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ENGROSSED SECOND SUBSTITUTE SENATE BILL 5859

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State of Washington

60th Legislature

2007 Regular Session

By Senate Committee on Ways & Means (originally sponsored by Senators Kohl-Welles, Prentice, Clements and Murray; by request of Liquor Control Board)

READ FIRST TIME 03/05/07.

1 AN ACT Relating to retail liquor licenses; amending RCW 66.24.375,  
2 66.08.150, 66.24.244, 66.24.240, 66.44.310, 66.24.400, 66.08.180,  
3 66.08.220, 66.20.010, 66.20.310, 66.24.410, and 66.24.440; reenacting  
4 and amending RCW 66.28.010, 66.24.244, 66.24.240, 66.24.420, 66.24.320,  
5 66.04.010, and 66.24.420; adding a new section to chapter 66.24 RCW;  
6 providing effective dates; and providing an expiration date.

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

8 **Sec. 1.** RCW 66.24.375 and 1997 c 321 s 61 are each amended to read  
9 as follows:

10 "Society or organization" as used in RCW 66.24.380 means a not-for-  
11 profit group organized and operated (1) solely for charitable,  
12 religious, social, political, educational, civic, fraternal, athletic,  
13 or benevolent purposes, or (2) as a local wine industry association  
14 registered under section 501(c)(6) of the internal revenue code as it  
15 exists on the effective date of this section. No portion of the  
16 profits from events sponsored by a not-for-profit group may be paid  
17 directly or indirectly to members, officers, directors, or trustees  
18 except for services performed for the organization. Any compensation  
19 paid to its officers and executives must be only for actual services

1 and at levels comparable to the compensation for like positions within  
2 the state. A society or organization which is registered with the  
3 secretary of state or the federal internal revenue service as a  
4 nonprofit organization (~~may~~) shall submit such registration, upon  
5 request, as proof that it is a not-for-profit group.

6 **Sec. 2.** RCW 66.28.010 and 2006 c 330 s 28, 2006 c 92 s 1, and 2006  
7 c 43 s 1 are each reenacted and amended to read as follows:

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

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

23 (b) Nothing in this section shall prohibit a licensed domestic  
24 brewery or microbrewery from being licensed as a retailer pursuant to  
25 chapter 66.24 RCW for the purpose of selling beer or wine at retail on  
26 the brewery premises and at one additional off-site retail only  
27 location and nothing in this section shall prohibit a domestic winery  
28 from being licensed as a retailer pursuant to chapter 66.24 RCW for the  
29 purpose of selling beer or wine at retail on the winery premises. Such  
30 beer and wine so sold at retail shall be subject to the taxes imposed  
31 by RCW 66.24.290 and 66.24.210 and to reporting and bonding  
32 requirements as prescribed by regulations adopted by the board pursuant  
33 to chapter 34.05 RCW, and beer and wine that is not produced by the  
34 brewery or winery shall be purchased from a licensed beer or wine  
35 distributor.

36 (c) Nothing in this section shall prohibit a licensed distiller,  
37 domestic brewery, microbrewery, domestic winery, or a lessee of a  
38 licensed domestic brewer, microbrewery, or domestic winery, from being

1 licensed as a spirits, beer, and wine restaurant pursuant to chapter  
2 66.24 RCW for the purpose of selling liquor at a spirits, beer, and  
3 wine restaurant premises on the property on which the primary  
4 manufacturing facility of the licensed distiller, domestic brewer,  
5 microbrewery, or domestic winery is located or on contiguous property  
6 owned or leased by the licensed distiller, domestic brewer,  
7 microbrewery, or domestic winery as prescribed by rules adopted by the  
8 board pursuant to chapter 34.05 RCW. This section does not prohibit a  
9 brewery or microbrewery holding a spirits, beer, and wine restaurant  
10 license or a beer and/or wine license under chapter 66.24 RCW operated  
11 on the premises of the brewery or microbrewery from holding a second  
12 retail only license at a location separate from the premises of the  
13 brewery or microbrewery.

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

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

26 (f) Nothing in this section prohibits a bona fide charitable  
27 nonprofit society or association registered (~~as a~~) under section  
28 501(c)(3) (~~under~~) of the internal revenue code, or a local wine  
29 industry association registered under section 501(c)(6) of the internal  
30 revenue code as it exists on the effective date of this section, and  
31 having an officer, director, owner, or employee of a licensed domestic  
32 winery or a wine certificate of approval holder on its board of  
33 directors from holding a special occasion license under RCW 66.24.380.

34 (g) Nothing in this section prohibits domestic wineries and  
35 retailers licensed under chapter 66.24 RCW from jointly producing  
36 brochures and materials promoting tourism in Washington state which  
37 contain information regarding retail licensees, domestic wineries, and  
38 their products.

1 (h) Nothing in this section prohibits domestic wineries and retail  
2 licensees from identifying the wineries on private labels authorized  
3 under RCW 66.24.400, 66.24.425, and 66.24.450.

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

10 (2) Financial interest, direct or indirect, as used in this  
11 section, shall include any interest, whether by stock ownership,  
12 mortgage, lien, or through interlocking directors, or otherwise.  
13 Pursuant to rules promulgated by the board in accordance with chapter  
14 34.05 RCW manufacturers, distributors, and importers may perform, and  
15 retailers may accept the service of building, rotating and restocking  
16 case displays and stock room inventories; rotating and rearranging can  
17 and bottle displays of their own products; provide point of sale  
18 material and brand signs; price case goods of their own brands; and  
19 perform such similar normal business services as the board may by  
20 regulation prescribe.

21 (3)(a) This section does not prohibit a manufacturer, importer, or  
22 distributor from providing services to a special occasion licensee for:  
23 (i) Installation of draft beer dispensing equipment or advertising,  
24 (ii) advertising, pouring, or dispensing of beer or wine at a beer or  
25 wine tasting exhibition or judging event, or (iii) a special occasion  
26 licensee from receiving any such services as may be provided by a  
27 manufacturer, importer, or distributor. Nothing in this section shall  
28 prohibit a retail licensee, or any person financially interested,  
29 directly or indirectly, in such a retail licensee from having a  
30 financial interest, direct or indirect, in a business which provides,  
31 for a compensation commensurate in value to the services provided,  
32 bottling, canning or other services to a manufacturer, so long as the  
33 retail licensee or person interested therein has no direct financial  
34 interest in or control of said manufacturer.

35 (b) A person holding contractual rights to payment from selling a  
36 liquor distributor's business and transferring the license shall not be  
37 deemed to have a financial interest under this section if the person  
38 (i) lacks any ownership in or control of the distributor, (ii) is not

1 employed by the distributor, and (iii) does not influence or attempt to  
2 influence liquor purchases by retail liquor licensees from the  
3 distributor.

4 (c) The board shall adopt such rules as are deemed necessary to  
5 carry out the purposes and provisions of subsection (3)(a) of this  
6 section in accordance with the administrative procedure act, chapter  
7 34.05 RCW.

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

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

13 **Sec. 3.** RCW 66.08.150 and 2003 c 320 s 1 are each amended to read  
14 as follows:

15 The action, order, or decision of the board as to any denial of an  
16 application for the reissuance of a permit or license or as to any  
17 revocation, suspension, or modification of any permit or license shall  
18 be an adjudicative proceeding and subject to the applicable provisions  
19 of chapter 34.05 RCW.

20 (1) An opportunity for a hearing may be provided an applicant for  
21 the reissuance of a permit or license prior to the disposition of the  
22 application, and if no such opportunity for a prior hearing is provided  
23 then an opportunity for a hearing to reconsider the application must be  
24 provided the applicant.

25 (2) An opportunity for a hearing must be provided a permittee or  
26 licensee prior to a revocation or modification of any permit or license  
27 and, except as provided in subsection (4) of this section, prior to the  
28 suspension of any permit or license.

29 (3) No hearing shall be required until demanded by the applicant,  
30 permittee, or licensee.

31 (4) The board may summarily suspend a license or permit for a  
32 period of up to one hundred eighty days without a prior hearing if it  
33 finds that public health, safety, or welfare imperatively require  
34 emergency action, and it incorporates a finding to that effect in its  
35 order(~~(; and)~~). Proceedings for revocation or other action must be  
36 promptly instituted and determined. An administrative law judge may  
37 extend the summary suspension period for up to one calendar year in the

1 event the proceedings for revocation or other action cannot be  
2 completed during the initial one hundred eighty day period due to  
3 actions by the licensee or permittee. The board's enforcement division  
4 shall complete a preliminary staff investigation of the violation  
5 before requesting an emergency suspension by the board.

6 **Sec. 4.** RCW 66.24.244 and 2006 c 302 s 3 and 2006 c 44 s 2 are  
7 each reenacted and amended to read as follows:

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

11 (2) Any microbrewery license under this section may also act as a  
12 distributor and/or retailer for beer and strong beer of its own  
13 production. Any microbrewery licensed under this section may act as a  
14 distributor for beer of its own production. Strong beer may not be  
15 sold at a farmers market or under any endorsement which may authorize  
16 microbreweries to sell beer at farmers markets. Any microbrewery  
17 operating as a distributor and/or retailer under this subsection shall  
18 comply with the applicable laws and rules relating to distributors  
19 and/or retailers. A microbrewery holding a spirits, beer, and wine  
20 restaurant license may sell beer of its own production for off-premises  
21 consumption from its restaurant premises in kegs or in a sanitary  
22 container brought to the premises by the purchaser or furnished by the  
23 licensee and filled at the tap by the licensee at the time of sale.

24 ~~((+3))~~ (a) The board may issue an endorsement to this license  
25 allowing for on-premises consumption of beer, including strong beer,  
26 wine, or both of other manufacture if purchased from a Washington  
27 state-licensed distributor. Each endorsement shall cost two hundred  
28 dollars per year, or four hundred dollars per year allowing the sale  
29 and service of both beer and wine.

30 ~~((+4))~~ (b) The microbrewer obtaining such endorsement must  
31 determine, at the time the endorsement is issued, whether the licensed  
32 premises will be operated ~~((either))~~ as a tavern with persons under  
33 twenty-one years of age not allowed as provided for in RCW 66.24.330,  
34 or as a beer and/or wine restaurant as described in RCW 66.24.320.

35 ~~((+5))~~ (3) A microbrewery may hold a retail license under this  
36 chapter. This retail license is separate from the brewery license.  
37 The licensee may exercise any of the privileges and endorsements

1 granted under the retail license. If the licensee holds a separate  
2 license for a spirits, beer, and wine restaurant or a beer and/or wine  
3 license operated on the brewery premises, the licensee may hold a  
4 second retail license for a spirits, beer, and wine restaurant license  
5 or a beer and/or wine license at a location separate from the licensed  
6 brewery premises.

7 (4)(a) A microbrewery licensed under this section may apply to the  
8 board for an endorsement to sell bottled beer of its own production at  
9 retail for off-premises consumption at a qualifying farmers market.  
10 The annual fee for this endorsement is seventy-five dollars.

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

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

19 (d) Each approved location in a qualifying farmers market is deemed  
20 to be part of the microbrewery license for the purpose of this title.  
21 The approved locations under an endorsement granted under this  
22 subsection (~~((+5+))~~) (3) do not constitute the tasting or sampling  
23 privilege of a microbrewery. The microbrewery may not store beer at a  
24 farmers market beyond the hours that the microbrewery offers bottled  
25 beer for sale. The microbrewery may not act as a distributor from a  
26 farmers market location.

27 (e) Before a microbrewery may sell bottled beer at a qualifying  
28 farmers market, the farmers market must apply to the board for  
29 authorization for any microbrewery with an endorsement approved under  
30 this subsection (~~((+5+))~~) (3) to sell bottled beer at retail at the  
31 farmers market. This application shall include, at a minimum: (i) A  
32 map of the farmers market showing all booths, stalls, or other  
33 designated locations at which an approved microbrewery may sell bottled  
34 beer; and (ii) the name and contact information for the on-site market  
35 managers who may be contacted by the board or its designee to verify  
36 the locations at which bottled beer may be sold. Before authorizing a  
37 qualifying farmers market to allow an approved microbrewery to sell  
38 bottled beer at retail at its farmers market location, the board shall



1 notify the persons or entities of the application for authorization  
2 pursuant to RCW 66.24.010 (8) and (9). An authorization granted under  
3 this subsection (~~(+5+)~~) (3)(e) may be withdrawn by the board for any  
4 violation of this title or any rules adopted under this title.

5 (f) The board may adopt rules establishing the application and  
6 approval process under this section and any additional rules necessary  
7 to implement this section.

8 (g) For the purposes of this subsection (~~(+5+)~~) (3):

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

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

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

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

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

24 (E) No vendor is a franchisee.

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

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

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

35 **Sec. 5.** RCW 66.24.244 and 2006 c 44 s 2 are each amended to read  
36 as follows:

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

4 (2) Any microbrewery license under this section may also act as a  
5 distributor and/or retailer for beer and strong beer of its own  
6 production. Strong beer may not be sold at a farmers market or under  
7 any endorsement which may authorize microbreweries to sell beer at  
8 farmers markets. Any microbrewery operating as a distributor and/or  
9 retailer under this subsection shall comply with the applicable laws  
10 and rules relating to distributors and/or retailers. A microbrewery  
11 holding a spirits, beer, and wine restaurant license may sell beer of  
12 its own production for off-premises consumption from its restaurant  
13 premises in kegs or in a sanitary container brought to the premises by  
14 the purchaser or furnished by the licensee and filled at the tap by the  
15 licensee at the time of sale.

16 ~~((3))~~ (a) The board may issue an endorsement to this license  
17 allowing for on-premises consumption of beer, including strong beer,  
18 wine, or both of other manufacture if purchased from a Washington  
19 state-licensed distributor. Each endorsement shall cost two hundred  
20 dollars per year, or four hundred dollars per year allowing the sale  
21 and service of both beer and wine.

22 ~~((4))~~ (b) The microbrewer obtaining such endorsement must  
23 determine, at the time the endorsement is issued, whether the licensed  
24 premises will be operated ~~((either))~~ as a tavern with persons under  
25 twenty-one years of age not allowed as provided for in RCW 66.24.330,  
26 or as a beer and/or wine restaurant as described in RCW 66.24.320.

27 ~~((5))~~ (3) A microbrewery may hold a retail license under this  
28 chapter. This retail license is separate from the brewery license.  
29 The licensee may exercise any of the privileges and endorsements  
30 granted under the retail license. If the licensee holds a separate  
31 license for a spirits, beer, and wine restaurant or a beer and/or wine  
32 license operated on the brewery premises, the licensee may hold a  
33 second retail license for a spirits, beer, and wine restaurant license  
34 or a beer and/or wine license at a location separate from the licensed  
35 brewery premises.

36 (4)(a) A microbrewery licensed under this section may apply to the  
37 board for an endorsement to sell bottled beer of its own production at

1 retail for off-premises consumption at a qualifying farmers market.  
2 The annual fee for this endorsement is seventy-five dollars.

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

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

11 (d) Each approved location in a qualifying farmers market is deemed  
12 to be part of the microbrewery license for the purpose of this title.  
13 The approved locations under an endorsement granted under this  
14 subsection (~~((+5+))~~) (3) do not constitute the tasting or sampling  
15 privilege of a microbrewery. The microbrewery may not store beer at a  
16 farmers market beyond the hours that the microbrewery offers bottled  
17 beer for sale. The microbrewery may not act as a distributor from a  
18 farmers market location.

19 (e) Before a microbrewery may sell bottled beer at a qualifying  
20 farmers market, the farmers market must apply to the board for  
21 authorization for any microbrewery with an endorsement approved under  
22 this subsection (~~((+5+))~~) (3) to sell bottled beer at retail at the  
23 farmers market. This application shall include, at a minimum: (i) A  
24 map of the farmers market showing all booths, stalls, or other  
25 designated locations at which an approved microbrewery may sell bottled  
26 beer; and (ii) the name and contact information for the on-site market  
27 managers who may be contacted by the board or its designee to verify  
28 the locations at which bottled beer may be sold. Before authorizing a  
29 qualifying farmers market to allow an approved microbrewery to sell  
30 bottled beer at retail at its farmers market location, the board shall  
31 notify the persons or entities of the application for authorization  
32 pursuant to RCW 66.24.010 (8) and (9). An authorization granted under  
33 this subsection (~~((+5+))~~) (3)(e) may be withdrawn by the board for any  
34 violation of this title or any rules adopted under this title.

35 (f) The board may adopt rules establishing the application and  
36 approval process under this section and any additional rules necessary  
37 to implement this section.

38 (g) For the purposes of this subsection (~~((+5+))~~) (3):

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

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

8 (B) The total combined gross annual sales of vendors who are  
9 farmers exceeds the total combined gross annual sales of vendors who  
10 are processors or resellers;

11 (C) The total combined gross annual sales of vendors who are  
12 farmers, processors, or resellers exceeds the total combined gross  
13 annual sales of vendors who are not farmers, processors, or resellers;

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

16 (E) No vendor is a franchisee.

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

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

24 (iv) "Reseller" means a natural person who buys agricultural  
25 products from a farmer and resells the products directly to the  
26 consumer.

27 **Sec. 6.** RCW 66.24.240 and 2006 c 302 s 2 and 2006 c 44 s 1 are  
28 each reenacted and amended to read as follows:

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

32 (2) Any domestic brewery, except for a brand owner of malt  
33 beverages under RCW 66.04.010(6), licensed under this section may also  
34 act as a retailer for beer of its own production. Any domestic brewery  
35 licensed under this section may act as a distributor for beer of its  
36 own production. Any domestic brewery operating as a distributor and/or  
37 retailer under this subsection shall comply with the applicable laws

1 and rules relating to distributors and/or retailers. A domestic  
2 brewery holding a spirits, beer, and wine restaurant license may sell  
3 beer of its own production for off-premises consumption from its  
4 restaurant premises in kegs or in a sanitary container brought to the  
5 premises by the purchaser or furnished by the licensee and filled at  
6 the tap by the licensee at the time of sale.

7 (3) A domestic brewery may hold a retail license under this  
8 chapter. This retail license is separate from the brewery license.  
9 The licensee may exercise any of the privileges and endorsements  
10 granted under the retail license. If the licensee holds a separate  
11 license for a spirits, beer, and wine restaurant or a beer and/or wine  
12 restaurant operated on the brewery premises, the licensee may hold a  
13 second retail license for a spirits, beer, and wine restaurant license  
14 or a beer and/or wine restaurant license at a location separate from  
15 the brewery premises.

16 (4) Any domestic brewery licensed under this section may contract-  
17 produce beer for a brand owner of malt beverages defined under RCW  
18 66.04.010(6), and this contract-production is not a sale for the  
19 purposes of RCW 66.28.170 and 66.28.180.

20 ~~((4))~~ (5)(a) A domestic brewery licensed under this section and  
21 qualified for a reduced rate of taxation pursuant to RCW  
22 66.24.290(3)(b) may apply to the board for an endorsement to sell  
23 bottled beer of its own production at retail for off-premises  
24 consumption at a qualifying farmers market. The annual fee for this  
25 endorsement is seventy-five dollars.

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

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

34 (d) Each approved location in a qualifying farmers market is deemed  
35 to be part of the domestic brewery license for the purpose of this  
36 title. The approved locations under an endorsement granted under this  
37 subsection do not include the tasting or sampling privilege of a  
38 domestic brewery. The domestic brewery may not store beer at a farmers

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

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

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

23 (g) For the purposes of this subsection:

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

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

31 (B) The total combined gross annual sales of vendors who are  
32 farmers exceeds the total combined gross annual sales of vendors who  
33 are processors or resellers;

34 (C) The total combined gross annual sales of vendors who are  
35 farmers, processors, or resellers exceeds the total combined gross  
36 annual sales of vendors who are not farmers, processors, or resellers;

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

1 (E) No vendor is a franchisee.

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

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

9 (iv) "Reseller" means a natural person who buys agricultural  
10 products from a farmer and resells the products directly to the  
11 consumer.

12 **Sec. 7.** RCW 66.24.240 and 2006 c 44 s 1 are each amended to read  
13 as follows:

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

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

28 (3) A domestic brewery may hold a retail license under this  
29 chapter. This retail license is separate from the brewery license.  
30 The licensee may exercise any of the privileges and endorsements  
31 granted under the retail license. If the licensee holds a separate  
32 license for a spirits, beer, and wine restaurant or a beer and/or wine  
33 restaurant operated on the brewery premises, the licensee may hold a  
34 second retail license for a spirits, beer, and wine restaurant license  
35 or a beer and/or wine restaurant license at a location separate from  
36 the brewery premises.

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

5       (~~(4)~~) (5)(a) A domestic brewery licensed under this section and  
6 qualified for a reduced rate of taxation pursuant to RCW  
7 66.24.290(3)(b) may apply to the board for an endorsement to sell  
8 bottled beer of its own production at retail for off-premises  
9 consumption at a qualifying farmers market. The annual fee for this  
10 endorsement is seventy-five dollars.

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

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

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

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



1 notify the persons or entities of such application for authorization  
2 pursuant to RCW 66.24.010 (8) and (9). An authorization granted under  
3 this subsection (~~(4)~~) (5)(e) may be withdrawn by the board for any  
4 violation of this title or any rules adopted under this title.

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

8 (g) For the purposes of this subsection:

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

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

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

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

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

24 (E) No vendor is a franchisee.

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

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

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

35 **Sec. 8.** RCW 66.24.420 and 2006 c 101 s 3 and 2006 c 85 s 1 are  
36 each reenacted and amended to read as follows:

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

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

6	Less than 50% dedicated dining area	\$2,000
7	50% or more dedicated dining area	\$1,600
8	Service bar only	\$1,000

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

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

29 (d) Where the license shall be issued to any corporation,  
30 association, or person operating dining places at a publicly or  
31 privately owned civic or convention center with facilities for sports,  
32 entertainment, or conventions, or a combination thereof, with more than  
33 one place where liquor is to be dispensed and sold, such license shall  
34 be issued upon the payment of the annual fee, which shall be a master  
35 license and shall permit such sale within and from one such place.  
36 Such license may be extended to additional places on the premises at  
37 the discretion of the board and a duplicate license may be issued for

1 each such additional place. The holder of a master license for a  
2 dining place at such a publicly or privately owned civic or convention  
3 center must maintain in a substantial manner at least one place on the  
4 premises for preparing, cooking, and serving of complete meals, and  
5 food service shall be available on request in other licensed places on  
6 the premises. An additional license fee of ten dollars shall be  
7 required for such duplicate licenses.

8 (e) Where the license shall be issued to any corporation,  
9 association or person operating more than one building containing  
10 dining places at privately owned facilities which are open to the  
11 public and where there is a continuity of ownership of all adjacent  
12 property, such license shall be issued upon the payment of an annual  
13 fee which shall be a master license and shall permit such sale within  
14 and from one such place. Such license may be extended to the  
15 additional dining places on the property or, in the case of a spirits,  
16 beer, and wine restaurant licensed hotel, property owned or controlled  
17 by leasehold interest by that hotel for use as a conference or  
18 convention center or banquet facility open to the general public for  
19 special events in the same metropolitan area, at the discretion of the  
20 board and a duplicate license may be issued for each additional place.  
21 The holder of the master license for the dining place shall not offer  
22 alcoholic beverages for sale, service, and consumption at the  
23 additional place unless food service is available at both the location  
24 of the master license and the duplicate license. An additional license  
25 fee of twenty dollars shall be required for such duplicate licenses.

26 (2) The board, so far as in its judgment is reasonably possible,  
27 shall confine spirits, beer, and wine restaurant licenses to the  
28 business districts of cities and towns and other communities, and not  
29 grant such licenses in residential districts, nor within the immediate  
30 vicinity of schools, without being limited in the administration of  
31 this subsection to any specific distance requirements.

32 (3) The board shall have discretion to issue spirits, beer, and  
33 wine restaurant licenses outside of cities and towns in the state of  
34 Washington. The purpose of this subsection is to enable the board, in  
35 its discretion, to license in areas outside of cities and towns and  
36 other communities, establishments which are operated and maintained  
37 primarily for the benefit of tourists, vacationers and travelers, and

1 also golf and country clubs, and common carriers operating dining, club  
2 and buffet cars, or boats.

3 (4) The total number of spirits, beer, and wine restaurant licenses  
4 issued in the state of Washington by the board, not including spirits,  
5 beer, and wine private club licenses, shall not in the aggregate at any  
6 time exceed one license for each one thousand (~~(four)~~) three hundred  
7 (~~(fifty)~~) of population in the state, determined according to the  
8 yearly population determination developed by the office of financial  
9 management pursuant to RCW 43.62.030.

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

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

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

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

1       (d) The holder of this license with a caterer's endorsement may,  
2 under conditions established by the board, store liquor on other  
3 premises operated by the licensee so long as the other premises are  
4 owned or controlled by a leasehold interest by that licensee. A  
5 duplicate license may be issued for each additional premises. A  
6 license fee of twenty dollars shall be required for such duplicate  
7 licenses.

8       (7) Licensees under this section that hold a caterer's endorsement  
9 are allowed to use this endorsement on a domestic winery premises or on  
10 the premises of a passenger vessel and may store liquor at such  
11 premises under conditions established by the board under the following  
12 conditions:

13       (a) Agreements between the domestic winery or passenger vessel, as  
14 the case may be, and the retail licensee shall be in writing, contain  
15 no exclusivity clauses regarding the (~~alcohol~~) alcoholic beverages to  
16 be served, and be filed with the board; and

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

20       **Sec. 9.** RCW 66.24.320 and 2006 c 362 s 1 and 2006 c 101 s 2 are  
21 each reenacted and amended to read as follows:

22       There shall be a beer and/or wine restaurant license to sell beer,  
23 including strong beer, or wine, or both, at retail, for consumption on  
24 the premises. A patron of the licensee may remove from the premises,  
25 recorked or recapped in its original container, any portion of wine  
26 that was purchased for consumption with a meal.

27       (1) The annual fee shall be two hundred dollars for the beer  
28 license, two hundred dollars for the wine license, or four hundred  
29 dollars for a combination beer and wine license.

30       (2)(a) The board may issue a caterer's endorsement to this license  
31 to allow the licensee to remove from the liquor stocks at the licensed  
32 premises, only those types of liquor that are authorized under the on-  
33 premises license privileges for sale and service at event locations at  
34 a specified date and, except as provided in (~~subsection (3) of~~) this  
35 section, place not currently licensed by the board. If the event is  
36 open to the public, it must be sponsored by a society or organization  
37 as defined by RCW 66.24.375. If attendance at the event is limited to

1 members or invited guests of the sponsoring individual, society, or  
2 organization, the requirement that the sponsor must be a society or  
3 organization as defined by RCW 66.24.375 is waived. Cost of the  
4 endorsement is three hundred fifty dollars.

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

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

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

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

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

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

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

6 **Sec. 10.** RCW 66.04.010 and 2006 c 225 s 1 and 2006 c 101 s 1 are  
7 each reenacted and amended to read as follows:

8 In this title, unless the context otherwise requires:

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

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

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

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

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

27 (d) Is appointed by the brewery or winery referenced in (c) of this  
28 subsection as its exclusive authorized representative for marketing and  
29 selling its products within the United States in accordance with a  
30 written agreement between the authorized representative and such  
31 brewery or winery pursuant to this title. The board may waive the  
32 requirement for the written agreement of exclusivity in situations  
33 consistent with the normal marketing practices of certain products,  
34 such as classified growths.

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

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

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) "Consume" includes the putting of liquor to any use, whether by  
24 drinking or otherwise.

25 (10) "Contract liquor store" means a business that sells liquor on  
26 behalf of the board through a contract with a contract liquor store  
27 manager.

28 (11) "Dentist" means a practitioner of dentistry duly and regularly  
29 licensed and engaged in the practice of his profession within the state  
30 pursuant to chapter 18.32 RCW.

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

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

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

37 (15) "Druggist" means any person who holds a valid certificate and



1 is a registered pharmacist and is duly and regularly engaged in  
2 carrying on the business of pharmaceutical chemistry pursuant to  
3 chapter 18.64 RCW.

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

8 (17) "Employee" means any person employed by the board.

9 (18) "Flavored malt beverage" means:

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

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

18 (19) "Fund" means 'liquor revolving fund.'

19 (20) "Hotel" means (~~every building or other structure~~) buildings,  
20 structures, and grounds, having facilities for preparing, cooking, and  
21 serving food, that are kept, used, maintained, advertised, or held out  
22 to the public to be a place where food is served and sleeping  
23 accommodations are offered for pay to transient guests, in which twenty  
24 or more rooms are used for the sleeping accommodation of such transient  
25 guests (~~and having one or more dining rooms where meals are served to~~  
26 such transient guests, such sleeping accommodations and dining rooms  
27 being conducted in the same building and buildings, in connection  
28 therewith, and such structure or structures being provided, in the  
29 judgment of the board, with adequate and sanitary kitchen and dining  
30 room equipment and capacity, for preparing, cooking and serving  
31 suitable food for its guests: PROVIDED FURTHER, That in cities and  
32 towns of less than five thousand population, the board shall have  
33 authority to waive the provisions requiring twenty or more rooms)).  
34 The buildings, structures, and grounds must be located on adjacent  
35 property either owned or leased by the same person or persons.

36 (21) "Importer" means a person who buys distilled spirits from a  
37 distillery outside the state of Washington and imports such spirituous  
38 liquor into the state for sale to the board or for export.

1 (22) "Imprisonment" means confinement in the county jail.

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

14 (24) "Manufacturer" means a person engaged in the preparation of  
15 liquor for sale, in any form whatsoever.

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

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

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

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

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

32 (30) "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 (31) "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 (32) "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 (33) "Regulations" means regulations made by the board under the  
17 powers conferred by this title.

18 (34) "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 (35) "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 (36) "Soda fountain" means a place especially equipped with  
35 apparatus for the purpose of dispensing soft drinks, whether mixed or  
36 otherwise.

37 (37) "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 (38) "Store" means a state liquor store established under this  
4 title.

5 (39) "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 (40) "Winery" means a business conducted by any person for the  
9 manufacture of wine for sale, other than a domestic winery.

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

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

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

36 (43) "Wine importer" means a person or business within Washington  
37 who purchases wine from a wine certificate of approval holder or who

1 acquires foreign produced wine from a source outside of the United  
2 States for the purpose of selling the same pursuant to this title.

3 NEW SECTION. **Sec. 11.** A new section is added to chapter 66.24 RCW  
4 to read as follows:

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

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

11 (a) Sell spiritous liquor, beer, and wine, by the individual glass,  
12 at retail, for consumption on the premises, including mixed drinks and  
13 cocktails compounded and mixed on the premises, at dining places in the  
14 hotel.

15 (b) Sell, at retail, from locked honor bars, in individual units,  
16 spirits not to exceed fifty milliliters, beer in individual units not  
17 to exceed twelve ounces, and wine in individual bottles not to exceed  
18 three hundred eighty-five milliliters, to registered guests of the  
19 hotel for consumption in guest rooms. The licensee shall require proof  
20 of age from the guest renting a guest room and requesting the use of an  
21 honor bar. The guest shall also execute an affidavit verifying that no  
22 one under twenty-one years of age shall have access to the spirits,  
23 beer, and wine in the honor bar;

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

28 (d) Sell beer, including strong beer, wine, or spirits, in the  
29 manufacturer's sealed container or by the individual drink to guests  
30 through room service, or through service to occupants of private  
31 residential units;

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

35 (f) Sell for on or off-premises consumption, including through room  
36 service and service to occupants of private residential units managed

1 by the hotel, wine carrying a label exclusive to the hotel license  
2 holder;

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

7 (3) If all or any facilities for alcoholic beverage service and the  
8 preparation, cooking, and serving of food are operated under contract  
9 or joint venture agreement, the operator may hold a license separate  
10 from the license held by the operator of the hotel. Food and beverage  
11 inventory used in separate licensed operations at the hotel may not be  
12 shared and shall be separately owned and stored by the separate  
13 licensees.

14 (4) All spirits to be sold under this license must be purchased  
15 from the board.

16 (5) All on-premise alcoholic beverage service must be done by an  
17 alcohol server as defined in RCW 66.20.300 and must comply with RCW  
18 66.20.310.

19 (6)(a) The hotel license allows the licensee to remove from the  
20 liquor stocks at the licensed premises, liquor for sale and service at  
21 event locations at a specified date and place not currently licensed by  
22 the board. If the event is open to the public, it must be sponsored by  
23 a society or organization as defined by RCW 66.24.375. If attendance  
24 at the event is limited to members or invited guests of the sponsoring  
25 individual, society, or organization, the requirement that the sponsor  
26 must be a society or organization as defined by RCW 66.24.375 is  
27 waived.

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

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

35 (7) The holder of this license or its manager may furnish spirits,  
36 beer, or wine to the licensee's employees who are twenty-one years of  
37 age or older free of charge as may be required for use in connection  
38 with instruction on spirits, beer, and wine. The instruction may

1 include the history, nature, values, and characteristics of spirits,  
2 beer, or wine, the use of wine lists, and the methods of presenting,  
3 serving, storing, and handling spirits, beer, or wine. The licensee  
4 must use the beer or wine it obtains under its license for the sampling  
5 as part of the instruction. The instruction must be given on the  
6 premises of the licensee.

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

13 (9) The annual fee for this license is two thousand dollars.

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

16 **Sec. 12.** RCW 66.44.310 and 1998 c 126 s 14 are each amended to  
17 read as follows:

18 (1) Except as otherwise provided by RCW 66.44.316 (~~and~~),  
19 66.44.350, and section 11 of this act, it shall be a misdemeanor:

20 (a) To serve or allow to remain in any area classified by the board  
21 as off-limits to any person under the age of twenty-one years;

22 (b) For any person under the age of twenty-one years to enter or  
23 remain in any area classified as off-limits to such a person, but  
24 persons under twenty-one years of age may pass through a restricted  
25 area in a facility holding a spirits, beer, and wine private club  
26 license;

27 (c) For any person under the age of twenty-one years to represent  
28 his or her age as being twenty-one or more years for the purpose of  
29 purchasing liquor or securing admission to, or remaining in any area  
30 classified by the board as off-limits to such a person.

31 (2) The Washington state liquor control board shall have the power  
32 and it shall be its duty to classify licensed premises or portions of  
33 licensed premises as off-limits to persons under the age of twenty-one  
34 years of age.

35 **Sec. 13.** RCW 66.24.400 and 2005 c 152 s 2 are each amended to read  
36 as follows:

1 (1) There shall be a retailer's license, to be known and designated  
2 as a spirits, beer, and wine restaurant license, to sell spirituous  
3 liquor by the individual glass, beer, and wine, at retail, for  
4 consumption on the premises, including mixed drinks and cocktails  
5 compounded or mixed on the premises only(~~(: PROVIDED, That a hotel,~~  
6 ~~or)~~). A club licensed under chapter 70.62 RCW with overnight sleeping  
7 accommodations, that is licensed under this section may sell liquor by  
8 the bottle to registered guests of the (~~hotel or~~) club for  
9 consumption in guest rooms, hospitality rooms, or at banquets in the  
10 (~~hotel or~~) club(~~(: PROVIDED FURTHER, That)~~). A patron of a bona  
11 fide (~~hotel,~~) restaurant(~~(, hotels)~~) or club licensed under this section may  
12 remove from the premises recorked or recapped in its original container  
13 any portion of wine which was purchased for consumption with a meal,  
14 and registered guests who have purchased liquor from the (~~hotel or~~)  
15 club by the bottle may remove from the premises any unused portion of  
16 such liquor in its original container. Such license may be issued only  
17 to bona fide restaurants(~~(, hotels)~~) and clubs, and to dining, club and  
18 buffet cars on passenger trains, and to dining places on passenger  
19 boats and airplanes, and to dining places at civic centers with  
20 facilities for sports, entertainment, and conventions, and to such  
21 other establishments operated and maintained primarily for the benefit  
22 of tourists, vacationers and travelers as the board shall determine are  
23 qualified to have, and in the discretion of the board should have, a  
24 spirits, beer, and wine restaurant license under the provisions and  
25 limitations of this title.

26 (2) The board may issue an endorsement to the spirits, beer, and  
27 wine restaurant license that allows the holder of a spirits, beer, and  
28 wine restaurant license to sell for off-premises consumption wine  
29 vinted and bottled in the state of Washington and carrying a label  
30 exclusive to the license holder selling the wine. Spirits and beer may  
31 not be sold for off-premises consumption under this section. The  
32 annual fee for the endorsement under this subsection is one hundred  
33 twenty dollars.

34 (3) The holder of a spirits, beer, and wine license or its manager  
35 may furnish beer, wine, or spirituous liquor to the licensee's  
36 employees free of charge as may be required for use in connection with  
37 instruction on beer, wine, or spirituous liquor. The instruction may  
38 include the history, nature, values, and characteristics of beer, wine,



1 or spirituous liquor, the use of wine lists, and the methods of  
2 presenting, serving, storing, and handling beer, wine, and spirituous  
3 liquor. The spirits, beer, and wine restaurant licensee must use the  
4 beer, wine, or spirituous liquor it obtains under its license for the  
5 sampling as part of the instruction. The instruction must be given on  
6 the premises of the spirits, beer, and wine restaurant licensee.

7 **Sec. 14.** RCW 66.08.180 and 2000 c 192 s 1 are each amended to read  
8 as follows:

9 Except as provided in RCW 66.24.290(1), moneys in the liquor  
10 revolving fund shall be distributed by the board at least once every  
11 three months in accordance with RCW 66.08.190, 66.08.200 and 66.08.210:  
12 PROVIDED, That the board shall reserve from distribution such amount  
13 not exceeding five hundred thousand dollars as may be necessary for the  
14 proper administration of this title.

15 (1) All license fees, penalties and forfeitures derived under  
16 chapter 13, Laws of 1935 from spirits, beer, and wine restaurant;  
17 spirits, beer, and wine private club; hotel; and sports entertainment  
18 facility licenses or spirits, beer, and wine restaurant; spirits, beer,  
19 and wine private club; and sports entertainment facility licensees  
20 shall every three months be disbursed by the board as follows:

21 (a) Three hundred thousand dollars per biennium, to the death  
22 investigations account for the state toxicology program pursuant to RCW  
23 68.50.107; and

24 (b) Of the remaining funds:

25 (i) 6.06 percent to the University of Washington and 4.04 percent  
26 to Washington State University for alcoholism and drug abuse research  
27 and for the dissemination of such research; and

28 (ii) 89.9 percent to the general fund to be used by the department  
29 of social and health services solely to carry out the purposes of RCW  
30 70.96A.050;

31 (2) The first fifty-five dollars per license fee provided in RCW  
32 66.24.320 and 66.24.330 up to a maximum of one hundred fifty thousand  
33 dollars annually shall be disbursed every three months by the board to  
34 the general fund to be used for juvenile alcohol and drug prevention  
35 programs for kindergarten through third grade to be administered by the  
36 superintendent of public instruction;

1 (3) Twenty percent of the remaining total amount derived from  
2 license fees pursuant to RCW 66.24.320, 66.24.330, 66.24.350, and  
3 66.24.360, shall be transferred to the general fund to be used by the  
4 department of social and health services solely to carry out the  
5 purposes of RCW 70.96A.050; and

6 (4) One-fourth cent per liter of the tax imposed by RCW 66.24.210  
7 shall every three months be disbursed by the board to Washington State  
8 University solely for wine and wine grape research, extension programs  
9 related to wine and wine grape research, and resident instruction in  
10 both wine grape production and the processing aspects of the wine  
11 industry in accordance with RCW 28B.30.068. The director of financial  
12 management shall prescribe suitable accounting procedures to ensure  
13 that the funds transferred to the general fund to be used by the  
14 department of social and health services and appropriated are  
15 separately accounted for.

16 **Sec. 15.** RCW 66.08.220 and 1999 c 281 s 2 are each amended to read  
17 as follows:

18 The board shall set aside in a separate account in the liquor  
19 revolving fund an amount equal to ten percent of its gross sales of  
20 liquor to spirits, beer, and wine restaurant; spirits, beer, and wine  
21 private club; hotel; and sports entertainment facility licensees  
22 collected from these licensees pursuant to the provisions of RCW  
23 82.08.150, less the fifteen percent discount provided for in RCW  
24 66.24.440; and the moneys in said separate account shall be distributed  
25 in accordance with the provisions of RCW 66.08.190, 66.08.200 and  
26 66.08.210(~~(: PROVIDED, HOWEVER, That)~~). No election unit in which the  
27 sale of liquor under spirits, beer, and wine restaurant; spirits, beer,  
28 and wine private club; and sports entertainment facility licenses is  
29 unlawful shall be entitled to share in the distribution of moneys from  
30 such separate account.

31 **Sec. 16.** RCW 66.20.010 and 1998 c 126 s 1 are each amended to read  
32 as follows:

33 Upon application in the prescribed form being made to any employee  
34 authorized by the board to issue permits, accompanied by payment of the  
35 prescribed fee, and upon the employee being satisfied that the  
36 applicant should be granted a permit under this title, the employee

1 shall issue to the applicant under such regulations and at such fee as  
2 may be prescribed by the board a permit of the class applied for, as  
3 follows:

4 (1) Where the application is for a special permit by a physician or  
5 dentist, or by any person in charge of an institution regularly  
6 conducted as a hospital or sanitorium for the care of persons in ill  
7 health, or as a home devoted exclusively to the care of aged people, a  
8 special liquor purchase permit;

9 (2) Where the application is for a special permit by a person  
10 engaged within the state in mechanical or manufacturing business or in  
11 scientific pursuits requiring alcohol for use therein, or by any  
12 private individual, a special permit to purchase alcohol for the  
13 purpose named in the permit;

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

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

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

26 (6) Where the application is for a special permit by a person  
27 operating a drug store to purchase liquor at retail prices only, to be  
28 thereafter sold by such person on the prescription of a physician, a  
29 special liquor purchase permit;

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

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

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

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

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

35 **Sec. 17.** RCW 66.20.310 and 1997 c 321 s 45 are each amended to  
36 read as follows:

1 (1)(a) There shall be an alcohol server permit, known as a class 12  
2 permit, for a manager or bartender selling or mixing alcohol, spirits,  
3 wines, or beer for consumption at an on-premises licensed facility.

4 (b) There shall be an alcohol server permit, known as a class 13  
5 permit, for a person who only serves alcohol, spirits, wines, or beer  
6 for consumption at an on-premises licensed facility.

7 (c) As provided by rule by the board, a class 13 permit holder may  
8 be allowed to act as a bartender without holding a class 12 permit.

9 (2)(a) Effective January 1, 1997, except as provided in (d) of this  
10 subsection, every person employed, under contract or otherwise, by an  
11 annual retail liquor licensee holding a license as authorized by RCW  
12 66.24.320, 66.24.330, 66.24.350, 66.24.400, 66.24.425, 66.24.450,  
13 section 11 of this act, or 66.24.570, who as part of his or her  
14 employment participates in any manner in the sale or service of  
15 alcoholic beverages shall have issued to them a class 12 or class 13  
16 permit.

17 (b) Every class 12 and class 13 permit issued shall be issued in  
18 the name of the applicant and no other person may use the permit of  
19 another permit holder. The holder shall present the permit upon  
20 request to inspection by a representative of the board or a peace  
21 officer. The class 12 or class 13 permit shall be valid for employment  
22 at any retail licensed premises described in (a) of this subsection.

23 (c) No licensee described in (a) of this subsection, except as  
24 provided in (d) of this subsection, may employ or accept the services  
25 of any person without the person first having a valid class 12 or class  
26 13 permit.

27 (d) Within sixty days of initial employment, every person whose  
28 duties include the compounding, sale, service, or handling of liquor  
29 shall have a class 12 or class 13 permit.

30 (e) No person may perform duties that include the sale or service  
31 of alcoholic beverages on a retail licensed premises without possessing  
32 a valid alcohol server permit.

33 (3) A permit issued by a training entity under this section is  
34 valid for employment at any retail licensed premises described in  
35 subsection (2)(a) of this section for a period of five years unless  
36 suspended by the board.

37 (4) The board may suspend or revoke an existing permit if any of  
38 the following occur:

1 (a) The applicant or permittee has been convicted of violating any  
2 of the state or local intoxicating liquor laws of this state or has  
3 been convicted at any time of a felony; or

4 (b) The permittee has performed or permitted any act that  
5 constitutes a violation of this title or of any rule of the board.

6 (5) The suspension or revocation of a permit under this section  
7 does not relieve a licensee from responsibility for any act of the  
8 employee or agent while employed upon the retail licensed premises.  
9 The board may, as appropriate, revoke or suspend either the permit of  
10 the employee who committed the violation or the license of the licensee  
11 upon whose premises the violation occurred, or both the permit and the  
12 license.

13 (6)(a) After January 1, 1997, it is a violation of this title for  
14 any retail licensee or agent of a retail licensee as described in  
15 subsection (2)(a) of this section to employ in the sale or service of  
16 alcoholic beverages, any person who does not have a valid alcohol  
17 server permit or whose permit has been revoked, suspended, or denied.

18 (b) It is a violation of this title for a person whose alcohol  
19 server permit has been denied, suspended, or revoked to accept  
20 employment in the sale or service of alcoholic beverages.

21 (7) Grocery stores licensed under RCW 66.24.360, the primary  
22 commercial activity of which is the sale of grocery products and for  
23 which the sale and service of beer and wine for on-premises consumption  
24 with food is incidental to the primary business, and employees of such  
25 establishments, are exempt from RCW 66.20.300 through 66.20.350.

26 **Sec. 18.** RCW 66.24.410 and 1983 c 3 s 164 are each amended to read  
27 as follows:

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

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

1 and serving of complete meals. The service of only fry orders or such  
2 food and victuals as sandwiches, hamburgers, or salads shall not be  
3 deemed in compliance with this definition.

4 (3) "Hotel," "clubs," "wine" and "beer" are used in RCW 66.24.400  
5 to 66.24.450, inclusive, with the meaning given in chapter 66.04 RCW(  
6 ~~PROVIDED, That any such hotel shall be provided with special space and~~  
7 ~~accommodations where, in consideration of payment, food is habitually~~  
8 ~~furnished to the public: PROVIDED FURTHER, That the board shall be~~  
9 ~~satisfied that such hotel is maintained in a substantial manner as a~~  
10 ~~place for preparing, cooking and serving of complete meals. The~~  
11 ~~service of only fry orders, sandwiches, hamburgers, or salads shall not~~  
12 ~~be deemed in compliance with this definition)).~~

13 **Sec. 19.** RCW 66.24.420 and 2006 c 101 s 3 and 2006 c 85 s 1 are  
14 each reenacted and amended to read as follows:

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

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

20	Less than 50% dedicated dining area	\$2,000
21	50% or more dedicated dining area	\$1,600
22	Service bar only	\$1,000

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

28 (c) Where the license shall be issued to any corporation,  
29 association or person operating a bona fide restaurant in an airport  
30 terminal facility providing service to transient passengers with more  
31 than one place where liquor is to be dispensed and sold, such license  
32 shall be issued upon the payment of the annual fee, which shall be a  
33 master license and shall permit such sale within and from one such  
34 place. Such license may be extended to additional places on the  
35 premises at the discretion of the board and a duplicate license may be  
36 issued for each such additional place. The holder of a master license

1 for a restaurant in an airport terminal facility must maintain in a  
2 substantial manner at least one place on the premises for preparing,  
3 cooking, and serving of complete meals, and such food service shall be  
4 available on request in other licensed places on the premises. An  
5 additional license fee of twenty-five percent of the annual master  
6 license fee shall be required for such duplicate licenses.

7 (d) Where the license shall be issued to any corporation,  
8 association, or person operating dining places at a publicly or  
9 privately owned civic or convention center with facilities for sports,  
10 entertainment, or conventions, or a combination thereof, with more than  
11 one place where liquor is to be dispensed and sold, such license shall  
12 be issued upon the payment of the annual fee, which shall be a master  
13 license and shall permit such sale within and from one such place.  
14 Such license may be extended to additional places on the premises at  
15 the discretion of the board and a duplicate license may be issued for  
16 each such additional place. The holder of a master license for a  
17 dining place at such a publicly or privately owned civic or convention  
18 center must maintain in a substantial manner at least one place on the  
19 premises for preparing, cooking, and serving of complete meals, and  
20 food service shall be available on request in other licensed places on  
21 the premises. An additional license fee of ten dollars shall be  
22 required for such duplicate licenses.

23 ~~((e) Where the license shall be issued to any corporation,~~  
24 ~~association or person operating more than one building containing~~  
25 ~~dining places at privately owned facilities which are open to the~~  
26 ~~public and where there is a continuity of ownership of all adjacent~~  
27 ~~property, such license shall be issued upon the payment of an annual~~  
28 ~~fee which shall be a master license and shall permit such sale within~~  
29 ~~and from one such place. Such license may be extended to the~~  
30 ~~additional dining places on the property or, in the case of a spirits,~~  
31 ~~beer, and wine restaurant licensed hotel, property owned or controlled~~  
32 ~~by leasehold interest by that hotel for use as a conference or~~  
33 ~~convention center or banquet facility open to the general public for~~  
34 ~~special events in the same metropolitan area, at the discretion of the~~  
35 ~~board and a duplicate license may be issued for each additional place.~~  
36 ~~The holder of the master license for the dining place shall not offer~~  
37 ~~alcoholic beverages for sale, service, and consumption at the~~



1 ~~additional place unless food service is available at both the location~~  
2 ~~of the master license and the duplicate license. An additional license~~  
3 ~~fee of twenty dollars shall be required for such duplicate licenses.)~~

4 (2) The board, so far as in its judgment is reasonably possible,  
5 shall confine spirits, beer, and wine restaurant licenses to the  
6 business districts of cities and towns and other communities, and not  
7 grant such licenses in residential districts, nor within the immediate  
8 vicinity of schools, without being limited in the administration of  
9 this subsection to any specific distance requirements.

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

18 (4) The total number of spirits, beer, and wine restaurant licenses  
19 issued in the state of Washington by the board, not including spirits,  
20 beer, and wine private club licenses, shall not in the aggregate at any  
21 time exceed one license for each one thousand four hundred fifty of  
22 population in the state, determined according to the yearly population  
23 determination developed by the office of financial management pursuant  
24 to RCW 43.62.030.

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

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

1 organization, the requirement that the sponsor must be a society or  
2 organization as defined by RCW 66.24.375 is waived. Cost of the  
3 endorsement is three hundred fifty dollars.

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

10 (7) Licensees under this section that hold a caterer's endorsement  
11 are allowed to use this endorsement on a domestic winery premises or on  
12 the premises of a passenger vessel under the following conditions:

13 (a) Agreements between the domestic winery or passenger vessel, as  
14 the case may be, and the retail licensee shall be in writing, contain  
15 no exclusivity clauses regarding the alcohol beverages to be served,  
16 and be filed with the board; and

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

20 **Sec. 20.** RCW 66.24.440 and 1998 c 126 s 8 are each amended to read  
21 as follows:

22 Each spirits, beer, and wine restaurant, spirits, beer, and wine  
23 private club, hotel, and sports entertainment facility licensee shall  
24 be entitled to purchase any spirituous liquor items salable under such  
25 license from the board at a discount of not less than fifteen percent  
26 from the retail price fixed by the board, together with all taxes.

27 NEW SECTION. **Sec. 21.** Sections 4 and 6 of this act expire June  
28 30, 2008.

29 NEW SECTION. **Sec. 22.** Sections 5 and 7 of this act take effect  
30 June 30, 2008.

31 NEW SECTION. **Sec. 23.** Sections 10 through 20 of this act take  
32 effect July 1, 2008.

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