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HOUSE BILL 1765

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State of Washington

68th Legislature

2023 Regular Session

By Representatives Steele, Chapman, and Volz

Read first time 02/06/23. Referred to Committee on Regulated Substances & Gaming.

1 AN ACT Relating to special occasion liquor licenses for not-for-  
2 profit societies or organizations; and amending RCW 66.24.010 and  
3 66.24.380.

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

5 **Sec. 1.** RCW 66.24.010 and 2019 c 370 s 1 are each amended to  
6 read as follows:

7 (1) Every license must be issued in the name of the applicant,  
8 and the holder thereof may not allow any other person to use the  
9 license.

10 (2) For the purpose of considering any application for a license,  
11 or the renewal of a license, the board may cause an inspection of the  
12 premises to be made, and may inquire into all matters in connection  
13 with the construction and operation of the premises. For the purpose  
14 of reviewing any application for a license and for considering the  
15 denial, suspension, revocation, or renewal or denial thereof, of any  
16 license, the board may consider any prior criminal conduct of the  
17 applicant including an administrative violation history record with  
18 the board and a criminal history record information check. The board  
19 may submit the criminal history record information check to the  
20 Washington state patrol and to the identification division of the  
21 federal bureau of investigation in order that these agencies may

1 search their records for prior arrests and convictions of the  
2 individual or individuals who filled out the forms. The board must  
3 require fingerprinting of any applicant whose criminal history record  
4 information check is submitted to the federal bureau of  
5 investigation. The provisions of RCW 9.95.240 and of chapter 9.96A  
6 RCW do not apply to such cases. Subject to the provisions of this  
7 section, the board may, in its discretion, grant or deny the renewal  
8 or license applied for. Denial may be based on, without limitation,  
9 the existence of chronic illegal activity documented in objections  
10 submitted pursuant to subsections (8)(d) and (12) of this section.  
11 Authority to approve an uncontested or unopposed license may be  
12 granted by the board to any staff member the board designates in  
13 writing. Conditions for granting such authority must be adopted by  
14 rule. No retail license of any kind may be issued to:

15 (a) A person doing business as a sole proprietor who has not  
16 resided in the state for at least one month prior to receiving a  
17 license, except in cases of licenses issued to dining places on  
18 railroads, boats, or aircraft;

19 (b) A copartnership, unless all of the members thereof are  
20 qualified to obtain a license, as provided in this section;

21 (c) A person whose place of business is conducted by a manager or  
22 agent, unless such manager or agent possesses the same qualifications  
23 required of the licensee;

24 (d) A corporation or a limited liability company, unless it was  
25 created under the laws of the state of Washington or holds a  
26 certificate of authority to transact business in the state of  
27 Washington.

28 (3)(a) The board may, in its discretion, subject to the  
29 provisions of RCW 66.08.150, suspend or cancel any license; and all  
30 rights of the licensee to keep or sell liquor thereunder must be  
31 suspended or terminated, as the case may be.

32 (b) The board must immediately suspend the license or certificate  
33 of a person who has been certified pursuant to RCW 74.20A.320 by the  
34 department of social and health services as a person who is not in  
35 compliance with a support order. If the person has continued to meet  
36 all other requirements for reinstatement during the suspension,  
37 reissuance of the license or certificate is automatic upon the  
38 board's receipt of a release issued by the department of social and  
39 health services stating that the licensee is in compliance with the  
40 order.

1 (c) Upon written notification by the department of revenue in  
2 accordance with RCW 82.08.155 that a person is more than (~~thirty~~)  
3 30 days delinquent in reporting or remitting spirits taxes to the  
4 department, the board must suspend all spirits licenses held by that  
5 person. The board must also refuse to renew any existing spirits  
6 license of, or issue any new spirits license to, the person or any  
7 other applicant controlled directly or indirectly by that person. The  
8 board may not reinstate a person's spirits license or renew or issue  
9 a new spirits license to that person, or an applicant controlled  
10 directly or indirectly by that person, until such time as the  
11 department of revenue notifies the board that the person is current  
12 in reporting and remitting spirits taxes or that the department  
13 consents to the reinstatement or renewal of the person's spirits  
14 license or the issuance of a new spirits license to the person. For  
15 purposes of this section: (i) "Spirits license" means any license  
16 issued by the board under the authority of this chapter that  
17 authorizes the licensee to sell spirits; and (ii) "spirits taxes" has  
18 the same meaning as in RCW 82.08.155.

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

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

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

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

10 (5) (a) For the original issuance of a liquor license, including  
11 the approval of a conditional license as provided in (b) of this  
12 subsection, the board must set the expiration date of the license to  
13 the last day of the calendar month that is (~~twelve~~) 12 months from  
14 the calendar month in which final approval of the license is granted.  
15 Upon renewal, the expiration date of the license, including licenses  
16 approved under (b) of this subsection, may subsequently be prorated  
17 as necessary in accordance with chapter 19.02 RCW.

18 (b) (i) When an applicant for a liquor license is qualified for  
19 approval of the license in every way except having executed a lease  
20 or purchase agreement for the proposed licensed premises, the board  
21 must grant conditional approval to the applicant.

22 (ii) Upon notification to the board of execution of the lease or  
23 purchase agreement putting the applicant in control of the premises,  
24 the board must immediately grant final approval of the license  
25 issuance, and the licensee may immediately begin exercising all  
26 privileges provided under the license, except as otherwise provided  
27 under this title.

28 (iii) For the purposes of this title, the term "license" includes  
29 "conditional license."

30 (6) Every license issued under this section is subject to all  
31 conditions and restrictions imposed by this title or by rules adopted  
32 by the board. All conditions and restrictions imposed by the board in  
33 the issuance of an individual license may be listed on the face of  
34 the individual license along with the trade name, address, and  
35 expiration date. Conditions and restrictions imposed by the board may  
36 also be included in official correspondence separate from the  
37 license. All spirits licenses are subject to the condition that the  
38 spirits license holder must report and remit to the department of  
39 revenue all spirits taxes by the date due.

1 (7) Every licensee must post and keep posted its license, or  
2 licenses, and any additional correspondence containing conditions and  
3 restrictions imposed by the board in a conspicuous place on the  
4 premises.

5 (8) (a) Unless (b) of this subsection applies, before the board  
6 issues a new or renewal license to an applicant it must give notice  
7 of such application to the chief executive officer of the  
8 incorporated city or town, if the application is for a license within  
9 an incorporated city or town, or to the county legislative authority,  
10 if the application is for a license outside the boundaries of  
11 incorporated cities or towns.

12 (b) If the application for a special occasion license is for an  
13 event held (~~during~~):

14 (i) By an enhanced special occasion licensee under RCW 66.24.380,  
15 the board is not required to provide notice of the application to the  
16 incorporated city or town or the county where the proposed event  
17 would take place; or

18 (ii) During a county, district, or area fair as defined by RCW  
19 15.76.120, and the county, district, or area fair is located on  
20 property owned by the county but located within an incorporated city  
21 or town, the county legislative authority must be the entity notified  
22 by the board under (a) of this subsection. The board must send a  
23 duplicate notice to the incorporated city or town within which the  
24 fair is located.

25 (c) (~~The~~) Except for an enhanced special occasion license under  
26 RCW 66.24.380, incorporated city or town through the official or  
27 employee selected by it, or the county legislative authority or the  
28 official or employee selected by it, has the right to file with the  
29 board within (~~twenty~~) 20 days after the date of transmittal of such  
30 notice for applications, or at least (~~thirty~~) 30 days prior to the  
31 expiration date for renewals, written objections against the  
32 applicant or against the premises for which the new or renewal  
33 license is asked. The board may extend the time period for submitting  
34 written objections.

35 (d) The written objections must include a statement of all facts  
36 upon which such objections are based, and in case written objections  
37 are filed, the city or town or county legislative authority may  
38 request and the board may in its discretion hold a hearing subject to  
39 the applicable provisions of Title 34 RCW. If the board makes an  
40 initial decision to deny a license or renewal based on the written

1 objections of an incorporated city or town or county legislative  
2 authority, the applicant may request a hearing subject to the  
3 applicable provisions of Title 34 RCW. If such a hearing is held at  
4 the request of the applicant, board representatives must present and  
5 defend the board's initial decision to deny a license or renewal.

6 (e) (~~Upon~~) Except for an enhanced special occasion license  
7 under RCW 66.24.380, upon the granting of a license under this title  
8 the board must send written notification to the chief executive  
9 officer of the incorporated city or town in which the license is  
10 granted, or to the county legislative authority if the license is  
11 granted outside the boundaries of incorporated cities or towns. When  
12 the license is for a special occasion license, not to include an  
13 enhanced special occasion license, for an event held during a county,  
14 district, or area fair as defined by RCW 15.76.120, and the county,  
15 district, or area fair is located on county-owned property but  
16 located within an incorporated city or town, the written notification  
17 must be sent to both the incorporated city or town and the county  
18 legislative authority.

19 (9)(a) Before the board issues any license to any applicant, it  
20 shall give (i) due consideration to the location of the business to  
21 be conducted under such license with respect to the proximity of  
22 churches, schools, and public institutions and (ii) written notice,  
23 with receipt verification, of the application to public institutions  
24 identified by the board as appropriate to receive such notice,  
25 churches, and schools within (~~five hundred~~) 500 feet of the  
26 premises to be licensed. The board may not issue a liquor license for  
27 either on-premises or off-premises consumption covering any premises  
28 not now licensed, if such premises are within (~~five hundred~~) 500  
29 feet of the premises of any tax-supported public elementary or  
30 secondary school measured along the most direct route over or across  
31 established public walks, streets, or other public passageway from  
32 the main entrance of the school to the nearest public entrance of the  
33 premises proposed for license, and if, after receipt by the school of  
34 the notice as provided in this subsection, the board receives written  
35 objection, within (~~twenty~~) 20 days after receiving such notice,  
36 from an official representative or representatives of the school  
37 within (~~five hundred~~) 500 feet of said proposed licensed premises,  
38 indicating to the board that there is an objection to the issuance of  
39 such license because of proximity to a school. The board may extend  
40 the time period for submitting objections. For the purpose of this

1 section, "church" means a building erected for and used exclusively  
2 for religious worship and schooling or other activity in connection  
3 therewith. For the purpose of this section, "public institution"  
4 means institutions of higher education, parks, community centers,  
5 libraries, and transit centers.

6 (b) No liquor license may be issued or reissued by the board to  
7 any motor sports facility or licensee operating within the motor  
8 sports facility unless the motor sports facility enforces a program  
9 reasonably calculated to prevent alcohol or alcoholic beverages not  
10 purchased within the facility from entering the facility and such  
11 program is approved by local law enforcement agencies.

12 (c) It is the intent under this subsection (9) that a retail  
13 license may not be issued by the board where doing so would, in the  
14 judgment of the board, adversely affect a private school meeting the  
15 requirements for private schools under Title 28A RCW, which school is  
16 within (~~five hundred~~) 500 feet of the proposed licensee. The board  
17 must fully consider and give substantial weight to objections filed  
18 by private schools. If a license is issued despite the proximity of a  
19 private school, the board must state in a letter addressed to the  
20 private school the board's reasons for issuing the license.

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

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

33 (b) A temporary license issued by the board under this section  
34 must be for a period not to exceed (~~sixty~~) 60 days. A temporary  
35 license may be extended at the discretion of the board for additional  
36 periods of (~~sixty~~) 60 days upon payment of an additional fee and  
37 upon compliance with all conditions required in this section.

38 (c) Refusal by the board to issue or extend a temporary license  
39 shall not entitle the applicant to request a hearing. A temporary  
40 license may be canceled or suspended summarily at any time if the

1 board determines that good cause for cancellation or suspension  
2 exists. RCW 66.08.130 applies to temporary licenses.

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

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

26 **Sec. 2.** RCW 66.24.380 and 2016 c 235 s 2 are each amended to  
27 read as follows:

28 (1) There is a retailer's license to be designated as a special  
29 occasion license to be issued to a not-for-profit society or  
30 organization to sell spirits, beer, and wine by the individual  
31 serving for on-premises consumption at a specified event, such as at  
32 picnics or other special occasions, at a specified date and place;  
33 fee (~~((sixty dollars))~~) \$60 per day.

34 (~~((1))~~) (a) The not-for-profit society or organization is limited  
35 to sales of no more than (~~((twelve))~~) 12 calendar days per year. For  
36 the purposes of this subsection, special occasion licensees that are  
37 "agricultural area fairs" or "agricultural county, district, and area  
38 fairs," as defined by RCW 15.76.120, that receive a special occasion  
39 license may, once per calendar year, count as one event fairs that



1 last multiple days, so long as alcohol sales are at set dates, times,  
2 and locations, and the board receives prior notification of the  
3 dates, times, and locations. The special occasion license applicant  
4 will pay the ~~((sixty dollars))~~ \$60 per day for this event.

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

8 ~~((+3))~~ (c) In addition to offering the sale of wine by the  
9 individual serving for on-premises consumption, the licensee may sell  
10 wine in original, unopened containers for on-premises consumption if  
11 permission is obtained from the board prior to the event.

12 ~~((+4))~~ (d) Sale, service, and consumption of spirits, beer, and  
13 wine is to be confined to specified premises or designated areas  
14 only.

15 ~~((+5))~~ (e) Liquor sold under this special occasion license must  
16 be purchased from a licensee of the board.

17 ~~((+6))~~ (f) Any violation of this section is a class 1 civil  
18 infraction having a maximum penalty of ~~((two hundred fifty dollars))~~  
19 \$250 as provided for in chapter 7.80 RCW.

20 (2) Any licensee that has held a special occasion license under  
21 this section for at least 10 years and has not had any enforcement  
22 actions taken against the licensee by the board in the previous five  
23 years may apply to the board for an enhanced special occasion  
24 license. An enhanced special occasion licensee:

25 (a) May hold an unlimited number of events each year;

26 (b) May hold public and nonpublic events without holding any  
27 separate license;

28 (c) Shall notify the board at least 24 hours before an event with  
29 the dates, times, and locations of the event; and

30 (d) Does not need approval from the chief executive officer of  
31 the incorporated city or town or the county legislative authority of  
32 the county in which the event is to be held, but must obtain any  
33 event permit required by the applicable city, town, or county to  
34 conduct such event.

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