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SENATE BILL 6292

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State of Washington                      60th Legislature                      2008 Regular Session

By Senators Marr, Honeyford, Haugen, Kohl-Welles, and Hewitt

Read first time 01/14/08. Referred to Committee on Labor, Commerce, Research & Development.

1            AN ACT Relating to craft distilleries; amending RCW 66.04.010,  
2 66.24.150, 66.24.310, 66.24.520, 66.28.040, 66.28.060, 66.28.150,  
3 66.28.155, 66.40.140, and 66.24.481; reenacting and amending RCW  
4 66.04.010, 66.28.010, and 66.24.210; adding a new section to chapter  
5 66.24 RCW; providing an effective date; and providing an expiration  
6 date.

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

8            NEW SECTION.    **Sec. 1.** A new section is added to chapter 66.24 RCW  
9 to read as follows:

10            (1) There shall be a license for craft distilleries. The fee is  
11 one hundred dollars per year.

12            (2) Any craft distillery licensed under this section may sell  
13 spirits of its own production for consumption off the premises, up to  
14 one liter per person per day. Spirits sold under this subsection must  
15 be purchased from the board and sold at the retail price established by  
16 the board. A craft distillery selling spirits under this subsection  
17 must comply with the applicable laws and rules relating to retailers.

18            (3) Any craft distillery licensed under this section may provide,  
19 free of charge, one-half ounce or less samples of spirits of its own

1 production to persons on the premises of the distillery. The maximum  
2 total per person per day is two ounces. Every person who participates  
3 in any manner in the service of samples must obtain a class 12 or 13  
4 alcohol server permit. Spirits used for samples must be purchased from  
5 the board.

6 (4) The board shall adopt rules to implement the alcohol server  
7 permit requirement and may adopt additional rules to implement this  
8 section.

9 (5) The use of purchased neutral grain spirits shall be prohibited  
10 by a craft distillery unless those neutral grain spirits are made in  
11 Washington state.

12 (6) Distilling is an agricultural practice.

13 **Sec. 2.** RCW 66.04.010 and 2007 c 226 s 1 are each amended to read  
14 as follows:

15 In this title, unless the context otherwise requires:

16 (1) "Alcohol" is that substance known as ethyl alcohol, hydrated  
17 oxide of ethyl, or spirit of wine, which is commonly produced by the  
18 fermentation or distillation of grain, starch, molasses, or sugar, or  
19 other substances including all dilutions and mixtures of this  
20 substance. The term "alcohol" does not include alcohol in the  
21 possession of a manufacturer or distiller of alcohol fuel, as described  
22 in RCW 66.12.130, which is intended to be denatured and used as a fuel  
23 for use in motor vehicles, farm implements, and machines or implements  
24 of husbandry.

25 (2) "Authorized representative" means a person who:

26 (a) Is required to have a federal basic permit issued pursuant to  
27 the federal alcohol administration act, 27 U.S.C. Sec. 204;

28 (b) Has its business located in the United States outside of the  
29 state of Washington;

30 (c) Acquires ownership of beer or wine for transportation into and  
31 resale in the state of Washington; and which beer or wine is produced  
32 anywhere outside Washington by a brewery or winery which does not hold  
33 a certificate of approval issued by the board; and

34 (d) Is appointed by the brewery or winery referenced in (c) of this  
35 subsection as its exclusive authorized representative for marketing and  
36 selling its products within the United States in accordance with a  
37 written agreement between the authorized representative and such

1 brewery or winery pursuant to this title. The board may waive the  
2 requirement for the written agreement of exclusivity in situations  
3 consistent with the normal marketing practices of certain products,  
4 such as classified growths.

5 (3) "Beer" means any malt beverage, flavored malt beverage, or malt  
6 liquor as these terms are defined in this chapter.

7 (4) "Beer distributor" means a person who buys beer from a domestic  
8 brewery, microbrewery, beer certificate of approval holder, or beer  
9 importers, or who acquires foreign produced beer from a source outside  
10 of the United States, for the purpose of selling the same pursuant to  
11 this title, or who represents such brewer or brewery as agent.

12 (5) "Beer importer" means a person or business within Washington  
13 who purchases beer from a beer certificate of approval holder or who  
14 acquires foreign produced beer from a source outside of the United  
15 States for the purpose of selling the same pursuant to this title.

16 (6) "Brewer" or "brewery" means any person engaged in the business  
17 of manufacturing beer and malt liquor. Brewer includes a brand owner  
18 of malt beverages who holds a brewer's notice with the federal bureau  
19 of alcohol, tobacco, and firearms at a location outside the state and  
20 whose malt beverage is contract-produced by a licensed in-state  
21 brewery, and who may exercise within the state, under a domestic  
22 brewery license, only the privileges of storing, selling to licensed  
23 beer distributors, and exporting beer from the state.

24 (7) "Board" means the liquor control board, constituted under this  
25 title.

26 (8) "Club" means an organization of persons, incorporated or  
27 unincorporated, operated solely for fraternal, benevolent, educational,  
28 athletic or social purposes, and not for pecuniary gain.

29 (9) "Confection" means a preparation of sugar, honey, or other  
30 natural or artificial sweeteners in combination with chocolate, fruits,  
31 nuts, dairy products, or flavorings, in the form of bars, drops, or  
32 pieces.

33 (10) "Consume" includes the putting of liquor to any use, whether  
34 by drinking or otherwise.

35 (11) "Contract liquor store" means a business that sells liquor on  
36 behalf of the board through a contract with a contract liquor store  
37 manager.

1           (12) "Craft distillery" means an establishment that produces within  
2 Washington twenty thousand gallons or less of spirits per year using a  
3 pot still and in which more than fifty percent of the raw materials  
4 used in the production are grown in Washington.

5           (13) "Dentist" means a practitioner of dentistry duly and regularly  
6 licensed and engaged in the practice of his profession within the state  
7 pursuant to chapter 18.32 RCW.

8           (~~(13)~~) (14) "Distiller" means a person engaged in the business of  
9 distilling spirits.

10           (~~(14)~~) (15) "Domestic brewery" means a place where beer and malt  
11 liquor are manufactured or produced by a brewer within the state.

12           (~~(15)~~) (16) "Domestic winery" means a place where wines are  
13 manufactured or produced within the state of Washington.

14           (~~(16)~~) (17) "Druggist" means any person who holds a valid  
15 certificate and is a registered pharmacist and is duly and regularly  
16 engaged in carrying on the business of pharmaceutical chemistry  
17 pursuant to chapter 18.64 RCW.

18           (~~(17)~~) (18) "Drug store" means a place whose principal business  
19 is, the sale of drugs, medicines and pharmaceutical preparations and  
20 maintains a regular prescription department and employs a registered  
21 pharmacist during all hours the drug store is open.

22           (~~(18)~~) (19) "Employee" means any person employed by the board.

23           (~~(19)~~) (20) "Flavored malt beverage" means:

24           (a) A malt beverage containing six percent or less alcohol by  
25 volume to which flavoring or other added nonbeverage ingredients are  
26 added that contain distilled spirits of not more than forty-nine  
27 percent of the beverage's overall alcohol content; or

28           (b) A malt beverage containing more than six percent alcohol by  
29 volume to which flavoring or other added nonbeverage ingredients are  
30 added that contain distilled spirits of not more than one and one-half  
31 percent of the beverage's overall alcohol content.

32           (~~(20)~~) (21) "Fund" means 'liquor revolving fund.'

33           (~~(21)~~) (22) "Hotel" means every building or other structure kept,  
34 used, maintained, advertised or held out to the public to be a place  
35 where food is served and sleeping accommodations are offered for pay to  
36 transient guests, in which twenty or more rooms are used for the  
37 sleeping accommodation of such transient guests and having one or more  
38 dining rooms where meals are served to such transient guests, such

1 sleeping accommodations and dining rooms being conducted in the same  
2 building and buildings, in connection therewith, and such structure or  
3 structures being provided, in the judgment of the board, with adequate  
4 and sanitary kitchen and dining room equipment and capacity, for  
5 preparing, cooking and serving suitable food for its guests: PROVIDED  
6 FURTHER, That in cities and towns of less than five thousand  
7 population, the board shall have authority to waive the provisions  
8 requiring twenty or more rooms.

9       (~~(22)~~) (23) "Importer" means a person who buys distilled spirits  
10 from a distillery outside the state of Washington and imports such  
11 spirituous liquor into the state for sale to the board or for export.

12       (~~(23)~~) (24) "Imprisonment" means confinement in the county jail.

13       (~~(24)~~) (25) "Liquor" includes the four varieties of liquor herein  
14 defined (alcohol, spirits, wine and beer), and all fermented,  
15 spirituous, vinous, or malt liquor, or combinations thereof, and mixed  
16 liquor, a part of which is fermented, spirituous, vinous or malt  
17 liquor, or otherwise intoxicating; and every liquid or solid or  
18 semisolid or other substance, patented or not, containing alcohol,  
19 spirits, wine or beer, and all drinks or drinkable liquids and all  
20 preparations or mixtures capable of human consumption, and any liquid,  
21 semisolid, solid, or other substance, which contains more than one  
22 percent of alcohol by weight shall be conclusively deemed to be  
23 intoxicating. Liquor does not include confections or food products  
24 that contain one percent or less of alcohol by weight.

25       (~~(25)~~) (26) "Manufacturer" means a person engaged in the  
26 preparation of liquor for sale, in any form whatsoever.

27       (~~(26)~~) (27) "Malt beverage" or "malt liquor" means any beverage  
28 such as beer, ale, lager beer, stout, and porter obtained by the  
29 alcoholic fermentation of an infusion or decoction of pure hops, or  
30 pure extract of hops and pure barley malt or other wholesome grain or  
31 cereal in pure water containing not more than eight percent of alcohol  
32 by weight, and not less than one-half of one percent of alcohol by  
33 volume. For the purposes of this title, any such beverage containing  
34 more than eight percent of alcohol by weight shall be referred to as  
35 "strong beer."

36       (~~(27)~~) (28) "Package" means any container or receptacle used for  
37 holding liquor.

1        ~~((+28+))~~ (29) "Passenger vessel" means any boat, ship, vessel,  
2 barge, or other floating craft of any kind carrying passengers for  
3 compensation.

4        ~~((+29+))~~ (30) "Permit" means a permit for the purchase of liquor  
5 under this title.

6        ~~((+30+))~~ (31) "Person" means an individual, copartnership,  
7 association, or corporation.

8        ~~((+31+))~~ (32) "Physician" means a medical practitioner duly and  
9 regularly licensed and engaged in the practice of his profession within  
10 the state pursuant to chapter 18.71 RCW.

11       ~~((+32+))~~ (33) "Prescription" means a memorandum signed by a  
12 physician and given by him to a patient for the obtaining of liquor  
13 pursuant to this title for medicinal purposes.

14       ~~((+33+))~~ (34) "Public place" includes streets and alleys of  
15 incorporated cities and towns; state or county or township highways or  
16 roads; buildings and grounds used for school purposes; public dance  
17 halls and grounds adjacent thereto; those parts of establishments where  
18 beer may be sold under this title, soft drink establishments, public  
19 buildings, public meeting halls, lobbies, halls and dining rooms of  
20 hotels, restaurants, theatres, stores, garages and filling stations  
21 which are open to and are generally used by the public and to which the  
22 public is permitted to have unrestricted access; railroad trains,  
23 stages, and other public conveyances of all kinds and character, and  
24 the depots and waiting rooms used in conjunction therewith which are  
25 open to unrestricted use and access by the public; publicly owned  
26 bathing beaches, parks, and/or playgrounds; and all other places of  
27 like or similar nature to which the general public has unrestricted  
28 right of access, and which are generally used by the public.

29       ~~((+34+))~~ (35) "Regulations" means regulations made by the board  
30 under the powers conferred by this title.

31       ~~((+35+))~~ (36) "Restaurant" means any establishment provided with  
32 special space and accommodations where, in consideration of payment,  
33 food, without lodgings, is habitually furnished to the public, not  
34 including drug stores and soda fountains.

35       ~~((+36+))~~ (37) "Sale" and "sell" include exchange, barter, and  
36 traffic; and also include the selling or supplying or distributing, by  
37 any means whatsoever, of liquor, or of any liquid known or described as  
38 beer or by any name whatever commonly used to describe malt or brewed

1 liquor or of wine, by any person to any person; and also include a sale  
2 or selling within the state to a foreign consignee or his agent in the  
3 state. "Sale" and "sell" shall not include the giving, at no charge,  
4 of a reasonable amount of liquor by a person not licensed by the board  
5 to a person not licensed by the board, for personal use only. "Sale"  
6 and "sell" also does not include a raffle authorized under RCW  
7 9.46.0315: PROVIDED, That the nonprofit organization conducting the  
8 raffle has obtained the appropriate permit from the board.

9 ~~((+37+))~~ (38) "Soda fountain" means a place especially equipped  
10 with apparatus for the purpose of dispensing soft drinks, whether mixed  
11 or otherwise.

12 ~~((+38+))~~ (39) "Spirits" means any beverage which contains alcohol  
13 obtained by distillation, except flavored malt beverages, but including  
14 wines exceeding twenty-four percent of alcohol by volume.

15 ~~((+39+))~~ (40) "Store" means a state liquor store established under  
16 this title.

17 ~~((+40+))~~ (41) "Tavern" means any establishment with special space  
18 and accommodation for sale by the glass and for consumption on the  
19 premises, of beer, as herein defined.

20 ~~((+41+))~~ (42) "Winery" means a business conducted by any person for  
21 the manufacture of wine for sale, other than a domestic winery.

22 ~~((+42+))~~ (43)(a) "Wine" means any alcoholic beverage obtained by  
23 fermentation of fruits (grapes, berries, apples, et cetera) or other  
24 agricultural product containing sugar, to which any saccharine  
25 substances may have been added before, during or after fermentation,  
26 and containing not more than twenty-four percent of alcohol by volume,  
27 including sweet wines fortified with wine spirits, such as port,  
28 sherry, muscatel and angelica, not exceeding twenty-four percent of  
29 alcohol by volume and not less than one-half of one percent of alcohol  
30 by volume. For purposes of this title, any beverage containing no more  
31 than fourteen percent of alcohol by volume when bottled or packaged by  
32 the manufacturer shall be referred to as "table wine," and any beverage  
33 containing alcohol in an amount more than fourteen percent by volume  
34 when bottled or packaged by the manufacturer shall be referred to as  
35 "fortified wine." However, "fortified wine" shall not include: (i)  
36 Wines that are both sealed or capped by cork closure and aged two years  
37 or more; and (ii) wines that contain more than fourteen percent alcohol

1 by volume solely as a result of the natural fermentation process and  
2 that have not been produced with the addition of wine spirits, brandy,  
3 or alcohol.

4 (b) This subsection shall not be interpreted to require that any  
5 wine be labeled with the designation "table wine" or "fortified wine."

6 ~~((43))~~ (44) "Wine distributor" means a person who buys wine from  
7 a domestic winery, wine certificate of approval holder, or wine  
8 importer, or who acquires foreign produced wine from a source outside  
9 of the United States, for the purpose of selling the same not in  
10 violation of this title, or who represents such vintner or winery as  
11 agent.

12 ~~((44))~~ (45) "Wine importer" means a person or business within  
13 Washington who purchases wine from a wine certificate of approval  
14 holder or who acquires foreign produced wine from a source outside of  
15 the United States for the purpose of selling the same pursuant to this  
16 title.

17 **Sec. 3.** RCW 66.04.010 and 2007 c 370 s 10 and 2007 c 226 s 1 are  
18 each reenacted and amended to read as follows:

19 In this title, unless the context otherwise requires:

20 (1) "Alcohol" is that substance known as ethyl alcohol, hydrated  
21 oxide of ethyl, or spirit of wine, which is commonly produced by the  
22 fermentation or distillation of grain, starch, molasses, or sugar, or  
23 other substances including all dilutions and mixtures of this  
24 substance. The term "alcohol" does not include alcohol in the  
25 possession of a manufacturer or distiller of alcohol fuel, as described  
26 in RCW 66.12.130, which is intended to be denatured and used as a fuel  
27 for use in motor vehicles, farm implements, and machines or implements  
28 of husbandry.

29 (2) "Authorized representative" means a person who:

30 (a) Is required to have a federal basic permit issued pursuant to  
31 the federal alcohol administration act, 27 U.S.C. Sec. 204;

32 (b) Has its business located in the United States outside of the  
33 state of Washington;

34 (c) Acquires ownership of beer or wine for transportation into and  
35 resale in the state of Washington; and which beer or wine is produced  
36 anywhere outside Washington by a brewery or winery which does not hold  
37 a certificate of approval issued by the board; and

1 (d) Is appointed by the brewery or winery referenced in (c) of this  
2 subsection as its exclusive authorized representative for marketing and  
3 selling its products within the United States in accordance with a  
4 written agreement between the authorized representative and such  
5 brewery or winery pursuant to this title. The board may waive the  
6 requirement for the written agreement of exclusivity in situations  
7 consistent with the normal marketing practices of certain products,  
8 such as classified growths.

9 (3) "Beer" means any malt beverage, flavored malt beverage, or malt  
10 liquor as these terms are defined in this chapter.

11 (4) "Beer distributor" means a person who buys beer from a domestic  
12 brewery, microbrewery, beer certificate of approval holder, or beer  
13 importers, or who acquires foreign produced beer from a source outside  
14 of the United States, for the purpose of selling the same pursuant to  
15 this title, or who represents such brewer or brewery as agent.

16 (5) "Beer importer" means a person or business within Washington  
17 who purchases beer from a beer certificate of approval holder or who  
18 acquires foreign produced beer from a source outside of the United  
19 States for the purpose of selling the same pursuant to this title.

20 (6) "Brewer" or "brewery" means any person engaged in the business  
21 of manufacturing beer and malt liquor. Brewer includes a brand owner  
22 of malt beverages who holds a brewer's notice with the federal bureau  
23 of alcohol, tobacco, and firearms at a location outside the state and  
24 whose malt beverage is contract-produced by a licensed in-state  
25 brewery, and who may exercise within the state, under a domestic  
26 brewery license, only the privileges of storing, selling to licensed  
27 beer distributors, and exporting beer from the state.

28 (7) "Board" means the liquor control board, constituted under this  
29 title.

30 (8) "Club" means an organization of persons, incorporated or  
31 unincorporated, operated solely for fraternal, benevolent, educational,  
32 athletic or social purposes, and not for pecuniary gain.

33 (9) "Confection" means a preparation of sugar, honey, or other  
34 natural or artificial sweeteners in combination with chocolate, fruits,  
35 nuts, dairy products, or flavorings, in the form of bars, drops, or  
36 pieces.

37 (10) "Consume" includes the putting of liquor to any use, whether  
38 by drinking or otherwise.

1 (11) "Contract liquor store" means a business that sells liquor on  
2 behalf of the board through a contract with a contract liquor store  
3 manager.

4 (12) "Craft distillery" means an establishment that produces within  
5 Washington twenty thousand gallons or less of spirits per year using a  
6 pot still and in which more than fifty percent of the raw materials  
7 used in the production are grown in Washington.

8 (13) "Dentist" means a practitioner of dentistry duly and regularly  
9 licensed and engaged in the practice of his profession within the state  
10 pursuant to chapter 18.32 RCW.

11 (~~(13)~~) (14) "Distiller" means a person engaged in the business of  
12 distilling spirits.

13 (~~(14)~~) (15) "Domestic brewery" means a place where beer and malt  
14 liquor are manufactured or produced by a brewer within the state.

15 (~~(15)~~) (16) "Domestic winery" means a place where wines are  
16 manufactured or produced within the state of Washington.

17 (~~(16)~~) (17) "Druggist" means any person who holds a valid  
18 certificate and is a registered pharmacist and is duly and regularly  
19 engaged in carrying on the business of pharmaceutical chemistry  
20 pursuant to chapter 18.64 RCW.

21 (~~(17)~~) (18) "Drug store" means a place whose principal business  
22 is, the sale of drugs, medicines and pharmaceutical preparations and  
23 maintains a regular prescription department and employs a registered  
24 pharmacist during all hours the drug store is open.

25 (~~(18)~~) (19) "Employee" means any person employed by the board.

26 (~~(19)~~) (20) "Flavored malt beverage" means:

27 (a) A malt beverage containing six percent or less alcohol by  
28 volume to which flavoring or other added nonbeverage ingredients are  
29 added that contain distilled spirits of not more than forty-nine  
30 percent of the beverage's overall alcohol content; or

31 (b) A malt beverage containing more than six percent alcohol by  
32 volume to which flavoring or other added nonbeverage ingredients are  
33 added that contain distilled spirits of not more than one and one-half  
34 percent of the beverage's overall alcohol content.

35 (~~(20)~~) (21) "Fund" means 'liquor revolving fund.'

36 (~~(21)~~) (22) "Hotel" means buildings, structures, and grounds,  
37 having facilities for preparing, cooking, and serving food, that are  
38 kept, used, maintained, advertised, or held out to the public to be a

1 place where food is served and sleeping accommodations are offered for  
2 pay to transient guests, in which twenty or more rooms are used for the  
3 sleeping accommodation of such transient guests. The buildings,  
4 structures, and grounds must be located on adjacent property either  
5 owned or leased by the same person or persons.

6 ~~((+22+))~~ (23) "Importer" means a person who buys distilled spirits  
7 from a distillery outside the state of Washington and imports such  
8 spirituous liquor into the state for sale to the board or for export.

9 ~~((+23+))~~ (24) "Imprisonment" means confinement in the county jail.

10 ~~((+24+))~~ (25) "Liquor" includes the four varieties of liquor herein  
11 defined (alcohol, spirits, wine and beer), and all fermented,  
12 spirituous, vinous, or malt liquor, or combinations thereof, and mixed  
13 liquor, a part of which is fermented, spirituous, vinous or malt  
14 liquor, or otherwise intoxicating; and every liquid or solid or  
15 semisolid or other substance, patented or not, containing alcohol,  
16 spirits, wine or beer, and all drinks or drinkable liquids and all  
17 preparations or mixtures capable of human consumption, and any liquid,  
18 semisolid, solid, or other substance, which contains more than one  
19 percent of alcohol by weight shall be conclusively deemed to be  
20 intoxicating. Liquor does not include confections or food products  
21 that contain one percent or less of alcohol by weight.

22 ~~((+25+))~~ (26) "Manufacturer" means a person engaged in the  
23 preparation of liquor for sale, in any form whatsoever.

24 ~~((+26+))~~ (27) "Malt beverage" or "malt liquor" means any beverage  
25 such as beer, ale, lager beer, stout, and porter obtained by the  
26 alcoholic fermentation of an infusion or decoction of pure hops, or  
27 pure extract of hops and pure barley malt or other wholesome grain or  
28 cereal in pure water containing not more than eight percent of alcohol  
29 by weight, and not less than one-half of one percent of alcohol by  
30 volume. For the purposes of this title, any such beverage containing  
31 more than eight percent of alcohol by weight shall be referred to as  
32 "strong beer."

33 ~~((+27+))~~ (28) "Package" means any container or receptacle used for  
34 holding liquor.

35 ~~((+28+))~~ (29) "Passenger vessel" means any boat, ship, vessel,  
36 barge, or other floating craft of any kind carrying passengers for  
37 compensation.

1        ~~((+29+))~~ (30) "Permit" means a permit for the purchase of liquor  
2 under this title.

3        ~~((+30+))~~ (31) "Person" means an individual, copartnership,  
4 association, or corporation.

5        ~~((+31+))~~ (32) "Physician" means a medical practitioner duly and  
6 regularly licensed and engaged in the practice of his profession within  
7 the state pursuant to chapter 18.71 RCW.

8        ~~((+32+))~~ (33) "Prescription" means a memorandum signed by a  
9 physician and given by him to a patient for the obtaining of liquor  
10 pursuant to this title for medicinal purposes.

11        ~~((+33+))~~ (34) "Public place" includes streets and alleys of  
12 incorporated cities and towns; state or county or township highways or  
13 roads; buildings and grounds used for school purposes; public dance  
14 halls and grounds adjacent thereto; those parts of establishments where  
15 beer may be sold under this title, soft drink establishments, public  
16 buildings, public meeting halls, lobbies, halls and dining rooms of  
17 hotels, restaurants, theatres, stores, garages and filling stations  
18 which are open to and are generally used by the public and to which the  
19 public is permitted to have unrestricted access; railroad trains,  
20 stages, and other public conveyances of all kinds and character, and  
21 the depots and waiting rooms used in conjunction therewith which are  
22 open to unrestricted use and access by the public; publicly owned  
23 bathing beaches, parks, and/or playgrounds; and all other places of  
24 like or similar nature to which the general public has unrestricted  
25 right of access, and which are generally used by the public.

26        ~~((+34+))~~ (35) "Regulations" means regulations made by the board  
27 under the powers conferred by this title.

28        ~~((+35+))~~ (36) "Restaurant" means any establishment provided with  
29 special space and accommodations where, in consideration of payment,  
30 food, without lodgings, is habitually furnished to the public, not  
31 including drug stores and soda fountains.

32        ~~((+36+))~~ (37) "Sale" and "sell" include exchange, barter, and  
33 traffic; and also include the selling or supplying or distributing, by  
34 any means whatsoever, of liquor, or of any liquid known or described as  
35 beer or by any name whatever commonly used to describe malt or brewed  
36 liquor or of wine, by any person to any person; and also include a sale  
37 or selling within the state to a foreign consignee or his agent in the  
38 state. "Sale" and "sell" shall not include the giving, at no charge,

1 of a reasonable amount of liquor by a person not licensed by the board  
2 to a person not licensed by the board, for personal use only. "Sale"  
3 and "sell" also does not include a raffle authorized under RCW  
4 9.46.0315: PROVIDED, That the nonprofit organization conducting the  
5 raffle has obtained the appropriate permit from the board.

6 ~~((+37+))~~ (38) "Soda fountain" means a place especially equipped  
7 with apparatus for the purpose of dispensing soft drinks, whether mixed  
8 or otherwise.

9 ~~((+38+))~~ (39) "Spirits" means any beverage which contains alcohol  
10 obtained by distillation, except flavored malt beverages, but including  
11 wines exceeding twenty-four percent of alcohol by volume.

12 ~~((+39+))~~ (40) "Store" means a state liquor store established under  
13 this title.

14 ~~((+40+))~~ (41) "Tavern" means any establishment with special space  
15 and accommodation for sale by the glass and for consumption on the  
16 premises, of beer, as herein defined.

17 ~~((+41+))~~ (42) "Winery" means a business conducted by any person for  
18 the manufacture of wine for sale, other than a domestic winery.

19 ~~((+42+))~~ (43)(a) "Wine" means any alcoholic beverage obtained by  
20 fermentation of fruits (grapes, berries, apples, et cetera) or other  
21 agricultural product containing sugar, to which any saccharine  
22 substances may have been added before, during or after fermentation,  
23 and containing not more than twenty-four percent of alcohol by volume,  
24 including sweet wines fortified with wine spirits, such as port,  
25 sherry, muscatel and angelica, not exceeding twenty-four percent of  
26 alcohol by volume and not less than one-half of one percent of alcohol  
27 by volume. For purposes of this title, any beverage containing no more  
28 than fourteen percent of alcohol by volume when bottled or packaged by  
29 the manufacturer shall be referred to as "table wine," and any beverage  
30 containing alcohol in an amount more than fourteen percent by volume  
31 when bottled or packaged by the manufacturer shall be referred to as  
32 "fortified wine." However, "fortified wine" shall not include: (i)  
33 Wines that are both sealed or capped by cork closure and aged two years  
34 or more; and (ii) wines that contain more than fourteen percent alcohol  
35 by volume solely as a result of the natural fermentation process and  
36 that have not been produced with the addition of wine spirits, brandy,  
37 or alcohol.

1 (b) This subsection shall not be interpreted to require that any  
2 wine be labeled with the designation "table wine" or "fortified wine."

3 ~~((43))~~ (44) "Wine distributor" means a person who buys wine from  
4 a domestic winery, wine certificate of approval holder, or wine  
5 importer, or who acquires foreign produced wine from a source outside  
6 of the United States, for the purpose of selling the same not in  
7 violation of this title, or who represents such vintner or winery as  
8 agent.

9 ~~((44))~~ (45) "Wine importer" means a person or business within  
10 Washington who purchases wine from a wine certificate of approval  
11 holder or who acquires foreign produced wine from a source outside of  
12 the United States for the purpose of selling the same pursuant to this  
13 title.

14 **Sec. 4.** RCW 66.24.150 and 1997 c 321 s 2 are each amended to read  
15 as follows:

16 There shall be a license to manufacturers of liquor, including all  
17 kinds of manufacturers except those licensed as distillers, craft  
18 distilleries, domestic brewers, microbreweries, wineries, and domestic  
19 wineries, authorizing such licensees to manufacture, import, sell, and  
20 export liquor from the state; fee five hundred dollars per annum.

21 **Sec. 5.** RCW 66.24.310 and 1997 c 321 s 17 are each amended to read  
22 as follows:

23 (1) No person shall canvass for, solicit, receive, or take orders  
24 for the purchase or sale of liquor, nor contact any licensees of the  
25 board in goodwill activities, unless such person shall be the  
26 accredited representative of a person, firm, or corporation holding a  
27 certificate of approval issued pursuant to RCW 66.24.270 or 66.24.206,  
28 a beer distributor's license, a microbrewer's license, a domestic  
29 brewer's license, a beer importer's license, a domestic winery license,  
30 a wine importer's license, or a wine distributor's license within the  
31 state of Washington, or the accredited representative of a distiller,  
32 craft distillery, manufacturer, importer, or distributor of spirituous  
33 liquor, or foreign produced beer or wine, and shall have applied for  
34 and received a representative's license: PROVIDED, HOWEVER, That the  
35 provisions of this section shall not apply to drivers who deliver beer  
36 or wine;

1 (2) Every representative's license issued under this title shall be  
2 subject to all conditions and restrictions imposed by this title or by  
3 the rules and regulations of the board; the board, for the purpose of  
4 maintaining an orderly market, may limit the number of representative's  
5 licenses issued for representation of specific classes of eligible  
6 employers;

7 (3) Every application for a representative's license must be  
8 approved by a holder of a certificate of approval issued pursuant to  
9 RCW 66.24.270 or 66.24.206, a licensed beer distributor, a licensed  
10 domestic brewer, a licensed beer importer, a licensed microbrewer, a  
11 licensed domestic winery, a licensed wine importer, a licensed wine  
12 distributor, or by a distiller, craft distillery, manufacturer,  
13 importer, or distributor of spirituous liquor, or foreign produced beer  
14 or wine, as the rules and regulations of the board shall require;

15 (4) The fee for a representative's license shall be twenty-five  
16 dollars per year;

17 (5) An accredited representative of a distiller, craft distillery,  
18 manufacturer, importer, or distributor of spirituous liquor may, after  
19 he or she has applied for and received a representative's license,  
20 contact retail licensees of the board only in goodwill activities  
21 pertaining to spirituous liquor products.

22 **Sec. 6.** RCW 66.24.520 and 1986 c 214 s 1 are each amended to read  
23 as follows:

24 There shall be a grower's license to sell wine made from grapes or  
25 other agricultural products owned at the time of vinification by the  
26 licensee in bulk to holders of domestic wineries', distillers', craft  
27 distilleries', or manufacturers' licenses or for export. The wine  
28 shall be made upon the premises of a domestic winery licensee and is  
29 referred to in this section as grower's wine. A grower's license  
30 authorizes the agricultural product grower to contract for the  
31 manufacturing of wine from the grower's own agricultural product, store  
32 wine in bulk made from agricultural products produced by the holder of  
33 this license, and to sell wine in bulk made from the grower's own  
34 agricultural products to a winery (~~(or)~~), distillery, or craft  
35 distillery in the state of Washington or to export in bulk for sale  
36 out-of-state. The annual fee for a grower's license shall be seventy-

1 five dollars. For the purpose of chapter 66.28 RCW, a grower licensee  
2 shall be deemed a manufacturer.

3 **Sec. 7.** RCW 66.28.010 and 2007 c 370 s 2, 2007 c 369 s 1, 2007 c  
4 222 s 3, and 2007 c 217 s 1 are each reenacted and amended to read as  
5 follows:

6 (1)(a) No manufacturer, importer, distributor, or authorized  
7 representative, or person financially interested, directly or  
8 indirectly, in such business; whether resident or nonresident, shall  
9 have any financial interest, direct or indirect, in any licensed retail  
10 business, unless the retail business is owned by a corporation in which  
11 a manufacturer or importer has no direct stock ownership and there are  
12 no interlocking officers and directors, the retail license is held by  
13 a corporation that is not owned directly or indirectly by a  
14 manufacturer or importer, the sales of liquor are incidental to the  
15 primary activity of operating the property as a hotel, alcoholic  
16 beverages produced by the manufacturer or importer or their  
17 subsidiaries are not sold at the licensed premises, and the board  
18 reviews the ownership and proposed method of operation of all involved  
19 entities and determines that there will not be an unacceptable level of  
20 control or undue influence over the operation or the retail licensee;  
21 nor shall any manufacturer, importer, distributor, or authorized  
22 representative own any of the property upon which such licensed persons  
23 conduct their business; nor shall any such licensed person, under any  
24 arrangement whatsoever, conduct his or her business upon property in  
25 which any manufacturer, importer, distributor, or authorized  
26 representative has any interest unless title to that property is owned  
27 by a corporation in which a manufacturer has no direct stock ownership  
28 and there are no interlocking officers or directors, the retail license  
29 is held by a corporation that is not owned directly or indirectly by  
30 the manufacturer, the sales of liquor are incidental to the primary  
31 activity of operating the property either as a hotel or as an  
32 amphitheater offering live musical and similar live entertainment  
33 activities to the public, alcoholic beverages produced by the  
34 manufacturer or any of its subsidiaries are not sold at the licensed  
35 premises, and the board reviews the ownership and proposed method of  
36 operation of all involved entities and determines that there will not  
37 be an unacceptable level of control or undue influence over the

1 operation of the retail licensee. Except as provided in subsection (3)  
2 of this section, no manufacturer, importer, distributor, or authorized  
3 representative shall advance moneys or moneys' worth to a licensed  
4 person under an arrangement, nor shall such licensed person receive,  
5 under an arrangement, an advance of moneys or moneys' worth. "Person"  
6 as used in this section only shall not include those state or federally  
7 chartered banks, state or federally chartered savings and loan  
8 associations, state or federally chartered mutual savings banks, or  
9 institutional investors which are not controlled directly or indirectly  
10 by a manufacturer, importer, distributor, or authorized representative  
11 as long as the bank, savings and loan association, or institutional  
12 investor does not influence or attempt to influence the purchasing  
13 practices of the retailer with respect to alcoholic beverages. Except  
14 as otherwise provided in this section, no manufacturer, importer,  
15 distributor, or authorized representative shall be eligible to receive  
16 or hold a retail license under this title, nor shall such manufacturer,  
17 importer, distributor, or authorized representative sell at retail any  
18 liquor as herein defined. A corporation granted an exemption under  
19 this subsection may use debt instruments issued in connection with  
20 financing construction or operations of its facilities.

21 (b) Nothing in this section shall prohibit a licensed domestic  
22 brewery or microbrewery from being licensed as a retailer pursuant to  
23 chapter 66.24 RCW for the purpose of selling beer or wine at retail on  
24 the brewery premises and at one additional off-site retail only  
25 location and nothing in this section shall prohibit a domestic winery  
26 from being licensed as a retailer pursuant to chapter 66.24 RCW for the  
27 purpose of selling beer or wine at retail on the winery premises. Such  
28 beer and wine so sold at retail shall be subject to the taxes imposed  
29 by RCW 66.24.290 and 66.24.210 and to reporting and bonding  
30 requirements as prescribed by regulations adopted by the board pursuant  
31 to chapter 34.05 RCW, and beer and wine that is not produced by the  
32 brewery or winery shall be purchased from a licensed beer or wine  
33 distributor. Nothing in this section shall prohibit a microbrewery  
34 holding a beer and/or wine restaurant license under RCW 66.24.320 from  
35 holding the same privileges and endorsements attached to the beer  
36 and/or wine restaurant license. Nothing in this section shall prohibit  
37 a licensed craft distillery from selling spirits of its own production  
38 under section 1 of this act.

1 (c) Nothing in this section shall prohibit a licensed distiller,  
2 domestic brewery, microbrewery, domestic winery, or a lessee of a  
3 licensed domestic brewer, microbrewery, or domestic winery, from being  
4 licensed as a spirits, beer, and wine restaurant pursuant to chapter  
5 66.24 RCW for the purpose of selling liquor at a spirits, beer, and  
6 wine restaurant premises on the property on which the primary  
7 manufacturing facility of the licensed distiller, domestic brewer,  
8 microbrewery, or domestic winery is located or on contiguous property  
9 owned or leased by the licensed distiller, domestic brewer,  
10 microbrewery, or domestic winery as prescribed by rules adopted by the  
11 board pursuant to chapter 34.05 RCW. Nothing in this section shall  
12 prohibit a microbrewery holding a spirits, beer, and wine restaurant  
13 license under RCW 66.24.420 from holding the same privileges and  
14 endorsements attached to the spirits, beer, and wine restaurant  
15 license. This section does not prohibit a brewery or microbrewery  
16 holding a spirits, beer, and wine restaurant license or a beer and/or  
17 wine license under chapter 66.24 RCW operated on the premises of the  
18 brewery or microbrewery from holding a second retail only license at a  
19 location separate from the premises of the brewery or microbrewery.

20 (d) Nothing in this section prohibits retail licensees with a  
21 caterer's endorsement issued under RCW 66.24.320 or 66.24.420 from  
22 operating on a domestic winery premises.

23 (e) Nothing in this section prohibits an organization qualifying  
24 under RCW 66.24.375 formed for the purpose of constructing and  
25 operating a facility to promote Washington wines from holding retail  
26 licenses on the facility property or leasing all or any portion of such  
27 facility property to a retail licensee on the facility property if the  
28 members of the board of directors or officers of the board for the  
29 organization include officers, directors, owners, or employees of a  
30 licensed domestic winery. Financing for the construction of the  
31 facility must include both public and private money.

32 (f) Nothing in this section prohibits a bona fide charitable  
33 nonprofit society or association registered under section 501(c)(3) of  
34 the internal revenue code, or a local wine industry association  
35 registered under section 501(c)(6) of the internal revenue code as it  
36 exists on July 22, 2007, and having an officer, director, owner, or  
37 employee of a licensed domestic winery or a wine certificate of

1 approval holder on its board of directors from holding a special  
2 occasion license under RCW 66.24.380.

3 (g)(i) Nothing in this section prohibits domestic wineries and  
4 retailers licensed under chapter 66.24 RCW from producing, jointly or  
5 together with regional, state, or local wine industry associations,  
6 brochures and materials promoting tourism in Washington state which  
7 contain information regarding retail licensees, domestic wineries, and  
8 their products.

9 (ii) Nothing in this section prohibits: (A) Domestic wineries,  
10 domestic breweries, microbreweries, and certificate of approval holders  
11 licensed under this chapter from listing on their internet web sites  
12 information related to retailers who sell or promote their products,  
13 including direct links to the retailers' internet web sites; and (B)  
14 retailers licensed under this chapter from listing on their internet  
15 web sites information related to domestic wineries, domestic breweries,  
16 microbreweries, and certificate of approval holders whose products  
17 those retailers sell or promote, including direct links to the domestic  
18 wineries', domestic breweries', microbreweries', and certificate of  
19 approval holders' web sites.

20 (h) Nothing in this section prohibits the performance of personal  
21 services offered from time to time by a domestic winery or certificate  
22 of approval holder licensed under RCW 66.24.206(1)(a) for or on behalf  
23 of a licensed retail business when the personal services are (i)  
24 conducted at a licensed premises, and (ii) intended to inform, educate,  
25 or enhance customers' knowledge or experience of the manufacturer's  
26 products. The performance of personal services may include  
27 participation and pouring at the premises of a retailer holding a  
28 spirits, beer, and wine restaurant license, a wine and/or beer  
29 restaurant license, or a specialty wine shop license; bottle signings;  
30 and other similar informational or educational activities. A domestic  
31 winery or certificate of approval holder is not obligated to perform  
32 any such personal services, and a retail licensee may not require a  
33 domestic winery or certificate of approval holder to conduct any  
34 personal service as a condition for selling any alcohol to the retail  
35 licensee. Except as provided in RCW 66.28.150, the cost of sampling  
36 may not be borne, directly or indirectly, by any liquor manufacturer,  
37 importer, or distributor. Nothing in this section prohibits domestic

1 wineries and retail licensees from identifying the wineries on private  
2 labels authorized under RCW 66.24.400, 66.24.425, and 66.24.450.

3 (i) Until July 1, 2007, nothing in this section prohibits a  
4 nonprofit statewide organization of microbreweries formed for the  
5 purpose of promoting Washington's craft beer industry as a trade  
6 association registered as a 501(c) with the internal revenue service  
7 from holding a special occasion license to conduct up to six beer  
8 festivals.

9 (j) Nothing in this section shall prohibit a manufacturer,  
10 importer, or distributor from entering into an arrangement with any  
11 holder of a sports/entertainment facility license or an affiliated  
12 business for brand advertising at the licensed facility or promoting  
13 events held at the sports entertainment facility as authorized under  
14 RCW 66.24.570.

15 (2) Financial interest, direct or indirect, as used in this  
16 section, shall include any interest, whether by stock ownership,  
17 mortgage, lien, or through interlocking directors, or otherwise.  
18 Pursuant to rules promulgated by the board in accordance with chapter  
19 34.05 RCW manufacturers, distributors, and importers may perform, and  
20 retailers may accept the service of building, rotating and restocking  
21 case displays and stock room inventories; rotating and rearranging can  
22 and bottle displays of their own products; provide point of sale  
23 material and brand signs; price case goods of their own brands; and  
24 perform such similar normal business services as the board may by  
25 regulation prescribe.

26 (3)(a) This section does not prohibit a manufacturer, importer, or  
27 distributor from providing services to a special occasion licensee for:  
28 (i) Installation of draft beer dispensing equipment or advertising,  
29 (ii) advertising, pouring, or dispensing of beer or wine at a beer or  
30 wine tasting exhibition or judging event, or (iii) a special occasion  
31 licensee from receiving any such services as may be provided by a  
32 manufacturer, importer, or distributor. Nothing in this section shall  
33 prohibit a retail licensee, or any person financially interested,  
34 directly or indirectly, in such a retail licensee from having a  
35 financial interest, direct or indirect, in a business which provides,  
36 for a compensation commensurate in value to the services provided,  
37 bottling, canning or other services to a manufacturer, so long as the

1 retail licensee or person interested therein has no direct financial  
2 interest in or control of said manufacturer.

3 (b) A person holding contractual rights to payment from selling a  
4 liquor distributor's business and transferring the license shall not be  
5 deemed to have a financial interest under this section if the person  
6 (i) lacks any ownership in or control of the distributor, (ii) is not  
7 employed by the distributor, and (iii) does not influence or attempt to  
8 influence liquor purchases by retail liquor licensees from the  
9 distributor.

10 (c) The board shall adopt such rules as are deemed necessary to  
11 carry out the purposes and provisions of subsections (1)(g) and (h) and  
12 (3)(a) of this section in accordance with the administrative procedure  
13 act, chapter 34.05 RCW.

14 (4) A license issued under RCW 66.24.395 does not constitute a  
15 retail license for the purposes of this section.

16 (5) A public house license issued under RCW 66.24.580 does not  
17 violate the provisions of this section as to a retailer having an  
18 interest directly or indirectly in a liquor-licensed manufacturer.

19 **Sec. 8.** RCW 66.28.040 and 2004 c 160 s 11 are each amended to read  
20 as follows:

21 Except as permitted by the board under RCW 66.20.010, no domestic  
22 brewery, microbrewery, distributor, distiller, craft distillery,  
23 domestic winery, importer, rectifier, certificate of approval holder,  
24 or other manufacturer of liquor shall, within the state of Washington,  
25 give to any person any liquor; but nothing in this section nor in RCW  
26 66.28.010 shall prevent a domestic brewery, microbrewery, distributor,  
27 domestic winery, distiller, craft distillery, certificate of approval  
28 holder, or importer from furnishing samples of beer, wine, or  
29 spirituous liquor to authorized licensees for the purpose of  
30 negotiating a sale, in accordance with regulations adopted by the  
31 liquor control board, provided that the samples are subject to taxes  
32 imposed by RCW 66.24.290 and 66.24.210, and in the case of spirituous  
33 liquor, any product used for samples must be purchased at retail from  
34 the board; nothing in this section shall prevent the furnishing of  
35 samples of liquor to the board for the purpose of negotiating the sale  
36 of liquor to the state liquor control board; nothing in this section  
37 shall prevent a domestic brewery, microbrewery, domestic winery,

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

25 **Sec. 9.** RCW 66.28.060 and 1933 ex.s. c 62 s 26 are each amended to  
26 read as follows:

27 Every distillery and craft distillery licensed under this title  
28 shall make monthly reports to the board pursuant to the regulations.  
29 No such distillery or craft distillery shall make any sale of spirits  
30 within the state of Washington except to the board and except as  
31 provided in section 1 of this act.

32 **Sec. 10.** RCW 66.28.150 and 2007 c 217 s 2 are each amended to read  
33 as follows:

34 A domestic brewery, microbrewery, domestic winery, distillery,  
35 craft distillery, distributor, certificate of approval holder, or its  
36 licensed agent may, without charge, instruct licensees and their

1 employees, or conduct courses of instruction for licensees and their  
2 employees, including chefs, on the subject of beer, wine, or spirituous  
3 liquor, including but not limited to, the history, nature, values, and  
4 characteristics of beer, wine, or spirituous liquor, the use of wine  
5 lists, and the methods of presenting, serving, storing, and handling  
6 beer, wine, or spirituous liquor, and what wines go well with different  
7 types of food. The domestic brewery, microbrewery, domestic winery,  
8 distillery, craft distillery, distributor, certificate of approval  
9 holder, or its licensed agent may furnish beer, wine, or spirituous  
10 liquor and such other equipment, materials, and utensils as may be  
11 required for use in connection with the instruction or courses of  
12 instruction. The instruction or courses of instruction may be given at  
13 the premises of the domestic brewery, microbrewery, domestic winery,  
14 distillery, craft distillery, or authorized representative holding a  
15 certificate of approval, at the premises of a retail licensee, or  
16 elsewhere within the state of Washington.

17 **Sec. 11.** RCW 66.28.155 and 2004 c 160 s 15 are each amended to  
18 read as follows:

19 A domestic brewery, microbrewery, domestic winery, distillery,  
20 craft distillery, distributor, certificate of approval holder, or its  
21 licensed agent may conduct educational activities or provide product  
22 information to the consumer on the licensed premises of a retailer.  
23 Information on the subject of wine, beer, or spirituous liquor,  
24 including but not limited to, the history, nature, quality, and  
25 characteristics of a wine, beer, or spirituous liquor, methods of  
26 harvest, production, storage, handling, and distribution of a wine,  
27 beer, or spirituous liquor, and the general development of the wine,  
28 beer, and spirituous liquor industry may be provided by a domestic  
29 brewery, microbrewery, domestic winery, distillery, craft distillery,  
30 distributor, certificate of approval holder, or its licensed agent to  
31 the public on the licensed premises of a retailer. The retailer  
32 requesting such activity shall attempt to schedule a series of brewery,  
33 winery, authorized representative, (~~(or)~~) craft distillery,  
34 and distributor appearances in an effort to equitably represent the  
35 industries. Nothing in this section permits a domestic brewery,  
36 microbrewery, domestic winery, distillery, craft distillery,  
37 distributor, certificate of approval holder, or its licensed agent to

1 receive compensation or financial benefit from the educational  
2 activities or product information presented on the licensed premises of  
3 a retailer. The promotional value of such educational activities or  
4 product information shall not be considered advancement of moneys or of  
5 moneys' worth within the meaning of RCW 66.28.010.

6 **Sec. 12.** RCW 66.40.140 and 1933 ex.s. c 62 s 88 are each amended  
7 to read as follows:

8 Whenever a majority of qualified voters voting upon said question  
9 in any such unit shall have voted "Against sale of liquor", the county  
10 auditor shall file with the liquor control board a certificate showing  
11 the result of the canvass at such election; and thereafter, except as  
12 hereinafter provided, it shall not be lawful for a liquor store to be  
13 operated therein nor for licensees to maintain and operate licensed  
14 premises therein except as hereinafter provided:

15 (1) As to any stores maintained by the board within any such unit  
16 at the time of such licensing, the board shall have a period of thirty  
17 days from and after the date of the canvass of the vote upon such  
18 election to continue operation of its store or stores therein.

19 (2) As to any premises licensed hereunder within any such unit at  
20 the time of such election, such licensee shall have a period of sixty  
21 days from and after the date of the canvass of the vote upon such  
22 election in which to discontinue operation of its store or stores  
23 therein.

24 (3) Nothing herein contained shall prevent any distillery, craft  
25 distillery, brewery, rectifying plant or winery or the licensed  
26 operators thereof from selling its manufactured product, manufactured  
27 within such unit, outside the boundaries thereof.

28 (4) Nothing herein contained shall prevent any person residing in  
29 any unit in which the sale of liquor shall have been forbidden by  
30 popular vote as herein provided, who is otherwise qualified to receive  
31 and hold a permit under this title, from lawfully purchasing without  
32 the unit and transporting into or receiving within the unit, liquor  
33 lawfully purchased by him outside the boundaries of such unit.

34 **Sec. 13.** RCW 66.24.210 and 2006 c 302 s 5, 2006 c 101 s 4, and  
35 2006 c 49 s 8 are each reenacted and amended to read as follows:

36 (1) There is hereby imposed upon all wines except cider sold to

1 wine distributors and the Washington state liquor control board, within  
2 the state a tax at the rate of twenty and one-fourth cents per liter.  
3 Any domestic winery or certificate of approval holder acting as a  
4 distributor of its own production shall pay taxes imposed by this  
5 section. There is hereby imposed on all cider sold to wine  
6 distributors and the Washington state liquor control board within the  
7 state a tax at the rate of three and fifty-nine one-hundredths cents  
8 per liter. However, wine sold or shipped in bulk from one winery to  
9 another winery shall not be subject to such tax.

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

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

27 (c) Any licensed retailer authorized to purchase wine from a  
28 certificate of approval holder with a direct shipment endorsement or a  
29 domestic winery shall make monthly reports to the liquor control board  
30 on wine purchased during the preceding calendar month in the manner and  
31 upon such forms as may be prescribed by the board.

32 (2) An additional tax is imposed equal to the rate specified in RCW  
33 82.02.030 multiplied by the tax payable under subsection (1) of this  
34 section. All revenues collected during any month from this additional  
35 tax shall be transferred to the state general fund by the twenty-fifth  
36 day of the following month.

37 (3) An additional tax is imposed on wines subject to tax under  
38 subsection (1) of this section, at the rate of one-fourth of one cent

1 per liter for wine sold after June 30, 1987. After June 30, 1996, such  
2 additional tax does not apply to cider. An additional tax of five one-  
3 hundredths of one cent per liter is imposed on cider sold after June  
4 30, 1996. All revenues collected under this subsection (3) shall be  
5 disbursed quarterly to the Washington wine commission for use in  
6 carrying out the purposes of chapter 15.88 RCW.

7 (4) An additional tax is imposed on all wine subject to tax under  
8 subsection (1) of this section. The additional tax is equal to twenty-  
9 three and forty-four one-hundredths cents per liter on fortified wine  
10 as defined in RCW 66.04.010(~~((41))~~) when bottled or packaged by the  
11 manufacturer, one cent per liter on all other wine except cider, and  
12 eighteen one-hundredths of one cent per liter on cider. All revenues  
13 collected during any month from this additional tax shall be deposited  
14 in the violence reduction and drug enforcement account under RCW  
15 69.50.520 by the twenty-fifth day of the following month.

16 (5)(a) An additional tax is imposed on all cider subject to tax  
17 under subsection (1) of this section. The additional tax is equal to  
18 two and four one-hundredths cents per liter of cider sold after June  
19 30, 1996, and before July 1, 1997, and is equal to four and seven one-  
20 hundredths cents per liter of cider sold after June 30, 1997.

21 (b) All revenues collected from the additional tax imposed under  
22 this subsection (5) shall be deposited in the health services account  
23 under RCW 43.72.900.

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

30 (7) For the purposes of this section, out-of-state wineries shall  
31 pay taxes under this section on wine sold and shipped directly to  
32 Washington state residents in a manner consistent with the requirements  
33 of a wine distributor under subsections (1) through (4) of this  
34 section, except wineries shall be responsible for the tax and not the  
35 resident purchaser.

36 **Sec. 14.** RCW 66.24.481 and 1969 ex.s. c 250 s 2 are each amended  
37 to read as follows:

1 No public place or club, or agent, servant or employee thereof,  
2 shall keep or allow to be kept, either by itself, its agent, servant or  
3 employee, or any other person, any liquor in any place maintained or  
4 conducted by such public place or club, nor shall it permit the  
5 drinking of any liquor in any such place, unless the sale of liquor in  
6 said place is authorized by virtue of a valid and subsisting license  
7 issued by the Washington state liquor control board, or the consumption  
8 of liquor in said place is authorized by a special banquet permit  
9 issued by said board. Every person who violates any provision of this  
10 section shall be guilty of a gross misdemeanor.

11 "Public place," for purposes of this section only, shall mean in  
12 addition to the definition set forth in RCW 66.04.010(~~(+24)~~), any  
13 place to which admission is charged or in which any pecuniary gain is  
14 realized by the owner or operator of such place in selling or vending  
15 food or soft drinks.

16 NEW SECTION. **Sec. 15.** Section 2 of this act expires July 1, 2008.

17 NEW SECTION. **Sec. 16.** Section 3 of this act takes effect July 1,  
18 2008.

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