

HB 1465 - S COMM AMD

By Committee on Labor, Commerce & Consumer Protection

ADOPTED 04/05/2011

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

3 "Sec. 1. RCW 66.24.010 and 2009 c 271 s 6 are each amended to read  
4 as follows:

5 (1) Every license shall be issued in the name of the applicant, and  
6 the holder thereof shall not allow any other person to use the license.

7 (2) For the purpose of considering any application for a license,  
8 or the renewal of a license, the board may cause an inspection of the  
9 premises to be made, and may inquire into all matters in connection  
10 with the construction and operation of the premises. For the purpose  
11 of reviewing any application for a license and for considering the  
12 denial, suspension, revocation, or renewal or denial thereof, of any  
13 license, the liquor control board may consider any prior criminal  
14 conduct of the applicant including an administrative violation history  
15 record with the board and a criminal history record information check.  
16 The board may submit the criminal history record information check to  
17 the Washington state patrol and to the identification division of the  
18 federal bureau of investigation in order that these agencies may search  
19 their records for prior arrests and convictions of the individual or  
20 individuals who filled out the forms. The board shall require  
21 fingerprinting of any applicant whose criminal history record  
22 information check is submitted to the federal bureau of investigation.  
23 The provisions of RCW 9.95.240 and of chapter 9.96A RCW shall not apply  
24 to such cases. Subject to the provisions of this section, the board  
25 may, in its discretion, grant or deny the renewal or license applied  
26 for. Denial may be based on, without limitation, the existence of  
27 chronic illegal activity documented in objections submitted pursuant to  
28 subsections (8)(d) and (12) of this section. Authority to approve an  
29 uncontested or unopposed license may be granted by the board to any

1 staff member the board designates in writing. Conditions for granting  
2 such authority shall be adopted by rule. No retail license of any kind  
3 may be issued to:

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

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

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

13 (d) A corporation or a limited liability company, unless it was  
14 created under the laws of the state of Washington or holds a  
15 certificate of authority to transact business in the state of  
16 Washington.

17 (3)(a) The board may, in its discretion, subject to the provisions  
18 of RCW 66.08.150, suspend or cancel any license; and all rights of the  
19 licensee to keep or sell liquor thereunder shall be suspended or  
20 terminated, as the case may be.

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

30 (c) The board may request the appointment of administrative law  
31 judges under chapter 34.12 RCW who shall have power to administer  
32 oaths, issue subpoenas for the attendance of witnesses and the  
33 production of papers, books, accounts, documents, and testimony,  
34 examine witnesses, and to receive testimony in any inquiry,  
35 investigation, hearing, or proceeding in any part of the state, under  
36 such rules and regulations as the board may adopt.

37 (d) Witnesses shall be allowed fees and mileage each way to and  
38 from any such inquiry, investigation, hearing, or proceeding at the

1 rate authorized by RCW 34.05.446. Fees need not be paid in advance of  
2 appearance of witnesses to testify or to produce books, records, or  
3 other legal evidence.

4 (e) In case of disobedience of any person to comply with the order  
5 of the board or a subpoena issued by the board, or any of its members,  
6 or administrative law judges, or on the refusal of a witness to testify  
7 to any matter regarding which he or she may be lawfully interrogated,  
8 the judge of the superior court of the county in which the person  
9 resides, on application of any member of the board or administrative  
10 law judge, shall compel obedience by contempt proceedings, as in the  
11 case of disobedience of the requirements of a subpoena issued from said  
12 court or a refusal to testify therein.

13 (4) Upon receipt of notice of the suspension or cancellation of a  
14 license, the licensee shall forthwith deliver up the license to the  
15 board. Where the license has been suspended only, the board shall  
16 return the license to the licensee at the expiration or termination of  
17 the period of suspension. The board shall notify all vendors in the  
18 city or place where the licensee has its premises of the suspension or  
19 cancellation of the license; and no employee may allow or cause any  
20 liquor to be delivered to or for any person at the premises of that  
21 licensee.

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

27 (b) Unless sooner canceled, every license issued by the board shall  
28 expire at midnight of the thirtieth day of June of the fiscal year for  
29 which it was issued. However, if the board deems it feasible and  
30 desirable to do so, it may establish, by rule pursuant to chapter 34.05  
31 RCW, a system for staggering the annual renewal dates for any and all  
32 licenses authorized by this chapter. If such a system of staggered  
33 annual renewal dates is established by the board, the license fees  
34 provided by this chapter shall be appropriately prorated during the  
35 first year that the system is in effect.

36 (6) Every license issued under this section shall be subject to all  
37 conditions and restrictions imposed by this title or by rules adopted  
38 by the board. All conditions and restrictions imposed by the board in

1 the issuance of an individual license (~~shall~~) may be listed on the  
2 face of the individual license along with the trade name, address, and  
3 expiration date. Conditions and restrictions imposed by the board may  
4 also be included in official correspondence separate from the license.

5 (7) Every licensee shall post and keep posted its license, or  
6 licenses, and any additional correspondence containing conditions and  
7 restrictions imposed by the board in a conspicuous place on the  
8 premises.

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

16 (b) If the application for a special occasion license is for an  
17 event held during a county, district, or area fair as defined by RCW  
18 15.76.120, and the county, district, or area fair is located on  
19 property owned by the county but located within an incorporated city or  
20 town, the county legislative authority shall be the entity notified by  
21 the board under (a) of this subsection. The board shall send a  
22 duplicate notice to the incorporated city or town within which the fair  
23 is located.

24 (c) The incorporated city or town through the official or employee  
25 selected by it, or the county legislative authority or the official or  
26 employee selected by it, shall have the right to file with the board  
27 within twenty days after the date of transmittal of such notice for  
28 applications, or at least thirty days prior to the expiration date for  
29 renewals, written objections against the applicant or against the  
30 premises for which the new or renewal license is asked. The board may  
31 extend the time period for submitting written objections.

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

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

6 (e) Upon the granting of a license under this title the board shall  
7 send written notification to the chief executive officer of the  
8 incorporated city or town in which the license is granted, or to the  
9 county legislative authority if the license is granted outside the  
10 boundaries of incorporated cities or towns. When the license is for a  
11 special occasion license for an event held during a county, district,  
12 or area fair as defined by RCW 15.76.120, and the county, district, or  
13 area fair is located on county-owned property but located within an  
14 incorporated city or town, the written notification shall be sent to  
15 both the incorporated city or town and the county legislative  
16 authority.

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

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

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

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

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

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

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

37 (c) Refusal by the board to issue or extend a temporary license  
38 shall not entitle the applicant to request a hearing. A temporary

1 license may be canceled or suspended summarily at any time if the board  
2 determines that good cause for cancellation or suspension exists. RCW  
3 66.08.130 applies to temporary licenses.

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

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

27 **Sec. 2.** RCW 66.24.410 and 2007 c 370 s 18 are each amended to read  
28 as follows:

29 (1) "Spirituous liquor," as used in RCW 66.24.400 to 66.24.450,  
30 inclusive, means "liquor" as defined in RCW 66.04.010, except "wine"  
31 and "beer" sold as such.

32 (2) "Restaurant" as used in RCW 66.24.400 to 66.24.450, inclusive,  
33 means an establishment provided with special space and accommodations  
34 where, in consideration of payment, food, without lodgings, is  
35 habitually furnished to the public, not including drug stores and soda  
36 fountains: PROVIDED, That such establishments shall be approved by the  
37 board and that the board shall be satisfied that such establishment is

1 maintained in a substantial manner as a place for preparing, cooking  
2 and serving of complete meals. (~~The service of only fry orders or~~  
3 ~~such food and victuals as sandwiches, hamburgers, or salads shall not~~  
4 ~~be deemed in compliance with this definition~~) Requirements for  
5 complete meals shall be determined by the board in rules adopted  
6 pursuant to chapter 34.05 RCW.

7 (3) "Hotel," "clubs," "wine" and "beer" are used in RCW 66.24.400  
8 to 66.24.450, inclusive, with the meaning given in chapter 66.04 RCW.

9 **Sec. 3.** RCW 66.04.010 and 2009 c 373 s 1 and 2009 c 271 s 2 are  
10 each reenacted and amended to read as follows:

11 In this title, unless the context otherwise requires:

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

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

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

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

26 (c) Acquires ownership of beer or wine for transportation into and  
27 resale in the state of Washington; and which beer or wine is produced  
28 by a brewery or winery in the United States outside of the state of  
29 Washington; and

30 (d) Is appointed by the brewery or winery referenced in (c) of this  
31 subsection as its authorized representative for marketing and selling  
32 its products within the United States in accordance with a written  
33 agreement between the authorized representative and such brewery or  
34 winery pursuant to this title.

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



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

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

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

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

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

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

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

29 (11) "Contract liquor store" means a business that sells liquor on  
30 behalf of the board through a contract with a contract liquor store  
31 manager.

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

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

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

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

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

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

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

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

14 (20) "Flavored malt beverage" means:

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

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

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

24 (22) "Hotel" means buildings, structures, and grounds, having  
25 facilities for preparing, cooking, and serving food, that are kept,  
26 used, maintained, advertised, or held out to the public to be a place  
27 where food is served and sleeping accommodations are offered for pay to  
28 transient guests, in which twenty or more rooms are used for the  
29 sleeping accommodation of such transient guests. The buildings,  
30 structures, and grounds must be located on adjacent property either  
31 owned or leased by the same person or persons.

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

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

36 (25) "Liquor" includes the four varieties of liquor herein defined  
37 (alcohol, spirits, wine and beer), and all fermented, spirituous,  
38 vinous, or malt liquor, or combinations thereof, and mixed liquor, a

1 part of which is fermented, spirituous, vinous or malt liquor, or  
2 otherwise intoxicating; and every liquid or solid or semisolid or other  
3 substance, patented or not, containing alcohol, spirits, wine or beer,  
4 and all drinks or drinkable liquids and all preparations or mixtures  
5 capable of human consumption, and any liquid, semisolid, solid, or  
6 other substance, which contains more than one percent of alcohol by  
7 weight shall be conclusively deemed to be intoxicating. Liquor does  
8 not include confections or food products that contain one percent or  
9 less of alcohol by weight.

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

18 (27) "Manufacturer" means a person engaged in the preparation of  
19 liquor for sale, in any form whatsoever.

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

24 (29) "Package" means any container or receptacle used for holding  
25 liquor.

26 (30) "Passenger vessel" means any boat, ship, vessel, barge, or  
27 other floating craft of any kind carrying passengers for compensation.

28 (31) "Permit" means a permit for the purchase of liquor under this  
29 title.

30 (32) "Person" means an individual, copartnership, association, or  
31 corporation.

32 (33) "Physician" means a medical practitioner duly and regularly  
33 licensed and engaged in the practice of his profession within the state  
34 pursuant to chapter 18.71 RCW.

35 (34) "Prescription" means a memorandum signed by a physician and  
36 given by him to a patient for the obtaining of liquor pursuant to this  
37 title for medicinal purposes.

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

16 (36) "Regulations" means regulations made by the board under the  
17 powers conferred by this title.

18 (37) "Restaurant" means any establishment provided with special  
19 space and accommodations where, in consideration of payment, food,  
20 without lodgings, is habitually furnished to the public, not including  
21 drug stores and soda fountains.

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

34 (39) "Soda fountain" means a place especially equipped with  
35 apparatus for the purpose of dispensing soft drinks, whether mixed or  
36 otherwise.

37 (40) "Spirits" means any beverage which contains alcohol obtained

1 by distillation, except flavored malt beverages, but including wines  
2 exceeding twenty-four percent of alcohol by volume.

3 (41) "Store" means a state liquor store established under this  
4 title.

5 (42) "Tavern" means any establishment with special space and  
6 accommodation for sale by the glass and for consumption on the  
7 premises, of beer, as herein defined.

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

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

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

34 (45) "Wine importer" means a person or business within Washington  
35 who purchases wine from a wine certificate of approval holder or who  
36 acquires foreign produced wine from a source outside of the United  
37 States for the purpose of selling the same pursuant to this title.

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

3 **Sec. 4.** RCW 66.24.371 and 2009 c 373 s 6 are each amended to read  
4 as follows:

5 (1) There shall be a beer and/or wine retailer's license to be  
6 designated as a beer and/or wine specialty shop license to sell beer,  
7 strong beer, and/or wine at retail in bottles, cans, and original  
8 containers, not to be consumed upon the premises where sold, at any  
9 store other than the state liquor stores. Licensees obtaining a  
10 written endorsement from the board may also sell malt liquor in kegs or  
11 other containers capable of holding four gallons or more of liquid.  
12 The annual fee for the beer and/or wine specialty shop license is one  
13 hundred dollars for each store. The sale of any container holding four  
14 gallons or more must comply with RCW 66.28.200 and 66.28.220.

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

21 (3) Upon approval by the board, the beer and/or wine specialty shop  
22 licensee that exceeds fifty percent beer and/or wine sales may also  
23 receive an endorsement to permit the sale of beer to a purchaser in a  
24 sanitary container brought to the premises by the purchaser, or  
25 provided by the licensee or manufacturer, and fill at the tap by the  
26 licensee at the time of sale. If the beer and/or wine specialty shop  
27 licensee does not exceed fifty percent beer and/or wine sales, the  
28 board may waive the fifty percent beer and/or wine sale criteria if the  
29 beer and/or wine specialty shop maintains alcohol inventory that  
30 exceeds fifteen thousand dollars.

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

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

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

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

9 If the board receives no evidence or objection that the sale of  
10 strong beer or fortified wine would be against the public interest, it  
11 shall issue or renew the license without restriction, as applicable.  
12 The burden of establishing that the sale of strong beer or fortified  
13 wine by the licensee would be against the public interest is on those  
14 persons objecting.

15 ~~((4))~~ (5) Licensees holding a beer and/or wine specialty shop  
16 license must maintain a minimum three thousand dollar wholesale  
17 inventory of beer, strong beer, and/or wine.

18 (6) The board may adopt rules to implement this section.

19 **Sec. 5.** RCW 66.24.244 and 2008 c 248 s 2 and 2008 c 41 s 9 are  
20 each reenacted and amended to read as follows:

21 (1) There shall be a license for microbreweries; fee to be one  
22 hundred dollars for production of less than sixty thousand barrels of  
23 malt liquor, including strong beer, per year.

24 (2) Any microbrewery licensed under this section may also act as a  
25 distributor and/or retailer for beer and strong beer of its own  
26 production. Strong beer may not be sold at a farmers market or under  
27 any endorsement which may authorize microbreweries to sell beer at  
28 farmers markets. Any microbrewery operating as a distributor and/or  
29 retailer under this subsection shall comply with the applicable laws  
30 and rules relating to distributors and/or retailers, except that a  
31 microbrewery operating as a distributor may maintain a warehouse off  
32 the premises of the microbrewery for the distribution of beer provided  
33 that (a) the warehouse has been approved by the board under RCW  
34 66.24.010 and (b) the number of warehouses off the premises of the  
35 microbrewery does not exceed one. A microbrewery holding a spirits,  
36 beer, and wine restaurant license may sell beer of its own production  
37 for off-premises consumption from its restaurant premises in kegs or in

1 a sanitary container brought to the premises by the purchaser or  
2 furnished by the licensee and filled at the tap by the licensee at the  
3 time of sale.

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

9 (4) The board may issue up to two retail licenses allowing a  
10 microbrewery to operate an on or off-premise tavern, beer and/or wine  
11 restaurant, or spirits, beer, and wine restaurant.

12 ~~((+4))~~ (5) A microbrewery that holds a tavern license, spirits,  
13 beer, and wine restaurant license, or a beer and/or wine restaurant  
14 license shall hold the same privileges and endorsements as permitted  
15 under RCW 66.24.320, 66.24.330, and 66.24.420.

16 ~~((+5))~~ (6)(a) A microbrewery licensed under this section may apply  
17 to the board for an endorsement to sell bottled beer of its own  
18 production at retail for off-premises consumption at a qualifying  
19 farmers market. The annual fee for this endorsement is seventy-five  
20 dollars.

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

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

29 (d) Each approved location in a qualifying farmers market is deemed  
30 to be part of the microbrewery license for the purpose of this title.  
31 The approved locations under an endorsement granted under this  
32 subsection ~~((+5))~~ (6) do not constitute the tasting or sampling  
33 privilege of a microbrewery. The microbrewery may not store beer at a  
34 farmers market beyond the hours that the microbrewery offers bottled  
35 beer for sale. The microbrewery may not act as a distributor from a  
36 farmers market location.

37 (e) Before a microbrewery may sell bottled beer at a qualifying  
38 farmers market, the farmers market must apply to the board for



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

15 (f) The board may adopt rules establishing the application and  
16 approval process under this section and any additional rules necessary  
17 to implement this section.

18 (g) For the purposes of this subsection (~~((+5+))~~) (6):

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

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

26 (B) The total combined gross annual sales of vendors who are  
27 farmers exceeds the total combined gross annual sales of vendors who  
28 are processors or resellers;

29 (C) The total combined gross annual sales of vendors who are  
30 farmers, processors, or resellers exceeds the total combined gross  
31 annual sales of vendors who are not farmers, processors, or resellers;

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

34 (E) No vendor is a franchisee.

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

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

4 (iv) "Reseller" means a natural person who buys agricultural  
5 products from a farmer and resells the products directly to the  
6 consumer.

7 ~~((+6+))~~ (7) Any microbrewery licensed under this section may  
8 contract-produce beer for another microbrewer. This contract-  
9 production is not a sale for the purposes of RCW 66.28.170 and  
10 66.28.180.

11 **Sec. 6.** RCW 66.24.240 and 2008 c 41 s 7 are each amended to read  
12 as follows:

13 (1) There shall be a license for domestic breweries; fee to be two  
14 thousand dollars for production of sixty thousand barrels or more of  
15 malt liquor per year.

16 (2) Any domestic brewery, except for a brand owner of malt  
17 beverages under RCW 66.04.010~~((+6+))~~ (7), licensed under this section  
18 may also act as a distributor and/or retailer for beer of its own  
19 production. Any domestic brewery operating as a distributor and/or  
20 retailer under this subsection shall comply with the applicable laws  
21 and rules relating to distributors and/or retailers. A domestic  
22 brewery holding a spirits, beer, and wine restaurant license may sell  
23 beer of its own production for off-premises consumption from its  
24 restaurant premises in kegs or in a sanitary container brought to the  
25 premises by the purchaser or furnished by the licensee and filled at  
26 the tap by the licensee at the time of sale.

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

32 (4) A domestic brewery may hold up to two retail licenses to  
33 operate an on or off-premise tavern, beer and/or wine restaurant, or  
34 spirits, beer, and wine restaurant. This retail license is separate  
35 from the brewery license. A brewery that holds a tavern license, a  
36 spirits, beer, and wine restaurant license, or a beer and/or wine

1 restaurant license shall hold the same privileges and endorsements as  
2 permitted under RCW 66.24.320, 66.24.330, and 66.24.420.

3 ~~((+4))~~ (5) Any domestic brewery licensed under this section may  
4 contract-produce beer for a brand owner of malt beverages defined under  
5 RCW 66.04.010~~((+6))~~ (7), and this contract-production is not a sale  
6 for the purposes of RCW 66.28.170 and 66.28.180.

7 ~~((+5))~~ (6)(a) A domestic brewery licensed under this section and  
8 qualified for a reduced rate of taxation pursuant to RCW  
9 66.24.290(3)(b) may apply to the board for an endorsement to sell  
10 bottled beer of its own production at retail for off-premises  
11 consumption at a qualifying farmers market. The annual fee for this  
12 endorsement is seventy-five dollars.

13 (b) For each month during which a domestic brewery will sell beer  
14 at a qualifying farmers market, the domestic brewery must provide the  
15 board or its designee a list of the dates, times, and locations at  
16 which bottled beer may be offered for sale. This list must be received  
17 by the board before the domestic brewery may offer beer for sale at a  
18 qualifying farmers market.

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

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

29 (e) Before a domestic brewery may sell bottled beer at a qualifying  
30 farmers market, the farmers market must apply to the board for  
31 authorization for any domestic brewery with an endorsement approved  
32 under this subsection to sell bottled beer at retail at the farmers  
33 market. This application shall include, at a minimum: (i) A map of  
34 the farmers market showing all booths, stalls, or other designated  
35 locations at which an approved domestic brewery may sell bottled beer;  
36 and (ii) the name and contact information for the on-site market  
37 managers who may be contacted by the board or its designee to verify  
38 the locations at which bottled beer may be sold. Before authorizing a

1 qualifying farmers market to allow an approved domestic brewery to sell  
2 bottled beer at retail at its farmers market location, the board shall  
3 notify the persons or entities of such application for authorization  
4 pursuant to RCW 66.24.010 (8) and (9). An authorization granted under  
5 this subsection (~~(+5+)~~) (6)(e) may be withdrawn by the board for any  
6 violation of this title or any rules adopted under this title.

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

10 (g) For the purposes of this subsection:

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

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

18 (B) The total combined gross annual sales of vendors who are  
19 farmers exceeds the total combined gross annual sales of vendors who  
20 are processors or resellers;

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

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

26 (E) No vendor is a franchisee.

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

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

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

**ADOPTED 04/05/2011**

1        On page 1, line 1 of the title, after "licenses;" strike the  
2 remainder of the title and insert "amending RCW 66.24.010, 66.24.410,  
3 66.24.371, and 66.24.240; and reenacting and amending RCW 66.04.010 and  
4 66.24.244."

EFFECT:    (1) Beer and/or wine specialty shop licensees with over 50% of beer and/or wine sales can get an endorsement to sell beer to purchasers who bring their own container and have it filled at the tap at the time of sale. The Liquor Control Board can waive the over 50% sales requirement if the beer and/or wine specialty shop licensee carries alcohol inventory worth over \$15,000.

(2) Allows domestic breweries and microbreweries to sell beer produced by other domestic breweries and microbreweries as long as the other breweries' brands do not exceed 25 percent of the breweries' on-tap offering of its own brands.

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