



1 system that is more efficient than public sector retail and  
2 distribution. The legislature further finds that the present system of  
3 state control includes a markup amount at distribution that generates  
4 revenue for the state and local governments, and that this markup will  
5 be eliminated when liquor sales and distribution are privatized. The  
6 legislature intends that the privatization of liquor sales and  
7 distribution not result in revenue losses to state or local governments  
8 as compared to projected revenues assumed under state control, not  
9 including any separate franchise bid proceeds or annual fees.

10 (2) Therefore, the legislature directs the liquor control board and  
11 the department of revenue, with assistance from legislative staff and  
12 the office of financial management, to present a report to the  
13 legislature no later than December 1, 2010, on a recommended method and  
14 rates of liquor taxation that will generate the same future projected  
15 revenue for the state and local jurisdictions as under the current  
16 state control system. The report may also include recommendations on  
17 tax enforcement and simplification to the current system of liquor  
18 taxation and distribution of revenues.

## 19 PART II - CURRENT CHANGES

20 **Sec. 201.** RCW 66.04.010 and 2009 c 373 s 1 and 2009 c 271 s 2 are  
21 each reenacted and amended to read as follows:

22 In this title, unless the context otherwise requires:

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

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

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

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

1 (c) Acquires ownership of beer or wine for transportation into and  
2 resale in the state of Washington; and which beer or wine is produced  
3 by a brewery or winery in the United States outside of the state of  
4 Washington; and

5 (d) Is appointed by the brewery or winery referenced in (c) of this  
6 subsection as its authorized representative for marketing and selling  
7 its products within the United States in accordance with a written  
8 agreement between the authorized representative and such brewery or  
9 winery pursuant to this title.

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

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

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

21 (6) "Board" means the liquor control board, constituted under this  
22 title.

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

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

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

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

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

6 (12) "Craft distillery" means a distillery that pays the reduced  
7 licensing fee under RCW 66.24.140.

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

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

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

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

21 (18) "Druggist" means any person who holds a valid certificate and  
22 is a registered pharmacist and is duly and regularly engaged in  
23 carrying on the business of pharmaceutical chemistry pursuant to  
24 chapter 18.64 RCW.

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

26 (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 (21) "Fund" means 'liquor revolving fund.'

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

1 where food is served and sleeping accommodations are offered for pay to  
2 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 (23) "Importer" means a person who buys distilled spirits from a  
7 distillery outside the state of Washington and imports such spirituous  
8 liquor into the state for sale to the board or for export.

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

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

22 (26) "Liquor franchise" means a specific location designated by the  
23 board where spirits, wine, and beer may be sold in original packages  
24 for off-premises consumption, or where liquor may be sold to holders of  
25 a permit to purchase.

26 (27) "Liquor franchise agreement" means approval by the board to  
27 operate a liquor franchise in accordance with the provisions of this  
28 title.

29 (28) "Liquor franchise applicant" means any person who bids for a  
30 liquor franchise agreement to sell spirits, wine, and beer in  
31 accordance with the provisions of this title.

32 (29) "Liquor franchise area" means a geographic area designated as  
33 such by the board for the purpose of issuing franchise agreements.

34 (30) "Liquor franchise holder" means a person who has been granted  
35 a liquor franchise agreement in accordance with the provisions of this  
36 title.

37 (31) "Malt beverage" or "malt liquor" means any beverage such as  
38 beer, ale, lager beer, stout, and porter obtained by the alcoholic

1 fermentation of an infusion or decoction of pure hops, or pure extract  
2 of hops and pure barley malt or other wholesome grain or cereal in pure  
3 water containing not more than eight percent of alcohol by weight, and  
4 not less than one-half of one percent of alcohol by volume. For the  
5 purposes of this title, any such beverage containing more than eight  
6 percent of alcohol by weight shall be referred to as "strong beer."

7 ~~((+27+))~~ (32) "Manufacturer" means a person engaged in the  
8 preparation of liquor for sale, in any form whatsoever.

9 ~~((+28+))~~ (33) "Nightclub" means an establishment that provides  
10 entertainment and has as its primary source of revenue (a) the sale of  
11 alcohol for consumption on the premises, (b) cover charges, or (c)  
12 both, and has an occupancy load of one hundred or more.

13 ~~((+29+))~~ (34) "Package" means any container or receptacle used for  
14 holding liquor.

15 ~~((+30+))~~ (35) "Passenger vessel" means any boat, ship, vessel,  
16 barge, or other floating craft of any kind carrying passengers for  
17 compensation.

18 ~~((+31+))~~ (36) "Permit" means a permit for the purchase of liquor  
19 under this title.

20 ~~((+32+))~~ (37) "Person" means an individual, copartnership,  
21 association, or corporation.

22 ~~((+33+))~~ (38) "Physician" means a medical practitioner duly and  
23 regularly licensed and engaged in the practice of his profession within  
24 the state pursuant to chapter 18.71 RCW.

25 ~~((+34+))~~ (39) "Prescription" means a memorandum signed by a  
26 physician and given by him to a patient for the obtaining of liquor  
27 pursuant to this title for medicinal purposes.

28 ~~((+35+))~~ (40) "Public place" includes streets and alleys of  
29 incorporated cities and towns; state or county or township highways or  
30 roads; buildings and grounds used for school purposes; public dance  
31 halls and grounds adjacent thereto; those parts of establishments where  
32 beer may be sold under this title, soft drink establishments, public  
33 buildings, public meeting halls, lobbies, halls and dining rooms of  
34 hotels, restaurants, theatres, stores, garages and filling stations  
35 which are open to and are generally used by the public and to which the  
36 public is permitted to have unrestricted access; railroad trains,  
37 stages, and other public conveyances of all kinds and character, and  
38 the depots and waiting rooms used in conjunction therewith which are

1 open to unrestricted use and access by the public; publicly owned  
2 bathing beaches, parks, and/or playgrounds; and all other places of  
3 like or similar nature to which the general public has unrestricted  
4 right of access, and which are generally used by the public.

5 ~~((+36+))~~ (41) "Regulations" means regulations made by the board  
6 under the powers conferred by this title.

7 ~~((+37+))~~ (42) "Restaurant" means any establishment provided with  
8 special space and accommodations where, in consideration of payment,  
9 food, without lodgings, is habitually furnished to the public, not  
10 including drug stores and soda fountains.

11 ~~((+38+))~~ (43) "Sale" and "sell" include exchange, barter, and  
12 traffic; and also include the selling or supplying or distributing, by  
13 any means whatsoever, of liquor, or of any liquid known or described as  
14 beer or by any name whatever commonly used to describe malt or brewed  
15 liquor or of wine, by any person to any person; and also include a sale  
16 or selling within the state to a foreign consignee or his agent in the  
17 state. "Sale" and "sell" shall not include the giving, at no charge,  
18 of a reasonable amount of liquor by a person not licensed by the board  
19 to a person not licensed by the board, for personal use only. "Sale"  
20 and "sell" also does not include a raffle authorized under RCW  
21 9.46.0315(~~(:—PROVIDED,—That)~~). However, the nonprofit organization  
22 conducting the raffle has obtained the appropriate permit from the  
23 board.

24 ~~((+39+))~~ (44) "Soda fountain" means a place especially equipped  
25 with apparatus for the purpose of dispensing soft drinks, whether mixed  
26 or otherwise.

27 ~~((+40+))~~ (45) "Spirits" means any beverage which contains alcohol  
28 obtained by distillation, except flavored malt beverages, but including  
29 wines exceeding twenty-four percent of alcohol by volume.

30 ~~((+41+))~~ (46) "Store" means a state liquor store established under  
31 this title.

32 ~~((+42+))~~ (47) "Tavern" means any establishment with special space  
33 and accommodation for sale by the glass and for consumption on the  
34 premises, of beer, as herein defined.

35 ~~((+43+))~~ (48)(a) "Wine" means any alcoholic beverage obtained by  
36 fermentation of fruits (grapes, berries, apples, et cetera) or other  
37 agricultural product containing sugar, to which any saccharine  
38 substances may have been added before, during or after fermentation,

1 and containing not more than twenty-four percent of alcohol by volume,  
2 including sweet wines fortified with wine spirits, such as port,  
3 sherry, muscatel and angelica, not exceeding twenty-four percent of  
4 alcohol by volume and not less than one-half of one percent of alcohol  
5 by volume. For purposes of this title, any beverage containing no more  
6 than fourteen percent of alcohol by volume when bottled or packaged by  
7 the manufacturer shall be referred to as "table wine," and any beverage  
8 containing alcohol in an amount more than fourteen percent by volume  
9 when bottled or packaged by the manufacturer shall be referred to as  
10 "fortified wine." However, "fortified wine" (~~shall~~) does not  
11 include: (i) Wines that are both sealed or capped by cork closure and  
12 aged two years or more; and (ii) wines that contain more than fourteen  
13 percent alcohol by volume solely as a result of the natural  
14 fermentation process and that have not been produced with the addition  
15 of wine spirits, brandy, or alcohol.

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

18 (~~(44)~~) (49) "Wine distributor" means a person who buys wine from  
19 a domestic winery, wine certificate of approval holder, or wine  
20 importer, or who acquires foreign produced wine from a source outside  
21 of the United States, for the purpose of selling the same not in  
22 violation of this title, or who represents such vintner or winery as  
23 agent.

24 (~~(45)~~) (50) "Wine importer" means a person or business within  
25 Washington who purchases wine from a wine certificate of approval  
26 holder or who acquires foreign produced wine from a source outside of  
27 the United States for the purpose of selling the same pursuant to this  
28 title.

29 (~~(46)~~) (51) "Winery" means a business conducted by any person for  
30 the manufacture of wine for sale, other than a domestic winery.

31 **Sec. 202.** RCW 66.08.030 and 2002 c 119 s 2 are each amended to  
32 read as follows:

33 (1) For the purpose of carrying into effect the provisions of this  
34 title according to their true intent or of supplying any deficiency  
35 therein, the board may make such regulations not inconsistent with the  
36 spirit of this title as are deemed necessary or advisable. All  
37 regulations so made shall be a public record and shall be filed in the



1 office of the code reviser, and thereupon shall have the same force and  
2 effect as if incorporated in this title. Such regulations, together  
3 with a copy of this title, shall be published in pamphlets and shall be  
4 distributed as directed by the board.

5 (2) Without thereby limiting the generality of the provisions  
6 contained in subsection (1) of this section, it is declared that the  
7 power of the board to make regulations in the manner set out in that  
8 subsection (~~shall~~) extends to:

9 (a) Regulating the equipment and management of stores and  
10 warehouses in which state liquor is sold or kept, and prescribing the  
11 books and records to be kept therein and the reports to be made thereon  
12 to the board;

13 (b) Prescribing the duties of the employees of the board, and  
14 regulating their conduct in the discharge of their duties;

15 (c) Governing the purchase of liquor by the state and the  
16 furnishing of liquor to stores established under this title;

17 (d) Determining the classes, varieties, and brands of liquor to be  
18 kept for sale at any store;

19 (e) (~~prescribing, subject to RCW 66.16.080, the hours during which~~  
20 ~~the state liquor stores shall be kept open for the sale of liquor;~~

21 ~~(f)~~) Providing for the issuing and distributing of price lists  
22 showing the price to be paid by purchasers for each variety of liquor  
23 kept for sale under this title;

24 (~~(g)~~) (f) Prescribing an official seal and official labels and  
25 stamps and determining the manner in which they shall be attached to  
26 every package of liquor sold or sealed under this title, including the  
27 prescribing of different official seals or different official labels  
28 for different classes of liquor;

29 (~~(h)~~) (g) Providing for the payment by the board in whole or in  
30 part of the carrying charges on liquor shipped by freight or express;

31 (~~(i)~~) (h) Prescribing forms to be used for purposes of this title  
32 or the regulations, and the terms and conditions to be contained in  
33 permits and licenses issued under this title, and the qualifications  
34 for receiving a permit or license issued under this title, including a  
35 criminal history record information check. The board may submit the  
36 criminal history record information check to the Washington state  
37 patrol and to the identification division of the federal bureau of  
38 investigation in order that these agencies may search their records for

1 prior arrests and convictions of the individual or individuals who  
2 filled out the forms. The board shall require fingerprinting of any  
3 applicant whose criminal history record information check is submitted  
4 to the federal bureau of investigation;

5 ~~((+j))~~ (i) Prescribing the fees payable in respect of permits and  
6 licenses issued under this title for which no fees are prescribed in  
7 this title, and prescribing the fees for anything done or permitted to  
8 be done under the regulations;

9 ~~((+k))~~ (j) Prescribing the kinds and quantities of liquor which  
10 may be kept on hand by the holder of a special permit for the purposes  
11 named in the permit, regulating the manner in which the same shall be  
12 kept and disposed of, and providing for the inspection of the same at  
13 any time at the instance of the board;

14 ~~((+l))~~ (k) Regulating the sale of liquor kept by the holders of  
15 licenses and liquor franchise agreements which entitle the holder to  
16 purchase and keep liquor for sale;

17 ~~((+m))~~ (l) Prescribing the records of purchases or sales of liquor  
18 kept by the holders of licenses and liquor franchise agreements, and  
19 the reports to be made thereon to the board, and providing for  
20 inspection of the records so kept;

21 ~~((+n))~~ (m) Prescribing the kinds and quantities of liquor for  
22 which a prescription may be given, and the number of prescriptions  
23 which may be given to the same patient within a stated period;

24 ~~((+o))~~ (n) Prescribing the manner of giving and serving notices  
25 required by this title or the regulations, where not otherwise provided  
26 for in this title;

27 ~~((+p))~~ (o) Regulating premises in which liquor is kept for export  
28 from the state, or from which liquor is exported, prescribing the books  
29 and records to be kept therein and the reports to be made thereon to  
30 the board, and providing for the inspection of the premises and the  
31 books, records and the liquor so kept;

32 ~~((+q))~~ (p) Prescribing the conditions and qualifications requisite  
33 for the obtaining of club licenses and the books and records to be kept  
34 and the returns to be made by clubs, prescribing the manner of  
35 licensing clubs in any municipality or other locality, and providing  
36 for the inspection of clubs;

37 ~~((+r))~~ (q) Prescribing the conditions, accommodations and

1 qualifications requisite for the obtaining of licenses to sell beer and  
2 wines, and regulating the sale of beer and wines thereunder;

3 ~~((+s))~~ (r) Specifying and regulating the time and periods when,  
4 and the manner, methods and means by which manufacturers shall deliver  
5 liquor within the state; and the time and periods when, and the manner,  
6 methods and means by which liquor may lawfully be conveyed or carried  
7 within the state;

8 ~~((+t))~~ (s) Providing for the making of returns by brewers of their  
9 sales of beer shipped within the state, or from the state, showing the  
10 gross amount of such sales and providing for the inspection of brewers'  
11 books and records, and for the checking of the accuracy of any such  
12 returns;

13 ~~((+u))~~ (t) Providing for the making of returns by the wholesalers  
14 of beer whose breweries are located beyond the boundaries of the state;

15 ~~((+v))~~ (u) Providing for the making of returns by any other liquor  
16 manufacturers, showing the gross amount of liquor produced or  
17 purchased, the amount sold within and exported from the state, and to  
18 whom so sold or exported, and providing for the inspection of the  
19 premises of any such liquor manufacturers, their books and records, and  
20 for the checking of any such return;

21 ~~((+w))~~ (v) Providing for the giving of fidelity bonds by any or  
22 all of the employees of the board(~~(+—PROVIDED, That)~~). However, the  
23 premiums therefor shall be paid by the board;

24 ~~((+x))~~ (w) Providing for the shipment by mail or common carrier of  
25 liquor to any person holding a permit and residing in any unit which  
26 has, by election pursuant to this title, prohibited the sale of liquor  
27 therein;

28 ~~((+y))~~ (x) Prescribing methods of manufacture, conditions of  
29 sanitation, standards of ingredients, quality and identity of alcoholic  
30 beverages manufactured, sold, bottled, or handled by licensees and the  
31 board; and conducting from time to time, in the interest of the public  
32 health and general welfare, scientific studies and research relating to  
33 alcoholic beverages and the use and effect thereof;

34 ~~((+z))~~ (y) Seizing, confiscating and destroying all alcoholic  
35 beverages manufactured, sold or offered for sale within this state  
36 which do not conform in all respects to the standards prescribed by  
37 this title or the regulations of the board(~~(+—PROVIDED, )~~). Nothing  
38 herein contained shall be construed as authorizing the liquor board to

1 prescribe, alter, limit or in any way change the present law as to the  
2 quantity or percentage of alcohol used in the manufacturing of wine or  
3 other alcoholic beverages.

4 **Sec. 203.** RCW 66.08.070 and 1985 c 226 s 2 are each amended to  
5 read as follows:

6 (1) Every order for the purchase of liquor shall be authorized by  
7 the board, and no order for liquor shall be valid or binding unless it  
8 is so authorized and signed by the board or its authorized designee.

9 (2) A duplicate of every such order shall be kept on file in the  
10 office of the board.

11 (3) All cancellations of such orders made by the board shall be  
12 signed in the same manner and duplicates thereof kept on file in the  
13 office of the board. Nothing in this title shall be construed as  
14 preventing the board from accepting liquor on consignment.

15 (4) In the purchase of wine or malt beverages the board shall not  
16 require, as a term or condition of purchase, any warranty or  
17 affirmation with respect to the relationship of the price charged the  
18 board to any price charged any other buyer.

19 (5) This section does not apply to liquor franchises pursuant to  
20 this title.

21 **Sec. 204.** RCW 66.08.130 and 1981 1st ex.s. c 5 s 4 are each  
22 amended to read as follows:

23 For the purpose of obtaining information concerning any matter  
24 relating to the administration or enforcement of this title, the board,  
25 or any person appointed by it in writing for the purpose, may inspect  
26 the books and records of

27 (1) any manufacturer;

28 (2) any license holder;

29 (3) any liquor franchise holder;

30 (4) any drug store holding a permit to sell on prescriptions;

31 ~~((+4))~~ (5) the freight and express books and records and all  
32 waybills, bills of lading, receipts and documents in the possession of  
33 any common carrier doing business within the state, containing any  
34 information or record relating to any goods shipped or carried, or  
35 consigned or received for shipment or carriage within the state. Every  
36 manufacturer, license holder, liquor franchise holder, drug store

1 holding a permit to sell on prescriptions, and common carrier, and  
2 every owner or officer or employee of the foregoing, who neglects or  
3 refuses to produce and submit for inspection any book, record or  
4 document referred to in this section when requested to do so by the  
5 board or by a person so appointed by it shall be guilty of a violation  
6 of this title.

7 **Sec. 205.** RCW 66.08.140 and 1945 c 48 s 1 are each amended to read  
8 as follows:

9 For the purpose of obtaining information concerning any matter  
10 relating to the administration or enforcement of this title, the board,  
11 or any person appointed by it in writing for the purpose, may inspect  
12 the books, documents and records of any person lending money to or in  
13 any manner financing any license, or liquor franchise agreement, holder  
14 or applicant for license, or liquor franchise holder insofar as such  
15 books, documents and/or records pertain to the financial transaction  
16 involved. Every person who neglects or refuses to produce and submit  
17 for inspection any book, record or document as required by this section  
18 when requested to do so by the board or by a person duly appointed by  
19 it shall be guilty of a violation of this title.

20 **Sec. 206.** RCW 66.08.150 and 2007 c 370 s 3 are each amended to  
21 read as follows:

22 The action, order, or decision of the board as to any denial of an  
23 application for the reissuance of a permit ~~((or))~~, license, or liquor  
24 franchise agreement or as to any revocation, suspension, or  
25 modification of any permit ~~((or))~~, license, or liquor franchise  
26 agreement shall be an adjudicative proceeding and subject to the  
27 applicable provisions of chapter 34.05 RCW.

28 (1) An opportunity for a hearing may be provided an applicant for  
29 the reissuance of a permit ~~((or))~~, license, or liquor franchise  
30 agreement prior to the disposition of the application, and if no such  
31 opportunity for a prior hearing is provided then an opportunity for a  
32 hearing to reconsider the application must be provided the applicant.

33 (2) An opportunity for a hearing must be provided a permittee  
34 ~~((or))~~, licensee, or liquor franchise holder prior to a revocation or  
35 modification of any permit ~~((or))~~, license, or liquor franchise

1 agreement and, except as provided in subsection (4) of this section,  
2 prior to the suspension of any permit ~~((or))~~, license, or liquor  
3 franchise agreement.

4 (3) No hearing shall be required until demanded by the applicant,  
5 permittee, ~~((or))~~ licensee, or liquor franchise holder.

6 (4) The board may summarily suspend a license ~~((or))~~, permit, or  
7 liquor franchise agreement for a period of up to one hundred eighty  
8 days without a prior hearing if it finds that public health, safety, or  
9 welfare imperatively require emergency action, and it incorporates a  
10 finding to that effect in its order. Proceedings for revocation or  
11 other action must be promptly instituted and determined. An  
12 administrative law judge may extend the summary suspension period for  
13 up to one calendar year in the event the proceedings for revocation or  
14 other action cannot be completed during the initial one hundred eighty  
15 day period due to actions by the ~~((licensee or))~~ permittee, licensee,  
16 or liquor franchise holder. The board's enforcement division shall  
17 complete a preliminary staff investigation of the violation before  
18 requesting an emergency suspension by the board.

19 **Sec. 207.** RCW 66.24.010 and 2009 c 271 s 6 are each amended to  
20 read as follows:

21 (1) Every license and liquor franchise agreement shall be issued in  
22 the name of the applicant, and the holder thereof shall not allow any  
23 other person to use the license.

24 (2) For the purpose of considering any application for a license or  
25 liquor franchise agreement, or the renewal of a license or liquor  
26 franchise agreement, the board may cause an inspection of the premises  
27 to be made, and may inquire into all matters in connection with the  
28 construction and operation of the premises. For the purpose of  
29 reviewing any application for a license or liquor franchise agreement  
30 and for considering the denial, suspension, revocation, or renewal or  
31 denial thereof, of any license or liquor franchise agreement, the  
32 liquor control board may consider any prior criminal conduct of the  
33 applicant including an administrative violation history record with the  
34 board and a criminal history record information check. The board may  
35 submit the criminal history record information check to the Washington  
36 state patrol and to the identification division of the federal bureau  
37 of investigation in order that these agencies may search their records

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

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

20 (b) A copartnership, unless all of the members thereof are  
21 qualified to obtain a license or liquor franchise agreement, as  
22 provided in this section;

23 (c) A person whose place of business is conducted by a manager or  
24 agent, unless such manager or agent possesses the same qualifications  
25 required of the licensee, or liquor franchise holder;

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

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

35 (b) The board shall immediately suspend the license (~~or~~),  
36 certificate, or liquor franchise agreement of a person who has been  
37 certified pursuant to RCW 74.20A.320 by the department of social and  
38 health services as a person who is not in compliance with a support

1 order. If the person has continued to meet all other requirements for  
2 reinstatement during the suspension, reissuance of the license ((~~or~~)),  
3 certificate (~~shall be~~), or liquor franchise agreement is automatic  
4 upon the board's receipt of a release issued by the department of  
5 social and health services stating that the licensee, or liquor  
6 franchise holder is in compliance with the order.

7 (c) The board may request the appointment of administrative law  
8 judges under chapter 34.12 RCW who shall have power to administer  
9 oaths, issue subpoenas for the attendance of witnesses and the  
10 production of papers, books, accounts, documents, and testimony,  
11 examine witnesses, and to receive testimony in any inquiry,  
12 investigation, hearing, or proceeding in any part of the state, under  
13 such rules and regulations as the board may adopt.

14 (d) Witnesses shall be allowed fees and mileage each way to and  
15 from any such inquiry, investigation, hearing, or proceeding at the  
16 rate authorized by RCW 34.05.446. Fees need not be paid in advance of  
17 appearance of witnesses to testify or to produce books, records, or  
18 other legal evidence.

19 (e) In case of disobedience of any person to comply with the order  
20 of the board or a subpoena issued by the board, or any of its members,  
21 or administrative law judges, or on the refusal of a witness to testify  
22 to any matter regarding which he or she may be lawfully interrogated,  
23 the judge of the superior court of the county in which the person  
24 resides, on application of any member of the board or administrative  
25 law judge, shall compel obedience by contempt proceedings, as in the  
26 case of disobedience of the requirements of a subpoena issued from said  
27 court or a refusal to testify therein.

28 (4) Upon receipt of notice of the suspension or cancellation of a  
29 license or liquor franchise agreement, the licensee, or liquor  
30 franchise holder shall forthwith deliver up the license to the board.  
31 Where the license or liquor franchise agreement has been suspended  
32 only, the board shall return the license or liquor franchise agreement  
33 to the licensee, or liquor franchise holder at the expiration or  
34 termination of the period of suspension. The board shall notify all  
35 vendors in the city or place where the licensee, or liquor franchise  
36 holder has its premises of the suspension or cancellation of the  
37 license or liquor franchise agreement; and no employee may allow or



1 cause any liquor to be delivered to or for any person at the premises  
2 of that licensee, or liquor franchise holder.

3 (5)(a) At the time of the original issuance of a spirits, beer, and  
4 wine restaurant license, the board shall prorate the license fee  
5 charged to the new licensee according to the number of calendar  
6 quarters, or portion thereof, remaining until the first renewal of that  
7 license is required.

8 (b) Unless sooner canceled, every license issued by the board shall  
9 expire at midnight of the thirtieth day of June of the fiscal year for  
10 which it was issued. However, if the board deems it feasible and  
11 desirable to do so, it may establish, by rule pursuant to chapter 34.05  
12 RCW, a system for staggering the annual renewal dates for any and all  
13 licenses authorized by this chapter. If such a system of staggered  
14 annual renewal dates is established by the board, the license fees  
15 provided by this chapter shall be appropriately prorated during the  
16 first year that the system is in effect.

17 (6) Every license or liquor franchise agreement issued under this  
18 section shall be subject to all conditions and restrictions imposed by  
19 this title or by rules adopted by the board. All conditions and  
20 restrictions imposed by the board in the issuance of an individual  
21 license or liquor franchise agreement shall be listed on the face of  
22 the individual license or liquor franchise agreement along with the  
23 trade name, address, and expiration date.

24 (7) Every licensee, or liquor franchise holder shall post and keep  
25 posted its license, ~~((or))~~ licenses, or liquor franchise agreement, in  
26 a conspicuous place on the premises.

27 (8)(a) Unless (b) of this subsection applies, before the board  
28 issues a new or renewal license or liquor franchise agreement to an  
29 applicant it shall give notice of such application to the chief  
30 executive officer of the incorporated city or town, if the application  
31 is for a license within an incorporated city or town, or to the county  
32 legislative authority, if the application is for a license or liquor  
33 franchise agreement outside the boundaries of incorporated cities or  
34 towns.

35 (b) If the application for a special occasion license or liquor  
36 franchise agreement is for an event held during a county, district, or  
37 area fair as defined by RCW 15.76.120, and the county, district, or  
38 area fair is located on property owned by the county but located within

1 an incorporated city or town, the county legislative authority shall be  
2 the entity notified by the board under (a) of this subsection. The  
3 board shall send a duplicate notice to the incorporated city or town  
4 within which the fair is located.

5 (c) The incorporated city or town through the official or employee  
6 selected by it, or the county legislative authority or the official or  
7 employee selected by it, (~~shall have~~) has the right to file with the  
8 board within twenty days after the date of transmittal of such notice  
9 for applications, or at least thirty days prior to the expiration date  
10 for renewals, written objections against the applicant or against the  
11 premises for which the new or renewal license or liquor franchise  
12 agreement is asked. The board may extend the time period for  
13 submitting written objections.

14 (d) The written objections shall include a statement of all facts  
15 upon which such objections are based, and in case written objections  
16 are filed, the city or town or county legislative authority may request  
17 and the liquor control board may in its discretion hold a hearing  
18 subject to the applicable provisions of Title 34 RCW. If the board  
19 makes an initial decision to deny a license (~~or~~), renewal, or liquor  
20 franchise agreement based on the written objections of an incorporated  
21 city or town or county legislative authority, the applicant may request  
22 a hearing subject to the applicable provisions of Title 34 RCW. If  
23 such a hearing is held at the request of the applicant, liquor control  
24 board representatives shall present and defend the board's initial  
25 decision to deny a license (~~or~~), renewal, or liquor franchise  
26 agreement.

27 (e) Upon the granting of a license or liquor franchise agreement  
28 under this title the board shall send written notification to the chief  
29 executive officer of the incorporated city or town in which the license  
30 or liquor franchise agreement is granted, or to the county legislative  
31 authority if the license or liquor franchise agreement is granted  
32 outside the boundaries of incorporated cities or towns. When the  
33 license or liquor franchise agreement is for a special occasion license  
34 or liquor franchise agreement for an event held during a county,  
35 district, or area fair as defined by RCW 15.76.120, and the county,  
36 district, or area fair is located on county-owned property but located  
37 within an incorporated city or town, the written notification shall be

1 sent to both the incorporated city or town and the county legislative  
2 authority.

3 (9)(a) Before the board issues any license or liquor franchise  
4 agreement to any applicant, it shall give (i) due consideration to the  
5 location of the business to be conducted under such license or liquor  
6 franchise agreement with respect to the proximity of churches, schools,  
7 and public institutions and (ii) written notice, with receipt  
8 verification, of the application to public institutions identified by  
9 the board as appropriate to receive such notice, churches, and schools  
10 within five hundred feet of the premises (~~to be licensed~~). The board  
11 shall not issue a liquor license for either on-premises or off-premises  
12 consumption covering any premises not now licensed, if such premises  
13 are within five hundred feet of the premises of any tax-supported  
14 public elementary or secondary school measured along the most direct  
15 route over or across established public walks, streets, or other public  
16 passageway from the main entrance of the school to the nearest public  
17 entrance of the premises proposed for license or liquor franchise  
18 agreement, and if, after receipt by the school of the notice as  
19 provided in this subsection, the board receives written objection,  
20 within twenty days after receiving such notice, from an official  
21 representative or representatives of the school within five hundred  
22 feet of said proposed licensed premises, indicating to the board that  
23 there is an objection to the issuance of such license or liquor  
24 franchise agreement because of proximity to a school. The board may  
25 extend the time period for submitting objections. For the purpose of  
26 this section, "church" means a building erected for and used  
27 exclusively for religious worship and schooling or other activity in  
28 connection therewith. For the purpose of this section, "public  
29 institution" means institutions of higher education, parks, community  
30 centers, libraries, and transit centers.

31 (b) No liquor license may be issued or reissued by the board to any  
32 motor sports facility (~~or~~), licensee, or liquor franchise agreement  
33 operating within the motor sports facility unless the motor sports  
34 facility enforces a program reasonably calculated to prevent alcohol or  
35 alcoholic beverages not purchased within the facility from entering the  
36 facility and such program is approved by local law enforcement  
37 agencies.

1 (c) It is the intent under this subsection (9) that a retail  
2 license or liquor franchise agreement shall not be issued by the board  
3 where doing so would, in the judgment of the board, adversely affect a  
4 private school meeting the requirements for private schools under Title  
5 28A RCW, which school is within five hundred feet of the proposed  
6 licensee, or liquor franchise holder. The board shall fully consider  
7 and give substantial weight to objections filed by private schools. If  
8 a license or liquor franchise agreement is issued despite the proximity  
9 of a private school, the board shall state in a letter addressed to the  
10 private school the board's reasons for issuing the license or liquor  
11 franchise agreement.

12 (10) The restrictions set forth in subsection (9) of this section  
13 shall not prohibit the board from authorizing the assumption of  
14 existing licenses now located within the restricted area by other  
15 persons or licenses or relocations of existing licensed premises within  
16 the restricted area. In no case may the licensed premises be moved  
17 closer to a church or school than it was before the assumption or  
18 relocation.

19 (11)(a) Nothing in this section prohibits the board, in its  
20 discretion, from issuing a temporary retail or distributor license to  
21 an applicant to operate the retail or distributor premises during the  
22 period the application for the license is pending. The board may  
23 establish a fee for a temporary license by rule.

24 (b) A temporary license issued by the board under this section  
25 shall be for a period not to exceed sixty days. A temporary license  
26 may be extended at the discretion of the board for additional periods  
27 of sixty days upon payment of an additional fee and upon compliance  
28 with all conditions required in this section.

29 (c) Refusal by the board to issue or extend a temporary license  
30 shall not entitle the applicant to request a hearing. A temporary  
31 license may be canceled or suspended summarily at any time if the board  
32 determines that good cause for cancellation or suspension exists. RCW  
33 66.08.130 applies to temporary licenses.

34 (d) Application for a temporary license shall be on such form as  
35 the board shall prescribe. If an application for a temporary license  
36 is withdrawn before issuance or is refused by the board, the fee which  
37 accompanied such application shall be refunded in full.

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

20 **Sec. 208.** RCW 66.24.012 and 1997 c 58 s 862 are each amended to  
21 read as follows:

22 The board shall immediately suspend the license or liquor franchise  
23 agreement of a person who has been certified pursuant to RCW 74.20A.320  
24 by the department of social and health services as a person who is not  
25 in compliance with a support order or a residential or visitation  
26 order. If the person has continued to meet all other requirements for  
27 reinstatement during the suspension, reissuance of the license or  
28 liquor franchise agreement shall be automatic upon the board's receipt  
29 of a release issued by the department of social and health services  
30 stating that the licensee or liquor franchise holder is in compliance  
31 with the order.

32 **Sec. 209.** RCW 66.24.015 and 1988 c 200 s 4 are each amended to  
33 read as follows:

34 An application for a new annual retail license under this title  
35 shall be accompanied by payment of a nonrefundable seventy-five dollar  
36 fee to cover expenses incurred in processing the application. If the

1 application is approved, the application fee shall be applied toward  
2 the fee charged for the license. An application for a liquor franchise  
3 agreement under this title shall be accompanied by a nonrefundable fee  
4 to be determined by the board by rule to pay the costs of the liquor  
5 franchise bidding process. If the liquor franchise application is  
6 approved, the application fee shall be applied toward the fee charged  
7 for the license.

8 **Sec. 210.** RCW 66.24.025 and 2002 c 119 s 4 are each amended to  
9 read as follows:

10 (1) If the board approves, a license or liquor franchise agreement  
11 may be transferred, without charge, to the surviving spouse only of a  
12 deceased licensee or liquor franchise holder if the parties were  
13 maintaining a marital community and the license or liquor franchise  
14 agreement was issued in the names of one or both of the parties. For  
15 the purpose of considering the qualifications of the surviving party or  
16 parties to receive a liquor license or liquor franchise agreement, the  
17 liquor control board may require a criminal history record information  
18 check. The board may submit the criminal history record information  
19 check to the Washington state patrol and to the identification division  
20 of the federal bureau of investigation in order that these agencies may  
21 search their records for prior arrests and convictions of the  
22 individual or individuals who filled out the forms. The board shall  
23 require fingerprinting of any applicant whose criminal history record  
24 information check is submitted to the federal bureau of investigation.

25 (2) The proposed sale of more than ten percent of the outstanding  
26 and/or issued stock of a licensed corporation or any proposed change in  
27 the officers of a licensed corporation must be reported to the board,  
28 and board approval must be obtained before such changes are made. A  
29 fee of seventy-five dollars will be charged for the processing of such  
30 change of stock ownership and/or corporate officers.

31 **Sec. 211.** RCW 66.24.120 and 1973 1st ex.s. c 209 s 12 are each  
32 amended to read as follows:

33 The board in suspending any license or liquor franchise agreement  
34 may further provide in the order of suspension that such suspension  
35 shall be vacated upon payment to the board by the licensee or liquor

1 franchise holder of a monetary penalty in an amount then fixed by the  
2 board.

3 **Sec. 212.** RCW 66.44.200 and 1998 c 259 s 1 are each amended to  
4 read as follows:

5 (1) No person shall sell any liquor to any person apparently under  
6 the influence of liquor.

7 (2)(a) No person who is apparently under the influence of liquor  
8 may purchase or consume liquor on any premises licensed by the board or  
9 any liquor franchise designated by the board.

10 (b) A violation of this subsection is an infraction punishable by  
11 a fine of not more than five hundred dollars.

12 (c) A defendant's intoxication may not be used as a defense in an  
13 action under this subsection.

14 ~~((d) Until July 1, 2000, every establishment licensed under RCW  
15 66.24.330 or 66.24.420 shall conspicuously post in the establishment  
16 notice of the prohibition against the purchase or consumption of liquor  
17 under this subsection.))~~

18 (3) An administrative action for violation of subsection (1) of  
19 this section and an infraction issued for violation of subsection (2)  
20 of this section arising out of the same incident are separate actions  
21 and the outcome of one shall not determine the outcome of the other.

22 **Sec. 213.** RCW 66.44.318 and 1995 c 100 s 2 are each amended to  
23 read as follows:

24 Licensees holding nonretail class liquor licenses and liquor  
25 franchise holders are permitted to allow their employees between  
26 ~~((the))~~ the ages of eighteen and twenty-one to stock, merchandise,  
27 and handle liquor, beer, or wine on or about the nonretail premises if  
28 there is an adult twenty-one years of age or older on duty supervising  
29 such activities on the premises.

30 **Sec. 214.** RCW 66.44.340 and 1999 c 281 s 11 are each amended to  
31 read as follows:

32 Employers holding grocery store or beer and/or wine specialty shop  
33 licenses and liquor franchise holders exclusively are permitted to  
34 allow their employees, between the ages of eighteen and twenty-one  
35 years, to sell, stock, and handle liquor, beer, or wine in, on or about

1 any establishment holding a grocery store or beer and/or wine specialty  
2 shop license or liquor franchise agreement exclusively(~~(~~PROVIDED,~~~~  
3 ~~That~~)) if there is an adult twenty-one years of age or older on duty  
4 supervising the sale of liquor at the licensed premises(~~(~~PROVIDED,~~~~  
5 ~~That~~)). Minor employees may make deliveries of beer and/or wine  
6 purchased from licensees holding grocery store or beer and/or wine  
7 specialty shop licenses exclusively, when delivery is made to cars of  
8 customers adjacent to such licensed premises but only, however, when  
9 the minor employee is accompanied by the purchaser.

10 NEW SECTION. Sec. 215. A new section is added to chapter 66.08  
11 RCW to read as follows:

12 By July 1, 2012, the board must close all state liquor stores and  
13 state liquor distribution facilities, and must sell at auction all  
14 assets pertaining to the state sale and distribution of liquor. Funds  
15 received from these auctions must be deposited in the state general  
16 fund.

17 NEW SECTION. Sec. 216. A new section is added to chapter 66.08  
18 RCW to read as follows:

- 19 (1) The board must:
  - 20 (a) Determine liquor franchise areas throughout the state based on  
21 the board's determination of the optimal numbers and locations of  
22 liquor franchises;
  - 23 (b) Establish criteria for the placement of liquor franchises in  
24 liquor franchise areas, including input gained from cities, counties,  
25 towns, schools, churches, and public institutions pursuant to RCW  
26 66.24.010;
  - 27 (c) Collect information from incorporated cities and towns  
28 regarding acceptable locations for liquor franchises within their  
29 boundaries. The board must not locate liquor franchises in any  
30 locations that have not been deemed acceptable by cities and towns; and
  - 31 (d) Establish qualifications to bid for a liquor franchise  
32 agreement. A contract liquor store manager holding a contract on the  
33 effective date of this section shall be deemed to be qualified to bid  
34 for a liquor franchise agreement;
  - 35 (e) Establish a process for the auction of franchise agreements to  
36 the highest qualified bidders. The term of the agreement must be ten



1 years or such other term as the board finds will result in the highest  
2 qualified bids. Bid amounts must be paid within one year of the  
3 auction; and

4 (f) Award liquor franchise agreements to the highest qualified  
5 bidders in all liquor franchise areas.

6 (2) The board must award initial franchise agreements by July 1,  
7 2012.

8 (3) The board must provide an orderly transition from state liquor  
9 store sales to liquor franchise sales.

10 (4) After July 1, 2012, it is unlawful for the board to lease space  
11 for or to operate a state retail or wholesale liquor store.

12 (5) The board may adopt rules to carry out the provisions of this  
13 section. These rules may include, but are not limited to:

14 (a) The enumeration of records to be kept by franchise holders;

15 (b) The procedures for advertising and other promotion of sales of  
16 spirits by liquor franchise holders, in accordance with RCW 66.08.060;  
17 and

18 (c) The establishment of fees and administrative penalties for  
19 liquor franchise holders. The annual fee for a liquor franchise  
20 agreement is one thousand dollars. The board may increase the fee by  
21 rule by not more than ten percent annual to defray the cost of  
22 administration and enforcement of the agreements.

23 (d) The hours and days, subject to RCW 66.08.167, during which  
24 liquor may be sold at liquor franchises.

25 (6) The price of liquor sold at liquor franchises must be set by  
26 each liquor franchise holder, but cannot be less than the price the  
27 franchise holder paid to obtain the liquor, including any applicable  
28 taxes.

29 **PART III - FUTURE CHANGES**

30 **Sec. 301.** RCW 66.04.010 and 2010 c . . . s 201 (section 201 of  
31 this act) are each amended to read as follows:

32 In this title, unless the context otherwise requires:

33 (1) "Alcohol" is that substance known as ethyl alcohol, hydrated  
34 oxide of ethyl, or spirit of wine, which is commonly produced by the  
35 fermentation or distillation of grain, starch, molasses, or sugar, or  
36 other substances including all dilutions and mixtures of this

1 substance. The term "alcohol" does not include alcohol in the  
2 possession of a manufacturer or distiller of alcohol fuel, as described  
3 in RCW 66.12.130, which is intended to be denatured and used as a fuel  
4 for use in motor vehicles, farm implements, and machines or implements  
5 of husbandry.

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

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

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

11 (c) Acquires ownership of beer or wine for transportation into and  
12 resale in the state of Washington; and which beer or wine is produced  
13 by a brewery or winery in the United States outside of the state of  
14 Washington; and

15 (d) Is appointed by the brewery or winery referenced in (c) of this  
16 subsection as its authorized representative for marketing and selling  
17 its products within the United States in accordance with a written  
18 agreement between the authorized representative and such brewery or  
19 winery pursuant to this title.

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

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

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

31 (6) "Board" means the liquor control board, constituted under this  
32 title.

33 (7) "Brewer" or "brewery" means any person engaged in the business  
34 of manufacturing beer and malt liquor. Brewer includes a brand owner  
35 of malt beverages who holds a brewer's notice with the federal bureau  
36 of alcohol, tobacco, and firearms at a location outside the state and  
37 whose malt beverage is contract-produced by a licensed in-state

1 brewery, and who may exercise within the state, under a domestic  
2 brewery license, only the privileges of storing, selling to licensed  
3 beer distributors, and exporting beer from the state.

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

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

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

13 ~~((11)) ("Contract liquor store" means a business that sells liquor  
14 on behalf of the board through a contract with a contract liquor store  
15 manager.~~

16 ~~((12))~~ "Craft distillery" means a distillery that pays the reduced  
17 licensing fee under RCW 66.24.140.

18 ~~((13))~~ (12) "Dentist" means a practitioner of dentistry duly and  
19 regularly licensed and engaged in the practice of his profession within  
20 the state pursuant to chapter 18.32 RCW.

21 ~~((14))~~ (13) "Distiller" means a person engaged in the business of  
22 distilling spirits.

23 ~~((15))~~ (14) "Domestic brewery" means a place where beer and malt  
24 liquor are manufactured or produced by a brewer within the state.

25 ~~((16))~~ (15) "Domestic winery" means a place where wines are  
26 manufactured or produced within the state of Washington.

27 ~~((17))~~ (16) "Drug store" means a place whose principal business  
28 is, the sale of drugs, medicines and pharmaceutical preparations and  
29 maintains a regular prescription department and employs a registered  
30 pharmacist during all hours the drug store is open.

31 ~~((18))~~ (17) "Druggist" means any person who holds a valid  
32 certificate and is a registered pharmacist and is duly and regularly  
33 engaged in carrying on the business of pharmaceutical chemistry  
34 pursuant to chapter 18.64 RCW.

35 ~~((19))~~ (18) "Employee" means any person employed by the board.

36 ~~((20))~~ (19) "Flavored malt beverage" means:

37 (a) A malt beverage containing six percent or less alcohol by

1 volume to which flavoring or other added nonbeverage ingredients are  
2 added that contain distilled spirits of not more than forty-nine  
3 percent of the beverage's overall alcohol content; or

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

8 ((+21+)) (20) "Fund" means 'liquor revolving fund.'

9 ((+22+)) (21) "Hotel" means buildings, structures, and grounds,  
10 having facilities for preparing, cooking, and serving food, that are  
11 kept, used, maintained, advertised, or held out to the public to be a  
12 place where food is served and sleeping accommodations are offered for  
13 pay to transient guests, in which twenty or more rooms are used for the  
14 sleeping accommodation of such transient guests. The buildings,  
15 structures, and grounds must be located on adjacent property either  
16 owned or leased by the same person or persons.

17 ((+23+)) (22) "Importer" means a person who buys distilled spirits  
18 from a distillery outside the state of Washington and imports such  
19 spirituous liquor into the state for sale to the board or for export.

20 ((+24+)) (23) "Imprisonment" means confinement in the county jail.

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

33 ((+26+)) (25) "Liquor franchise" means a specific location  
34 designated by the board where spirits, wine, and beer may be sold in  
35 original packages for off-premises consumption, or where liquor may be  
36 sold to holders of a permit to purchase.

37 ((+27+)) (26) "Liquor franchise agreement" means approval by the

1 board to operate a liquor franchise in accordance with the provisions  
2 of this title.

3 ~~((+28+))~~ (27) "Liquor franchise applicant" means any person who  
4 bids for a liquor franchise agreement to sell spirits, wine, and beer  
5 in accordance with the provisions of this title.

6 ~~((+29+))~~ (28) "Liquor franchise area" means a geographic area  
7 designated as such by the board for the purpose of issuing franchise  
8 agreements.

9 ~~((+30+))~~ (29) "Liquor franchise holder" means a person who has been  
10 granted a liquor franchise agreement in accordance with the provisions  
11 of this title.

12 ~~((+31+))~~ (30) "Malt beverage" or "malt liquor" means any beverage  
13 such as beer, ale, lager beer, stout, and porter obtained by the  
14 alcoholic fermentation of an infusion or decoction of pure hops, or  
15 pure extract of hops and pure barley malt or other wholesome grain or  
16 cereal in pure water containing not more than eight percent of alcohol  
17 by weight, and not less than one-half of one percent of alcohol by  
18 volume. For the purposes of this title, any such beverage containing  
19 more than eight percent of alcohol by weight shall be referred to as  
20 "strong beer."

21 ~~((+32+))~~ (31) "Manufacturer" means a person engaged in the  
22 preparation of liquor for sale, in any form whatsoever.

23 ~~((+33+))~~ (32) "Nightclub" means an establishment that provides  
24 entertainment and has as its primary source of revenue (a) the sale of  
25 alcohol for consumption on the premises, (b) cover charges, or (c)  
26 both, and has an occupancy load of one hundred or more.

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

29 ~~((+35+))~~ (34) "Passenger vessel" means any boat, ship, vessel,  
30 barge, or other floating craft of any kind carrying passengers for  
31 compensation.

32 ~~((+36+))~~ (35) "Permit" means a permit for the purchase of liquor  
33 under this title.

34 ~~((+37+))~~ (36) "Person" means an individual, copartnership,  
35 association, or corporation.

36 ~~((+38+))~~ (37) "Physician" means a medical practitioner duly and  
37 regularly licensed and engaged in the practice of his profession within  
38 the state pursuant to chapter 18.71 RCW.

1           (~~(39)~~) (38) "Prescription" means a memorandum signed by a  
2 physician and given by him to a patient for the obtaining of liquor  
3 pursuant to this title for medicinal purposes.

4           (~~(40)~~) (39) "Public place" includes streets and alleys of  
5 incorporated cities and towns; state or county or township highways or  
6 roads; buildings and grounds used for school purposes; public dance  
7 halls and grounds adjacent thereto; those parts of establishments where  
8 beer may be sold under this title, soft drink establishments, public  
9 buildings, public meeting halls, lobbies, halls and dining rooms of  
10 hotels, restaurants, theatres, stores, garages and filling stations  
11 which are open to and are generally used by the public and to which the  
12 public is permitted to have unrestricted access; railroad trains,  
13 stages, and other public conveyances of all kinds and character, and  
14 the depots and waiting rooms used in conjunction therewith which are  
15 open to unrestricted use and access by the public; publicly owned  
16 bathing beaches, parks, and/or playgrounds; and all other places of  
17 like or similar nature to which the general public has unrestricted  
18 right of access, and which are generally used by the public.

19           (~~(41)~~) (40) "Regulations" means regulations made by the board  
20 under the powers conferred by this title.

21           (~~(42)~~) (41) "Restaurant" means any establishment provided with  
22 special space and accommodations where, in consideration of payment,  
23 food, without lodgings, is habitually furnished to the public, not  
24 including drug stores and soda fountains.

25           (~~(43)~~) (42) "Sale" and "sell" include exchange, barter, and  
26 traffic; and also include the selling or supplying or distributing, by  
27 any means whatsoever, of liquor, or of any liquid known or described as  
28 beer or by any name whatever commonly used to describe malt or brewed  
29 liquor or of wine, by any person to any person; and also include a sale  
30 or selling within the state to a foreign consignee or his agent in the  
31 state. "Sale" and "sell" shall not include the giving, at no charge,  
32 of a reasonable amount of liquor by a person not licensed by the board  
33 to a person not licensed by the board, for personal use only. "Sale"  
34 and "sell" also does not include a raffle authorized under RCW  
35 9.46.0315. However, the nonprofit organization conducting the raffle  
36 has obtained the appropriate permit from the board.

37           (~~(44)~~) (43) "Soda fountain" means a place especially equipped

1 with apparatus for the purpose of dispensing soft drinks, whether mixed  
2 or otherwise.

3 ~~((45))~~ (44) "Spirits" means any beverage which contains alcohol  
4 obtained by distillation, except flavored malt beverages, but including  
5 wines exceeding twenty-four percent of alcohol by volume.

6 ~~((46) "Store" means a state liquor store established under this  
7 title.~~

8 ~~(47))~~ (45) "Tavern" means any establishment with special space and  
9 accommodation for sale by the glass and for consumption on the  
10 premises, of beer, as herein defined.

11 ~~((48))~~ (46)(a) "Wine" means any alcoholic beverage obtained by  
12 fermentation of fruits (grapes, berries, apples, et cetera) or other  
13 agricultural product containing sugar, to which any saccharine  
14 substances may have been added before, during or after fermentation,  
15 and containing not more than twenty-four percent of alcohol by volume,  
16 including sweet wines fortified with wine spirits, such as port,  
17 sherry, muscatel and angelica, not exceeding twenty-four percent of  
18 alcohol by volume and not less than one-half of one percent of alcohol  
19 by volume. For purposes of this title, any beverage containing no more  
20 than fourteen percent of alcohol by volume when bottled or packaged by  
21 the manufacturer shall be referred to as "table wine," and any beverage  
22 containing alcohol in an amount more than fourteen percent by volume  
23 when bottled or packaged by the manufacturer shall be referred to as  
24 "fortified wine." However, "fortified wine" does not include: (i)  
25 Wines that are both sealed or capped by cork closure and aged two years  
26 or more; and (ii) wines that contain more than fourteen percent alcohol  
27 by volume solely as a result of the natural fermentation process and  
28 that have not been produced with the addition of wine spirits, brandy,  
29 or alcohol.

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

32 ~~((49))~~ (47) "Wine distributor" means a person who buys wine from  
33 a domestic winery, wine certificate of approval holder, or wine  
34 importer, or who acquires foreign produced wine from a source outside  
35 of the United States, for the purpose of selling the same not in  
36 violation of this title, or who represents such vintner or winery as  
37 agent.

1           (~~(+50+)~~) (48) "Wine importer" means a person or business within  
2 Washington who purchases wine from a wine certificate of approval  
3 holder or who acquires foreign produced wine from a source outside of  
4 the United States for the purpose of selling the same pursuant to this  
5 title.

6           (~~(+51+)~~) (49) "Winery" means a business conducted by any person for  
7 the manufacture of wine for sale, other than a domestic winery.

8           **Sec. 302.** RCW 66.08.020 and 1933 ex.s. c 62 s 5 are each amended  
9 to read as follows:

10           The administration of this title(~~(, including the general control,~~  
11 ~~management and supervision of all liquor stores, shall be)~~) is vested  
12 in the liquor control board, constituted under this title.

13           **Sec. 303.** RCW 66.08.026 and 2008 c 67 s 1 are each amended to read  
14 as follows:

15           Administrative expenses of the board shall be appropriated and paid  
16 from the liquor revolving fund. These administrative expenses shall  
17 include, but not be limited to: The salaries and expenses of the board  
18 and its employees, (~~(the cost of opening additional state liquor stores~~  
19 ~~and warehouses,)~~) legal services, pilot projects, annual or other  
20 audits, and other general costs of conducting the business of the  
21 board. (~~(The administrative expenses shall not include costs of liquor~~  
22 ~~and lottery tickets purchased, the cost of transportation and delivery~~  
23 ~~to the point of distribution, the cost of operating, maintaining,~~  
24 ~~relocating, and leasing state liquor stores and warehouses, other costs~~  
25 ~~pertaining to the acquisition and receipt of liquor and lottery~~  
26 ~~tickets, agency commissions for contract liquor stores, transaction~~  
27 ~~fees associated with credit or debit card purchases for liquor in state~~  
28 ~~liquor stores and in contract liquor stores pursuant to RCW 66.16.040~~  
29 ~~and 66.16.041, sales tax, and those amounts distributed pursuant to RCW~~  
30 ~~66.08.180, 66.08.190, 66.08.200, 66.08.210 and 66.08.220. Agency~~  
31 ~~commissions for contract liquor stores shall be established by the~~  
32 ~~liquor control board after consultation with and approval by the~~  
33 ~~director of the office of financial management.)) All expenditures and~~  
34 payment of obligations authorized by this section are subject to the  
35 allotment requirements of chapter 43.88 RCW.



1           **Sec. 304.** RCW 66.08.030 and 2010 c. . . s 202 (section 202 of this  
2 act) are each amended to read as follows:

3           (1) For the purpose of carrying into effect the provisions of this  
4 title according to their true intent or of supplying any deficiency  
5 therein, the board may make such regulations not inconsistent with the  
6 spirit of this title as are deemed necessary or advisable. All  
7 regulations so made shall be a public record and shall be filed in the  
8 office of the code reviser, and thereupon shall have the same force and  
9 effect as if incorporated in this title. Such regulations, together  
10 with a copy of this title, shall be published in pamphlets and shall be  
11 distributed as directed by the board.

12           (2) Without thereby limiting the generality of the provisions  
13 contained in subsection (1) of this section, it is declared that the  
14 power of the board to make regulations in the manner set out in that  
15 subsection extends to:

16           ~~(a) ((Regulating the equipment and management of liquor franchises  
17 and stores and warehouses in which state liquor is sold or kept, and  
18 prescribing the books and records to be kept therein and the reports to  
19 be made thereon to the board;~~

20           ~~(b))~~ Prescribing the duties of the employees of the board, and  
21 regulating their conduct in the discharge of their duties;

22           ~~((c) Governing the purchase of liquor by the state and the  
23 furnishing of liquor to stores established under this title;~~

24           ~~(d) Determining the classes, varieties, and brands of liquor to be  
25 kept for sale at any store;~~

26           ~~(e) Providing for the issuing and distributing of price lists  
27 showing the price to be paid by purchasers for each variety of liquor  
28 kept for sale under this title;~~

29           ~~(f))~~ (b) Prescribing an official seal and official labels and  
30 stamps and determining the manner in which they shall be attached to  
31 every package of liquor sold or sealed under this title, including the  
32 prescribing of different official seals or different official labels  
33 for different classes of liquor;

34           ~~((g) Providing for the payment by the board in whole or in part of  
35 the carrying charges on liquor shipped by freight or express;~~

36           ~~(h))~~ (c) Prescribing forms to be used for purposes of this title  
37 or the regulations, and the terms and conditions to be contained in  
38 permits and licenses issued under this title, and the qualifications

1 for receiving a permit or license issued under this title, including a  
2 criminal history record information check. The board may submit the  
3 criminal history record information check to the Washington state  
4 patrol and to the identification division of the federal bureau of  
5 investigation in order that these agencies may search their records for  
6 prior arrests and convictions of the individual or individuals who  
7 filled out the forms. The board shall require fingerprinting of any  
8 applicant whose criminal history record information check is submitted  
9 to the federal bureau of investigation;

10 ~~((+i))~~ (d) Prescribing the fees payable in respect of permits and  
11 licenses and liquor franchise agreements issued under this title for  
12 which no fees are prescribed in this title, and prescribing the fees  
13 for anything done or permitted to be done under the regulations;

14 ~~((+j))~~ (e) Prescribing the kinds and quantities of liquor which  
15 may be kept on hand by the holder of a special permit for the purposes  
16 named in the permit, regulating the manner in which the same shall be  
17 kept and disposed of, and providing for the inspection of the same at  
18 any time at the instance of the board;

19 ~~((+k))~~ (f) Regulating the sale of liquor kept by the holders of  
20 licenses and liquor franchise agreements which entitle the holder to  
21 purchase and keep liquor for sale;

22 ~~((+l))~~ (g) Prescribing the records of purchases or sales of liquor  
23 kept by the holders of licenses and liquor franchise agreements, and  
24 the reports to be made thereon to the board, and providing for  
25 inspection of the records so kept;

26 ~~((+m))~~ (h) Prescribing the kinds and quantities of liquor for  
27 which a prescription may be given, and the number of prescriptions  
28 which may be given to the same patient within a stated period;

29 ~~((+n))~~ (i) Prescribing the manner of giving and serving notices  
30 required by this title or the regulations, where not otherwise provided  
31 for in this title;

32 ~~((+o))~~ (j) Regulating premises in which liquor is kept for export  
33 from the state, or from which liquor is exported, prescribing the books  
34 and records to be kept therein and the reports to be made thereon to  
35 the board, and providing for the inspection of the premises and the  
36 books, records and the liquor so kept;

37 ~~((+p))~~ (k) Prescribing the conditions and qualifications requisite  
38 for the obtaining of club licenses and the books and records to be kept

1 and the returns to be made by clubs, prescribing the manner of  
2 licensing clubs in any municipality or other locality, and providing  
3 for the inspection of clubs;

4 ~~((+g))~~ (l) Prescribing the conditions, accommodations and  
5 qualifications requisite for the obtaining of licenses to sell beer and  
6 wines, and regulating the sale of beer and wines thereunder;

7 ~~((+r))~~ (m) Specifying and regulating the time and periods when,  
8 and the manner, methods and means by which manufacturers shall deliver  
9 liquor within the state; and the time and periods when, and the manner,  
10 methods and means by which liquor may lawfully be conveyed or carried  
11 within the state;

12 ~~((+s))~~ (n) Providing for the making of returns by brewers of their  
13 sales of beer shipped within the state, or from the state, showing the  
14 gross amount of such sales and providing for the inspection of brewers'  
15 books and records, and for the checking of the accuracy of any such  
16 returns;

17 ~~((+t))~~ (o) Providing for the making of returns by the wholesalers  
18 of beer whose breweries are located beyond the boundaries of the state;

19 ~~((+u))~~ (p) Providing for the making of returns by any other liquor  
20 manufacturers, showing the gross amount of liquor produced or  
21 purchased, the amount sold within and exported from the state, and to  
22 whom so sold or exported, and providing for the inspection of the  
23 premises of any such liquor manufacturers, their books and records, and  
24 for the checking of any such return;

25 ~~((+v))~~ (q) Providing for the giving of fidelity bonds by any or  
26 all of the employees of the board. However, the premiums therefor  
27 shall be paid by the board;

28 ~~((+w))~~ (r) Providing for the shipment by mail or common carrier of  
29 liquor to any person holding a permit and residing in any unit which  
30 has, by election pursuant to this title, prohibited the sale of liquor  
31 therein;

32 ~~((+x))~~ (s) Prescribing methods of manufacture, conditions of  
33 sanitation, standards of ingredients, quality and identity of alcoholic  
34 beverages manufactured, sold, bottled, or handled by licensees and the  
35 board; and conducting from time to time, in the interest of the public  
36 health and general welfare, scientific studies and research relating to  
37 alcoholic beverages and the use and effect thereof;

1        ~~((y))~~ (t) Seizing, confiscating and destroying all alcoholic  
2 beverages manufactured, sold or offered for sale within this state  
3 which do not conform in all respects to the standards prescribed by  
4 this title or the regulations of the board. Nothing herein contained  
5 shall be construed as authorizing the liquor board to prescribe, alter,  
6 limit or in any way change the present law as to the quantity or  
7 percentage of alcohol used in the manufacturing of wine or other  
8 alcoholic beverages.

9        **Sec. 305.** RCW 66.08.050 and 2005 c 151 s 3 are each amended to  
10 read as follows:

11        The board, subject to the provisions of this title and the rules,  
12 shall:

13        ~~(1) ((Determine the localities within which state liquor stores  
14 shall be established throughout the state, and the number and situation  
15 of the stores within each locality;~~

16        ~~(2) Appoint in cities and towns and other communities, in which no  
17 state liquor store is located, contract liquor stores. In addition,  
18 the board may))~~ Appoint, in its discretion, a manufacturer that also  
19 manufactures liquor products other than wine under a license under this  
20 title, as a contract liquor store for the purpose of sale of liquor  
21 products of its own manufacture on the licensed premises only. ~~((Such  
22 contract liquor stores shall be authorized to sell liquor under the  
23 guidelines provided by law, rule, or contract, and))~~ Such contract  
24 liquor stores shall be subject to such additional rules and regulations  
25 consistent with this title as the board may require;

26        ~~((3) Establish all necessary warehouses for the storing and  
27 bottling, diluting and rectifying of stocks of liquors for the purposes  
28 of this title;~~

29        ~~(4) Provide for the leasing for periods not to exceed ten years of  
30 all premises required for the conduct of the business; and for  
31 remodeling the same, and the procuring of their furnishings, fixtures,  
32 and supplies; and for obtaining options of renewal of such leases by  
33 the lessee. The terms of such leases in all other respects shall be  
34 subject to the direction of the board;~~

35        ~~(5))~~ (2) Determine the nature, form and capacity of all packages  
36 to be used for containing liquor kept for sale under this title;

1       ~~((+6+))~~ (3) Execute or cause to be executed, all contracts, papers,  
2 and documents in the name of the board, under such regulations as the  
3 board may fix;

4       ~~((+7+))~~ (4) Pay all customs, duties, excises, charges and  
5 obligations whatsoever relating to the business of the board;

6       ~~((+8) Require bonds from all employees in the discretion of the  
7 board, and to determine the amount of fidelity bond of each such  
8 employee;~~

9       ~~(9) Perform services for the state lottery commission to such  
10 extent, and for such compensation, as may be mutually agreed upon  
11 between the board and the commission;~~

12       ~~(+10+))~~ (5) Accept and deposit into the general fund-local account  
13 and disburse, subject to appropriation, federal grants or other funds  
14 or donations from any source for the purpose of improving public  
15 awareness of the health risks associated with alcohol consumption by  
16 youth and the abuse of alcohol by adults in Washington state. The  
17 board's alcohol awareness program shall cooperate with federal and  
18 state agencies, interested organizations, and individuals to effect an  
19 active public beverage alcohol awareness program;

20       ~~((+11+))~~ (6) Perform all other matters and things, whether similar  
21 to the foregoing or not, to carry out the provisions of this title, and  
22 shall have full power to do each and every act necessary to the conduct  
23 of its business, including all buying, selling, preparation and  
24 approval of forms, and every other function of the business whatsoever,  
25 subject only to audit by the state auditor: PROVIDED, That the board  
26 shall have no authority to regulate the content of spoken language on  
27 licensed premises where wine and other liquors are served and where  
28 there is not a clear and present danger of disorderly conduct being  
29 provoked by such language.

30       **Sec. 306.** RCW 66.08.060 and 2005 c 231 s 3 are each amended to  
31 read as follows:

32       ~~((+1) The board shall not advertise liquor in any form or through  
33 any medium whatsoever.~~

34       ~~(2) In store liquor merchandising is not advertising for the  
35 purposes of this section.~~

36       ~~(3+))~~ The board shall have power to adopt any and all reasonable  
37 rules as to the kind, character, and location of advertising of liquor.

1           **Sec. 307.** RCW 66.08.167 and 2005 c 231 s 4 are each amended to  
2 read as follows:

3           (1) ~~((Before the board determines which state liquor stores))~~ The  
4 board may adopt rules regarding which liquor franchises will be open on  
5 Sundays~~((, it))~~. In adopting Sunday sales rules, the board shall give:

6 (a) Due consideration to the location of the liquor ~~((store))~~ franchise  
7 with respect to the proximity of places of worship, schools, and public  
8 institutions; (b) due consideration to motor vehicle accident data in  
9 the proximity of the liquor ~~((store))~~ franchise; and (c) written notice  
10 by certified mail of the proposed Sunday opening, including proposed  
11 Sunday opening hours, to places of worship, schools, and public  
12 institutions within five hundred feet of the liquor ~~((store))~~ franchise  
13 proposed to be open on Sunday.

14           (2) Before permitting ~~((an agency vendor))~~ a liquor ~~((store))~~  
15 franchise to open for business on Sunday, the board must meet the due  
16 consideration and written notice requirements established in subsection  
17 (1) of this section.

18           (3) For the purpose of this section, "place of worship" means a  
19 building erected for and used exclusively for religious worship and  
20 schooling or other related religious activity.

21           **Sec. 308.** RCW 66.16.110 and 1993 c 422 s 2 are each amended to  
22 read as follows:

23           The board shall cause liquor franchises to ~~((be posted))~~ post in  
24 conspicuous places, in a number determined by the board, ~~((within each~~  
25 ~~state liquor store,))~~ notices in print not less than one inch high  
26 warning persons that consumption of alcohol shortly before conception  
27 or during pregnancy may cause birth defects, including fetal alcohol  
28 syndrome and fetal alcohol effects.

29           **Sec. 309.** RCW 66.12.110 and 1999 c 281 s 3 are each amended to  
30 read as follows:

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

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

15           **Sec. 310.** RCW 66.12.120 and 1995 c 100 s 1 are each amended to  
16 read as follows:

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

30           **Sec. 311.** RCW 66.12.140 and 1982 c 85 s 8 are each amended to read  
31 as follows:

32           (1) Nothing in this title shall prevent the use of beer, wine,  
33 and/or spirituous liquor, for cooking purposes only, in conjunction  
34 with a culinary or restaurant course offered by a college, university,  
35 community college, area vocational technical institute, or private  
36 vocational school. Further, nothing in this title shall prohibit the

1 making of beer or wine in food fermentation courses offered by a  
2 college, university, community college, area vocational technical  
3 institute, or private vocational school.

4 (2) "Culinary or restaurant course" as used in this section means  
5 a course of instruction which includes practical experience in food  
6 preparation under the supervision of an instructor who is twenty-one  
7 years of age or older.

8 (3) Persons under twenty-one years of age participating in culinary  
9 or restaurant courses may handle beer, wine, or spirituous liquor for  
10 purposes of participating in the courses, but nothing in this section  
11 shall be construed to authorize consumption of liquor by persons under  
12 twenty-one years of age or to authorize possession of liquor by persons  
13 under twenty-one years of age at any time or place other than while  
14 preparing food under the supervision of the course instructor.

15 (4) Beer, wine, and/or spirituous liquor to be used in culinary or  
16 restaurant courses shall be purchased at retail from (~~the board or~~)  
17 a retailer licensed under this title or a liquor franchise holder. All  
18 such liquor shall be securely stored in the food preparation area and  
19 shall not be displayed in an area open to the general public.

20 (5) Colleges, universities, community colleges, area vocational  
21 technical institutes, and private vocational schools shall obtain the  
22 prior written approval of the board for use of beer, wine, and/or  
23 spirituous liquor for cooking purposes in their culinary or restaurant  
24 courses.

25 **Sec. 312.** RCW 66.20.010 and 2008 c 181 s 602 are each amended to  
26 read as follows:

27 Upon application in the prescribed form being made to any employee  
28 authorized by the board to issue permits, accompanied by payment of the  
29 prescribed fee, and upon the employee being satisfied that the  
30 applicant should be granted a permit under this title, the employee  
31 shall issue to the applicant under such regulations and at such fee as  
32 may be prescribed by the board a permit of the class applied for, as  
33 follows:

34 (1) Where the application is for a special permit by a physician or  
35 dentist, or by any person in charge of an institution regularly  
36 conducted as a hospital or sanatorium for the care of persons in ill  
37 health, or as a home devoted exclusively to the care of aged people, a



1 special liquor purchase permit, except that the governor may waive the  
2 requirement for a special liquor purchase permit under this subsection  
3 pursuant to an order issued under RCW 43.06.220(2);

4 (2) Where the application is for a special permit by a person  
5 engaged within the state in mechanical or manufacturing business or in  
6 scientific pursuits requiring alcohol for use therein, or by any  
7 private individual, a special permit to purchase alcohol for the  
8 purpose named in the permit, except that the governor may waive the  
9 requirement for a special liquor purchase permit under this subsection  
10 pursuant to an order issued under RCW 43.06.220(2);

11 (3) Where the application is for a special permit to consume liquor  
12 at a banquet, at a specified date and place, a special permit to  
13 purchase liquor for consumption at such banquet, to such applicants as  
14 may be fixed by the board;

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

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

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

29 (7) Where the application is for a special permit by an authorized  
30 representative of a military installation operated by or for any of the  
31 armed forces within the geographical boundaries of the state of  
32 Washington, a special permit to purchase liquor for use on such  
33 military installation (~~at prices to be fixed by the board~~);

34 (8) Where the application is for a special permit by a  
35 manufacturer, importer, or distributor, or representative thereof, to  
36 serve liquor without charge to delegates and guests at a convention of  
37 a trade association composed of licensees of the board, when the said  
38 liquor is served in a hospitality room or from a booth in a board-

1 approved suppliers' display room at the convention, and when the liquor  
2 so served is for consumption in the said hospitality room or display  
3 room during the convention, anything in Title 66 RCW to the contrary  
4 notwithstanding. Any such spirituous liquor shall be purchased from  
5 (~~the board~~) a liquor franchise or a spirits, beer, and wine  
6 restaurant licensee and any such beer and wine shall be subject to the  
7 taxes imposed by RCW 66.24.290 and 66.24.210;

8 (9) Where the application is for a special permit by a  
9 manufacturer, importer, or distributor, or representative thereof, to  
10 donate liquor for a reception, breakfast, luncheon, or dinner for  
11 delegates and guests at a convention of a trade association composed of  
12 licensees of the board, when the liquor so donated is for consumption  
13 at the said reception, breakfast, luncheon, or dinner during the  
14 convention, anything in Title 66 RCW to the contrary notwithstanding.  
15 Any such spirituous liquor shall be purchased from the (~~board~~) liquor  
16 franchise or a spirits, beer, and wine restaurant licensee and any such  
17 beer and wine shall be subject to the taxes imposed by RCW 66.24.290  
18 and 66.24.210;

19 (10) Where the application is for a special permit by a  
20 manufacturer, importer, or distributor, or representative thereof, to  
21 donate and/or serve liquor without charge to delegates and guests at an  
22 international trade fair, show, or exposition held under the auspices  
23 of a federal, state, or local governmental entity or organized and  
24 promoted by a nonprofit organization, anything in Title 66 RCW to the  
25 contrary notwithstanding. Any such spirituous liquor shall be  
26 purchased from (~~the board~~) a liquor franchise and any such beer or  
27 wine shall be subject to the taxes imposed by RCW 66.24.290 and  
28 66.24.210;

29 (11) Where the application is for an annual special permit by a  
30 person operating a bed and breakfast lodging facility to donate or  
31 serve wine or beer without charge to overnight guests of the facility  
32 if the wine or beer is for consumption on the premises of the facility.  
33 "Bed and breakfast lodging facility," as used in this subsection, means  
34 a facility offering from one to eight lodging units and breakfast to  
35 travelers and guests.

36 **Sec. 313.** RCW 66.20.160 and 2005 c 151 s 8 are each amended to  
37 read as follows:

1 Words and phrases as used in RCW 66.20.160 to 66.20.210, inclusive,  
2 shall have the following meaning:

3 "Card of identification" means any one of those cards described in  
4 RCW 66.16.040.

5 "Licensee" means the holder of a retail liquor license issued by  
6 the board, and includes any employee or agent of the licensee.

7 (~~"Store employee" means a person employed in a state liquor store~~  
8 ~~to sell liquor.~~) "Liquor franchise holder" means a person who has been  
9 granted a liquor franchise agreement in accordance with the provisions  
10 of this title.

11 **Sec. 314.** RCW 66.20.170 and 1973 1st ex.s. c 209 s 5 are each  
12 amended to read as follows:

13 A card of identification may, for the purpose of this title and for  
14 the purpose of procuring liquor, be accepted as an identification card  
15 by any licensee or (~~store employee~~) liquor franchise holder and as  
16 evidence of legal age of the person presenting such card, provided the  
17 licensee or (~~store employee~~) liquor franchise holder complies with  
18 the conditions and procedures prescribed herein and such regulations as  
19 may be made by the board.

20 **Sec. 315.** RCW 66.20.180 and 2005 c 151 s 9 are each amended to  
21 read as follows:

22 A card of identification shall be presented by the holder thereof  
23 upon request of any licensee, (~~store employee,~~) contract liquor store  
24 manager, contract liquor store employee, liquor franchise holder, peace  
25 officer, or enforcement officer of the board for the purpose of aiding  
26 the licensee, (~~store employee,~~) contract liquor store manager,  
27 contract liquor store employee, liquor franchise holder, peace officer,  
28 or enforcement officer of the board to determine whether or not such  
29 person is of legal age to purchase liquor when such person desires to  
30 procure liquor from a licensed establishment or state liquor store or  
31 contract liquor store.

32 **Sec. 316.** RCW 66.20.190 and 1981 1st ex.s. c 5 s 9 are each  
33 amended to read as follows:

34 In addition to the presentation by the holder and verification by  
35 the licensee or (~~store employee~~) liquor franchise holder of such card

1 of identification, the licensee or (~~store-employee~~) liquor franchise  
2 holder who is still in doubt about the true age of the holder shall  
3 require the person whose age may be in question to sign a certification  
4 card and record an accurate description and serial number of his card  
5 of identification thereon. Such statement shall be upon a five-inch by  
6 eight-inch file card, which card shall be filed alphabetically by the  
7 licensee or (~~store-employee~~) liquor franchise holder at or before the  
8 close of business on the day on which the statement is executed, in the  
9 file box containing a suitable alphabetical index and the card shall be  
10 subject to examination by any peace officer or agent or employee of the  
11 board at all times. The certification card shall also contain in bold-  
12 face type a statement stating that the signer understands that  
13 conviction for unlawful purchase of alcoholic beverages or misuse of  
14 the certification card may result in criminal penalties including  
15 imprisonment or fine or both.

16 **Sec. 317.** RCW 66.20.200 and 2003 c 53 s 295 are each amended to  
17 read as follows:

18 (1) It shall be unlawful for the owner of a card of identification  
19 to transfer the card to any other person for the purpose of aiding such  
20 person to procure alcoholic beverages from any licensee or (~~store~~  
21 ~~employee~~) liquor franchise holder. Any person who shall permit his or  
22 her card of identification to be used by another or transfer such card  
23 to another for the purpose of aiding such transferee to obtain  
24 alcoholic beverages from a licensee or (~~store-employee~~) liquor  
25 franchise holder or gain admission to a premises or portion of a  
26 premises classified by the board as off-limits to persons under twenty-  
27 one years of age, shall be guilty of a misdemeanor punishable as  
28 provided by RCW 9A.20.021, except that a minimum fine of two hundred  
29 fifty dollars shall be imposed and any sentence requiring community  
30 restitution shall require not fewer than twenty-five hours of community  
31 restitution.

32 (2) Any person not entitled thereto who unlawfully procures or has  
33 issued or transferred to him or her a card of identification, and any  
34 person who possesses a card of identification not issued to him or her,  
35 and any person who makes any false statement on any certification card  
36 required by RCW 66.20.190, to be signed by him or her, shall be guilty  
37 of a misdemeanor punishable as provided by RCW 9A.20.021, except that

1 a minimum fine of two hundred fifty dollars shall be imposed and any  
2 sentence requiring community restitution shall require not fewer than  
3 twenty-five hours of community restitution.

4 **Sec. 318.** RCW 66.20.210 and 1973 1st ex.s. c 209 s 9 are each  
5 amended to read as follows:

6 No licensee or the agent or employee of the licensee, or (~~store~~  
7 ~~employee~~) liquor franchise holder or agent or employee of the holder,  
8 shall be prosecuted criminally or be sued in any civil action for  
9 serving liquor to a person under legal age to purchase liquor if such  
10 person has presented a card of identification in accordance with RCW  
11 66.20.180, and has signed a certification card as provided in RCW  
12 66.20.190.

13 Such card in the possession of a licensee may be offered as a  
14 defense in any hearing held by the board for serving liquor to the  
15 person who signed the card and may be considered by the board as  
16 evidence that the licensee acted in good faith.

17 **Sec. 319.** RCW 66.24.145 and 2008 c 94 s 2 are each amended to read  
18 as follows:

19 (1) Any craft distillery may sell spirits of its own production for  
20 consumption off the premises, up to two liters per person per day.  
21 (~~Spirits sold under this subsection must be purchased from the board~~  
22 ~~and sold at the retail price established by the board.~~) A craft  
23 distillery selling spirits under this subsection must comply with the  
24 applicable laws and rules relating to retailers.

25 (~~(3)-(2)~~) (2) Any craft distillery licensed under this section  
26 may provide, free of charge, one-half ounce or less samples of spirits  
27 of its own production to persons on the premises of the distillery.  
28 The maximum total per person per day is two ounces. Every person who  
29 participates in any manner in the service of samples must obtain a  
30 class 12 alcohol server permit. (~~Spirits used for samples must be~~  
31 ~~purchased from the board.~~

32 ~~(4)-(3)~~) (3) The board shall adopt rules to implement the  
33 alcohol server permit requirement and may adopt additional rules to  
34 implement this section.

35 (~~(5)-(4)~~) (4) Distilling is an agricultural practice.

1       **Sec. 320.** RCW 66.24.360 and 2007 c 226 s 2 are each amended to  
2 read as follows:

3       There shall be a beer and/or wine retailer's license to be  
4 designated as a grocery store license to sell beer, strong beer, and/or  
5 wine at retail in bottles, cans, and original containers, not to be  
6 consumed upon the premises where sold(~~(, at any store other than the~~  
7 ~~state liquor stores)~~).

8       (1) Licensees obtaining a written endorsement from the board may  
9 also sell malt liquor in kegs or other containers capable of holding  
10 less than five and one-half gallons of liquid.

11       (2) The annual fee for the grocery store license is one hundred  
12 fifty dollars for each store.

13       (3) The board shall issue a restricted grocery store license  
14 authorizing the licensee to sell beer and only table wine, if the board  
15 finds upon issuance or renewal of the license that the sale of strong  
16 beer or fortified wine would be against the public interest. In  
17 determining the public interest, the board shall consider at least the  
18 following factors:

19       (a) The likelihood that the applicant will sell strong beer or  
20 fortified wine to persons who are intoxicated;

21       (b) Law enforcement problems in the vicinity of the applicant's  
22 establishment that may arise from persons purchasing strong beer or  
23 fortified wine at the establishment; and

24       (c) Whether the sale of strong beer or fortified wine would be  
25 detrimental to or inconsistent with a government-operated or funded  
26 alcohol treatment or detoxification program in the area.

27       If the board receives no evidence or objection that the sale of  
28 strong beer or fortified wine would be against the public interest, it  
29 shall issue or renew the license without restriction, as applicable.  
30 The burden of establishing that the sale of strong beer or fortified  
31 wine by the licensee would be against the public interest is on those  
32 persons objecting.

33       (4) Licensees holding a grocery store license must maintain a  
34 minimum three thousand dollar inventory of food products for human  
35 consumption, not including pop, beer, strong beer, or wine.

36       (5) Upon approval by the board, the grocery store licensee may also  
37 receive an endorsement to permit the international export of beer,  
38 strong beer, and wine.

1 (a) Any beer, strong beer, or wine sold under this endorsement must  
2 have been purchased from a licensed beer or wine distributor licensed  
3 to do business within the state of Washington.

4 (b) Any beer, strong beer, and wine sold under this endorsement  
5 must be intended for consumption outside the state of Washington and  
6 the United States and appropriate records must be maintained by the  
7 licensee.

8 ~~(c) ((A holder of this special endorsement to the grocery store  
9 license shall be considered not in violation of RCW 66.28.010.~~

10 ~~(d))~~ Any beer, strong beer, or wine sold under this license must  
11 be sold at a price no less than the acquisition price paid by the  
12 holder of the license.

13 ~~((e))~~ (d) The annual cost of this endorsement is five hundred  
14 dollars and is in addition to the license fees paid by the licensee for  
15 a grocery store license.

16 (6) A grocery store licensee holding a snack bar license under RCW  
17 66.24.350 may receive an endorsement to allow the sale of confections  
18 containing more than one percent but not more than ten percent alcohol  
19 by weight to persons twenty-one years of age or older.

20 **Sec. 321.** RCW 66.24.371 and 2009 c 373 s 6 are each amended to  
21 read as follows:

22 (1) There shall be a beer and/or wine retailer's license to be  
23 designated as a beer and/or wine specialty shop license to sell beer,  
24 strong beer, and/or wine at retail in bottles, cans, and original  
25 containers, not to be consumed upon the premises where sold(~~, at any  
26 store other than the state liquor stores~~). Licensees obtaining a  
27 written endorsement from the board may also sell malt liquor in kegs or  
28 other containers capable of holding four gallons or more of liquid.  
29 The annual fee for the beer and/or wine specialty shop license is one  
30 hundred dollars for each store. The sale of any container holding four  
31 gallons or more must comply with RCW 66.28.200 and 66.28.220.

32 (2) Licensees under this section may provide, free or for a charge,  
33 single-serving samples of two ounces or less to customers for the  
34 purpose of sales promotion. Sampling activities of licensees under  
35 this section are subject to RCW ~~((66.28.010 and))~~ 66.28.040 and the  
36 cost of sampling under this section may not be borne, directly or  
37 indirectly, by any manufacturer, importer, or distributor of liquor.

1 (3) The board shall issue a restricted beer and/or wine specialty  
2 shop license, authorizing the licensee to sell beer and only table  
3 wine, if the board finds upon issuance or renewal of the license that  
4 the sale of strong beer or fortified wine would be against the public  
5 interest. In determining the public interest, the board shall consider  
6 at least the following factors:

7 (a) The likelihood that the applicant will sell strong beer or  
8 fortified wine to persons who are intoxicated;

9 (b) Law enforcement problems in the vicinity of the applicant's  
10 establishment that may arise from persons purchasing strong beer or  
11 fortified wine at the establishment; and

12 (c) Whether the sale of strong beer or fortified wine would be  
13 detrimental to or inconsistent with a government-operated or funded  
14 alcohol treatment or detoxification program in the area.

15 If the board receives no evidence or objection that the sale of  
16 strong beer or fortified wine would be against the public interest, it  
17 shall issue or renew the license without restriction, as applicable.  
18 The burden of establishing that the sale of strong beer or fortified  
19 wine by the licensee would be against the public interest is on those  
20 persons objecting.

21 (4) Licensees holding a beer and/or wine specialty shop license  
22 must maintain a minimum three thousand dollar wholesale inventory of  
23 beer, strong beer, and/or wine.

24 **Sec. 322.** RCW 66.24.380 and 2005 c 151 s 10 are each amended to  
25 read as follows:

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

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



1 long as alcohol sales are at set dates, times, and locations, and the  
2 board receives prior notification of the dates, times, and locations.  
3 The special occasion license applicant will pay the sixty dollars per  
4 day for this event.

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

8 (3) Sale, service, and consumption of spirits, beer, and wine is to  
9 be confined to specified premises or designated areas only.

10 (4) Spirituous liquor sold under this special occasion license must  
11 be purchased at a (~~state liquor store or contract liquor store without~~  
12 ~~discount at retail prices, including all taxes~~) liquor franchise.

13 (5) Any violation of this section is a class 1 civil infraction  
14 having a maximum penalty of two hundred fifty dollars as provided for  
15 in chapter 7.80 RCW.

16 **Sec. 323.** RCW 66.24.395 and 2009 c 507 s 7 are each amended to  
17 read as follows:

18 (1)(a) There shall be a license that may be issued to corporations,  
19 associations, or persons operating as federally licensed commercial  
20 common passenger carriers engaged in interstate commerce, in or over  
21 territorial limits of the state of Washington on passenger trains,  
22 vessels, or airplanes. Such license shall permit the sale of  
23 spirituous liquor, wine, and beer at retail for passenger consumption  
24 within the state upon one such train passenger car, vessel, or  
25 airplane, while in or over the territorial limits of the state. Such  
26 license shall include the privilege of transporting into and storing  
27 within the state such liquor for subsequent retail sale to passengers  
28 in passenger train cars, vessels or airplanes. The fees for such  
29 master license shall be eight hundred twenty-nine dollars per annum  
30 (class CCI-1)(~~PROVIDED, That~~). However:

31 (i) Upon payment of an additional sum of six dollars per annum per  
32 car, or vessel, or airplane, the privileges authorized by such license  
33 classes shall extend to additional cars, or vessels, or airplanes  
34 operated by the same licensee within the state, and a duplicate license  
35 for each additional car, or vessel, or airplane shall be issued(~~+~~  
36 ~~PROVIDED, FURTHER, That~~);

1        (ii) Such licensee may make such sales and/or service upon cars, or  
2 vessels, or airplanes in emergency for not more than five consecutive  
3 days without such license(~~(AND PROVIDED, FURTHER, That)~~); and

4        (iii) Such license shall be valid only while such cars, or vessels,  
5 or airplanes are actively operated as common carriers for hire in  
6 interstate commerce and not while they are out of such common carrier  
7 service.

8        (b) Alcoholic beverages sold and/or served for consumption by such  
9 interstate common carriers while within or over the territorial limits  
10 of this state shall be subject to (~~(such board markup and)~~) the state  
11 liquor taxes in an amount to approximate the revenue that would have  
12 been realized from (~~(such markup and)~~) the taxes had the alcoholic  
13 beverages been purchased in Washington(~~(PROVIDED, That the board's~~  
14 ~~markup shall be applied on spirituous liquor only)~~). Such common  
15 carriers shall report such sales and/or service and pay (~~(such markup~~  
16 ~~and)~~) taxes in accordance with procedures prescribed by the board.

17        (2) Alcoholic beverages sold and delivered in this state to  
18 interstate common carriers for use under the provisions of this section  
19 shall be considered exported from the state, subject to the conditions  
20 provided in subsection (1)(b) of this section. The storage facilities  
21 for liquor within the state by common carriers licensed under this  
22 section shall be subject to written approval by the board.

23        **Sec. 324.** RCW 66.24.395 and 1997 c 321 s 25 are each amended to  
24 read as follows:

25        (1)(a) There shall be a license that may be issued to corporations,  
26 associations, or persons operating as federally licensed commercial  
27 common passenger carriers engaged in interstate commerce, in or over  
28 territorial limits of the state of Washington on passenger trains,  
29 vessels, or airplanes. Such license shall permit the sale of  
30 spirituous liquor, wine, and beer at retail for passenger consumption  
31 within the state upon one such train passenger car, vessel, or  
32 airplane, while in or over the territorial limits of the state. Such  
33 license shall include the privilege of transporting into and storing  
34 within the state such liquor for subsequent retail sale to passengers  
35 in passenger train cars, vessels or airplanes. The fees for such  
36 master license shall be seven hundred fifty dollars per annum (class  
37 CCI-1). However: (~~(PROVIDED, That)~~)

1        (i) Upon payment of an additional sum of five dollars per annum per  
2 car, or vessel, or airplane, the privileges authorized by such license  
3 classes shall extend to additional cars, or vessels, or airplanes  
4 operated by the same licensee within the state, and a duplicate license  
5 for each additional car, or vessel, or airplane shall be issued(~~(+~~  
6 ~~PROVIDED, FURTHER, That)~~);

7        (ii) Such licensee may make such sales and/or service upon cars, or  
8 vessels, or airplanes in emergency for not more than five consecutive  
9 days without such license(~~(+ AND PROVIDED, FURTHER, That)~~); and

10        (iii) Such license shall be valid only while such cars, or vessels,  
11 or airplanes are actively operated as common carriers for hire in  
12 interstate commerce and not while they are out of such common carrier  
13 service.

14        (b) Alcoholic beverages sold and/or served for consumption by such  
15 interstate common carriers while within or over the territorial limits  
16 of this state shall be subject to (~~(such board markup and)~~) the state  
17 liquor taxes in an amount to approximate the revenue that would have  
18 been realized from (~~(such markup and)~~) the taxes had the alcoholic  
19 beverages been purchased in Washington(~~(+ PROVIDED, That the board's~~  
20 ~~markup shall be applied on spirituous liquor only)~~). Such common  
21 carriers shall report such sales and/or service and pay (~~(such markup~~  
22 ~~and)~~) taxes in accordance with procedures prescribed by the board.

23        (2) Alcoholic beverages sold and delivered in this state to  
24 interstate common carriers for use under the provisions of this section  
25 shall be considered exported from the state, subject to the conditions  
26 provided in subsection (1)(b) of this section. The storage facilities  
27 for liquor within the state by common carriers licensed under this  
28 section shall be subject to written approval by the board.

29        **Sec. 325.** RCW 66.24.540 and 1999 c 129 s 1 are each amended to  
30 read as follows:

31        There shall be a retailer's license to be designated as a motel  
32 license. The motel license may be issued to a motel regardless of  
33 whether it holds any other class of license under this title. No  
34 license may be issued to a motel offering rooms to its guests on an  
35 hourly basis. The license authorizes the licensee to:

36        (1) Sell, at retail, in locked honor bars, spirits in individual  
37 bottles not to exceed fifty milliliters, beer in individual cans or

1 bottles not to exceed twelve ounces, and wine in individual bottles not  
2 to exceed one hundred eighty-seven milliliters, to registered guests of  
3 the motel for consumption in guest rooms.

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

6 ~~(b) ((All spirits to be sold under the license must be purchased  
7 from the board.~~

8 ~~(c))~~ The licensee shall require proof of age from the guest  
9 renting a guest room and requesting the use of an honor bar. The guest  
10 shall also execute an affidavit verifying that no one under twenty-one  
11 years of age shall have access to the spirits, beer, and wine in the  
12 honor bar.

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

19 The annual fee for a motel license is five hundred dollars.

20 "Motel" as used in this section means a transient accommodation  
21 licensed under chapter 70.62 RCW.

22 As used in this section, "spirits," "beer," and "wine" have the  
23 meanings defined in RCW 66.04.010.

24 **Sec. 326.** RCW 66.24.590 and 2008 c 41 s 11 are each amended to  
25 read as follows:

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

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

32 (a) Sell spiritous liquor, beer, and wine, by the individual glass,  
33 at retail, for consumption on the premises, including mixed drinks and  
34 cocktails compounded and mixed on the premises;

35 (b) Sell, at retail, from locked honor bars, in individual units,  
36 spirits not to exceed fifty milliliters, beer in individual units not  
37 to exceed twelve ounces, and wine in individual bottles not to exceed

1 three hundred eighty-five milliliters, to registered guests of the  
2 hotel for consumption in guest rooms. The licensee shall require proof  
3 of age from the guest renting a guest room and requesting the use of an  
4 honor bar. The guest shall also execute an affidavit verifying that no  
5 one under twenty-one years of age shall have access to the spirits,  
6 beer, and wine in the honor bar;

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

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

16 (e) Sell beer, including strong beer, or wine, in the  
17 manufacturer's sealed container at retail sales locations within the  
18 hotel premises;

19 (f) Sell for on or off-premises consumption, including through room  
20 service and service to occupants of private residential units managed  
21 by the hotel, wine carrying a label exclusive to the hotel license  
22 holder;

23 (g) Place in guest rooms at check-in, a complimentary bottle of  
24 beer, including strong beer, or wine in a manufacturer-sealed  
25 container, and make a reference to this service in promotional  
26 material.

27 (3) If all or any facilities for alcoholic beverage service and the  
28 preparation, cooking, and serving of food are operated under contract  
29 or joint venture agreement, the operator may hold a license separate  
30 from the license held by the operator of the hotel. Food and beverage  
31 inventory used in separate licensed operations at the hotel may not be  
32 shared and shall be separately owned and stored by the separate  
33 licensees.

34 ~~(4) ((All spirits to be sold under this license must be purchased  
35 from the board.~~

36 ~~(5))~~ All on-premise alcoholic beverage service must be done by an  
37 alcohol server as defined in RCW 66.20.300 and must comply with RCW  
38 66.20.310.

1       ~~((+6+))~~ (5)(a) The hotel license allows the licensee to remove from  
2 the liquor stocks at the licensed premises, liquor for sale and service  
3 at event locations at a specified date and place not currently licensed  
4 by the board. If the event is open to the public, it must be sponsored  
5 by a society or organization as defined by RCW 66.24.375. If  
6 attendance at the event is limited to members or invited guests of the  
7 sponsoring individual, society, or organization, the requirement that  
8 the sponsor must be a society or organization as defined by RCW  
9 66.24.375 is waived.

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

16       (c) Licensees may cater events on a domestic winery premises.

17       ~~((+7+))~~ (6) The holder of this license or its manager may furnish  
18 spirits, beer, or wine to the licensee's employees who are twenty-one  
19 years of age or older free of charge as may be required for use in  
20 connection with instruction on spirits, beer, and wine. The  
21 instruction may include the history, nature, values, and  
22 characteristics of spirits, beer, or wine, the use of wine lists, and  
23 the methods of presenting, serving, storing, and handling spirits,  
24 beer, or wine. The licensee must use the beer or wine it obtains under  
25 its license for the sampling as part of the instruction. The  
26 instruction must be given on the premises of the licensee.

27       ~~((+8+))~~ (7) Minors may be allowed in all areas of the hotel where  
28 alcohol may be consumed; however, the consumption must be incidental to  
29 the primary use of the area. These areas include, but are not limited  
30 to, tennis courts, hotel lobbies, and swimming pool areas. If an area  
31 is not a mixed use area, and is primarily used for alcohol service, the  
32 area must be designated and restricted to access by minors.

33       ~~((+9+))~~ (8) The annual fee for this license is two thousand  
34 dollars.

35       ~~((+10+))~~ (9) As used in this section, "hotel," "spirits," "beer,"  
36 and "wine" have the meanings defined in RCW 66.24.410 and 66.04.010.

1       **Sec. 327.** RCW 66.28.060 and 2008 c 94 s 7 are each amended to read  
2 as follows:

3       Every distillery licensed under this title shall make monthly  
4 reports to the board pursuant to the regulations. (~~No such distillery~~  
5 ~~shall make any sale of spirits within the state of Washington except to~~  
6 ~~the board and as provided in RCW 66.24.145.~~)

7       **Sec. 328.** RCW 66.32.010 and 1955 c 39 s 3 are each amended to read  
8 as follows:

9       Except as permitted by the board, no liquor shall be kept or had by  
10 any person within this state unless the package in which the liquor was  
11 contained had, while containing that liquor, been sealed with the  
12 official seal adopted by the board, except in the case of:

13       (1) (~~Liquor imported by the board; or~~  
14 ~~(2))~~) Liquor manufactured in the state for (~~sale to the board or~~  
15 ~~for~~) export; or

16       (~~(3)~~) (2) Beer, purchased in accordance with the provisions of  
17 law; or

18       (~~(4)~~) (3) Wine or beer exempted in RCW 66.12.010.

19       **Sec. 329.** RCW 66.44.150 and 1955 c 289 s 5 are each amended to  
20 read as follows:

21       If any person in this state buys alcoholic beverages from any  
22 person other than (~~the board, a state liquor store, or~~) some person  
23 authorized by the board to sell them, he shall be guilty of a  
24 misdemeanor.

25       **Sec. 330.** RCW 66.44.160 and 1955 c 289 s 6 are each amended to  
26 read as follows:

27       Except as otherwise provided in this title, any person who has or  
28 keeps or transports alcoholic beverages other than those purchased from  
29 (~~the board, a state liquor store,~~) a liquor franchise or some person  
30 authorized by the board to sell them(~~(7)~~) shall be guilty of a  
31 violation of this title.

32       NEW SECTION.   **Sec. 331.** The following acts or parts of acts are  
33 each repealed:

1 (1) RCW 66.08.070 (Purchase of liquor by board--Consignment not  
2 prohibited--Warranty or affirmation not required for wine or malt  
3 purchases) and 1985 c 226 s 2, 1973 1st ex.s. c 209 s 1, & 1933 ex.s.  
4 c 62 s 67;

5 (2) RCW 66.08.160 (Acquisition of warehouse authorized) and 1947 c  
6 134 s 1;

7 (3) RCW 66.08.165 (Strategies to improve operational efficiency and  
8 revenue) and 2005 c 231 s 1;

9 (4) RCW 66.08.166 (Sunday sales authorized--Store selection and  
10 other requirements) and 2005 c 231 s 2;

11 (5) RCW 66.08.220 (Liquor revolving fund--Separate account--  
12 Distribution) and 2009 c 271 s 4, 2007 c 370 s 15, 1999 c 281 s 2, &  
13 1949 c 5 s 11;

14 (6) RCW 66.08.235 (Liquor control board construction and  
15 maintenance account) and 2005 c 151 s 4, 2002 c 371 s 918, & 1997 c 75  
16 s 1;

17 (7) RCW 66.16.010 (Board may establish--Price standards--Prices in  
18 special instances) and 2005 c 518 s 935, 2003 1st sp.s. c 25 s 928,  
19 1939 c 172 s 10, 1937 c 62 s 1, & 1933 ex.s. c 62 s 4;

20 (8) RCW 66.16.040 (Sales of liquor by employees--Identification  
21 cards--Permit holders--Sales for cash--Exception) and 2005 c 206 s 1,  
22 2005 c 151 s 5, 2005 c 102 s 1, 2004 c 61 s 1, 1996 c 291 s 1, 1995 c  
23 16 s 1, 1981 1st ex.s. c 5 s 8, 1979 c 158 s 217, 1973 1st ex.s. c 209  
24 s 3, 1971 ex.s. c 15 s 1, 1959 c 111 s 1, & 1933 ex.s. c 62 s 7;

25 (9) RCW 66.16.041 (Credit and debit card purchases--Rules--  
26 Provision, installation, maintenance of equipment by board--  
27 Consideration of offsetting liquor revolving fund balance reduction)  
28 and 2005 c 151 s 6, 2004 c 63 s 2, 1998 c 265 s 3, 1997 c 148 s 2, &  
29 1996 c 291 s 2;

30 (10) RCW 66.16.050 (Sale of beer and wine to person licensed to  
31 sell) and 1933 ex.s. c 62 s 8;

32 (11) RCW 66.16.060 (Sealed packages may be required, exception) and  
33 1943 c 216 s 1 & 1933 ex.s. c 62 s 9;

34 (12) RCW 66.16.070 (Liquor cannot be opened or consumed on store  
35 premises) and 1933 ex.s. c 62 s 10;

36 (13) RCW 66.16.090 (Record of individual purchases confidential--  
37 Penalty for disclosure) and 1933 ex.s. c 62 s 89;



1 (14) RCW 66.16.100 (Fortified wine sales) and 1997 c 321 s 42 &  
2 1987 c 386 s 5;

3 (15) RCW 66.16.120 (Employees working on Sabbath) and 2005 c 231  
4 s 5; and

5 (16) RCW 66.28.180 (Price list--Contents--Contracts and memoranda  
6 with distributors) and 2009 c 506 s 10, 2006 c 302 s 10, & 2005 c 274  
7 s 327.

8 **PART IV - MISCELLANEOUS**

9 NEW SECTION. **Sec. 401.** RCW 66.16.110 is recodified as a section  
10 in chapter 66.08 RCW.

11 NEW SECTION. **Sec. 402.** (1) Sections 201 through 216 of this act  
12 take effect August 1, 2010.

13 (2) Sections 301 through 331 of this act take effect July 1, 2012.

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