

SENATE BILL 6840

State of Washington

61st Legislature

2010 Regular Session

By Senator Tom

Read first time 02/04/10. Referred to Committee on Ways & Means.

1 AN ACT Relating to privatizing the sale of liquor; amending RCW  
2 66.08.020, 66.08.026, 66.08.030, 66.08.050, 66.08.060, 66.12.110,  
3 66.12.120, 66.12.140, 66.20.010, 66.20.160, 66.20.170, 66.20.180,  
4 66.20.190, 66.20.200, 66.20.210, 66.24.160, 66.24.360, 66.24.360,  
5 66.24.371, 66.24.380, 66.40.140, 66.44.120, 66.44.150, and 66.44.160;  
6 reenacting and amending RCW 66.04.010 and 66.24.371; adding new  
7 sections to chapter 66.24 RCW; adding a new section to chapter 66.08  
8 RCW; creating a new section; repealing RCW 66.08.070, 66.08.075,  
9 66.08.160, 66.08.165, 66.08.166, 66.08.167, 66.08.220, 66.08.235,  
10 66.16.010, 66.16.040, 66.16.041, 66.16.050, 66.16.060, 66.16.070,  
11 66.16.090, 66.16.100, 66.16.110, 66.16.120, and 66.28.180; providing  
12 effective dates; providing an expiration date; and declaring an  
13 emergency.

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

15 PART I

16 RETAIL SALE OF SPIRITS

17 NEW SECTION. Sec. 101. (1) The legislature intends for  
18 privatization of retail and distribution of liquor to result in a

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

10 (2) Therefore, the legislature directs the liquor control board and  
11 the department of revenue, with assistance from legislative staff and  
12 the office of financial management, to present a report to the  
13 legislature by December 1, 2010, on a recommended method and rates of  
14 liquor taxation that would generate the same future projected revenue  
15 for the state and local jurisdictions as under the current state  
16 control system. In determining what the future projected revenue will  
17 be, the liquor control board must consider the markup and taxes paid on  
18 liquor as of the effective date of this section and assume that this  
19 will increase through a three percent growth factor for future years.

20 (3) The report may include recommendations on tax enforcement and  
21 simplification to the current system of liquor taxation and  
22 distribution of revenues and whether the license fee established in  
23 section 2 of this act is adequate to cover the administrative and  
24 enforcement costs of the spirits license.

25 (4) The report must include a plan that provides for all state  
26 liquor stores and the distribution center to cease operation on July 1,  
27 2012, and all inventory and assets to be sold to qualifying licensees  
28 or buyers.

29 NEW SECTION. **Sec. 102.** A new section is added to chapter 66.08  
30 RCW to read as follows:

31 (1) There shall be a spirits retailer's license to be designated as  
32 a spirits license to sell spirits at retail in original containers, not  
33 to be consumed on the premises where sold.

34 (2) The annual fee for the spirits license is one thousand five  
35 hundred seventy-eight dollars.

1       **Sec. 103.** RCW 66.04.010 and 2009 c 373 s 1 and 2009 c 271 s 2 are  
2 each reenacted and amended to read as follows:

3       In this title, unless the context otherwise requires:

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

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

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

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

18       (c) Acquires ownership of spirits, beer, or wine for transportation  
19 into and resale in the state of Washington; and which spirits, beer, or  
20 wine is produced by a distiller, brewery, or winery in the United  
21 States outside of the state of Washington; and

22       (d) Is appointed by the distiller, brewery, or winery referenced in  
23 (c) of this subsection as its authorized representative for marketing  
24 and selling its products within the United States in accordance with a  
25 written agreement between the authorized representative and such  
26 distiller, brewery, or winery pursuant to this title.

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

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

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

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

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

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

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

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

20 (~~(11) ("Contract liquor store" means a business that sells liquor~~  
21 ~~on behalf of the board through a contract with a contract liquor store~~  
22 ~~manager.~~

23 ~~(12))~~ (12) "Craft distillery" means a distillery that pays the reduced  
24 licensing fee under RCW 66.24.140.

25 (~~(13))~~ (13) "Dentist" means a practitioner of dentistry duly and  
26 regularly licensed and engaged in the practice of his profession within  
27 the state pursuant to chapter 18.32 RCW.

28 (~~(14))~~ (14) "Distiller" means a person engaged in the business of  
29 distilling spirits.

30 (~~(15))~~ (15) "Domestic brewery" means a place where beer and malt  
31 liquor are manufactured or produced by a brewer within the state.

32 (~~(16))~~ (16) "Domestic winery" means a place where wines are  
33 manufactured or produced within the state of Washington.

34 (~~(17))~~ (17) "Drug store" means a place whose principal business  
35 is, the sale of drugs, medicines and pharmaceutical preparations and  
36 maintains a regular prescription department and employs a registered  
37 pharmacist during all hours the drug store is open.

1        ~~((+18+))~~ (17) "Druggist" means any person who holds a valid  
2 certificate and is a registered pharmacist and is duly and regularly  
3 engaged in carrying on the business of pharmaceutical chemistry  
4 pursuant to chapter 18.64 RCW.

5        ~~((+19+))~~ (18) "Employee" means any person employed by the board.

6        ~~((+20+))~~ (19) "Flavored malt beverage" means:

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

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

15        ~~((+21+))~~ (20) "Fund" means 'liquor revolving fund.'

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

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

27        ~~(+24+))~~ (22) "Imprisonment" means confinement in the county jail.

28        ~~((+25+))~~ (23) "Liquor" includes the four varieties of liquor herein  
29 defined (alcohol, spirits, wine and beer), and all fermented,  
30 spirituous, vinous, or malt liquor, or combinations thereof, and mixed  
31 liquor, a part of which is fermented, spirituous, vinous or malt  
32 liquor, or otherwise intoxicating; and every liquid or solid or  
33 semisolid or other substance, patented or not, containing alcohol,  
34 spirits, wine or beer, and all drinks or drinkable liquids and all  
35 preparations or mixtures capable of human consumption, and any liquid,  
36 semisolid, solid, or other substance, which contains more than one  
37 percent of alcohol by weight shall be conclusively deemed to be

1 intoxicating. Liquor does not include confections or food products  
2 that contain one percent or less of alcohol by weight.

3 ~~((+26+))~~ (24) "Malt beverage" or "malt liquor" means any beverage  
4 such as beer, ale, lager beer, stout, and porter obtained by the  
5 alcoholic fermentation of an infusion or decoction of pure hops, or  
6 pure extract of hops and pure barley malt or other wholesome grain or  
7 cereal in pure water containing not more than eight percent of alcohol  
8 by weight, and not less than one-half of one percent of alcohol by  
9 volume. For the purposes of this title, any such beverage containing  
10 more than eight percent of alcohol by weight shall be referred to as  
11 "strong beer."

12 ~~((+27+))~~ (25) "Manufacturer" means a person engaged in the  
13 preparation of liquor for sale, in any form whatsoever.

14 ~~((+28+))~~ (26) "Nightclub" means an establishment that provides  
15 entertainment and has as its primary source of revenue (a) the sale of  
16 alcohol for consumption on the premises, (b) cover charges, or (c)  
17 both, and has an occupancy load of one hundred or more.

18 ~~((+29+))~~ (27) "Package" means any container or receptacle used for  
19 holding liquor.

20 ~~((+30+))~~ (28) "Passenger vessel" means any boat, ship, vessel,  
21 barge, or other floating craft of any kind carrying passengers for  
22 compensation.

23 ~~((+31+))~~ (29) "Permit" means a permit for the purchase of liquor  
24 under this title.

25 ~~((+32+))~~ (30) "Person" means an individual, copartnership,  
26 association, or corporation.

27 ~~((+33+))~~ (31) "Physician" means a medical practitioner duly and  
28 regularly licensed and engaged in the practice of his profession within  
29 the state pursuant to chapter 18.71 RCW.

30 ~~((+34+))~~ (32) "Prescription" means a memorandum signed by a  
31 physician and given by him to a patient for the obtaining of liquor  
32 pursuant to this title for medicinal purposes.

33 ~~((+35+))~~ (33) "Public place" includes streets and alleys of  
34 incorporated cities and towns; state or county or township highways or  
35 roads; buildings and grounds used for school purposes; public dance  
36 halls and grounds adjacent thereto; those parts of establishments where  
37 beer may be sold under this title, soft drink establishments, public  
38 buildings, public meeting halls, lobbies, halls and dining rooms of

1 hotels, restaurants, theatres, stores, garages and filling stations  
2 which are open to and are generally used by the public and to which the  
3 public is permitted to have unrestricted access; railroad trains,  
4 stages, and other public conveyances of all kinds and character, and  
5 the depots and waiting rooms used in conjunction therewith which are  
6 open to unrestricted use and access by the public; publicly owned  
7 bathing beaches, parks, and/or playgrounds; and all other places of  
8 like or similar nature to which the general public has unrestricted  
9 right of access, and which are generally used by the public.

10 ~~((+36+))~~ (34) "Regulations" means regulations made by the board  
11 under the powers conferred by this title.

12 ~~((+37+))~~ (35) "Restaurant" means any establishment provided with  
13 special space and accommodations where, in consideration of payment,  
14 food, without lodgings, is habitually furnished to the public, not  
15 including drug stores and soda fountains.

16 ~~((+38+))~~ (36) "Sale" and "sell" include exchange, barter, and  
17 traffic; and also include the selling or supplying or distributing, by  
18 any means whatsoever, of liquor, or of any liquid known or described as  
19 beer or by any name whatever commonly used to describe malt or brewed  
20 liquor or of wine, by any person to any person; and also include a sale  
21 or selling within the state to a foreign consignee or his agent in the  
22 state. "Sale" and "sell" shall not include the giving, at no charge,  
23 of a reasonable amount of liquor by a person not licensed by the board  
24 to a person not licensed by the board, for personal use only. "Sale"  
25 and "sell" also does not include a raffle authorized under RCW  
26 9.46.0315(~~:-PROVIDED, That~~), if the nonprofit organization  
27 conducting the raffle has obtained the appropriate permit from the  
28 board.

29 ~~((+39+))~~ (37) "Soda fountain" means a place especially equipped  
30 with apparatus for the purpose of dispensing soft drinks, whether mixed  
31 or otherwise.

32 ~~((+40+))~~ (38) "Spirits" means any beverage which contains alcohol  
33 obtained by distillation, except flavored malt beverages, but including  
34 wines exceeding twenty-four percent of alcohol by volume.

35 ~~((+41)~~ "Store" means a state liquor store established under this  
36 title.

37 ~~+42+))~~ (39) "Spirits distributor" means a person who buys spirits  
38 from a domestic distiller, spirits certificate of approval holder, or

1 spirits importer, or who acquires foreign produced spirits from a  
2 source outside of the United States, for the purpose of selling the  
3 same not in violation of this title, or who represents such distiller  
4 as agent.

5 (40) "Spirits importer" means a person who buys distilled spirits  
6 from a distiller outside the state of Washington and imports such  
7 spirituous liquor into the state for sale or for export.

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

11 ~~((43))~~ (42)(a) "Wine" means any alcoholic beverage obtained by  
12 fermentation of fruits (grapes, berries, apples, et cetera) or other  
13 agricultural product containing sugar, to which any saccharine  
14 substances may have been added before, during or after fermentation,  
15 and containing not more than twenty-four percent of alcohol by volume,  
16 including sweet wines fortified with wine spirits, such as port,  
17 sherry, muscatel and angelica, not exceeding twenty-four percent of  
18 alcohol by volume and not less than one-half of one percent of alcohol  
19 by volume. For purposes of this title, any beverage containing no more  
20 than fourteen percent of alcohol by volume when bottled or packaged by  
21 the manufacturer shall be referred to as "table wine," and any beverage  
22 containing alcohol in an amount more than fourteen percent by volume  
23 when bottled or packaged by the manufacturer shall be referred to as  
24 "fortified wine." However, "fortified wine" shall not include: (i)  
25 Wines that are both sealed or capped by cork closure and aged two years  
26 or more; and (ii) wines that contain more than fourteen percent alcohol  
27 by volume solely as a result of the natural fermentation process and  
28 that have not been produced with the addition of wine spirits, brandy,  
29 or alcohol.

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

32 ~~((44))~~ (43) "Wine distributor" means a person who buys wine from  
33 a domestic winery, wine certificate of approval holder, or wine  
34 importer, or who acquires foreign produced wine from a source outside  
35 of the United States, for the purpose of selling the same not in  
36 violation of this title, or who represents such vintner or winery as  
37 agent.



1           (~~(45)~~) (44) "Wine importer" means a person or business within  
2 Washington who purchases wine from a wine certificate of approval  
3 holder or who acquires foreign produced wine from a source outside of  
4 the United States for the purpose of selling the same pursuant to this  
5 title.

6           (~~(46)~~) (45) "Winery" means a business conducted by any person for  
7 the manufacture of wine for sale, other than a domestic winery.

8           NEW SECTION.   **Sec. 104.** A new section is added to chapter 66.24  
9 RCW to read as follows:

10           There shall be a license for spirits distributors to sell spirits,  
11 purchased from licensed Washington distilleries, spirits certificate of  
12 approval holders, licensed spirits importers, or suppliers of foreign  
13 spirits located outside of the United States, to licensed spirits  
14 retailers and other spirits distributors and to export the same from  
15 the state of Washington; fee six hundred sixty dollars per year for  
16 each distributing unit.

17           NEW SECTION.   **Sec. 105.** A new section is added to chapter 66.24  
18 RCW to read as follows:

19           There shall be a license for spirits importers that authorizes the  
20 licensee to import spirits purchased from certificate of approval  
21 holders into the state of Washington. The licensee may also import,  
22 from suppliers located outside of the United States, spirits  
23 manufactured outside the United States.

24           (1) Spirits so imported may be sold to licensed spirits  
25 distributors or exported from the state.

26           (2) Every person, firm, or corporation licensed as a spirits  
27 importer shall establish and maintain a principal office within the  
28 state at which shall be kept proper records of all spirits imported  
29 into the state under this license.

30           (3) No spirits importer's license shall be granted to a nonresident  
31 of the state nor to a corporation whose principal place of business is  
32 outside the state until such applicant has established a principal  
33 office and agent within the state upon which service can be made.

34           (4) As a requirement for license approval, a spirits importer shall  
35 enter into a written agreement with the board to furnish on or before  
36 the twentieth day of each month, a report under oath, detailing the

1 quantity of spirits sold or delivered to each licensed spirits  
2 distributor. Failure to file such reports may result in the suspension  
3 or cancellation of this license.

4 (5) Spirits imported under this license must conform to the  
5 provisions of RCW 66.28.100 and have received label approval from the  
6 board. The board shall not certify spirits labeled with names that may  
7 be confused with other nonalcoholic beverages whether manufactured or  
8 produced from a domestic distiller or imported nor spirits that fail to  
9 meet quality standards established by the board.

10 (6) The license fee shall be one hundred sixty dollars per year.

11 NEW SECTION. **Sec. 106.** A new section is added to chapter 66.24  
12 RCW to read as follows:

13 (1) Every person, firm, or corporation, holding a distiller's  
14 license, shall, on or before the twentieth day of each month, furnish  
15 to the Washington state liquor control board, on a form to be  
16 prescribed by the board, a statement showing the quantity of spirits  
17 sold for resale during the preceding calendar month to each spirits  
18 distributor within the state of Washington.

19 (2)(a) A United States distiller, located outside the state of  
20 Washington, must hold a certificate of approval to allow sales and  
21 shipment of the certificate of approval holder's spirits to licensed  
22 Washington spirits distributors, importers, or retailers. A  
23 certificate of approval holder with a direct shipment endorsement may  
24 act as a distributor for spirits of its own production.

25 (b) Authorized representatives must hold a certificate of approval  
26 to allow sales and shipment of United States produced spirits to  
27 licensed Washington spirits distributors or importers.

28 (c) Authorized representatives must also hold a certificate of  
29 approval to allow sales and shipments of foreign produced spirits to  
30 licensed Washington spirits distributors or importers.

31 (3) The certificate of approval shall not be granted unless and  
32 until such distiller or authorized representative makes a written  
33 agreement with the board to furnish to the board, on or before the  
34 twentieth day of each month, a report under oath, on a form to be  
35 prescribed by the board, showing the quantity of spirits sold or  
36 delivered to each licensed spirits distributor, importer, or retailer  
37 during the preceding month, and shall further have agreed with the

1 board, that such distiller or authorized representative and all general  
2 sales corporations or agencies maintained by them, and all of their  
3 trade representatives, corporations, and agencies, shall and will  
4 faithfully comply with all laws of the state of Washington pertaining  
5 to the sale of intoxicating liquors and all rules and regulations of  
6 the Washington state liquor control board. A violation of the terms of  
7 this agreement will cause the board to take action to suspend or revoke  
8 such certificate.

9 (4) The fee for the certificate of approval and related  
10 endorsements, issued pursuant to the provisions of this title, shall be  
11 from time to time established by the board at a level that is  
12 sufficient to defray the costs of administering the certificate of  
13 approval program. The fee shall be fixed by rule by the board in  
14 accordance with the provisions of the administrative procedure act,  
15 chapter 34.05 RCW.

16 (5) Certificate of approval holders are deemed to have consented to  
17 the jurisdiction of Washington concerning enforcement of this chapter  
18 and all laws and rules related to the sale and shipment of spirits.

## 19 PART II

### 20 LIQUOR CONTROL BOARD--REMOVAL FROM RETAIL SALES--TECHNICAL CHANGES

21 **Sec. 201.** RCW 66.08.020 and 1933 ex.s. c 62 s 5 are each amended  
22 to read as follows:

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

26 **Sec. 202.** RCW 66.08.026 and 2008 c 67 s 1 are each amended to read  
27 as follows:

28 Administrative expenses of the board shall be appropriated and paid  
29 from the liquor revolving fund. These administrative expenses shall  
30 include, but not be limited to: The salaries and expenses of the board  
31 and its employees, (~~(the cost of opening additional state liquor stores~~  
32 ~~and warehouses,)) legal services, pilot projects, annual or other  
33 audits, and other general costs of conducting the business of the  
34 board. (~~The administrative expenses shall not include costs of liquor~~  
35 ~~and lottery tickets purchased, the cost of transportation and delivery~~~~

1 ~~to the point of distribution, the cost of operating, maintaining,~~  
2 ~~relocating, and leasing state liquor stores and warehouses, other costs~~  
3 ~~pertaining to the acquisition and receipt of liquor and lottery~~  
4 ~~tickets, agency commissions for contract liquor stores, transaction~~  
5 ~~fees associated with credit or debit card purchases for liquor in state~~  
6 ~~liquor stores and in contract liquor stores pursuant to RCW 66.16.040~~  
7 ~~and 66.16.041, sales tax, and those amounts distributed pursuant to RCW~~  
8 ~~66.08.180, 66.08.190, 66.08.200, 66.08.210 and 66.08.220. Agency~~  
9 ~~commissions for contract liquor stores shall be established by the~~  
10 ~~liquor control board after consultation with and approval by the~~  
11 ~~director of the office of financial management.)) All expenditures and~~  
12 ~~payment of obligations authorized by this section are subject to the~~  
13 ~~allotment requirements of chapter 43.88 RCW.~~

14 **Sec. 203.** RCW 66.08.030 and 2002 c 119 s 2 are each amended to  
15 read as follows:

16 (1) For the purpose of carrying into effect the provisions of this  
17 title according to their true intent or of supplying any deficiency  
18 therein, the board may make such regulations not inconsistent with the  
19 spirit of this title as are deemed necessary or advisable. All  
20 regulations so made shall be a public record and shall be filed in the  
21 office of the code reviser, and thereupon shall have the same force and  
22 effect as if incorporated in this title. Such regulations, together  
23 with a copy of this title, shall be published in pamphlets and shall be  
24 distributed as directed by the board.

25 (2) Without thereby limiting the generality of the provisions  
26 contained in subsection (1), it is declared that the power of the board  
27 to make regulations in the manner set out in that subsection shall  
28 extend to:

29 ~~(a) ((regulating the equipment and management of stores and~~  
30 ~~warehouses in which state liquor is sold or kept, and prescribing the~~  
31 ~~books and records to be kept therein and the reports to be made thereon~~  
32 ~~to the board;~~

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

35 ~~((c) governing the purchase of liquor by the state and the~~  
36 ~~furnishing of liquor to stores established under this title;~~

1       ~~(d) determining the classes, varieties, and brands of liquor to be~~  
2 ~~kept for sale at any store;~~

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

5       ~~(f) providing for the issuing and distributing of price lists~~  
6 ~~showing the price to be paid by purchasers for each variety of liquor~~  
7 ~~kept for sale under this title;~~

8       ~~(g))~~ (b) Prescribing an official seal and official labels and  
9 stamps and determining the manner in which they shall be attached to  
10 every package of liquor sold or sealed under this title, including the  
11 prescribing of different official seals or different official labels  
12 for different classes of liquor;

13       ~~((h) providing for the payment by the board in whole or in part of~~  
14 ~~the carrying charges on liquor shipped by freight or express;~~

15       ~~(i))~~ (c) Prescribing forms to be used for purposes of this title  
16 or the regulations, and the terms and conditions to be contained in  
17 permits and licenses issued under this title, and the qualifications  
18 for receiving a permit or license issued under this title, including a  
19 criminal history record information check. The board may submit the  
20 criminal history record information check to the Washington state  
21 patrol and to the identification division of the federal bureau of  
22 investigation in order that these agencies may search their records for  
23 prior arrests and convictions of the individual or individuals who  
24 filled out the forms. The board shall require fingerprinting of any  
25 applicant whose criminal history record information check is submitted  
26 to the federal bureau of investigation;

27       ~~((j))~~ (d) Prescribing the fees payable in respect of permits and  
28 licenses issued under this title for which no fees are prescribed in  
29 this title, and prescribing the fees for anything done or permitted to  
30 be done under the regulations;

31       ~~((k))~~ (e) Prescribing the kinds and quantities of liquor which  
32 may be kept on hand by the holder of a special permit for the purposes  
33 named in the permit, regulating the manner in which the same shall be  
34 kept and disposed of, and providing for the inspection of the same at  
35 any time at the instance of the board;

36       ~~((l))~~ (f) Regulating the sale of liquor kept by the holders of  
37 licenses which entitle the holder to purchase and keep liquor for sale;

1       ~~((m))~~ (g) Prescribing the records of purchases or sales of liquor  
2 kept by the holders of licenses, and the reports to be made thereon to  
3 the board, and providing for inspection of the records so kept;

4       ~~((n))~~ (h) Prescribing the kinds and quantities of liquor for  
5 which a prescription may be given, and the number of prescriptions  
6 which may be given to the same patient within a stated period;

7       ~~((o))~~ (i) Prescribing the manner of giving and serving notices  
8 required by this title or the regulations, where not otherwise provided  
9 for in this title;

10       ~~((p))~~ (j) Regulating premises in which liquor is kept for export  
11 from the state, or from which liquor is exported, prescribing the books  
12 and records to be kept therein and the reports to be made thereon to  
13 the board, and providing for the inspection of the premises and the  
14 books, records and the liquor so kept;

15       ~~((q))~~ (k) Prescribing the conditions and qualifications requisite  
16 for the obtaining of club licenses and the books and records to be kept  
17 and the returns to be made by clubs, prescribing the manner of  
18 licensing clubs in any municipality or other locality, and providing  
19 for the inspection of clubs;

20       ~~((r))~~ (l) Prescribing the conditions, accommodations and  
21 qualifications requisite for the obtaining of licenses to sell beer and  
22 wines, and regulating the sale of beer and wines thereunder;

23       ~~((s))~~ (m) Specifying and regulating the time and periods when,  
24 and the manner, methods and means by which manufacturers shall deliver  
25 liquor within the state; and the time and periods when, and the manner,  
26 methods and means by which liquor may lawfully be conveyed or carried  
27 within the state;

28       ~~((t))~~ (n) Providing for the making of returns by brewers of their  
29 sales of beer shipped within the state, or from the state, showing the  
30 gross amount of such sales and providing for the inspection of brewers'  
31 books and records, and for the checking of the accuracy of any such  
32 returns;

33       ~~((u))~~ (o) Providing for the making of returns by the wholesalers  
34 of beer whose breweries are located beyond the boundaries of the state;

35       ~~((v))~~ (p) Providing for the making of returns by any other liquor  
36 manufacturers, showing the gross amount of liquor produced or  
37 purchased, the amount sold within and exported from the state, and to

1 whom so sold or exported, and providing for the inspection of the  
2 premises of any such liquor manufacturers, their books and records, and  
3 for the checking of any such return;

4 ~~((w))~~ (g) Providing for the giving of fidelity bonds by any or  
5 all of the employees of the board: PROVIDED, That the premiums  
6 therefor shall be paid by the board;

7 ~~((x))~~ (r) Providing for the shipment by mail or common carrier of  
8 liquor to any person holding a permit and residing in any unit which  
9 has, by election pursuant to this title, prohibited the sale of liquor  
10 therein;

11 ~~((y))~~ (s) Prescribing methods of manufacture, conditions of  
12 sanitation, standards of ingredients, quality and identity of alcoholic  
13 beverages manufactured, sold, bottled, or handled by licensees and the  
14 board; and conducting from time to time, in the interest of the public  
15 health and general welfare, scientific studies and research relating to  
16 alcoholic beverages and the use and effect thereof;

17 ~~((z))~~ (t) Seizing, confiscating and destroying all alcoholic  
18 beverages manufactured, sold or offered for sale within this state  
19 which do not conform in all respects to the standards prescribed by  
20 this title or the regulations of the board: PROVIDED, Nothing herein  
21 contained shall be construed as authorizing the liquor board to  
22 prescribe, alter, limit or in any way change the present law as to the  
23 quantity or percentage of alcohol used in the manufacturing of wine or  
24 other alcoholic beverages.

25 **Sec. 204.** RCW 66.08.050 and 2005 c 151 s 3 are each amended to  
26 read as follows:

27 The board, subject to the provisions of this title and the rules,  
28 shall:

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

32 ~~(2) Appoint in cities and towns and other communities, in which no  
33 state liquor store is located, contract liquor stores. In addition,  
34 the board may appoint, in its discretion, a manufacturer that also  
35 manufactures liquor products other than wine under a license under this  
36 title, as a contract liquor store for the purpose of sale of liquor  
37 products of its own manufacture on the licensed premises only. Such~~

1 ~~contract liquor stores shall be authorized to sell liquor under the~~  
2 ~~guidelines provided by law, rule, or contract, and such contract liquor~~  
3 ~~stores shall be subject to such additional rules and regulations~~  
4 ~~consistent with this title as the board may require;~~

5 ~~(3) Establish all necessary warehouses for the storing and~~  
6 ~~bottling, diluting and rectifying of stocks of liquors for the purposes~~  
7 ~~of this title;~~

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

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

16 ~~((6)) (2) Execute or cause to be executed, all contracts, papers,~~  
17 ~~and documents in the name of the board, under such regulations as the~~  
18 ~~board may fix;~~

19 ~~((7)) (3) Pay all customs, duties, excises, charges and~~  
20 ~~obligations whatsoever relating to the business of the board;~~

21 ~~((8)) (4) Require bonds from all employees in the discretion of~~  
22 ~~the board, and to determine the amount of fidelity bond of each such~~  
23 ~~employee;~~

24 ~~((9)) (5) Perform services for the state lottery commission to~~  
25 ~~such extent, and for such compensation, as may be mutually agreed upon~~  
26 ~~between the board and the commission;~~

27 ~~((10)) (6) Accept and deposit into the general fund-local account~~  
28 ~~and disburse, subject to appropriation, federal grants or other funds~~  
29 ~~or donations from any source for the purpose of improving public~~  
30 ~~awareness of the health risks associated with alcohol consumption by~~  
31 ~~youth and the abuse of alcohol by adults in Washington state. The~~  
32 ~~board's alcohol awareness program shall cooperate with federal and~~  
33 ~~state agencies, interested organizations, and individuals to effect an~~  
34 ~~active public beverage alcohol awareness program;~~

35 ~~((11)) (7) Perform all other matters and things, whether similar~~  
36 ~~to the foregoing or not, to carry out the provisions of this title, and~~  
37 ~~shall have full power to do each and every act necessary to the conduct~~  
38 ~~of its business, including all buying, selling, preparation and~~



1 approval of forms, and every other function of the business whatsoever,  
2 subject only to audit by the state auditor(~~(+---PROVIDED, That)~~).  
3 However, the board shall have no authority to regulate the content of  
4 spoken language on licensed premises where wine and other liquors are  
5 served and where there is not a clear and present danger of disorderly  
6 conduct being provoked by such language.

7 **Sec. 205.** RCW 66.08.060 and 2005 c 231 s 3 are each amended to  
8 read as follows:

9 (1) The board shall not advertise liquor in any form or through any  
10 medium whatsoever.

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

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

15 **Sec. 206.** RCW 66.12.110 and 1999 c 281 s 3 are each amended to  
16 read as follows:

17 (1) A person twenty-one years of age or over may bring into the  
18 state from without the United States, free of tax and markup, for his  
19 personal or household use such alcoholic beverages as have been  
20 declared and permitted to enter the United States duty free under  
21 federal law.

22 (2) Such entry of alcoholic beverages in excess of that herein  
23 provided may be authorized by the board upon payment of an equivalent  
24 markup and tax as would be applicable to the purchase of the same or  
25 similar liquor at retail (~~(from a Washington state liquor store)~~). The  
26 board shall adopt appropriate regulations pursuant to chapter 34.05 RCW  
27 for the purpose of carrying out the provisions of this section. The  
28 board may issue a spirits, beer, and wine private club license to a  
29 charitable or nonprofit corporation of the state of Washington, the  
30 majority of the officers and directors of which are United States  
31 citizens and the minority of the officers and directors of which are  
32 citizens of the Dominion of Canada, and where the location of the  
33 premises for such spirits, beer, and wine private club license is not  
34 more than ten miles south of the border between the United States and  
35 the province of British Columbia.

1       **Sec. 207.** RCW 66.12.120 and 1995 c 100 s 1 are each amended to  
2 read as follows:

3       Notwithstanding any other provision of Title 66 RCW, a person  
4 twenty-one years of age or over may, free of tax and markup, for  
5 personal or household use, bring into the state of Washington from  
6 another state no more than once per calendar month up to two liters of  
7 spirits or wine or two hundred eighty-eight ounces of beer.  
8 Additionally, such person may be authorized by the board to bring into  
9 the state of Washington from another state a reasonable amount of  
10 alcoholic beverages in excess of that provided in this section for  
11 personal or household use only upon payment of an equivalent markup and  
12 tax as would be applicable to the purchase of the same or similar  
13 liquor at retail (~~((from a state liquor store))~~). The board shall adopt  
14 appropriate regulations pursuant to chapter 34.05 RCW for the purpose  
15 of carrying into effect the provisions of this section.

16       **Sec. 208.** RCW 66.12.140 and 1982 c 85 s 8 are each amended to read  
17 as follows:

18       (1) Nothing in this title shall prevent the use of beer, wine,  
19 and/or spirituous liquor, for cooking purposes only, in conjunction  
20 with a culinary or restaurant course offered by a college, university,  
21 community college, area vocational technical institute, or private  
22 vocational school. Further, nothing in this title shall prohibit the  
23 making of beer or wine in food fermentation courses offered by a  
24 college, university, community college, area vocational technical  
25 institute, or private vocational school.

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

30       (3) Persons under twenty-one years of age participating in culinary  
31 or restaurant courses may handle beer, wine, or spirituous liquor for  
32 purposes of participating in the courses, but nothing in this section  
33 shall be construed to authorize consumption of liquor by persons under  
34 twenty-one years of age or to authorize possession of liquor by persons  
35 under twenty-one years of age at any time or place other than while  
36 preparing food under the supervision of the course instructor.

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

6 (5) Colleges, universities, community colleges, area vocational  
7 technical institutes, and private vocational schools shall obtain the  
8 prior written approval of the board for use of beer, wine, and/or  
9 spirituous liquor for cooking purposes in their culinary or restaurant  
10 courses.

11 **Sec. 209.** RCW 66.20.010 and 2008 c 181 s 602 are each amended to  
12 read as follows:

13 Upon application in the prescribed form being made to any employee  
14 authorized by the board to issue permits, accompanied by payment of the  
15 prescribed fee, and upon the employee being satisfied that the  
16 applicant should be granted a permit under this title, the employee  
17 shall issue to the applicant under such regulations and at such fee as  
18 may be prescribed by the board a permit of the class applied for, as  
19 follows:

20 (1) Where the application is for a special permit by a physician or  
21 dentist, or by any person in charge of an institution regularly  
22 conducted as a hospital or sanatorium for the care of persons in ill  
23 health, or as a home devoted exclusively to the care of aged people, a  
24 special liquor purchase permit, except that the governor may waive the  
25 requirement for a special liquor purchase permit under this subsection  
26 pursuant to an order issued under RCW 43.06.220(2);

27 (2) Where the application is for a special permit by a person  
28 engaged within the state in mechanical or manufacturing business or in  
29 scientific pursuits requiring alcohol for use therein, or by any  
30 private individual, a special permit to purchase alcohol for the  
31 purpose named in the permit, except that the governor may waive the  
32 requirement for a special liquor purchase permit under this subsection  
33 pursuant to an order issued under RCW 43.06.220(2);

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

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

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

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

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

20 (8) Where the application is for a special permit by a  
21 manufacturer, importer, or distributor, or representative thereof, to  
22 serve liquor without charge to delegates and guests at a convention of  
23 a trade association composed of licensees of the board, when the said  
24 liquor is served in a hospitality room or from a booth in a board-  
25 approved suppliers' display room at the convention, and when the liquor  
26 so served is for consumption in the said hospitality room or display  
27 room during the convention, anything in Title 66 RCW to the contrary  
28 notwithstanding. Any such spirituous liquor shall be purchased (~~from~~  
29 ~~the board or~~) at retail or from a spirits, beer, and wine restaurant  
30 licensee and any such beer and wine shall be subject to the taxes  
31 imposed by RCW 66.24.290 and 66.24.210;

32 (9) Where the application is for a special permit by a  
33 manufacturer, importer, or distributor, or representative thereof, to  
34 donate liquor for a reception, breakfast, luncheon, or dinner for  
35 delegates and guests at a convention of a trade association composed of  
36 licensees of the board, when the liquor so donated is for consumption  
37 at the said reception, breakfast, luncheon, or dinner during the  
38 convention, anything in Title 66 RCW to the contrary notwithstanding.

1 Any such spirituous liquor shall be purchased (~~from the board or~~) at  
2 retail or from a spirits, beer, and wine restaurant licensee and any  
3 such beer and wine shall be subject to the taxes imposed by RCW  
4 66.24.290 and 66.24.210;

5 (10) Where the application is for a special permit by a  
6 manufacturer, importer, or distributor, or representative thereof, to  
7 donate and/or serve liquor without charge to delegates and guests at an  
8 international trade fair, show, or exposition held under the auspices  
9 of a federal, state, or local governmental entity or organized and  
10 promoted by a nonprofit organization, anything in Title 66 RCW to the  
11 contrary notwithstanding. Any such spirituous liquor shall be  
12 purchased (~~from the board~~) at retail and any such beer or wine shall  
13 be subject to the taxes imposed by RCW 66.24.290 and 66.24.210;

14 (11) Where the application is for an annual special permit by a  
15 person operating a bed and breakfast lodging facility to donate or  
16 serve wine or beer without charge to overnight guests of the facility  
17 if the wine or beer is for consumption on the premises of the facility.  
18 "Bed and breakfast lodging facility," as used in this subsection, means  
19 a facility offering from one to eight lodging units and breakfast to  
20 travelers and guests.

21 **Sec. 210.** RCW 66.20.160 and 2005 c 151 s 8 are each amended to  
22 read as follows:

23 (1) Words and phrases as used in RCW 66.20.160 to 66.20.210,  
24 inclusive, shall have the following meaning:

25 (2) "Card of identification" means any one of those cards described  
26 in RCW 66.16.040.

27 (3) "Licensee" means the holder of a retail liquor license issued  
28 by the board, and includes any employee or agent of the licensee.

29 (~~"Store employee" means a person employed in a state liquor store~~  
30 ~~to sell liquor.~~)

31 **Sec. 211.** RCW 66.20.170 and 1973 1st ex.s. c 209 s 5 are each  
32 amended to read as follows:

33 A card of identification may for the purpose of this title and for  
34 the purpose of procuring liquor, be accepted as an identification card  
35 by any licensee (~~or store employee~~) and as evidence of legal age of

1 the person presenting such card, provided the licensee (~~(or store~~  
2 ~~employee)~~) complies with the conditions and procedures prescribed  
3 herein and such regulations as may be made by the board.

4 **Sec. 212.** RCW 66.20.180 and 2005 c 151 s 9 are each amended to  
5 read as follows:

6 A card of identification shall be presented by the holder thereof  
7 upon request of any licensee, (~~(store employee, contract liquor store~~  
8 ~~manager, contract liquor store employee,)~~) peace officer, or  
9 enforcement officer of the board for the purpose of aiding the  
10 licensee, (~~(store employee, contract liquor store manager, contract~~  
11 ~~liquor store employee,)~~) peace officer, or enforcement officer of the  
12 board to determine whether or not such person is of legal age to  
13 purchase liquor when such person desires to procure liquor from a  
14 licensed establishment (~~(or state liquor store or contract liquor~~  
15 ~~store)~~).

16 **Sec. 213.** RCW 66.20.190 and 1981 1st ex.s. c 5 s 9 are each  
17 amended to read as follows:

18 In addition to the presentation by the holder and verification by  
19 the licensee (~~(or store employee)~~) of such card of identification, the  
20 licensee (~~(or store employee)~~) who is still in doubt about the true age  
21 of the holder shall require the person whose age may be in question to  
22 sign a certification card and record an accurate description and serial  
23 number of his card of identification thereon. Such statement shall be  
24 upon a five-inch by eight-inch file card, which card shall be filed  
25 alphabetically by the licensee (~~(or store employee)~~) at or before the  
26 close of business on the day on which the statement is executed, in the  
27 file box containing a suitable alphabetical index and the card shall be  
28 subject to examination by any peace officer or agent or employee of the  
29 board at all times. The certification card shall also contain in bold-  
30 face type a statement stating that the signer understands that  
31 conviction for unlawful purchase of alcoholic beverages or misuse of  
32 the certification card may result in criminal penalties including  
33 imprisonment or fine or both.

34 **Sec. 214.** RCW 66.20.200 and 2003 c 53 s 295 are each amended to  
35 read as follows:

1 (1) It shall be unlawful for the owner of a card of identification  
2 to transfer the card to any other person for the purpose of aiding such  
3 person to procure alcoholic beverages from any licensee (~~or store~~  
4 ~~employee~~). Any person who shall permit his or her card of  
5 identification to be used by another or transfer such card to another  
6 for the purpose of aiding such transferee to obtain alcoholic beverages  
7 from a licensee (~~or store employee~~) or gain admission to a premises  
8 or portion of a premises classified by the board as off-limits to  
9 persons under twenty-one years of age, shall be guilty of a misdemeanor  
10 punishable as provided by RCW 9A.20.021, except that a minimum fine of  
11 two hundred fifty dollars shall be imposed and any sentence requiring  
12 community restitution shall require not fewer than twenty-five hours of  
13 community restitution.

14 (2) Any person not entitled thereto who unlawfully procures or has  
15 issued or transferred to him or her a card of identification, and any  
16 person who possesses a card of identification not issued to him or her,  
17 and any person who makes any false statement on any certification card  
18 required by RCW 66.20.190, to be signed by him or her, shall be guilty  
19 of a misdemeanor punishable as provided by RCW 9A.20.021, except that  
20 a minimum fine of two hundred fifty dollars shall be imposed and any  
21 sentence requiring community restitution shall require not fewer than  
22 twenty-five hours of community restitution.

23 **Sec. 215.** RCW 66.20.210 and 1973 1st ex.s. c 209 s 9 are each  
24 amended to read as follows:

25 (1) No licensee or the agent or employee of the licensee(~~, or~~  
26 ~~store employee,~~) shall be prosecuted criminally or be sued in any  
27 civil action for serving liquor to a person under legal age to purchase  
28 liquor if such person has presented a card of identification in  
29 accordance with RCW 66.20.180, and has signed a certification card as  
30 provided in RCW 66.20.190.

31 (2) Such card in the possession of a licensee may be offered as a  
32 defense in any hearing held by the board for serving liquor to the  
33 person who signed the card and may be considered by the board as  
34 evidence that the licensee acted in good faith.

35 **Sec. 216.** RCW 66.24.160 and 1981 1st ex.s. c 5 s 30 are each  
36 amended to read as follows:

1 A liquor importer's license may be issued to any qualified person,  
2 firm or corporation, entitling the holder thereof to import into the  
3 state any liquor other than beer or wine; to store the same within the  
4 state, and to sell and export the same from the state; fee six hundred  
5 dollars per annum. Such liquor importer's license shall be subject to  
6 all conditions and restrictions imposed by this title or by the rules  
7 and regulations of the board, and shall be issued only upon such terms  
8 and conditions as may be imposed by the board. (~~No liquor importer's~~  
9 ~~license shall be required in sales to the Washington state liquor~~  
10 ~~control board.~~)

11 **Sec. 217.** RCW 66.24.360 and 2009 c 507 s 5 are each amended to  
12 read as follows:

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

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

21 (2) The annual fee for the grocery store license is one hundred  
22 sixty-six dollars for each store.

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

29 ~~((a))~~ (i) The likelihood that the applicant will sell strong beer  
30 or fortified wine to persons who are intoxicated;

31 ~~((b))~~ (ii) Law enforcement problems in the vicinity of the  
32 applicant's establishment that may arise from persons purchasing strong  
33 beer or fortified wine at the establishment; and

34 ~~((c))~~ (iii) Whether the sale of strong beer or fortified wine  
35 would be detrimental to or inconsistent with a government-operated or  
36 funded alcohol treatment or detoxification program in the area.



1       **(b)** If the board receives no evidence or objection that the sale of  
2 strong beer or fortified wine would be against the public interest, it  
3 shall issue or renew the license without restriction, as applicable.  
4 The burden of establishing that the sale of strong beer or fortified  
5 wine by the licensee would be against the public interest is on those  
6 persons objecting.

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

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

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

16       (b) Any beer, strong beer, and wine sold under this endorsement  
17 must be intended for consumption outside the state of Washington and  
18 the United States and appropriate records must be maintained by the  
19 licensee.

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

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

25       ~~((e))~~ **(d)** The annual cost of this endorsement is five hundred  
26 fifty-three dollars and is in addition to the license fees paid by the  
27 licensee for a grocery store license.

28       (6) A grocery store licensee holding a snack bar license under RCW  
29 66.24.350 may receive an endorsement to allow the sale of confections  
30 containing more than one percent but not more than ten percent alcohol  
31 by weight to persons twenty-one years of age or older.

32       **Sec. 218.** RCW 66.24.360 and 2007 c 226 s 2 are each amended to  
33 read as follows:

34       There shall be a beer and/or wine retailer's license to be  
35 designated as a grocery store license to sell beer, strong beer, and/or  
36 wine at retail in bottles, cans, and original containers, not to be

1 consumed upon the premises where sold(~~(, at any store other than the~~  
2 ~~state liquor stores)~~)).

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

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

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

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

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

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

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

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

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

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

37 (b) Any beer, strong beer, and wine sold under this endorsement

1 must be intended for consumption outside the state of Washington and  
2 the United States and appropriate records must be maintained by the  
3 licensee.

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

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

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

12 (6) A grocery store licensee holding a snack bar license under RCW  
13 66.24.350 may receive an endorsement to allow the sale of confections  
14 containing more than one percent but not more than ten percent alcohol  
15 by weight to persons twenty-one years of age or older.

16 **Sec. 219.** RCW 66.24.371 and 2009 c 507 s 6 and 2009 c 373 s 6 are  
17 each reenacted and amended to read as follows:

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

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

35 (3) The board shall issue a restricted beer and/or wine specialty  
36 shop license, authorizing the licensee to sell beer and only table  
37 wine, if the board finds upon issuance or renewal of the license that

1 the sale of strong beer or fortified wine would be against the public  
2 interest. In determining the public interest, the board shall consider  
3 at least the following factors:

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

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

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

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

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

21 **Sec. 220.** RCW 66.24.371 and 2009 c 373 s 6 are each amended to  
22 read as follows:

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

33 (2) Licensees under this section may provide, free or for a charge,  
34 single-serving samples of two ounces or less to customers for the  
35 purpose of sales promotion. Sampling activities of licensees under  
36 this section are subject to RCW (~~((66.28.010 and))~~) 66.28.040 and the

1 cost of sampling under this section may not be borne, directly or  
2 indirectly, by any manufacturer, importer, or distributor of liquor.

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

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

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

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

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

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

26 **Sec. 221.** RCW 66.24.380 and 2005 c 151 s 10 are each amended to  
27 read as follows:

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

34 (1) The not-for-profit society or organization is limited to sales  
35 of no more than twelve calendar days per year. For the purposes of  
36 this subsection, special occasion licensees that are "agricultural area  
37 fairs" or "agricultural county, district, and area fairs," as defined

1 by RCW 15.76.120, that receive a special occasion license may, once per  
2 calendar year, count as one event fairs that last multiple days, so  
3 long as alcohol sales are at set dates, times, and locations, and the  
4 board receives prior notification of the dates, times, and locations.  
5 The special occasion license applicant will pay the sixty dollars per  
6 day for this event.

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

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

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

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

18 **Sec. 222.** RCW 66.40.140 and 1933 ex.s. c 62 s 88 are each amended  
19 to read as follows:

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

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

31 ~~(2))~~) As to any premises licensed hereunder within any such unit at  
32 the time of such election, such licensee shall have a period of sixty  
33 days from and after the date of the canvass of the vote upon such  
34 election in which to discontinue operation of its store or stores  
35 therein.

36 ~~((3))~~) (2) Nothing herein contained shall prevent any distillery,

1 brewery, rectifying plant or winery or the licensed operators thereof  
2 from selling its manufactured product, manufactured within such unit,  
3 outside the boundaries thereof.

4 ((+4)) (3) Nothing herein contained shall prevent any person  
5 residing in any unit in which the sale of liquor shall have been  
6 forbidden by popular vote as herein provided, who is otherwise  
7 qualified to receive and hold a permit under this title, from lawfully  
8 purchasing without the unit and transporting into or receiving within  
9 the unit, liquor lawfully purchased by him outside the boundaries of  
10 such unit.

11 **Sec. 223.** RCW 66.44.120 and 2005 c 151 s 11 are each amended to  
12 read as follows:

13 (1) No person other than an employee of the board shall keep or  
14 have in his or her possession any official seal prescribed under this  
15 title, unless the same is attached to a package which has been  
16 purchased from a (~~liquor store or contract liquor~~) retail store; nor  
17 shall any person keep or have in his or her possession any design in  
18 imitation of any official seal prescribed under this title, or  
19 calculated to deceive by its resemblance thereto, or any paper upon  
20 which any design in imitation thereof, or calculated to deceive as  
21 aforesaid, is stamped, engraved, lithographed, printed, or otherwise  
22 marked.

23 (2)(a) Except as provided in (b) of this subsection, every person  
24 who willfully violates this section is guilty of a gross misdemeanor  
25 and shall be liable on conviction thereof for a first offense to  
26 imprisonment in the county jail for a period of not less than three  
27 months nor more than six months, without the option of the payment of  
28 a fine, and for a second offense, to imprisonment in the county jail  
29 for not less than six months nor more than one year, without the option  
30 of the payment of a fine.

31 (b) A third or subsequent offense is a class C felony, punishable  
32 by imprisonment in a state correctional facility for not less than one  
33 year nor more than two years.

34 **Sec. 224.** RCW 66.44.150 and 1955 c 289 s 5 are each amended to  
35 read as follows:

36 If any person in this state buys alcoholic beverages from any

1 person other than (~~the board, a state liquor store, or some person~~)  
2 a licensee authorized by the board to sell them, he or she shall be  
3 guilty of a misdemeanor.

4 **Sec. 225.** RCW 66.44.160 and 1955 c 289 s 6 are each amended to  
5 read as follows:

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

11 NEW SECTION. **Sec. 226.** The following acts or parts of acts are  
12 each repealed:

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

17 (2) RCW 66.08.075 (Officer, employee not to represent manufacturer,  
18 wholesaler in sale to board) and 1937 c 217 s 5;

19 (3) RCW 66.08.160 (Acquisition of warehouse authorized) and 1947 c  
20 134 s 1;

21 (4) RCW 66.08.165 (Strategies to improve operational efficiency and  
22 revenue) and 2005 c 231 s 1;

23 (5) RCW 66.08.166 (Sunday sales authorized--Store selection and  
24 other requirements) and 2005 c 231 s 2;

25 (6) RCW 66.08.167 (Sunday sales--Store selection) and 2005 c 231 s  
26 4;

27 (7) RCW 66.08.220 (Liquor revolving fund--Separate account--  
28 Distribution) and 2009 c 271 s 4, 2007 c 370 s 15, 1999 c 281 s 2, &  
29 1949 c 5 s 11;

30 (8) RCW 66.08.235 (Liquor control board construction and  
31 maintenance account) and 2005 c 151 s 4, 2002 c 371 s 918, & 1997 c 75  
32 s 1;

33 (9) RCW 66.16.010 (Board may establish--Price standards--Prices in  
34 special instances) and 2005 c 518 s 935, 2003 1st sp.s. c 25 s 928,  
35 1939 c 172 s 10, 1937 c 62 s 1, & 1933 ex.s. c 62 s 4;



1 (10) RCW 66.16.040 (Sales of liquor by employees--Identification  
2 cards--Permit holders--Sales for cash--Exception) and 2005 c 206 s 1,  
3 2005 c 151 s 5, 2005 c 102 s 1, 2004 c 61 s 1, 1996 c 291 s 1, 1995 c  
4 16 s 1, 1981 1st ex.s. c 5 s 8, 1979 c 158 s 217, 1973 1st ex.s. c 209  
5 s 3, 1971 ex.s. c 15 s 1, 1959 c 111 s 1, 1933 ex.s. c 62 s 7;

6 (11) RCW 66.16.041 (Credit and debit card purchases--Rules--  
7 Provision, installation, maintenance of equipment by board--  
8 Consideration of offsetting liquor revolving fund balance reduction)  
9 and 2005 c 151 s 6, 2004 c 63 s 2, 1998 c 265 s 3, 1997 c 148 s 2, &  
10 1996 c 291 s 2;

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

13 (13) RCW 66.16.060 (Sealed packages may be required, exception) and  
14 1943 c 216 s 1 & 1933 ex.s. c 62 s 9;

15 (14) RCW 66.16.070 (Liquor cannot be opened or consumed on store  
16 premises) and 1933 ex.s. c 62 s 10;

17 (15) RCW 66.16.090 (Record of individual purchases confidential--  
18 Penalty for disclosure) and 1933 ex.s. c 62 s 89;

19 (16) RCW 66.16.100 (Fortified wine sales) and 1997 c 321 s 42 &  
20 1987 c 386 s 5;

21 (17) RCW 66.16.110 (Birth defects from alcohol--Warning required)  
22 and 1993 c 422 s 2;

23 (18) RCW 66.16.120 (Employees working on Sabbath) and 2005 c 231 s  
24 5; and

25 (19) RCW 66.28.180 (Price list--Contents--Contracts and memoranda  
26 with distributors) and 2009 c 506 s 10, 2006 c 302 s 10, & 2005 c 274  
27 s 327.

### 28 PART III

#### 29 MISCELLANEOUS PROVISIONS

30 NEW SECTION. **Sec. 301.** Section 101 of this act is necessary for  
31 the immediate preservation of the public peace, health, or safety, or  
32 support of the state government and its existing public institutions,  
33 and takes effect immediately.

34 NEW SECTION. **Sec. 302.** Sections 102 through 216 and 221 through  
35 225 of this act take effect July 1, 2012.

1        NEW SECTION.    **Sec. 303.**    Sections 218 and 220 of this act take  
2 effect July 1, 2011.

3        NEW SECTION.    **Sec. 304.**    Sections 217 and 219 of this act expire  
4 July 1, 2011.

--- END ---