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**SUBSTITUTE HOUSE BILL 2843**

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**State of Washington**

**52nd Legislature**

**1992 Regular Session**

**By** House Committee on Commerce & Labor (originally sponsored by Representatives G. Cole, Heavey and Fuhrman; by request of Liquor Control Board)

Read first time 02/07/92.

1 AN ACT Relating to liquor licenses; and amending RCW 66.24.010,  
2 66.24.204, 66.24.260, 66.24.380, 66.24.420, and 66.28.070.

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

4 **Sec. 1.** RCW 66.24.010 and 1988 c 200 s 1 are each amended to read  
5 as follows:

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

8 (2) For the purpose of considering any application for a license,  
9 the board may cause an inspection of the premises to be made, and may  
10 inquire into all matters in connection with the construction and  
11 operation of the premises. For the purpose of reviewing any  
12 application for a license and for considering the denial, suspension or  
13 revocation of any license, the liquor control board may consider any  
14 prior criminal conduct of the applicant and the provisions of RCW

1 9.95.240 and of chapter 9.96A RCW shall not apply to such cases. The  
2 board may, in its discretion, grant or refuse the license applied for.  
3 No retail license of any kind may be issued to:

4 ~~(a) ((A person who has not resided in the state for at least one  
5 month prior to making application, except in cases of licenses issued  
6 to dining places on railroads, boats, or aircraft;~~

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

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

12 ~~((d))~~ (c) A corporation, unless it was created under the laws of  
13 the state of Washington or holds a certificate of authority to transact  
14 business in the state of Washington;

15 (d) A corporation having any officer or director who was previously  
16 an officer or director of any defunct corporation that held a liquor  
17 license and discontinued business leaving unpaid taxes owing the state  
18 of Washington, until or unless such back taxes are paid in full to the  
19 state.

20 (3) The board may, in its discretion, subject to the provisions of  
21 RCW 66.08.150, suspend or cancel any license; and all rights of the  
22 licensee to keep or sell liquor thereunder shall be suspended or  
23 terminated, as the case may be. The board may request the appointment  
24 of administrative law judges under chapter 34.12 RCW who shall have  
25 power to administer oaths, issue subpoenas for the attendance of  
26 witnesses and the production of papers, books, accounts, documents, and  
27 testimony, examine witnesses, and to receive testimony in any inquiry,  
28 investigation, hearing, or proceeding in any part of the state, under  
29 such rules and regulations as the board may adopt.

1        Witnesses shall be allowed fees and mileage each way to and from  
2 any such inquiry, investigation, hearing, or proceeding at the rate  
3 authorized by RCW 34.05.446, as now or hereafter amended. Fees need  
4 not be paid in advance of appearance of witnesses to testify or to  
5 produce books, records, or other legal evidence.

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

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

24        (5)(a) At the time of the original issuance of a class H license,  
25 the board shall prorate the license fee charged to the new licensee  
26 according to the number of calendar quarters, or portion thereof,  
27 remaining until the first renewal of that license is required.

28        (b) Unless sooner canceled, every license issued by the board shall  
29 expire at midnight of the thirtieth day of June of the fiscal year for  
30 which it was issued. However, if the board deems it feasible and

1 desirable to do so, it may establish, by rule pursuant to chapter 34.05  
2 RCW, a system for staggering the annual renewal dates for any and all  
3 licenses authorized by this chapter. If such a system of staggered  
4 annual renewal dates is established by the board, the license fees  
5 provided by this chapter shall be appropriately prorated during the  
6 first year that the system is in effect.

7 (6) Every license issued under this section shall be subject to all  
8 conditions and restrictions imposed by this title or by the regulations  
9 in force from time to time. All conditions and restrictions imposed by  
10 the board in the issuance of an individual license shall be listed on  
11 the face of the individual license along with the trade name, address,  
12 and expiration date.

13 (7) Every licensee shall post and keep posted its license, or  
14 licenses, in a conspicuous place on the premises.

15 (8) Before the board shall issue a license to an applicant it shall  
16 give notice of such application to the chief executive officer of the  
17 incorporated city or town, if the application be for a license within  
18 an incorporated city or town, or to the county legislative authority,  
19 if the application be for a license outside the boundaries of  
20 incorporated cities or towns; and such incorporated city or town,  
21 through the official or employee selected by it, or the county  
22 legislative authority or the official or employee selected by it, shall  
23 have the right to file with the board within twenty days after date of  
24 transmittal of such notice, written objections against the applicant or  
25 against the premises for which the license is asked, and shall include  
26 with such objections a statement of all facts upon which such  
27 objections are based, and in case written objections are filed, may  
28 request and the liquor control board may in its discretion hold a  
29 formal hearing subject to the applicable provisions of Title 34 RCW, as  
30 now or hereafter amended. Upon the granting of a license under this

1 title the board shall send a duplicate of the license or written  
2 notification to the chief executive officer of the incorporated city or  
3 town in which the license is granted, or to the county legislative  
4 authority if the license is granted outside the boundaries of  
5 incorporated cities or towns.

6 (9) Before the board issues any license to any applicant, it shall  
7 give (a) due consideration to the location of the business to be  
8 conducted under such license with respect to the proximity of churches,  
9 schools, and public institutions and (b) written notice by certified  
10 mail of the application to churches, schools, and public institutions  
11 within five hundred feet of the premises to be licensed. The board  
12 shall issue no beer retailer license class A, B, D, or E or wine  
13 retailer license class C or F or class H license covering any premises  
14 not now licensed, if such premises are within five hundred feet of the  
15 premises of any tax-supported public elementary or secondary school  
16 measured along the most direct route over or across established public  
17 walks, streets, or other public passageway from the outer property line  
18 of the school grounds to the nearest public entrance of the premises  
19 proposed for license, and if, after receipt by the school or public  
20 institution of the notice as provided in this subsection, the board  
21 receives written notice, within twenty days after posting such notice,  
22 from an official representative or representatives of the school within  
23 five hundred feet of said proposed licensed premises, indicating to the  
24 board that there is an objection to the issuance of such license  
25 because of proximity to a school. For the purpose of this section,  
26 church shall mean a building erected for and used exclusively for  
27 religious worship and schooling or other activity in connection  
28 therewith. No liquor license may be issued or reissued by the board to  
29 any motor sports facility or licensee operating within the motor sports  
30 facility unless the motor sports facility enforces a program reasonably

1 calculated to prevent alcohol or alcoholic beverages not purchased  
2 within the facility from entering the facility and such program is  
3 approved by local law enforcement agencies. It is the intent under  
4 this subsection that a retail license shall not be issued by the board  
5 where doing so would, in the judgment of the board, adversely affect a  
6 private school meeting the requirements for private schools under Title  
7 28A RCW, which school is within five hundred feet of the proposed  
8 licensee. The board shall fully consider and give substantial weight  
9 to objections filed by private schools. If a license is issued despite  
10 the proximity of a private school, the board shall state in a letter  
11 addressed to the private school the board's reasons for issuing the  
12 license.

13 (10) The restrictions set forth in the preceding subsection shall  
14 not prohibit the board from authorizing the transfer of existing  
15 licenses now located within the restricted area to other persons or  
16 locations within the restricted area: PROVIDED, Such transfer shall in  
17 no case result in establishing the licensed premises closer to a church  
18 or school than it was before the transfer.

19 (11) Nothing in this section prohibits the board, in its  
20 discretion, from issuing a temporary retail or wholesaler license to a  
21 transferee of a retail or wholesaler license to continue the operation  
22 of the retail or wholesaler premises during the period a transfer  
23 application for the license from person to person at the same premises  
24 is pending and when the following conditions exist:

25 (a) The licensed premises has been operated under a retail or  
26 wholesaler license within ninety days of the date of filing the  
27 application for a temporary license;

28 (b) The retail or wholesaler license for the premises has been  
29 surrendered pursuant to issuance of a temporary operating license;

1 (c) The applicant for the temporary license has filed with the  
2 board an application for transfer of the retail or wholesaler license  
3 at such premises to himself or herself; and

4 (d) The application for a temporary license is accompanied by a  
5 temporary license fee established by the board by rule.

6 A temporary license issued by the board under this section shall be  
7 for a period not to exceed sixty days. A temporary license may be  
8 extended at the discretion of the board for an additional sixty-day  
9 period upon payment of an additional fee and upon compliance with all  
10 conditions required in this section.

11 Refusal by the board to issue or extend a temporary license shall  
12 not entitle the applicant to request a hearing. A temporary license  
13 may be canceled or suspended summarily at any time if the board  
14 determines that good cause for cancellation or suspension exists. RCW  
15 66.08.130 and chapter 34.05 RCW shall apply to temporary licenses.

16 Application for a temporary license shall be on such form as the  
17 board shall prescribe. If an application for a temporary license is  
18 withdrawn before issuance or is refused by the board, the fee which  
19 accompanied such application shall be refunded in full.

20 **Sec. 2.** RCW 66.24.204 and 1981 1st ex.s. c 5 s 33 are each amended  
21 to read as follows:

22 (1) It shall be unlawful for any person, firm or corporation, to  
23 import wine into the state of Washington or to transport or cause the  
24 same to be transported into the state of Washington for sale therein,  
25 unless such person, firm or corporation, has obtained from the  
26 Washington state liquor control board and have in force a wine  
27 importer's license. The license fee for such wine importer's license  
28 shall be sixty dollars per annum;

1           (2) The wine importer's license herein provided for shall authorize  
2 the holder thereof to sell wine imported, or transported, or caused to  
3 be transported thereunder to licensed wine wholesalers within the state  
4 and to export the same from the state. Every person, firm or  
5 corporation, licensed as a wine importer, shall establish and maintain  
6 a principal office within the state, at which shall be kept proper  
7 records of all wine imported into the state, under his, their, or its  
8 license. No wine importer's license shall be granted to ((a  
9 ~~nonresident of the state, nor to a corporation whose principal place of~~  
10 ~~business is outside the state~~)) an individual, partnership, or  
11 corporation, until such applicant has established such principal office  
12 within the state as hereinbefore provided, and has designated a  
13 statutory agent within the state upon whom service can be made;

14           (3) Every wine importer's license issued under this title shall be  
15 subject to all conditions and restrictions imposed by this title, or by  
16 the rules and regulations of the board.

17           **Sec. 3.** RCW 66.24.260 and 1981 1st ex.s. c 5 s 15 are each amended  
18 to read as follows:

19           (1) It shall be unlawful for any person, firm or corporation, to  
20 import beer into the state of Washington or to transport or cause the  
21 same to be transported into the state of Washington for sale therein,  
22 unless such person, firm or corporation, has obtained from the  
23 Washington state liquor control board and have in force a beer  
24 importer's license. The license fee for such beer importer's license  
25 shall be sixty dollars per annum;

26           (2) The beer importer's license herein provided for shall authorize  
27 the holder thereof to sell beer imported, or transported, or caused to  
28 be transported thereunder to licensed beer wholesalers within the state  
29 and to export the same from the state. Every person, firm or



1 corporation, licensed as a beer importer, shall establish and maintain  
2 a principal office within the state, at which shall be kept proper  
3 records of all beer imported into the state, under his, their, or its  
4 license. No beer importer's license shall be granted to a  
5 (~~nonresident of the state, nor to a corporation whose principal place~~  
6 ~~of business is outside the state~~) person, partnership, or corporation,  
7 until such applicant has established such principal office within the  
8 state as hereinbefore provided, and has designated a statutory agent  
9 within the state upon whom service can be made;

10 (3) Every beer importer's license issued under this title shall be  
11 subject to all conditions and restrictions imposed by this title, or by  
12 the rules and regulations of the board.

13 **Sec. 4.** RCW 66.24.380 and 1988 c 200 s 2 are each amended to read  
14 as follows:

15 There shall be a beer retailer's license to be designated as class  
16 G; a special license to a society or organization to sell beer at  
17 picnics or other special occasions at a specified date and place; fee  
18 thirty-five dollars per day. Sale, service, and consumption of beer is  
19 to be confined to specified premises or designated areas only.

20 A holder of a class G license shall be permitted to sell at no more  
21 than two licensed events each year to members and guests in attendance  
22 at the special occasion, limited quantities of beer in unopened bottles  
23 and original packages not exceeding more than four gallons of malt  
24 liquor in kegs or other containers, not to be consumed on the premise  
25 where sold, by paying an additional fee of ten dollars per day. The  
26 board shall adopt appropriate rules pursuant to chapter 34.05 RCW for  
27 the purpose of carrying out the provisions of this section.

1       **Sec. 5.** RCW 66.24.420 and 1981 1st ex.s. c 5 s 45 are each amended  
2 to read as follows:

3       (1) The class H license shall be issued in accordance with the  
4 following schedule of annual fees:

5       (a) The annual fee for said license, if issued to a club, whether  
6 inside or outside of incorporated cities and towns, shall be seven  
7 hundred dollars.

8       (b) The annual fee for said license, if issued to any other class  
9 H licensee in incorporated cities and towns, shall be graduated  
10 according to the population thereof as follows:

|    | Incorporated     |         |
|----|------------------|---------|
|    | Cities and towns | Fees    |
| 13 | Less than 20,000 | \$1,200 |
| 14 | 20,000 or over   | \$2,000 |

15       (c) The annual fee for said license when issued to any other class  
16 H licensee outside of incorporated cities and towns shall be: Two  
17 thousand dollars; this fee shall be prorated according to the calendar  
18 quarters, or portion thereof, during which the licensee is open for  
19 business, except in case of suspension or revocation of the license.

20       (d) Where the license shall be issued to any corporation,  
21 association or person operating a bona fide restaurant in an airport  
22 terminal facility providing service to transient passengers with more  
23 than one place where liquor is to be dispensed and sold, such license  
24 shall be issued upon the payment of the annual fee, which shall be a  
25 master license and shall permit such sale within and from one such  
26 place. Such license may be extended to additional places on the  
27 premises at the discretion of the board and a duplicate license may be  
28 issued for each such additional place: PROVIDED, That the holder of a

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

8 (e) Where the license shall be issued to any corporation,  
9 association, or person operating dining places at publicly owned civic  
10 centers with facilities for sports, entertainment, and conventions,  
11 with more than one place where liquor is to be dispensed and sold, such  
12 license shall be issued upon the payment of the annual fee, which shall  
13 be a master license and shall permit such sale within and from one such  
14 place. Such license may be extended to additional places on the  
15 premises at the discretion of the board and a duplicate license may be  
16 issued for each such additional place: PROVIDED, That the holder of  
17 a master license for a dining place at such a publicly owned civic  
18 center shall be required to maintain in a substantial manner at least  
19 one place on the premises for preparing, cooking and serving of  
20 complete meals, and food service shall be available on request in other  
21 licensed places on the premises if an event is being conducted, but  
22 shall not be required at other times: PROVIDED FURTHER, That an  
23 additional license fee of ten dollars shall be required for such  
24 duplicate licenses.

25 (f) Where the license shall be issued to any corporation,  
26 association or person operating more than one building containing  
27 dining places at privately owned facilities which are open to the  
28 public and where there is a continuity of ownership of all adjacent  
29 property, such license shall be issued upon the payment of an annual  
30 fee which shall be a master license and shall permit such sale within

1 and from one such place. Such license may be extended to the  
2 additional dining places on the property at the discretion of the board  
3 and a duplicate license may be issued for each additional place:  
4 PROVIDED, That the holder of the master license for the dining place  
5 shall not offer alcoholic beverages for sale, service, and consumption  
6 at the additional place unless food service is available at both the  
7 location of the master license and the duplicate license: PROVIDED  
8 FURTHER, That an additional license fee of twenty dollars shall be  
9 required for such duplicate licenses.

10 (2) The board, so far as in its judgment is reasonably possible,  
11 shall confine class H licenses to the business districts of cities and  
12 towns and other communities, and not grant such licenses in residential  
13 districts, nor within the immediate vicinity of schools, without being  
14 limited in the administration of this subsection to any specific  
15 distance requirements.

16 (3) The board shall have discretion to issue class H licenses  
17 outside of cities and towns in the state of Washington. The purpose of  
18 this subsection is to enable the board, in its discretion, to license  
19 in areas outside of cities and towns and other communities,  
20 establishments which are operated and maintained primarily for the  
21 benefit of tourists, vacationers and travelers, and also golf and  
22 country clubs, and common carriers operating dining, club and buffet  
23 cars, or boats.

24 (4) The total number of class H licenses issued in the state of  
25 Washington by the board, not including those class H licenses issued to  
26 clubs, shall not in the aggregate at any time exceed one license for  
27 each fifteen hundred of population in the state, determined according  
28 to the yearly population determination developed by the office of  
29 financial management pursuant to RCW 43.62.030.

1 (5) Notwithstanding the provisions of subsection (4) of this  
2 section, the board shall refuse a class H license to any applicant if  
3 in the opinion of the board the class H licenses already granted for  
4 the particular locality are adequate for the reasonable needs of the  
5 community.

6 **Sec. 6.** RCW 66.28.070 and 1987 c 205 s 1 are each amended to read  
7 as follows:

8 (1) Except as provided in subsection (2) of this section, it shall  
9 be unlawful for any retail beer licensee to purchase beer, except from  
10 a duly licensed beer wholesaler, and it shall be unlawful for any  
11 brewer or beer wholesaler to purchase beer, except from a duly licensed  
12 beer wholesaler or beer importer.

13 (2) A beer retailer licensee may purchase beer from a government  
14 agency which has lawfully seized beer from a licensed beer retailer, or  
15 from a board-authorized retailer, or from a licensed retailer which has  
16 discontinued business if the wholesaler has refused to accept beer from  
17 that retailer for return and refund. Beer purchased under this  
18 subsection shall meet the quality standards set by its manufacturer.

19 (3) Special occasion licensees holding a class G license may  
20 purchase beer from a beer retailer licensed to sell beer for off-  
21 premises consumption or from a licensed beer wholesaler. Licensees  
22 holding a class J license may purchase wine from a wine retailer  
23 licensed to sell wine for off-premises consumption or from a licensed  
24 wine wholesaler. Beer manufacturers, importers, and wholesalers  
25 participating in judging or tasting events held under the auspices of  
26 a class G license may advertise, pour, or dispense beer during the  
27 event without being in violation of RCW 66.28.010.