises. A
13 license fee of twenty dollars shall be required for such duplicate
14 licenses.

15 (7) Licensees under this section that hold a caterer's
16 endorsement are allowed to use this endorsement on a domestic winery
17 premises or on the premises of a passenger vessel and may store
18 liquor at such premises under conditions established by the board
19 under the following conditions:

20 (a) Agreements between the domestic winery or passenger vessel,
21 as the case may be, and the retail licensee shall be in writing,
22 contain no exclusivity clauses regarding the alcoholic beverages to
23 be served, and be filed with the board; and

24 (b) The domestic winery or passenger vessel, as the case may be,
25 and the retail licensee shall be separately contracted and
26 compensated by the persons sponsoring the event for their respective
27 services.

28 **Sec. 3.** RCW 66.24.590 and 2021 c 6 s 14 are each amended to read
29 as follows:

30 (1) There is a retailer's license to be designated as a hotel
31 license. No license may be issued to a hotel offering rooms to its
32 guests on an hourly basis. Food service provided for room service,
33 banquets or conferences, or restaurant operation under this license
34 must meet the requirements of rules adopted by the board.

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

36 (a) Sell spirituous liquor, beer, and wine, by the individual
37 glass, at retail, for consumption on the premises, including mixed
38 drinks and cocktails compounded and mixed on the premises;

1 (b) Sell, at retail, from locked honor bars, in individual units,
2 spirits not to exceed fifty milliliters, beer in individual units not
3 to exceed twelve ounces, and wine in individual bottles not to exceed
4 three hundred eighty-five milliliters, to registered guests of the
5 hotel for consumption in guest rooms. The licensee must require proof
6 of age from the guest renting a guest room and requesting the use of
7 an honor bar. The guest must also execute an affidavit verifying that
8 no one under twenty-one years of age will have access to the spirits,
9 beer, and wine in the honor bar;

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

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

19 (e) Sell beer, including strong beer, spirits, or wine, in the
20 manufacturer's sealed container at retail sales locations within the
21 hotel premises;

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

26 (g) Sell for on or off-premises consumption, including through
27 room service and service to occupants of private residential units
28 managed by the hotel, wine carrying a label exclusive to the hotel
29 license holder;

30 (h) Place in guest rooms at check-in, a complimentary bottle of
31 liquor in a manufacturer-sealed container, and make a reference to
32 this service in promotional material.

33 (3) If all or any facilities for alcoholic beverage service and
34 the preparation, cooking, and serving of food are operated under
35 contract or joint venture agreement, the operator may hold a license
36 separate from the license held by the operator of the hotel. Food and
37 beverage inventory used in separate licensed operations at the hotel
38 may not be shared and must be separately owned and stored by the
39 separate licensees.

1 (4) All spirits to be sold under this license must be purchased
2 from a spirits retailer or spirits distributor licensee of the board.

3 (5) All on-premises alcoholic beverage service must be done by an
4 alcohol server as defined in RCW 66.20.300 and must comply with RCW
5 66.20.310.

6 (6) (a) The hotel license allows the licensee to remove from the
7 liquor stocks at the licensed premises, liquor for sale and service
8 at event locations at a specified date and place not currently
9 licensed by the board. If the event is open to the public, it must be
10 sponsored by a society or organization as defined by RCW 66.24.375.
11 If attendance at the event is limited to members or invited guests of
12 the sponsoring individual, society, or organization, the requirement
13 that the sponsor must be a society or organization as defined by RCW
14 66.24.375 is waived.

15 (b) The holder of this license must, if requested by the board,
16 notify the board or its designee of the date, time, place, and
17 location of any event. Upon request, the licensee must provide to the
18 board all necessary or requested information concerning the society
19 or organization that will be holding the function at which the
20 endorsed license will be utilized.

21 (c) Licensees may cater events on a domestic winery, brewery, or
22 distillery premises.

23 (7) The holder of this license or its manager may furnish
24 spirits, beer, or wine to the licensee's employees who are twenty-one
25 years of age or older free of charge as may be required for use in
26 connection with instruction on spirits, beer, and wine. The
27 instruction may include the history, nature, values, and
28 characteristics of spirits, beer, or wine, the use of wine lists, and
29 the methods of presenting, serving, storing, and handling spirits,
30 beer, or wine. The licensee must use the liquor it obtains under its
31 license for the sampling as part of the instruction. The instruction
32 must be given on the premises of the licensee.

33 (8) Minors may be allowed in all areas of the hotel where liquor
34 may be consumed; however, the consumption must be incidental to the
35 primary use of the area. These areas include, but are not limited to,
36 tennis courts, hotel lobbies, and swimming pool areas. If an area is
37 not a mixed use area, and is primarily used for alcohol service, the
38 area must be designated and restricted to access by persons of lawful
39 age to purchase liquor.

1 (9) (a) The annual fee for this license is (~~two thousand~~
2 ~~dollars~~) \$1,000.

3 (b) The annual fee in (a) of this subsection is waived during the
4 12-month period beginning with the second calendar month after
5 February 28, 2021, for:

6 (i) Licenses that expire during the 12-month waiver period under
7 this subsection (9) (b); and

8 (ii) Licenses issued to persons previously licensed under this
9 section at any time during the 12-month period prior to the 12-month
10 waiver period under this subsection (9) (b).

11 (c) The waiver in (b) of this subsection does not apply to any
12 licensee that:

13 (i) Had their license suspended by the board for health and
14 safety violations of state COVID-19 guidelines; or

15 (ii) Received an order of immediate restraint or citation from
16 the department of labor and industries for allowing an employee to
17 perform work where business activity was prohibited in violation of
18 an emergency proclamation of the governor under RCW 43.06.220.

19 (d) Upon request of the department of revenue, the board and the
20 department of labor and industries must both provide a list of
21 persons that they have determined to be ineligible for a fee waiver
22 under (b) of this subsection for the reasons described in (c) of this
23 subsection. Unless otherwise agreed, any list must be received by the
24 department of revenue no later than 15 calendar days after the
25 request is made.

26 (10) As used in this section, "hotel," "spirits," "beer," and
27 "wine" have the meanings defined in RCW 66.24.410 and 66.04.010.

28 **Sec. 4.** RCW 66.24.600 and 2021 c 6 s 15 are each amended to read
29 as follows:

30 (1) There shall be a spirits, beer, and wine nightclub license to
31 sell spirituous liquor by the drink, beer, and wine at retail, for
32 consumption on the licensed premises.

33 (2) The license may be issued only to a person whose business
34 includes the sale and service of alcohol to the person's customers,
35 has food sales and service incidental to the sale and service of
36 alcohol, and has primary business hours between 9:00 p.m. and 2:00
37 a.m.

38 (3) Minors may be allowed on the licensed premises but only in
39 areas where alcohol is not served or consumed.

1 (4) (a) The annual fee for this license is (~~two thousand~~
2 ~~dollars~~) \$1,000. The fee for the license shall be reviewed from time
3 to time and set at such a level sufficient to defray the cost of
4 licensing and enforcing this licensing program. The fee shall be
5 fixed by rule adopted by the board in accordance with the provisions
6 of the administrative procedure act, chapter 34.05 RCW.

7 (b) The annual fee in (a) of this subsection is waived during the
8 12-month period beginning with the second calendar month after
9 February 28, 2021, for:

10 (i) Licenses that expire during the 12-month waiver period under
11 this subsection (4) (b); and

12 (ii) Licenses issued to persons previously licensed under this
13 section at any time during the 12-month period prior to the 12-month
14 waiver period under this subsection (4) (b).

15 (c) The waiver in (b) of this subsection does not apply to any
16 licensee that:

17 (i) Had their license suspended by the board for health and
18 safety violations of state COVID-19 guidelines; or

19 (ii) Received an order of immediate restraint or citation from
20 the department of labor and industries for allowing an employee to
21 perform work where business activity was prohibited in violation of
22 an emergency proclamation of the governor under RCW 43.06.220.

23 (d) Upon request of the department of revenue, the board and the
24 department of labor and industries must both provide a list of
25 persons that they have determined to be ineligible for a fee waiver
26 under (b) of this subsection for the reasons described in (c) of this
27 subsection. Unless otherwise agreed, any list must be received by the
28 department of revenue no later than 15 calendar days after the
29 request is made.

30 (5) Local governments may petition the board to request that
31 further restrictions be imposed on a spirits, beer, and wine
32 nightclub license in the interest of public safety. Examples of
33 further restrictions a local government may request are: No minors
34 allowed on the entire premises, submitting a security plan, or
35 signing a good neighbor agreement with the local government.

36 (6) The total number of spirits, beer, and wine nightclub
37 licenses are subject to the requirements of RCW 66.24.420(4).
38 However, the board shall refuse a spirits, beer, and wine nightclub
39 license to any applicant if the board determines that the spirits,

1 beer, and wine nightclub licenses already granted for the particular
2 locality are adequate for the reasonable needs of the community.

3 (7) The board may adopt rules to implement this section.

4 **Sec. 5.** RCW 66.24.655 and 2021 c 6 s 17 are each amended to read
5 as follows:

6 (1)(a) There is a theater license to sell spirits, beer,
7 including strong beer, or wine, or all, at retail, for consumption on
8 theater premises. A spirits, beer, and wine theater license may be
9 issued only to theaters that have no more than one hundred twenty
10 seats per screen and that are maintained in a substantial manner as a
11 place for preparing, cooking, and serving complete meals and
12 providing tabletop accommodations for in-theater dining. Requirements
13 for complete meals are the same as those adopted by the board in
14 rules pursuant to chapter 34.05 RCW for a spirits, beer, and wine
15 restaurant license authorized by RCW 66.24.400. The annual fee for a
16 spirits, beer, and wine theater license is (~~two thousand dollars~~)
17 \$1,000.

18 (b) The annual fee in (a) of this subsection is waived during the
19 12-month period beginning with the second calendar month after
20 February 28, 2021, for:

21 (i) Licenses that expire during the 12-month waiver period under
22 this subsection (1)(b); and

23 (ii) Licenses issued to persons previously licensed under this
24 section at any time during the 12-month period prior to the 12-month
25 waiver period under this subsection (1)(b).

26 (c) The waiver in (b) of this subsection does not apply to any
27 licensee that:

28 (i) Had their license suspended by the board for health and
29 safety violations of state COVID-19 guidelines; or

30 (ii) Received an order of immediate restraint or citation from
31 the department of labor and industries for allowing an employee to
32 perform work where business activity was prohibited in violation of
33 an emergency proclamation of the governor under RCW 43.06.220.

34 (d) Upon request of the department of revenue, the board and the
35 department of labor and industries must both provide a list of
36 persons that they have determined to be ineligible for a fee waiver
37 under (b) of this subsection for the reasons described in (c) of this
38 subsection. Unless otherwise agreed, any list must be received by the

1 department of revenue no later than 15 calendar days after the
2 request is made.

3 (2) If the theater premises is to be frequented by minors, an
4 alcohol control plan must be submitted to the board at the time of
5 application. The alcohol control plan must be approved by the board
6 and be prominently posted on the premises, prior to minors being
7 allowed.

8 (3) For the purposes of this section:

9 (a) "Alcohol control plan" means a written, dated, and signed
10 plan submitted to the board by an applicant or licensee for the
11 entire theater premises, or rooms or areas therein, that shows where
12 and when alcohol is permitted, where and when minors are permitted,
13 and the control measures used to ensure that minors are not able to
14 obtain alcohol or be exposed to environments where drinking alcohol
15 predominates.

16 (b) "Theater" means a place of business where motion pictures or
17 other primarily nonparticipatory entertainment are shown.

18 (4) The board must adopt rules regarding alcohol control plans
19 and necessary control measures to ensure that minors are not able to
20 obtain alcohol or be exposed to areas where drinking alcohol
21 predominates. All alcohol control plans must include a requirement
22 that any person involved in the serving of spirits, beer, and/or wine
23 must have completed a mandatory alcohol server training program.

24 (5)(a) A licensee that is an entity that is exempt from taxation
25 under Title 26 U.S.C. Sec. 501(c)(3) of the federal internal revenue
26 code of 1986, as amended as of January 1, 2013, may enter into
27 arrangements with a spirits, beer, or wine manufacturer, importer, or
28 distributor for brand advertising at the theater or promotion of
29 events held at the theater. The financial arrangements providing for
30 the brand advertising or promotion of events may not be used as an
31 inducement to purchase the products of the manufacturer, importer, or
32 distributor entering into the arrangement and such arrangements may
33 not result in the exclusion of brands or products of other companies.

34 (b) The arrangements allowed under this subsection (5) are an
35 exception to arrangements prohibited under RCW 66.28.305. The board
36 must monitor the impacts of these arrangements. The board may conduct
37 audits of a licensee and the affiliated business to determine
38 compliance with this subsection (5). Audits may include, but are not
39 limited to: Product selection at the facility; purchase patterns of
40 the licensee; contracts with the spirits, beer, or wine manufacturer,

1 importer, or distributor; and the amount allocated or used for
2 spirits, beer, or wine advertising by the licensee, affiliated
3 business, manufacturer, importer, or distributor under the
4 arrangements.

5 (6) The maximum penalties prescribed by the board in WAC
6 314-29-020 relating to fines and suspensions are double for
7 violations involving minors or the failure to follow the alcohol
8 control plan with respect to theaters licensed under this section.

9 **Sec. 6.** RCW 66.24.690 and 2021 c 6 s 19 are each amended to read
10 as follows:

11 (1) There shall be a caterer's license to sell spirits, beer, and
12 wine, by the individual serving, at retail, for consumption on the
13 premises at an event location that is either owned, leased, or
14 operated either by the caterer or the sponsor of the event for which
15 catering services are being provided. If the event is open to the
16 public, it must be sponsored by a society or organization as defined
17 in RCW 66.24.375. If attendance at the event is limited to members or
18 invited guests of the sponsoring individual, society, or
19 organization, the requirement that the sponsor must be a society or
20 organization as defined in RCW 66.24.375 is waived. The licensee must
21 serve food as required by rules of the board.

22 (2)(a) The annual fee is two hundred dollars for the beer
23 license, two hundred dollars for the wine license, or four hundred
24 dollars for a combination beer and wine license. The annual fee for a
25 combined beer, wine, and spirits license is (~~one thousand dollars~~)
26 \$500.

27 (b) The annual fees in (a) of this subsection are waived during
28 the 12-month period beginning with the second calendar month after
29 February 28, 2021, for:

30 (i) Licenses that expire during the 12-month waiver period under
31 this subsection (2)(b); and

32 (ii) Licenses issued to persons previously licensed under this
33 section at any time during the 12-month period prior to the 12-month
34 waiver period under this subsection (2)(b).

35 (c) The waivers in (b) of this subsection do not apply to any
36 licensee that:

37 (i) Had their license suspended by the board for health and
38 safety violations of state COVID-19 guidelines; or

1 (ii) Received an order of immediate restraint or citation from
2 the department of labor and industries for allowing an employee to
3 perform work where business activity was prohibited in violation of
4 an emergency proclamation of the governor under RCW 43.06.220.

5 (d) Upon request of the department of revenue, the board and the
6 department of labor and industries must both provide a list of
7 persons that they have determined to be ineligible for a fee waiver
8 under (b) of this subsection for the reasons described in (c) of this
9 subsection. Unless otherwise agreed, any list must be received by the
10 department of revenue no later than 15 calendar days after the
11 request is made.

12 (3) The holder of this license shall notify the board or its
13 designee of the date, time, place, and location of any catered event
14 at which liquor will be served, sold, or consumed. The board shall
15 create rules detailing notification requirements. Upon request, the
16 licensee shall provide to the board all necessary or requested
17 information concerning the individual, society, or organization that
18 will be holding the catered function at which the caterer's liquor
19 license will be utilized.

20 (4) The holder of this license may, under conditions established
21 by the board, store liquor on other premises operated by the licensee
22 so long as the other premises are owned or controlled by a leasehold
23 interest by that licensee.

24 (5) The holder of this license is prohibited from catering events
25 at locations that are already licensed to sell liquor under this
26 chapter.

27 (6) The holder of this license is responsible for all sales,
28 service, and consumption of alcohol at the location of the catered
29 event.

30 **Sec. 7.** RCW 66.24.140 and 2021 c 6 s 1 are each amended to read
31 as follows:

32 (1) There is a license to distillers, including blending,
33 rectifying, and bottling; fee (~~(two thousand dollars)~~) \$1,000 per
34 annum, unless provided otherwise as follows:

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

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

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

7 (d) The board must license stills that have been duly licensed as
8 fruit and/or wine distilleries by the federal government, used and to
9 be used solely as fruit and/or wine distilleries in the production of
10 fruit brandy and wine spirits, at a fee of two hundred dollars per
11 annum;

12 (e) The annual fees in this subsection (1) are waived during the
13 12-month period beginning with the second calendar month after
14 February 28, 2021, for:

15 (i) Licenses that expire during the 12-month waiver period under
16 this subsection (1)(e); and

17 (ii) Licenses issued to persons previously licensed under this
18 section at any time during the 12-month period prior to the 12-month
19 waiver period under this subsection (1)(e);

20 (f) The waivers in (e) of this subsection do not apply to any
21 licensee that:

22 (i) Had their license suspended by the board for health and
23 safety violations of state COVID-19 guidelines; or

24 (ii) Received an order of immediate restraint or citation from
25 the department of labor and industries for allowing an employee to
26 perform work where business activity was prohibited in violation of
27 an emergency proclamation of the governor under RCW 43.06.220; and

28 (g) Upon request of the department of revenue, the board and the
29 department of labor and industries must both provide a list of
30 persons that they have determined to be ineligible for a fee waiver
31 under (e) of this subsection for the reasons described in (f) of this
32 subsection. Unless otherwise agreed, any list must be received by the
33 department of revenue no later than 15 calendar days after the
34 request is made.

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

36 (a) Sell, for off-premises consumption, spirits of the
37 distillery's own production, spirits produced by another distillery
38 or craft distillery licensed in this state, or vermouth or sparkling
39 wine products produced by a licensee in this state. A distillery
40 selling spirits or other alcohol authorized under this subsection

1 must comply with the applicable laws and rules relating to retailers
2 for those products;

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

6 (c) Serve samples of spirits for free or for a charge, and sell
7 servings of spirits, vermouth, and sparkling wine to customers for
8 on-premises consumption, at the premises of the distillery indoors,
9 outdoors, or in any combination thereof, and at the distillery's off-
10 site tasting rooms in accordance with this chapter, subject to the
11 following conditions:

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

17 (ii) A distillery may sell, for on-premises consumption, servings
18 of spirits of the distillery's own production or spirits produced by
19 another distillery or craft distillery licensed in this state, which
20 must be adulterated with water, ice, other alcohol entitled to be
21 sold or served on the licensed premises, or nonalcoholic mixers if
22 the revenue derived from the sale of spirits for on-premises
23 consumption under this subsection (2)(c)(ii) does not comprise more
24 than thirty percent of the overall gross revenue earned in the
25 tasting room during the calendar year. Any distiller who sells
26 adulterated products under this subsection, must file an annual
27 report with the board that summarizes the distiller's revenue
28 sources; and

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

32 (3)(a) If a distillery provides or sells spirits or other alcohol
33 products authorized to be sold or provided to customers for on-
34 premises or off-premises consumption that are produced by another
35 distillery, craft distillery, or licensee in this state, then at any
36 one time no more than twenty-five percent of the alcohol stock-
37 keeping units offered or sold by the distillery at its distillery
38 premises and at any off-site tasting rooms licensed under RCW
39 66.24.146 may be vermouth, sparkling wine, or spirits made by another
40 distillery, craft distillery, or licensee in this state. If a

1 distillery sells fewer than twenty alcohol stock-keeping units of
2 products of its own production, it may sell up to five alcohol stock-
3 keeping units of vermouth, sparkling wine, or spirits produced by
4 another distillery, craft distillery, or licensee in this state.

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

9 (c) (i) No person under twenty-one years of age may be on the
10 premises of a distillery tasting room, including an off-site tasting
11 room licensed under RCW 66.24.146, unless they are accompanied by
12 their parent or legal guardian.

13 (ii) Every distillery tasting room, including the off-site
14 tasting rooms licensed under RCW 66.24.146, where alcohol is sampled,
15 sold, or served, must include a designated area where persons under
16 twenty-one years of age are allowed to enter. Such location may be in
17 a separate room or a designated area within the tasting room
18 separated from the remainder of the tasting room space as authorized
19 by the board.

20 (iii) Except for (c) (iv) of this subsection, or an event where a
21 private party has secured a private banquet permit, no person under
22 twenty-one years of age may be on the distillery premises, or the
23 off-site tasting rooms licensed under RCW 66.24.146, past 9:00 p.m.

24 (iv) Notwithstanding the limitations of (c) (iii) of this
25 subsection, persons under twenty-one years of age who are children of
26 owners, operators, or managers of a distillery or an off-site tasting
27 room licensed under RCW 66.24.146, may be in any area of a
28 distillery, tasting room, or an off-site tasting room licensed under
29 RCW 66.24.146, provided they must be under the direct supervision of
30 their parent or legal guardian while on the premises.

31 (d) Any person serving or selling spirits or other alcohol
32 authorized to be served or sold by a distillery must obtain a class
33 12 alcohol server permit.

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

35 **Sec. 8.** RCW 66.24.146 and 2021 c 6 s 2 are each amended to read
36 as follows:

37 (1) There is a tasting room license available to distillery and
38 craft distillery licensees. A tasting room license authorizes the
39 operation of an off-site tasting room, in addition to a tasting room

1 attached to the distillery's or craft distillery's production
2 facility, at which the licensee may sample, serve, and sell spirits
3 and alcohol products authorized to be sampled, served, and sold under
4 RCW 66.24.140 and 66.24.145, for on-premises and off-premises
5 consumption, subject to the same limitations as provided in RCW
6 66.24.140 and 66.24.145.

7 (2) (a) A distillery or craft distillery licensed production
8 facility is eligible for no more than two off-site tasting room
9 licenses located in this state, which may be indoors, or outdoors or
10 a combination thereof, and which shall be administratively tied to a
11 licensed production facility. A separate license is required for the
12 operation of each off-site tasting room. The fee for each off-site
13 tasting room license is (~~two thousand dollars~~) \$1,000 per annum. No
14 additional license is required for a distillery or craft distillery
15 to sample, serve, and sell spirits and alcohol to customers in a
16 tasting room on the distillery or craft distillery premises as
17 authorized under this section, RCW 66.24.1472, 66.24.140, 66.24.145,
18 66.28.040, 66.24.630, and 66.28.310. Off-site tasting rooms may have
19 a section identified and segregated as federally bonded spaces for
20 the storage of bulk or packaged spirits. Product of the licensee's
21 production may be bottled or packaged in the space.

22 (b) The annual fee in (a) of this subsection is waived during the
23 12-month period beginning with the second calendar month after
24 February 28, 2021, for:

25 (i) Licenses that expire during the 12-month waiver period under
26 this subsection (2) (b); and

27 (ii) Licenses issued to persons previously licensed under this
28 section at any time during the 12-month period prior to the 12-month
29 waiver period under this subsection (2) (b).

30 (c) The waiver in (b) of this subsection does not apply to any
31 licensee that:

32 (i) Had their license suspended by the board for health and
33 safety violations of state COVID-19 guidelines; or

34 (ii) Received an order of immediate restraint or citation from
35 the department of labor and industries for allowing an employee to
36 perform work where business activity was prohibited in violation of
37 an emergency proclamation of the governor under RCW 43.06.220.

38 (d) Upon request of the department of revenue, the board and the
39 department of labor and industries must both provide a list of
40 persons that they have determined to be ineligible for a fee waiver

1 under (b) of this subsection for the reasons described in (c) of this
2 subsection. Unless otherwise agreed, any list must be received by the
3 department of revenue no later than 15 calendar days after the
4 request is made.

5 **Sec. 9.** RCW 66.24.170 and 2021 c 6 s 3 are each amended to read
6 as follows:

7 (1)(a) There is a license for domestic wineries; fee to be
8 computed only on the liters manufactured: Less than two hundred fifty
9 thousand liters per year, (~~one hundred dollars~~) \$50 per year; and
10 two hundred fifty thousand liters or more per year, (~~four hundred~~
11 ~~dollars~~) \$200 per year.

12 (b) The annual fees in (a) of this subsection are waived during
13 the 12-month period beginning with the second calendar month after
14 February 28, 2021, for:

15 (i) Licenses that expire during the 12-month waiver period under
16 this subsection (1)(b); and

17 (ii) Licenses issued to persons previously licensed under this
18 section at any time during the 12-month period prior to the 12-month
19 waiver period under this subsection (1)(b).

20 (c) The waivers in (b) of this subsection do not apply to any
21 licensee that:

22 (i) Had their license suspended by the board for health and
23 safety violations of state COVID-19 guidelines; or

24 (ii) Received an order of immediate restraint or citation from
25 the department of labor and industries for allowing an employee to
26 perform work where business activity was prohibited in violation of
27 an emergency proclamation of the governor under RCW 43.06.220.

28 (d) Upon request of the department of revenue, the board and the
29 department of labor and industries must both provide a list of
30 persons that they have determined to be ineligible for a fee waiver
31 under (b) of this subsection for the reasons described in (c) of this
32 subsection. Unless otherwise agreed, any list must be received by the
33 department of revenue no later than 15 calendar days after the
34 request is made.

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

37 (3) Any domestic winery licensed under this section may also act
38 as a retailer of wine of its own production. Any domestic winery
39 licensed under this section may act as a distributor of its own

1 production. Notwithstanding any language in this title to the
2 contrary, a domestic winery may use a common carrier to deliver up to
3 one hundred cases of its own production, in the aggregate, per month
4 to licensed Washington retailers. A domestic winery may not arrange
5 for any such common carrier shipments to licensed retailers of wine
6 not of its own production. Except as provided in this section, any
7 winery operating as a distributor and/or retailer under this
8 subsection must comply with the applicable laws and rules relating to
9 distributors and/or retailers, except that a winery operating as a
10 distributor may maintain a warehouse off the premises of the winery
11 for the distribution of wine of its own production provided that: (a)
12 The warehouse has been approved by the board under RCW 66.24.010; and
13 (b) the number of warehouses off the premises of the winery does not
14 exceed one.

15 (4) (a) A domestic winery licensed under this section, at
16 locations separate from any of its production or manufacturing sites,
17 may serve samples of its own products, with or without charge, may
18 sell wine of its own production at retail, and may sell for off-
19 premises consumption wines of its own production in kegs or sanitary
20 containers meeting the applicable requirements of federal law brought
21 to the premises by the purchaser or furnished by the licensee and
22 filled at the tap at the time of sale, provided that: (i) Each
23 additional location has been approved by the board under RCW
24 66.24.010; (ii) the total number of additional locations does not
25 exceed four; (iii) a winery may not act as a distributor at any such
26 additional location; and (iv) any person selling or serving wine at
27 an additional location for on-premises consumption must obtain a
28 class 12 or class 13 alcohol server permit. Each additional location
29 is deemed to be part of the winery license for the purpose of this
30 title. At additional locations operated by multiple wineries under
31 this section, if the board cannot connect a violation of RCW
32 66.44.200 or 66.44.270 to a single licensee, the board may hold all
33 licensees operating the additional location jointly liable. Nothing
34 in this subsection may be construed to prevent a domestic winery from
35 holding multiple domestic winery licenses.

36 (b) A customer of a domestic winery may remove from the premises
37 of the domestic winery or from a tasting room location approved under
38 (a) of this subsection, recorked or recapped in its original
39 container, any portion of wine purchased for on-premises consumption.

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

7 (b) For each month during which a domestic winery will sell wine
8 at a qualifying farmers market, the winery must provide the board or
9 its designee a list of the dates, times, and locations at which
10 bottled wine may be offered for sale. This list must be received by
11 the board before the winery may offer wine for sale at a qualifying
12 farmers market.

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

16 (d) Each approved location in a qualifying farmers market is
17 deemed to be part of the winery license for the purpose of this
18 title. The approved locations under an endorsement granted under this
19 subsection include tasting or sampling privileges subject to the
20 conditions pursuant to RCW 66.24.175. The winery may not store wine
21 at a farmers market beyond the hours that the winery offers bottled
22 wine for sale. The winery may not act as a distributor from a farmers
23 market location.

24 (e) Before a winery may sell bottled wine at a qualifying farmers
25 market, the farmers market must apply to the board for authorization
26 for any winery with an endorsement approved under this subsection to
27 sell bottled wine at retail at the farmers market. This application
28 shall include, at a minimum: (i) A map of the farmers market showing
29 all booths, stalls, or other designated locations at which an
30 approved winery may sell bottled wine; and (ii) the name and contact
31 information for the on-site market managers who may be contacted by
32 the board or its designee to verify the locations at which bottled
33 wine may be sold. Before authorizing a qualifying farmers market to
34 allow an approved winery to sell bottled wine at retail at its
35 farmers market location, the board must notify the persons or
36 entities of such application for authorization pursuant to RCW
37 66.24.010 (8) and (9). An authorization granted under this subsection
38 (5) (e) may be withdrawn by the board for any violation of this title
39 or any rules adopted under this title.

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

4 (g) For the purposes of this subsection:

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

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

12 (B) The total combined gross annual sales of vendors who are
13 farmers exceeds the total combined gross annual sales of vendors who
14 are processors or resellers. However, if a farmers market does not
15 satisfy this subsection (5)(g)(i)(B), a farmers market is still
16 considered a "qualifying farmers market" if the total combined gross
17 annual sales of farmers and processors at the farmers market is one
18 million dollars or more;

19 (C) The total combined gross annual sales of vendors who are
20 farmers, processors, or resellers exceeds the total combined gross
21 annual sales of vendors who are not farmers, processors, or
22 resellers;

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

25 (E) No vendor is a franchisee.

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

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

34 (iv) "Reseller" means a natural person who buys agricultural
35 products from a farmer and resells the products directly to the
36 consumer.

37 (6) Wine produced in Washington state by a domestic winery
38 licensee may be shipped out-of-state for the purpose of making it
39 into sparkling wine and then returned to such licensee for resale.
40 Such wine is deemed wine manufactured in the state of Washington for

1 the purposes of RCW 66.24.206, and shall not require a special
2 license.

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

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

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

12 (c) The domestic winery delivers wine to the consumer at a
13 location different from the location at which the special occasion
14 event is held;

15 (d) The domestic winery complies with all requirements in chapter
16 66.20 RCW for direct sale of wine to consumers;

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

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

23 **Sec. 10.** RCW 66.24.240 and 2021 c 6 s 4 are each amended to read
24 as follows:

25 (1)(a) There shall be a license for domestic breweries; fee to be
26 (~~two thousand dollars~~) \$1,000 for production of sixty thousand
27 barrels or more of malt liquor per year.

28 (b) The annual fee in (a) of this subsection is waived during the
29 12-month period beginning with the second calendar month after
30 February 28, 2021, for:

31 (i) Licenses that expire during the 12-month waiver period under
32 this subsection (1)(b); and

33 (ii) Licenses issued to persons previously licensed under this
34 section at any time during the 12-month period prior to the 12-month
35 waiver period under this subsection (1)(b).

36 (c) The waiver in (b) of this subsection does not apply to any
37 licensee that:

38 (i) Had their license suspended by the board for health and
39 safety violations of state COVID-19 guidelines; or

1 (ii) Received an order of immediate restraint or citation from
2 the department of labor and industries for allowing an employee to
3 perform work where business activity was prohibited in violation of
4 an emergency proclamation of the governor under RCW 43.06.220.

5 (d) Upon request of the department of revenue, the board and the
6 department of labor and industries must both provide a list of
7 persons that they have determined to be ineligible for a fee waiver
8 under (b) of this subsection for the reasons described in (c) of this
9 subsection. Unless otherwise agreed, any list must be received by the
10 department of revenue no later than 15 calendar days after the
11 request is made.

12 (2) Any domestic brewery, except for a brand owner of malt
13 beverages under RCW 66.04.010(7), licensed under this section may
14 also act as a distributor and/or retailer for beer of its own
15 production. Any domestic brewery operating as a distributor and/or
16 retailer under this subsection shall comply with the applicable laws
17 and rules relating to distributors and/or retailers. A domestic
18 brewery holding a spirits, beer, and wine restaurant license may sell
19 beer of its own production for off-premises consumption from its
20 restaurant premises in kegs or in a sanitary container brought to the
21 premises by the purchaser or furnished by the licensee and filled at
22 the tap by the licensee at the time of sale.

23 (3) Any domestic brewery licensed under this section may also
24 sell beer produced by another domestic brewery or a microbrewery for
25 on and off-premises consumption from its premises as long as the
26 other breweries' brands do not exceed twenty-five percent of the
27 domestic brewery's on-tap offering of its own brands.

28 (4) A domestic brewery may hold up to four retail licenses to
29 operate an on or off-premises tavern, beer and/or wine restaurant,
30 spirits, beer, and wine restaurant, or any combination thereof. This
31 retail license is separate from the brewery license. A brewery that
32 holds a tavern license, a spirits, beer, and wine restaurant license,
33 or a beer and/or wine restaurant license shall hold the same
34 privileges and endorsements as permitted under RCW 66.24.320,
35 66.24.330, and 66.24.420.

36 (5) Any domestic brewery licensed under this section may
37 contract-produce beer for a brand owner of malt beverages defined
38 under RCW 66.04.010(7), and this contract-production is not a sale
39 for the purposes of RCW 66.28.170 and 66.28.180.

1 (6) (a) A domestic brewery licensed under this section and
2 qualified for a reduced rate of taxation pursuant to RCW
3 66.24.290(3) (b) may apply to the board for an endorsement to sell
4 bottled beer of its own production at retail for off-premises
5 consumption at a qualifying farmers market. The annual fee for this
6 endorsement is seventy-five dollars.

7 (b) For each month during which a domestic brewery will sell beer
8 at a qualifying farmers market, the domestic brewery must provide the
9 board or its designee a list of the dates, times, and locations at
10 which bottled beer may be offered for sale. This list must be
11 received by the board before the domestic brewery may offer beer for
12 sale at a qualifying farmers market.

13 (c) The beer sold at qualifying farmers markets must be produced
14 in Washington.

15 (d) Each approved location in a qualifying farmers market is
16 deemed to be part of the domestic brewery license for the purpose of
17 this title. The approved locations under an endorsement granted under
18 this subsection do not include the tasting or sampling privilege of a
19 domestic brewery. The domestic brewery may not store beer at a
20 farmers market beyond the hours that the domestic brewery offers
21 bottled beer for sale. The domestic brewery may not act as a
22 distributor from a farmers market location.

23 (e) Before a domestic brewery may sell bottled beer at a
24 qualifying farmers market, the farmers market must apply to the board
25 for authorization for any domestic brewery with an endorsement
26 approved under this subsection to sell bottled beer at retail at the
27 farmers market. This application shall include, at a minimum: (i) A
28 map of the farmers market showing all booths, stalls, or other
29 designated locations at which an approved domestic brewery may sell
30 bottled beer; and (ii) the name and contact information for the on-
31 site market managers who may be contacted by the board or its
32 designee to verify the locations at which bottled beer may be sold.
33 Before authorizing a qualifying farmers market to allow an approved
34 domestic brewery to sell bottled beer at retail at its farmers market
35 location, the board shall notify the persons or entities of such
36 application for authorization pursuant to RCW 66.24.010 (8) and (9).
37 An authorization granted under this subsection (6) (e) may be
38 withdrawn by the board for any violation of this title or any rules
39 adopted under this title.

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

4 (g) For the purposes of this subsection:

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

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

12 (B) The total combined gross annual sales of vendors who are
13 farmers exceeds the total combined gross annual sales of vendors who
14 are processors or resellers;

15 (C) The total combined gross annual sales of vendors who are
16 farmers, processors, or resellers exceeds the total combined gross
17 annual sales of vendors who are not farmers, processors, or
18 resellers;

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

21 (E) No vendor is a franchisee.

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

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

30 (iv) "Reseller" means a natural person who buys agricultural
31 products from a farmer and resells the products directly to the
32 consumer.

33 (7) The state board of health shall adopt rules to allow dogs on
34 the premises of licensed domestic breweries that do not provide food
35 service subject to a food service permit requirement.

36 **Sec. 11.** RCW 66.24.244 and 2021 c 6 s 5 are each amended to read
37 as follows:

1 (1) (a) There shall be a license for microbreweries; fee to be
2 (~~one hundred dollars~~) \$50 for production of less than sixty
3 thousand barrels of malt liquor, including strong beer, per year.

4 (b) The annual fee in (a) of this subsection is waived during the
5 12-month period beginning with the second calendar month after
6 February 28, 2021, for:

7 (i) Licenses that expire during the 12-month waiver period under
8 this subsection (1) (b); and

9 (ii) Licenses issued to persons previously licensed under this
10 section at any time during the 12-month period prior to the 12-month
11 waiver period under this subsection (1) (b).

12 (c) The waiver in (b) of this subsection does not apply to any
13 licensee that:

14 (i) Had their license suspended by the board for health and
15 safety violations of state COVID-19 guidelines; or

16 (ii) Received an order of immediate restraint or citation from
17 the department of labor and industries for allowing an employee to
18 perform work where business activity was prohibited in violation of
19 an emergency proclamation of the governor under RCW 43.06.220.

20 (d) Upon request of the department of revenue, the board and the
21 department of labor and industries must both provide a list of
22 persons that they have determined to be ineligible for a fee waiver
23 under (b) of this subsection for the reasons described in (c) of this
24 subsection. Unless otherwise agreed, any list must be received by the
25 department of revenue no later than 15 calendar days after the
26 request is made.

27 (2) (a) Any microbrewery licensed under this section may also act
28 as a distributor and/or retailer for beer and strong beer of its own
29 production.

30 (b) Any microbrewery operating as a distributor and/or retailer
31 under this subsection must comply with the applicable laws and rules
32 relating to distributors and/or retailers, except that a microbrewery
33 operating as a distributor may maintain a warehouse off the premises
34 of the microbrewery for the distribution of beer provided that:

35 (i) The warehouse has been approved by the board under RCW
36 66.24.010; and

37 (ii) The number of warehouses off the premises of the
38 microbrewery does not exceed one.

39 (c) A microbrewery holding a spirits, beer, and wine restaurant
40 license may sell beer of its own production for off-premises

1 consumption from its restaurant premises in kegs or in a sanitary
2 container brought to the premises by the purchaser or furnished by
3 the licensee and filled at the tap by the licensee at the time of
4 sale.

5 (3) Any microbrewery licensed under this section may also sell
6 from its premises for on-premises and off-premises consumption:

7 (a) Beer produced by another microbrewery or a domestic brewery
8 as long as the other breweries' brands do not exceed twenty-five
9 percent of the microbrewery's on-tap offerings; or

10 (b) Cider produced by a domestic winery.

11 (4) The board may issue up to four retail licenses allowing a
12 microbrewery to operate an on or off-premises tavern, beer and/or
13 wine restaurant, spirits, beer, and wine restaurant, or any
14 combination thereof.

15 (5) A microbrewery that holds a tavern license, spirits, beer,
16 and wine restaurant license, or a beer and/or wine restaurant license
17 holds the same privileges and endorsements as permitted under RCW
18 66.24.320, 66.24.330, and 66.24.420.

19 (6)(a) A microbrewery licensed under this section may apply to
20 the board for an endorsement to sell bottled beer of its own
21 production at retail for off-premises consumption at a qualifying
22 farmers market. The annual fee for this endorsement is seventy-five
23 dollars. However, strong beer may not be sold at a farmers market or
24 under any endorsement which may authorize microbreweries to sell beer
25 at farmers markets.

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

32 (c) Any person selling or serving beer must obtain a class 12 or
33 class 13 alcohol server permit.

34 (d) The beer sold at qualifying farmers markets must be produced
35 in Washington.

36 (e) Each approved location in a qualifying farmers market is
37 deemed to be part of the microbrewery license for the purpose of this
38 title. The approved locations under an endorsement granted under this
39 subsection (6) include tasting or sampling privileges subject to the
40 conditions pursuant to RCW 66.24.175. The microbrewery may not store

1 beer at a farmers market beyond the hours that the microbrewery
2 offers bottled beer for sale. The microbrewery may not act as a
3 distributor from a farmers market location.

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

20 (g) The board may adopt rules establishing the application and
21 approval process under this section and any additional rules
22 necessary to implement this section.

23 (h) For the purposes of this subsection (6):

24 (i) "Qualifying farmers market" has the same meaning as defined
25 in RCW 66.24.170.

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

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

34 (iv) "Reseller" means a natural person who buys agricultural
35 products from a farmer and resells the products directly to the
36 consumer.

37 (7) Any microbrewery licensed under this section may
38 contract-produce beer for another microbrewer. This contract-
39 production is not a sale for the purposes of RCW 66.28.170 and
40 66.28.180.

1 (8) The state board of health shall adopt rules to allow dogs on
2 the premises of licensed microbreweries that do not provide food
3 service subject to a food service permit requirement.

4 **Sec. 12.** RCW 66.24.320 and 2021 c 6 s 6 are each amended to read
5 as follows:

6 There shall be a beer and/or wine restaurant license to sell
7 beer, including strong beer, or wine, or both, at retail, for
8 consumption on the premises. A patron of the licensee may remove from
9 the premises, recorked or recapped in its original container, any
10 portion of wine or sake that was purchased for consumption with a
11 meal.

12 (1)(a) The annual fee shall be (~~two hundred dollars~~) \$100 for
13 the beer license, (~~two hundred dollars~~) \$100 for the wine license,
14 or (~~four hundred dollars~~) \$200 for a combination beer and wine
15 license.

16 (b) The annual fees in (a) of this subsection are waived during
17 the 12-month period beginning with the second calendar month after
18 February 28, 2021, for:

19 (i) Licenses that expire during the 12-month waiver period under
20 this subsection (1)(b); and

21 (ii) Licenses issued to persons previously licensed under this
22 section at any time during the 12-month period prior to the 12-month
23 waiver period under this subsection (1)(b).

24 (c) The waivers in (b) of this subsection do not apply to any
25 licensee that:

26 (i) Had their license suspended by the board for health and
27 safety violations of state COVID-19 guidelines; or

28 (ii) Received an order of immediate restraint or citation from
29 the department of labor and industries for allowing an employee to
30 perform work where business activity was prohibited in violation of
31 an emergency proclamation of the governor under RCW 43.06.220.

32 (d) Upon request of the department of revenue, the board and the
33 department of labor and industries must both provide a list of
34 persons that they have determined to be ineligible for a fee waiver
35 under (b) of this subsection for the reasons described in (c) of this
36 subsection. Unless otherwise agreed, any list must be received by the
37 department of revenue no later than 15 calendar days after the
38 request is made.

1 (2) (a) The board may issue a caterer's endorsement to this
2 license to allow the licensee to remove from the liquor stocks at the
3 licensed premises, only those types of liquor that are authorized
4 under the on-premises license privileges for sale and service at
5 event locations at a specified date and, except as provided in
6 subsection (3) of this section, place not currently licensed by the
7 board. If the event is open to the public, it must be sponsored by a
8 society or organization as defined by RCW 66.24.375. If attendance at
9 the event is limited to members or invited guests of the sponsoring
10 individual, society, or organization, the requirement that the
11 sponsor must be a society or organization as defined by RCW 66.24.375
12 is waived. Cost of the endorsement is three hundred fifty dollars.

13 (b) The holder of this license with a catering endorsement shall,
14 if requested by the board, notify the board or its designee of the
15 date, time, place, and location of any catered event. Upon request,
16 the licensee shall provide to the board all necessary or requested
17 information concerning the society or organization that will be
18 holding the function at which the endorsed license will be utilized.

19 (c) The holder of this license with a caterer's endorsement may,
20 under conditions established by the board, store liquor on the
21 premises of another not licensed by the board so long as there is a
22 written agreement between the licensee and the other party to provide
23 for ongoing catering services, the agreement contains no exclusivity
24 clauses regarding the alcoholic beverages to be served, and the
25 agreement is filed with the board.

26 (d) The holder of this license with a caterer's endorsement may,
27 under conditions established by the board, store liquor on other
28 premises operated by the licensee so long as the other premises are
29 owned or controlled by a leasehold interest by that licensee. A
30 duplicate license may be issued for each additional premises. A
31 license fee of twenty dollars shall be required for such duplicate
32 licenses.

33 (3) Licensees under this section that hold a caterer's
34 endorsement are allowed to use this endorsement on a domestic winery
35 premises or on the premises of a passenger vessel and may store
36 liquor at such premises under conditions established by the board
37 under the following conditions:

38 (a) Agreements between the domestic winery or the passenger
39 vessel, as the case may be, and the retail licensee shall be in

1 writing, contain no exclusivity clauses regarding the alcoholic
2 beverages to be served, and be filed with the board; and

3 (b) The domestic winery or passenger vessel, as the case may be,
4 and the retail licensee shall be separately contracted and
5 compensated by the persons sponsoring the event for their respective
6 services.

7 (4) The holder of this license or its manager may furnish beer or
8 wine to the licensee's employees free of charge as may be required
9 for use in connection with instruction on beer and wine. The
10 instruction may include the history, nature, values, and
11 characteristics of beer or wine, the use of wine lists, and the
12 methods of presenting, serving, storing, and handling beer or wine.
13 The beer and/or wine licensee must use the beer or wine it obtains
14 under its license for the sampling as part of the instruction. The
15 instruction must be given on the premises of the beer and/or wine
16 licensee.

17 (5) If the license is issued to a person who contracts with the
18 Washington state ferry system to provide food and alcohol service on
19 a designated ferry route, the license shall cover any vessel assigned
20 to the designated route. A separate license is required for each
21 designated ferry route.

22 **Sec. 13.** RCW 66.24.330 and 2021 c 6 s 7 are each amended to read
23 as follows:

24 (1) There is a beer and wine retailer's license to be designated
25 as a tavern license to sell beer, including strong beer, or wine, or
26 both, at retail, for consumption on the premises. Such licenses may
27 be issued only to a person operating a tavern that may be frequented
28 only by persons twenty-one years of age and older.

29 (2)(a) The annual fee for the license is (~~two hundred dollars~~)
30 \$100 for the beer license, (~~two hundred dollars~~) \$100 for the wine
31 license, or (~~four hundred dollars~~) \$200 for a combination beer and
32 wine license. Licensees who have a fee increase of more than one
33 hundred dollars as a result of this change shall have their fees
34 increased fifty percent of the amount the first renewal year and the
35 remaining amount beginning with the second renewal period. New
36 licensees obtaining a license after July 1, 1998, must pay the full
37 amount of (~~four hundred dollars~~) \$200.

1 (b) The annual fees in (a) of this subsection are waived during
2 the 12-month period beginning with the second calendar month after
3 February 28, 2021, for:

4 (i) Licenses that expire during the 12-month waiver period under
5 this subsection (2)(b); and

6 (ii) Licenses issued to persons previously licensed under this
7 section at any time during the 12-month period prior to the 12-month
8 waiver period under this subsection (2)(b).

9 (c) The waivers in (b) of this subsection do not apply to any
10 licensee that:

11 (i) Had their license suspended by the board for health and
12 safety violations of state COVID-19 guidelines; or

13 (ii) Received an order of immediate restraint or citation from
14 the department of labor and industries for allowing an employee to
15 perform work where business activity was prohibited in violation of
16 an emergency proclamation of the governor under RCW 43.06.220.

17 (d) Upon request of the department of revenue, the board and the
18 department of labor and industries must both provide a list of
19 persons that they have determined to be ineligible for a fee waiver
20 under (b) of this subsection for the reasons described in (c) of this
21 subsection. Unless otherwise agreed, any list must be received by the
22 department of revenue no later than 15 calendar days after the
23 request is made.

24 (3)(a) The board may issue a caterer's endorsement to this
25 license to allow the licensee to remove from the liquor stocks at the
26 licensed premises, only those types of liquor that are authorized
27 under the on-premises license privileges for sale and service at
28 event locations at a specified date and, except as provided in
29 subsection (4) of this section, place not currently licensed by the
30 board. If the event is open to the public, it must be sponsored by a
31 society or organization as defined by RCW 66.24.375. If attendance at
32 the event is limited to members or invited guests of the sponsoring
33 individual, society, or organization, the requirement that the
34 sponsor must be a society or organization as defined by RCW 66.24.375
35 is waived. Cost of the endorsement is three hundred fifty dollars.

36 (b) The holder of this license with a catering endorsement must,
37 if requested by the board, notify the board or its designee of the
38 date, time, place, and location of any catered event. Upon request,
39 the licensee must provide to the board all necessary or requested

1 information concerning the society or organization that will be
2 holding the function at which the endorsed license will be utilized.

3 (c) The holder of this license with a caterer's endorsement may,
4 under conditions established by the board, store liquor on the
5 premises of another not licensed by the board so long as there is a
6 written agreement between the licensee and the other party to provide
7 for ongoing catering services, the agreement contains no exclusivity
8 clauses regarding the alcoholic beverages to be served, and the
9 agreement is filed with the board.

10 (d) The holder of this license with a caterer's endorsement may,
11 under conditions established by the board, store liquor on other
12 premises operated by the licensee so long as the other premises are
13 owned or controlled by a leasehold interest by that licensee. A
14 duplicate license may be issued for each additional premises. A
15 license fee of twenty dollars is required for such duplicate
16 licenses.

17 (4) Licensees under this section that hold a caterer's
18 endorsement are allowed to use this endorsement on a domestic winery
19 premises and may store liquor at such premises under conditions
20 established by the board under the following conditions:

21 (a) Agreements between the domestic winery and the retail
22 licensee must be in writing, contain no exclusivity clauses regarding
23 the alcoholic beverages to be served, and be filed with the board;
24 and

25 (b) The domestic winery and the retail licensee may be separately
26 contracted and compensated by the persons sponsoring the event for
27 their respective services.

28 (5) The holder of this license or its manager may furnish beer or
29 wine to the licensee's employees free of charge as may be required
30 for use in connection with instruction on beer and wine. The
31 instruction may include the history, nature, values, and
32 characteristics of beer or wine, the use of wine lists, and the
33 methods of presenting, serving, storing, and handling beer or wine.
34 The tavern licensee must use the beer or wine it obtains under its
35 license for the sampling as part of the instruction. The instruction
36 must be given on the premises of the tavern licensee.

37 (6) Any person serving liquor at a catered event on behalf of a
38 licensee with a caterer's endorsement under this section must be an
39 employee of the licensee and must possess a class 12 alcohol server
40 permit as required under RCW 66.20.310.

1 (7) The board may issue rules as necessary to implement the
2 requirements of this section.

3 **Sec. 14.** RCW 66.24.350 and 2021 c 6 s 8 are each amended to read
4 as follows:

5 (1) There shall be a beer retailer's license to be designated as
6 a snack bar license to sell beer by the opened bottle or can at
7 retail, for consumption upon the premises only, such license to be
8 issued to places where the sale of beer is not the principal business
9 conducted; fee (~~(one hundred twenty-five dollars)~~) \$62.50 per year.

10 (2)(a) The annual fee in subsection (1) of this section is waived
11 during the 12-month period beginning with the second calendar month
12 after February 28, 2021, for:

13 (i) Licenses that expire during the 12-month waiver period under
14 this subsection (2)(a); and

15 (ii) Licenses issued to persons previously licensed under this
16 section at any time during the 12-month period prior to the 12-month
17 waiver period under this subsection (2)(a).

18 (b) The waiver in (a) of this subsection does not apply to any
19 licensee that:

20 (i) Had their license suspended by the board for health and
21 safety violations of state COVID-19 guidelines; or

22 (ii) Received an order of immediate restraint or citation from
23 the department of labor and industries for allowing an employee to
24 perform work where business activity was prohibited in violation of
25 an emergency proclamation of the governor under RCW 43.06.220.

26 (c) Upon request of the department of revenue, the board and the
27 department of labor and industries must both provide a list of
28 persons that they have determined to be ineligible for a fee waiver
29 under (a) of this subsection for the reasons described in (b) of this
30 subsection. Unless otherwise agreed, any list must be received by the
31 department of revenue no later than 15 calendar days after the
32 request is made.

33 **Sec. 15.** RCW 66.24.495 and 2021 c 176 s 5234 and 2021 c 6 s 10
34 are each reenacted and amended to read as follows:

35 (1)(a) There shall be a license to be designated as a nonprofit
36 arts organization license. This shall be a special license to be
37 issued to any nonprofit arts organization which sponsors and presents
38 productions or performances of an artistic or cultural nature in a

1 specific theater or other appropriate designated indoor premises
2 approved by the board. The license shall permit the licensee to sell
3 liquor to patrons of productions or performances for consumption on
4 the premises at these events. The fee for the license shall be (~~two~~
5 ~~hundred fifty dollars~~) \$125 per annum.

6 (b) The annual fee in (a) of this subsection is waived during the
7 12-month period beginning with the second calendar month after
8 February 28, 2021, for:

9 (i) Licenses that expire during the 12-month waiver period under
10 this subsection (1)(b); and

11 (ii) Licenses issued to persons previously licensed under this
12 section at any time during the 12-month period prior to the 12-month
13 waiver period under this subsection (1)(b).

14 (c) The waiver in (b) of this subsection does not apply to any
15 licensee that:

16 (i) Had their license suspended by the board for health and
17 safety violations of state COVID-19 guidelines; or

18 (ii) Received an order of immediate restraint or citation from
19 the department of labor and industries for allowing an employee to
20 perform work where business activity was prohibited in violation of
21 an emergency proclamation of the governor under RCW 43.06.220.

22 (d) Upon request of the department of revenue, the board and the
23 department of labor and industries must both provide a list of
24 persons that they have determined to be ineligible for a fee waiver
25 under (b) of this subsection for the reasons described in (c) of this
26 subsection. Unless otherwise agreed, any list must be received by the
27 department of revenue no later than 15 calendar days after the
28 request is made.

29 (2) For the purposes of this section, the term "nonprofit arts
30 organization" means an organization which is organized and operated
31 for the purpose of providing artistic or cultural exhibitions,
32 presentations, or performances or cultural or art education programs,
33 as defined in subsection (3) of this section, for viewing or
34 attendance by the general public. The organization must be a not-for-
35 profit corporation under chapter (~~24.03~~) 24.03A RCW and managed by
36 a governing board of not less than eight individuals none of whom is
37 a paid employee of the organization or by a corporation sole under
38 chapter 24.12 RCW. In addition, the corporation must satisfy the
39 following conditions:

1 (a) No part of its income may be paid directly or indirectly to
2 its members, stockholders, officers, directors, or trustees except in
3 the form of services rendered by the corporation in accordance with
4 its purposes and bylaws;

5 (b) Salary or compensation paid to its officers and executives
6 must be only for actual services rendered, and at levels comparable
7 to the salary or compensation of like positions within the state;

8 (c) Assets of the corporation must be irrevocably dedicated to
9 the activities for which the license is granted and, on the
10 liquidation, dissolution, or abandonment by the corporation, may not
11 inure directly or indirectly to the benefit of any member or
12 individual except a nonprofit organization, association, or
13 corporation;

14 (d) The corporation must be duly licensed or certified when
15 licensing or certification is required by law or regulation;

16 (e) The proceeds derived from sales of liquor, except for
17 reasonable operating costs, must be used in furtherance of the
18 purposes of the organization;

19 (f) Services must be available regardless of race, color,
20 national origin, or ancestry; and

21 (g) The board shall have access to its books in order to
22 determine whether the corporation is entitled to a license.

23 (3) The term "artistic or cultural exhibitions, presentations, or
24 performances or cultural or art education programs" includes and is
25 limited to:

26 (a) An exhibition or presentation of works of art or objects of
27 cultural or historical significance, such as those commonly displayed
28 in art or history museums;

29 (b) A musical or dramatic performance or series of performances;
30 or

31 (c) An educational seminar or program, or series of such
32 programs, offered by the organization to the general public on an
33 artistic, cultural, or historical subject.

34 **Sec. 16.** RCW 66.24.540 and 2021 c 6 s 11 are each amended to
35 read as follows:

36 (1) There is a retailer's license to be designated as a motel
37 license. The motel license may be issued to a motel regardless of
38 whether it holds any other class of license under this title. No

1 license may be issued to a motel offering rooms to its guests on an
2 hourly basis. The license authorizes the licensee to:

3 (a) Sell, at retail, in locked honor bars, spirits in individual
4 bottles not to exceed fifty milliliters, beer in individual cans or
5 bottles not to exceed twelve ounces, and wine in individual bottles
6 not to exceed one hundred eighty-seven milliliters, to registered
7 guests of the motel for consumption in guest rooms.

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

10 (ii) All spirits to be sold under the license must be purchased
11 from a spirits retailer or a spirits distributor licensee of the
12 board.

13 (iii) The licensee must require proof of age from the guest
14 renting a guest room and requesting the use of an honor bar. The
15 guest must also execute an affidavit verifying that no one under
16 twenty-one years of age has access to the spirits, beer, and wine in
17 the honor bar.

18 (b) Provide without additional charge, to overnight guests of the
19 motel, spirits, beer, and wine by the individual serving for on-
20 premises consumption at a specified regular date, time, and place as
21 may be fixed by the board. Self-service by attendees is prohibited.
22 All spirits, beer, and wine service must be done by an alcohol server
23 as defined in RCW 66.20.300 and comply with RCW 66.20.310.

24 (2)(a) The annual fee for a motel license is (~~five hundred~~
25 ~~dollars~~) \$250.

26 (b) The annual fee in (a) of this subsection is waived during the
27 12-month period beginning with the second calendar month after
28 February 28, 2021, for:

29 (i) Licenses that expire during the 12-month waiver period under
30 this subsection (2)(b); and

31 (ii) Licenses issued to persons previously licensed under this
32 section at any time during the 12-month period prior to the 12-month
33 waiver period under this subsection (2)(b).

34 (c) The waiver in (b) of this subsection does not apply to any
35 licensee that:

36 (i) Had their license suspended by the board for health and
37 safety violations of state COVID-19 guidelines; or

38 (ii) Received an order of immediate restraint or citation from
39 the department of labor and industries for allowing an employee to

1 perform work where business activity was prohibited in violation of
2 an emergency proclamation of the governor under RCW 43.06.220.

3 (d) Upon request of the department of revenue, the board and the
4 department of labor and industries must both provide a list of
5 persons that they have determined to be ineligible for a fee waiver
6 under (b) of this subsection for the reasons described in (c) of this
7 subsection. Unless otherwise agreed, any list must be received by the
8 department of revenue no later than 15 calendar days after the
9 request is made.

10 (3) For the purposes of this section, "motel" means a transient
11 accommodation licensed under chapter 70.62 RCW.

12 **Sec. 17.** RCW 66.24.570 and 2021 c 6 s 12 are each amended to
13 read as follows:

14 (1)(a) There is a license for sports entertainment facilities to
15 be designated as a sports entertainment facility license to sell
16 beer, wine, and spirits at retail, for consumption upon the premises
17 only, the license to be issued to the entity providing food and
18 beverage service at a sports entertainment facility as defined in
19 this section. The cost of the license is (~~two thousand five hundred~~
20 ~~dollars~~) \$1,250 per annum.

21 (b) The annual fee in (a) of this subsection is waived during the
22 12-month period beginning with the second calendar month after
23 February 28, 2021, for:

24 (i) Licenses that expire during the 12-month waiver period under
25 this subsection (1)(b); and

26 (ii) Licenses issued to persons previously licensed under this
27 section at any time during the 12-month period prior to the 12-month
28 waiver period under this subsection (1)(b).

29 (c) The waiver in (b) of this subsection does not apply to any
30 licensee that:

31 (i) Had their license suspended by the board for health and
32 safety violations of state COVID-19 guidelines; or

33 (ii) Received an order of immediate restraint or citation from
34 the department of labor and industries for allowing an employee to
35 perform work where business activity was prohibited in violation of
36 an emergency proclamation of the governor under RCW 43.06.220.

37 (d) Upon request of the department of revenue, the board and the
38 department of labor and industries must both provide a list of
39 persons that they have determined to be ineligible for a fee waiver

1 under (b) of this subsection for the reasons described in (c) of this
2 subsection. Unless otherwise agreed, any list must be received by the
3 department of revenue no later than 15 calendar days after the
4 request is made.

5 (2) For purposes of this section, a sports entertainment facility
6 includes a publicly or privately owned arena, coliseum, stadium, or
7 facility where sporting events are presented for a price of
8 admission. The facility does not have to be exclusively used for
9 sporting events.

10 (3) The board may impose reasonable requirements upon a licensee
11 under this section, such as requirements for the availability of food
12 and victuals including but not limited to hamburgers, sandwiches,
13 salads, or other snack food. The board may also restrict the type of
14 events at a sports entertainment facility at which beer, wine, and
15 spirits may be served. When imposing conditions for a licensee, the
16 board must consider the seating accommodations, eating facilities,
17 and circulation patterns in such a facility, and other amenities
18 available at a sports entertainment facility.

19 (4) (a) The board may issue a caterer's endorsement to the license
20 under this section to allow the licensee to remove from the liquor
21 stocks at the licensed premises, for use as liquor for sale and
22 service at event locations at a specified date and place not
23 currently licensed by the board. If the event is open to the public,
24 it must be sponsored by a society or organization as defined by RCW
25 66.24.375. If attendance at the event is limited to members or
26 invited guests of the sponsoring individual, society, or
27 organization, the requirement that the sponsor must be a society or
28 organization as defined by RCW 66.24.375 is waived. Cost of the
29 endorsement is three hundred fifty dollars.

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

36 (5) The board may issue an endorsement to the beer, wine, and
37 spirits sports entertainment facility license that allows the holder
38 of a beer, wine, and spirits sports entertainment facility license to
39 sell for off-premises consumption wine vinted and bottled in the
40 state of Washington and carrying a label exclusive to the license

1 holder selling the wine. Spirits and beer may not be sold for off-
2 premises consumption under this section. The annual fee for the
3 endorsement under this section is one hundred twenty dollars.

4 (6)(a) A licensee and an affiliated business may enter into
5 arrangements with a manufacturer, importer, or distributor for brand
6 advertising at the sports entertainment facility or promotion of
7 events held at the sports entertainment facility, with a capacity of
8 five thousand people or more. The financial arrangements providing
9 for the brand advertising or promotion of events shall not be used as
10 an inducement to purchase the products of the manufacturer, importer,
11 or distributor entering into the arrangement nor shall it result in
12 the exclusion of brands or products of other companies.

13 (b) The arrangements allowed under this subsection (6) are an
14 exception to arrangements prohibited under RCW 66.28.305. The board
15 shall monitor the impacts of these arrangements. The board may
16 conduct audits of the licensee and the affiliated business to
17 determine compliance with this subsection (6). Audits may include but
18 are not limited to product selection at the facility; purchase
19 patterns of the licensee; contracts with the liquor manufacturer,
20 importer, or distributor; and the amount allocated or used for liquor
21 advertising by the licensee, affiliated business, manufacturer,
22 importer, or distributor under the arrangements.

23 (c) The board shall report to the appropriate committees of the
24 legislature by December 30, 2008, and biennially thereafter, on the
25 impacts of arrangements allowed between sports entertainment
26 licensees and liquor manufacturers, importers, and distributors for
27 brand advertising and promotion of events at the facility.

28 **Sec. 18.** RCW 66.24.580 and 2021 c 6 s 13 are each amended to
29 read as follows:

30 (1) A public house license allows the licensee:

31 (a) To annually manufacture no less than two hundred fifty
32 gallons and no more than two thousand four hundred barrels of beer on
33 the licensed premises;

34 (b) To sell product, that is produced on the licensed premises,
35 at retail on the licensed premises for consumption on the licensed
36 premises;

37 (c) To sell beer or wine not of its own manufacture for
38 consumption on the licensed premises if the beer or wine has been
39 purchased from a licensed beer or wine wholesaler;

1 (d) To apply for and, if qualified and upon the payment of the
2 appropriate fee, be licensed as a spirits, beer, and wine restaurant
3 to do business at the same location. This fee is in addition to the
4 fee charged for the basic public house license.

5 (2) RCW 66.28.305 applies to a public house license.

6 (3) A public house licensee must pay all applicable taxes on
7 production as are required by law, and all appropriate taxes must be
8 paid for any product sold at retail on the licensed premises.

9 (4) The employees of the licensee must comply with the provisions
10 of mandatory server training in RCW 66.20.300 through 66.20.350.

11 (5) The holder of a public house license may not hold a
12 wholesaler's or importer's license, act as the agent of another
13 manufacturer, wholesaler, or importer, or hold a brewery or winery
14 license.

15 (6)(a) The annual license fee for a public house is (~~one~~
16 ~~thousand dollars~~) \$500.

17 (b) The annual fee in (a) of this subsection is waived during the
18 12-month period beginning with the second calendar month after
19 February 28, 2021, for:

20 (i) Licenses that expire during the 12-month waiver period under
21 this subsection (6)(b); and

22 (ii) Licenses issued to persons previously licensed under this
23 section at any time during the 12-month period prior to the 12-month
24 waiver period under this subsection (6)(b).

25 (c) The waiver in (b) of this subsection does not apply to any
26 licensee that:

27 (i) Had their license suspended by the board for health and
28 safety violations of state COVID-19 guidelines; or

29 (ii) Received an order of immediate restraint or citation from
30 the department of labor and industries for allowing an employee to
31 perform work where business activity was prohibited in violation of
32 an emergency proclamation of the governor under RCW 43.06.220.

33 (d) Upon request of the department of revenue, the board and the
34 department of labor and industries must both provide a list of
35 persons that they have determined to be ineligible for a fee waiver
36 under (b) of this subsection for the reasons described in (c) of this
37 subsection. Unless otherwise agreed, any list must be received by the
38 department of revenue no later than 15 calendar days after the
39 request is made.

1 (7) The holder of a public house license may hold other licenses
2 at other locations if the locations are approved by the board.

3 (8) Existing holders of annual retail liquor licenses may apply
4 for and, if qualified, be granted a public house license at one or
5 more of their existing liquor licensed locations without
6 discontinuing business during the application or construction stages.

7 **Sec. 19.** RCW 66.24.650 and 2021 c 6 s 16 are each amended to
8 read as follows:

9 (1)(a) There is a theater license to sell beer, including strong
10 beer, or wine, or both, at retail, for consumption on theater
11 premises. The annual fee is (~~four hundred dollars~~) \$200 for a beer
12 and wine theater license.

13 (b) The annual fee in (a) of this subsection is waived during the
14 12-month period beginning with the second calendar month after
15 February 28, 2021, for:

16 (i) Licenses that expire during the 12-month waiver period under
17 this subsection (1)(b); and

18 (ii) Licenses issued to persons previously licensed under this
19 section at any time during the 12-month period prior to the 12-month
20 waiver period under this subsection (1)(b).

21 (c) The waiver in (b) of this subsection does not apply to any
22 licensee that:

23 (i) Had their license suspended by the board for health and
24 safety violations of state COVID-19 guidelines; or

25 (ii) Received an order of immediate restraint or citation from
26 the department of labor and industries for allowing an employee to
27 perform work where business activity was prohibited in violation of
28 an emergency proclamation of the governor under RCW 43.06.220.

29 (d) Upon request of the department of revenue, the board and the
30 department of labor and industries must both provide a list of
31 persons that they have determined to be ineligible for a fee waiver
32 under (b) of this subsection for the reasons described in (c) of this
33 subsection. Unless otherwise agreed, any list must be received by the
34 department of revenue no later than 15 calendar days after the
35 request is made.

36 (2) If the theater premises is to be frequented by minors, an
37 alcohol control plan must be submitted to the board at the time of
38 application. The alcohol control plan must be approved by the board,

1 and be prominently posted on the premises, prior to minors being
2 allowed.

3 (3) For the purposes of this section:

4 (a) "Alcohol control plan" means a written, dated, and signed
5 plan submitted to the board by an applicant or licensee for the
6 entire theater premises, or rooms or areas therein, that shows where
7 and when alcohol is permitted, where and when minors are permitted,
8 and the control measures used to ensure that minors are not able to
9 obtain alcohol or be exposed to environments where drinking alcohol
10 predominates.

11 (b) "Theater" means a place of business where motion pictures or
12 other primarily nonparticipatory entertainment are shown, and
13 includes only theaters with up to four screens.

14 (4) The board must adopt rules regarding alcohol control plans
15 and necessary control measures to ensure that minors are not able to
16 obtain alcohol or be exposed to areas where drinking alcohol
17 predominates. All alcohol control plans must include a requirement
18 that any person involved in the serving of beer and/or wine must have
19 completed a mandatory alcohol server training program.

20 (5)(a) A licensee that is an entity that is exempt from taxation
21 under Title 26 U.S.C. Sec. 501(c)(3) of the federal internal revenue
22 code of 1986, as amended as of January 1, 2013, may enter into
23 arrangements with a beer or wine manufacturer, importer, or
24 distributor for brand advertising at the theater or promotion of
25 events held at the theater. The financial arrangements providing for
26 the brand advertising or promotion of events may not be used as an
27 inducement to purchase the products of the manufacturer, importer, or
28 distributor entering into the arrangement and such arrangements may
29 not result in the exclusion of brands or products of other companies.

30 (b) The arrangements allowed under this subsection (5) are an
31 exception to arrangements prohibited under RCW 66.28.305. The board
32 must monitor the impacts of these arrangements. The board may conduct
33 audits of a licensee and the affiliated business to determine
34 compliance with this subsection (5). Audits may include, but are not
35 limited to: Product selection at the facility; purchase patterns of
36 the licensee; contracts with the beer or wine manufacturer, importer,
37 or distributor; and the amount allocated or used for wine or beer
38 advertising by the licensee, affiliated business, manufacturer,
39 importer, or distributor under the arrangements.

1 (6) The maximum penalties prescribed by the board in WAC
2 314-29-020 relating to fines and suspensions are double for
3 violations involving minors or the failure to follow the alcohol
4 control plan with respect to theaters licensed under this section.

5 **Sec. 20.** RCW 66.24.680 and 2021 c 176 s 5235 and 2021 c 6 s 18
6 are each reenacted and amended to read as follows:

7 (1) There shall be a license to be designated as a senior center
8 license. This shall be a license issued to a nonprofit organization
9 whose primary service is providing recreational and social activities
10 for seniors on the licensed premises. This license shall permit the
11 licensee to sell spirits by the individual glass, including mixed
12 drinks and cocktails mixed on the premises only, beer and wine, at
13 retail for consumption on the premises.

14 (2) To qualify for this license, the applicant entity must:

15 (a) Be a nonprofit organization under chapter 24.03A RCW;

16 (b) Be open at times and durations established by the board; and

17 (c) Provide limited food service as defined by the board.

18 (3) All alcohol servers must have a valid mandatory alcohol
19 server training permit.

20 (4) The board shall adopt rules to implement this section.

21 (5) (a) The annual fee for this license shall be (~~seven hundred~~
22 ~~twenty dollars~~) \$360.

23 (b) The annual fee in (a) of this subsection is waived during the
24 12-month period beginning with the second calendar month after
25 February 28, 2021, for:

26 (i) Licenses that expire during the 12-month waiver period under
27 this subsection (5) (b); and

28 (ii) Licenses issued to persons previously licensed under this
29 section at any time during the 12-month period prior to the 12-month
30 waiver period under this subsection (5) (b).

31 (c) The waiver in (b) of this subsection does not apply to any
32 licensee that:

33 (i) Had their license suspended by the board for health and
34 safety violations of state COVID-19 guidelines; or

35 (ii) Received an order of immediate restraint or citation from
36 the department of labor and industries for allowing an employee to
37 perform work where business activity was prohibited in violation of
38 an emergency proclamation of the governor under RCW 43.06.220.

1 (d) Upon request of the department of revenue, the board and the
2 department of labor and industries must both provide a list of
3 persons that they have determined to be ineligible for a fee waiver
4 under (b) of this subsection for the reasons described in (c) of this
5 subsection. Unless otherwise agreed, any list must be received by the
6 department of revenue no later than 15 calendar days after the
7 request is made.

8 NEW SECTION. **Sec. 21.** Sections 2 through 20 of this act expire
9 December 31, 2023.

10 NEW SECTION. **Sec. 22.** This act is necessary for the immediate
11 preservation of the public peace, health, or safety, or support of
12 the state government and its existing public institutions, and takes
13 effect April 1, 2022.

Passed by the House March 10, 2022.
Passed by the Senate March 10, 2022.
Approved by the Governor March 24, 2022.
Filed in Office of Secretary of State March 24, 2022.

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