
HOUSE BILL 2674

State of Washington

56th Legislature

2000 Regular Session

By Representatives Lambert and Delvin

Read first time . Referred to Committee on .

1 AN ACT Relating to the wholesale and retail sale and distribution
2 of alcoholic beverages; amending RCW 66.04.010, 66.08.020, 66.08.026,
3 66.08.030, 66.08.050, 66.08.090, 66.08.095, 66.12.110, 66.12.120,
4 66.12.140, 66.16.040, 66.16.100, 66.16.110, 66.20.170, 66.20.180,
5 66.20.190, 66.20.200, 66.24.160, 66.24.210, 66.24.290, 66.24.310,
6 66.24.360, 66.24.371, 66.24.380, 66.24.540, 66.28.030, 66.28.060,
7 66.28.180, 66.28.190, 66.40.140, 66.44.150, 66.44.160, 66.44.318,
8 66.44.340, and 66.08.170; reenacting and amending RCW 66.28.040 and
9 66.28.070; adding new sections to chapter 66.24 RCW; adding a new
10 section to chapter 66.28 RCW; adding a new section to chapter 66.44
11 RCW; adding new sections to chapter 66.08 RCW; creating a new section;
12 repealing RCW 66.08.070, 66.08.160, 66.08.235, 66.12.020, 66.16.010,
13 66.16.030, 66.16.041, 66.16.050, 66.16.060, 66.16.070, 66.16.080,
14 66.16.090, 66.20.160, 66.24.440, 66.32.010, and 66.44.120; and
15 providing an effective date.

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

17 **Sec. 1.** RCW 66.04.010 and 1997 c 321 s 37 are each amended to read
18 as follows:

19 In this title, unless the context otherwise requires:

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

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

12 (3) "Beer distributor" means a person who buys beer from a brewer
13 or brewery located either within or beyond the boundaries of the state,
14 beer importers, or foreign produced beer from a source outside the
15 state of Washington, for the purpose of selling the same pursuant to
16 this title, or who represents such brewer or brewery as agent.

17 (4) "Beer importer" means a person or business within Washington
18 who purchases beer from a United States brewery holding a certificate
19 of approval (B5) or foreign produced beer from a source outside the
20 state of Washington for the purpose of selling the same pursuant to
21 this title.

22 (5) "Brewer" means any person engaged in the business of
23 manufacturing beer and malt liquor.

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

26 (7) "Club" means an organization of persons, incorporated or
27 unincorporated, operated solely for fraternal, benevolent, educational,
28 athletic or social purposes, and not for pecuniary gain.

29 (8) "Consume" includes the putting of liquor to any use, whether by
30 drinking or otherwise.

31 (9) "Dentist" means a practitioner of dentistry duly and regularly
32 licensed and engaged in the practice of his profession within the state
33 pursuant to chapter 18.32 RCW.

34 (10) "Distiller" means a person engaged in the business of
35 distilling spirits.

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

38 (12) "Druggist" means any person who holds a valid certificate and
39 is a registered pharmacist and is duly and regularly engaged in

1 carrying on the business of pharmaceutical chemistry pursuant to
2 chapter 18.64 RCW.

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

7 (14) "Employee" means any person employed by the board(~~(, including~~
8 ~~a vendor,~~)) as hereinafter in this section defined.

9 (15) "Fund" means 'liquor revolving fund.'

10 (16) "Hotel" means every building or other structure kept, used,
11 maintained, advertised or held out to the public to be a place where
12 food is served and sleeping accommodations are offered for pay to
13 transient guests, in which twenty or more rooms are used for the
14 sleeping accommodation of such transient guests and having one or more
15 dining rooms where meals are served to such transient guests, such
16 sleeping accommodations and dining rooms being conducted in the same
17 building and buildings, in connection therewith, and such structure or
18 structures being provided, in the judgment of the board, with adequate
19 and sanitary kitchen and dining room equipment and capacity, for
20 preparing, cooking and serving suitable food for its guests: PROVIDED
21 FURTHER, That in cities and towns of less than five thousand
22 population, the board shall have authority to waive the provisions
23 requiring twenty or more rooms.

24 (17) "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~~) a retail licensee or
27 for export.

28 (18) "Imprisonment" means confinement in the county jail.

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

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

3 (20) "Manufacturer" means a person engaged in the preparation of
4 liquor for sale, in any form whatsoever.

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

13 (22) "Package" means any container or receptacle used for holding
14 liquor.

15 (23) "Permit" means a permit for the purchase of liquor under this
16 title.

17 (24) "Person" means an individual, copartnership, association, or
18 corporation.

19 (25) "Physician" means a medical practitioner duly and regularly
20 licensed and engaged in the practice of his profession within the state
21 pursuant to chapter 18.71 RCW.

22 (26) "Prescription" means a memorandum signed by a physician and
23 given by him to a patient for the obtaining of liquor pursuant to this
24 title for medicinal purposes.

25 (27) "Public place" includes streets and alleys of incorporated
26 cities and towns; state or county or township highways or roads;
27 buildings and grounds used for school purposes; public dance halls and
28 grounds adjacent thereto; those parts of establishments where beer may
29 be sold under this title, soft drink establishments, public buildings,
30 public meeting halls, lobbies, halls and dining rooms of hotels,
31 restaurants, theaters, stores, garages and filling stations which are
32 open to and are generally used by the public and to which the public is
33 permitted to have unrestricted access; railroad trains, stages, and
34 other public conveyances of all kinds and character, and the depots and
35 waiting rooms used in conjunction therewith which are open to
36 unrestricted use and access by the public; publicly owned bathing
37 beaches, parks, and/or playgrounds; and all other places of like or
38 similar nature to which the general public has unrestricted right of
39 access, and which are generally used by the public.

1 (28) "Regulations" means regulations made by the board under the
2 powers conferred by this title.

3 (29) "Restaurant" means any establishment provided with special
4 space and accommodations where, in consideration of payment, food,
5 without lodgings, is habitually furnished to the public, not including
6 drug stores and soda fountains.

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

19 (31) "Soda fountain" means a place especially equipped with
20 apparatus for the purpose of dispensing soft drinks, whether mixed or
21 otherwise.

22 (32) "Spirits" means any beverage which contains alcohol obtained
23 by distillation, including wines exceeding twenty-four percent of
24 alcohol by volume.

25 ~~(33) ("Store" means a state liquor store established under this
26 title.~~

27 ~~(34))~~ (34) "Tavern" means any establishment with special space and
28 accommodation for sale by the glass and for consumption on the
29 premises, of beer, as herein defined.

30 ~~((35) "Vendor" means a person employed by the board as a store
31 manager under this title.~~

32 ~~(36))~~ (34) "Winery" means a business conducted by any person for
33 the manufacture of wine for sale, other than a domestic winery.

34 ~~((37))~~ (35) "Wine" means any alcoholic beverage obtained by
35 fermentation of fruits (grapes, berries, apples, et cetera) or other
36 agricultural product containing sugar, to which any saccharine
37 substances may have been added before, during or after fermentation,
38 and containing not more than twenty-four percent of alcohol by volume,
39 including sweet wines fortified with wine spirits, such as port,

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

14 This subsection shall not be interpreted to require that any wine
15 be labeled with the designation "table wine" or "fortified wine."

16 ~~((+38+))~~ (36) "Wine distributor" means a person who buys wine from
17 a vintner or winery located either within or beyond the boundaries of
18 the state for the purpose of selling the same not in violation of this
19 title, or who represents such vintner or winery as agent.

20 ~~((+39+))~~ (37) "Wine importer" means a person or business within
21 Washington who purchases wine from a United States winery holding a
22 certificate of approval (W7) or foreign produced wine from a source
23 outside the state of Washington for the purpose of selling the same
24 pursuant to this title.

25 **Sec. 2.** RCW 66.08.020 and 1933 ex.s. c 62 s 5 are each amended to
26 read as follows:

27 The administration of this title(~~(, including the general control,~~
28 ~~management and supervision of all liquor stores,~~) shall be vested in
29 the liquor control board, constituted under this title.

30 **Sec. 3.** RCW 66.08.026 and 1998 c 265 s 2 are each amended to read
31 as follows:

32 All administrative expenses of the board incurred on and after
33 April 1, 1963 shall be appropriated and paid from the liquor revolving
34 fund. These administrative expenses shall include, but not be limited
35 to: The salaries and expenses of the board and its employees, (~~the~~
36 ~~cost of establishing, leasing, maintaining, and operating state liquor~~
37 ~~stores and warehouses,~~) legal services, pilot projects, annual or

1 other audits, and other general costs of conducting the business of the
2 board(~~(, and the costs of supplying, installing, and maintaining~~
3 ~~equipment used in state liquor stores and agency liquor vendor stores~~
4 ~~for the purchase of liquor by nonlicensees using debit or credit~~
5 ~~cards)). The administrative expenses shall not, however, be deemed to~~
6 ~~include ((costs of liquor and lottery tickets purchased, the cost of~~
7 ~~transportation and delivery to the point of distribution, other costs~~
8 ~~pertaining to the acquisition and receipt of liquor and lottery~~
9 ~~tickets, packaging and repackaging of liquor, transaction fees~~
10 ~~associated with credit or debit card purchases for liquor in state~~
11 ~~liquor stores and in the stores of agency liquor vendors pursuant to~~
12 ~~RCW 66.16.040 and 66.16.041,)) sales tax, and those amounts distributed~~
13 ~~pursuant to RCW 66.08.180, 66.08.190, 66.08.200, 66.08.210 and~~
14 ~~66.08.220.~~

15 **Sec. 4.** RCW 66.08.030 and 1977 ex.s. c 115 s 1 are each amended to
16 read as follows:

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

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

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

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

36 ((~~c) governing the purchase of liquor by the state and the~~
37 ~~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))~~ (b) ~~Prescribing~~~~((, subject to RCW 66.16.080,))~~ the hours
4 during which ~~((the state liquor stores shall be kept open for the sale~~
5 ~~of))~~ retail licensees may sell liquor;

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

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

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

16 ~~(i))~~ (c) ~~Prescribing forms to be used for purposes of this title~~
17 ~~or the regulations, and the terms and conditions to be contained in~~
18 ~~permits and licenses issued under this title;~~

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

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

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

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

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

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

1 (~~(p)~~) (j) Regulating premises in which liquor is kept for export
2 from the state, or from which liquor is exported, prescribing the books
3 and records to be kept therein and the reports to be made thereon to
4 the board, and providing for the inspection of the premises and the
5 books, records and the liquor so kept;

6 (~~(q)~~) (k) Prescribing the conditions and qualifications requisite
7 for the obtaining of club licenses and the books and records to be kept
8 and the returns to be made by clubs, prescribing the manner of
9 licensing clubs in any municipality or other locality, and providing
10 for the inspection of clubs;

11 (~~(r)~~) (l) Prescribing the conditions, accommodations and
12 qualifications requisite for the obtaining of licenses to sell beer
13 (~~and~~), wines, and spirits, and regulating the sale of beer (~~and~~),
14 wines (~~thereunder~~), and spirits;

15 (~~(s)~~) (m) Specifying and regulating the time and periods when,
16 and the manner, methods and means by which manufacturers shall deliver
17 liquor within the state; and the time and periods when, and the manner,
18 methods and means by which liquor may lawfully be conveyed or carried
19 within the state;

20 (~~(t)~~) (n) Providing for the making of returns by brewers of their
21 sales of beer shipped within the state, or from the state, showing the
22 gross amount of such sales and providing for the inspection of brewers'
23 books and records, and for the checking of the accuracy of any such
24 returns;

25 (~~(u)~~) (o) Providing for the making of returns by the
26 (~~wholesalers~~) distributors of beer whose breweries are located beyond
27 the boundaries of the state;

28 (~~(v)~~) (p) Providing for the making of returns by any other liquor
29 manufacturers, showing the gross amount of liquor produced or
30 purchased, the amount sold within and exported from the state, and to
31 whom so sold or exported, and providing for the inspection of the
32 premises of any such liquor manufacturers, their books and records, and
33 for the checking of any such return;

34 (~~(w)~~) (q) Providing for the giving of fidelity bonds by any or
35 all of the employees of the board: PROVIDED, That the premiums
36 therefor shall be paid by the board;

37 (~~(x)~~) (r) Providing for the shipment by mail or common carrier of
38 liquor to any person holding a permit and residing in any unit which

1 has, by election pursuant to this title, prohibited the sale of liquor
2 therein;

3 ~~((y))~~ (s) Prescribing methods of manufacture, conditions of
4 sanitation, standards of ingredients, quality and identity of alcoholic
5 beverages manufactured, sold, bottled, or handled by licensees ~~((and~~
6 ~~the board))~~; and conducting from time to time, in the interest of the
7 public health and general welfare, scientific studies and research
8 relating to alcoholic beverages and the use and effect thereof;

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

17 **Sec. 5.** RCW 66.08.050 and 1997 c 228 s 1 are each amended to read
18 as follows:

19 The board, subject to the provisions of this title and the rules,
20 shall:

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

24 ~~(2) Appoint in cities and towns and other communities, in which no~~
25 ~~state liquor store is located, liquor vendors. In addition, the board~~
26 ~~may appoint, in its discretion, a manufacturer that also manufactures~~
27 ~~liquor products other than wine under a license under this title, as a~~
28 ~~vendor for the purpose of sale of liquor products of its own~~
29 ~~manufacture on the licensed premises only. Such liquor vendors shall~~
30 ~~be agents of the board and be authorized to sell liquor to such~~
31 ~~persons, firms or corporations as provided for the sale of liquor from~~
32 ~~a state liquor store, and such vendors shall be subject to such~~
33 ~~additional rules and regulations consistent with this title as the~~
34 ~~board may require;~~

35 ~~(3) Establish all necessary warehouses for the storing and~~
36 ~~bottling, diluting and rectifying of stocks of liquors for the purposes~~
37 ~~of this title;~~

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

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

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

12 ~~((7))~~ (2) Pay all customs, duties, excises, charges and
13 obligations whatsoever relating to the business of the board;

14 ~~((8))~~ (3) Require bonds from all employees in the discretion of
15 the board, and to determine the amount of fidelity bond of each such
16 employee;

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

20 ~~(10))~~ (4) Accept and deposit into the general fund-local account
21 and disburse, subject to appropriation, federal grants or other funds
22 or donations from any source for the purpose of improving public
23 awareness of the health risks associated with alcohol consumption by
24 youth and the abuse of alcohol by adults in Washington state. The
25 board's alcohol awareness program shall cooperate with federal and
26 state agencies, interested organizations, and individuals to effect an
27 active public beverage alcohol awareness program;

28 ~~((11))~~ (5) Perform all other matters and things, whether similar
29 to the foregoing or not, to carry out the provisions of this title, and
30 shall have full power to do each and every act necessary to the conduct
31 of its business, including all buying, selling, preparation and
32 approval of forms, and every other function of the business whatsoever,
33 subject only to audit by the state auditor: PROVIDED, That the board
34 shall have no authority to regulate the content of spoken language on
35 licensed premises where wine and other liquors are served and where
36 there is not a clear and present danger of disorderly conduct being
37 provoked by such language.

1 **Sec. 6.** RCW 66.08.090 and 1933 ex.s. c 62 s 31 are each amended to
2 read as follows:

3 No employee shall sell liquor in any (~~other~~) place, nor at any
4 other time, nor otherwise than as authorized by the board under this
5 title and the regulations.

6 **Sec. 7.** RCW 66.08.095 and 1993 c 26 s 3 are each amended to read
7 as follows:

8 The liquor control board may provide (~~liquor~~) at no charge(~~(~~
9 ~~including~~) liquor forfeited under chapter 66.32 RCW(~~)~~) to recognized
10 law enforcement agencies within the state when the law enforcement
11 agency will be using the liquor for bona fide law enforcement training
12 or investigation purposes.

13 **Sec. 8.** RCW 66.12.110 and 1999 c 281 s 3 are each amended to read
14 as follows:

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

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

34 **Sec. 9.** RCW 66.12.120 and 1995 c 100 s 1 are each amended to read
35 as follows:

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

15 **Sec. 10.** RCW 66.12.140 and 1982 c 85 s 8 are each amended to read
16 as follows:

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

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

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

36 (4) Beer, wine, and/or spirituous liquor to be used in culinary or
37 restaurant courses shall be purchased at retail from (~~the board or~~)
38 a retailer licensed under this title. All such liquor shall be

1 securely stored in the food preparation area and shall not be displayed
2 in an area open to the general public.

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

8 **Sec. 11.** RCW 66.16.040 and 1996 c 291 s 1 are each amended to read
9 as follows:

10 Except as otherwise provided by law, an employee (~~(in)~~) of a
11 (~~(state)~~) retail liquor (~~(store or agency)~~) licensee may sell liquor to
12 any person of legal age to purchase alcoholic beverages and may also
13 sell to holders of permits such liquor as may be purchased under such
14 permits.

15 Where there may be a question of a person's right to purchase
16 liquor by reason of age, such person shall be required to present any
17 one of the following officially issued cards of identification which
18 shows his/her correct age and bears his/her signature and photograph:

19 (1) Liquor control authority card of identification of any state or
20 province of Canada.

21 (2) Driver's license, instruction permit or identification card of
22 any state or province of Canada, or "identocard" issued by the
23 Washington state department of licensing pursuant to RCW 46.20.117.

24 (3) United States armed forces identification card issued to active
25 duty, reserve, and retired personnel and the personnel's dependents.

26 (4) Passport.

27 (5) Merchant Marine identification card issued by the United States
28 Coast Guard.

29 The board may adopt such regulations as it deems proper covering
30 the acceptance of such cards of identification.

31 (~~(No liquor sold under this section shall be delivered until the
32 purchaser has paid for the liquor in cash, except as allowed under RCW
33 66.16.041. The use of a personal credit card does not rely upon the
34 credit of the state as prohibited by Article VIII, section 5 of the
35 state Constitution.)~~)

36 **Sec. 12.** RCW 66.16.100 and 1997 c 321 s 42 are each amended to
37 read as follows:

1 No ((state)) retail liquor ((store)) licensee in a county with a
2 population over three hundred thousand may sell fortified wine if the
3 board finds that the sale would be against the public interest based on
4 the factors in RCW 66.24.360. The burden of establishing that the sale
5 would be against the public interest is on those persons objecting.

6 **Sec. 13.** RCW 66.16.110 and 1993 c 422 s 2 are each amended to read
7 as follows:

8 The board shall cause to be posted in conspicuous places, in a
9 number determined by the board, within each ((state)) licensed retail
10 liquor ((store)) establishment, notices in print not less than one inch
11 high warning persons that consumption of alcohol shortly before
12 conception or during pregnancy may cause birth defects, including fetal
13 alcohol syndrome and fetal alcohol effects.

14 **Sec. 14.** RCW 66.20.170 and 1973 1st ex.s. c 209 s 5 are each
15 amended to read as follows:

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

22 **Sec. 15.** RCW 66.20.180 and 1973 1st ex.s. c 209 s 6 are each
23 amended to read as follows:

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

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

33 In addition to the presentation by the holder and verification by
34 the licensee ((or store employee)) of such card of identification, the
35 licensee ((or store employee)) who is still in doubt about the true age

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

14 **Sec. 17.** RCW 66.20.200 and 1994 c 201 s 1 are each amended to read
15 as follows:

16 It shall be unlawful for the owner of a card of identification to
17 transfer the card to any other person for the purpose of aiding such
18 person to procure alcoholic beverages from any licensee (~~or store
19 employee~~). Any person who shall permit his or her card of
20 identification to be used by another or transfer such card to another
21 for the purpose of aiding such transferee to obtain alcoholic beverages
22 from a licensee (~~or store employee~~) or gain admission to a premises
23 or portion of a premises classified by the board as off-limits to
24 persons under twenty-one years of age, shall be guilty of a misdemeanor
25 punishable as provided by RCW 9A.20.021, except that a minimum fine of
26 two hundred fifty dollars shall be imposed and any sentence requiring
27 community service shall require not fewer than twenty-five hours of
28 such service. Any person not entitled thereto who unlawfully procures
29 or has issued or transferred to him or her a card of identification,
30 and any person who possesses a card of identification not issued to him
31 or her, and any person who makes any false statement on any
32 certification card required by RCW 66.20.190, as now or hereafter
33 amended, to be signed by him or her, shall be guilty of a misdemeanor
34 punishable as provided by RCW 9A.20.021, except that a minimum fine of
35 two hundred fifty dollars shall be imposed and any sentence requiring
36 community service shall require not fewer than twenty-five hours of
37 such service.

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

3 There shall be a license for spirits distributors to sell
4 spirituous liquor, purchased from licensed Washington manufacturers,
5 spirituous liquor certificate of approval holders, licensed liquor
6 importers, or suppliers of foreign liquor located outside the state of
7 Washington, to retailers licensed for off-premises consumption and
8 other spirits distributors and to export spirits from the state of
9 Washington; fee fifteen thousand dollars per year for each distributing
10 unit.

11 NEW SECTION. **Sec. 19.** A new section is added to chapter 66.24 RCW
12 to read as follows:

13 A manufacturer of spirits located outside the state of Washington
14 must hold a certificate of approval to allow sales and shipment of the
15 certificate of approval holder's spirituous liquor to licensed
16 Washington spirits distributors or liquor importers. The certificate
17 of approval shall not be granted unless the manufacturer of spirituous
18 liquor has made a written agreement with the board to furnish to the
19 board, on or before the twentieth day of each month, a report under
20 oath, on a form to be prescribed by the board, showing the quantity of
21 spirits sold or delivered to each licensed spirits distributor or
22 liquor importer during the preceding month, and has further agreed with
23 the board that the manufacturers, all general sales corporations or
24 agencies maintained by them, and all of their trade representatives,
25 will faithfully comply with all laws of the state of Washington
26 pertaining to the sale of intoxicating liquors and with all rules and
27 regulations of the Washington state liquor control board. A violation
28 of the terms of this agreement will authorize the board to take action
29 to suspend or revoke such certificate.

30 The fee for the certificate of approval, issued under the
31 provisions of this title shall be one hundred dollars per year, which
32 sum must accompany the application for the certificate.

33 **Sec. 20.** RCW 66.24.160 and 1981 1st ex.s. c 5 s 30 are each
34 amended to read as follows:

35 A liquor importer's license may be issued to any qualified person,
36 firm or corporation, entitling the holder thereof to import into the
37 state any liquor other than beer or wine; to store the same within the

1 state, and to sell and export the same from the state; fee six hundred
2 dollars per annum. Such liquor importer's license shall be subject to
3 all conditions and restrictions imposed by this title or by the rules
4 and regulations of the board, and shall be issued only upon such terms
5 and conditions as may be imposed by the board. (~~(No liquor importer's~~
6 ~~license shall be required in sales to the Washington state liquor~~
7 ~~control board.))~~)

8 **Sec. 21.** RCW 66.24.210 and 1997 c 321 s 8 are each amended to read
9 as follows:

10 (1) There is hereby imposed upon all wines except cider sold to
11 wine distributors (~~(and the Washington state liquor control board,)~~)
12 within the state a tax at the rate of twenty and one-fourth cents per
13 liter. There is hereby imposed on all cider sold to wine distributors
14 (~~(and the Washington state liquor control board)~~) within the state a
15 tax at the rate of three and fifty-nine one-hundredths cents per liter:
16 PROVIDED, HOWEVER, That wine sold or shipped in bulk from one winery to
17 another winery shall not be subject to such tax. The tax provided for
18 in this section shall be collected by direct payments based on wine
19 purchased by wine distributors. Every person purchasing wine under the
20 provisions of this section shall on or before the twentieth day of each
21 month report to the board all purchases during the preceding calendar
22 month in such manner and upon such forms as may be prescribed by the
23 board, and with such report shall pay the tax due from the purchases
24 covered by such report unless the same has previously been paid. Any
25 such purchaser of wine whose applicable tax payment is not postmarked
26 by the twentieth day following the month of purchase will be assessed
27 a penalty at the rate of two percent a month or fraction thereof. The
28 board may require that every such person shall execute to and file with
29 the board a bond to be approved by the board, in such amount as the
30 board may fix, securing the payment of the tax. If any such person
31 fails to pay the tax when due, the board may forthwith suspend or
32 cancel the license until all taxes are paid.

33 (2) An additional tax is imposed equal to the rate specified in RCW
34 82.02.030 multiplied by the tax payable under subsection (1) of this
35 section. All revenues collected during any month from this additional
36 tax shall be transferred to the state general fund by the twenty-fifth
37 day of the following month.

1 (3) An additional tax is imposed on wines subject to tax under
2 subsection (1) of this section, at the rate of one-fourth of one cent
3 per liter for wine sold after June 30, 1987. After June 30, 1996, such
4 additional tax does not apply to cider. An additional tax of five one-
5 hundredths of one cent per liter is imposed on cider sold after June
6 30, 1996. The additional taxes imposed by this subsection (3) shall
7 cease to be imposed on July 1, 2001. All revenues collected under this
8 subsection (3) shall be disbursed quarterly to the Washington wine
9 commission for use in carrying out the purposes of chapter 15.88 RCW.

10 (4) An additional tax is imposed on all wine subject to tax under
11 subsection (1) of this section. The additional tax is equal to twenty-
12 three and forty-four one-hundredths cents per liter on fortified wine
13 as defined in RCW 66.04.010(~~(+37+)~~) (36) when bottled or packaged by
14 the manufacturer, one cent per liter on all other wine except cider,
15 and eighteen one-hundredths of one cent per liter on cider. All
16 revenues collected during any month from this additional tax shall be
17 deposited in the violence reduction and drug enforcement account under
18 RCW 69.50.520 by the twenty-fifth day of the following month.

19 (5)(a) An additional tax is imposed on all cider subject to tax
20 under subsection (1) of this section. The additional tax is equal to
21 two and four one-hundredths cents per liter of cider sold after June
22 30, 1996, and before July 1, 1997, and is equal to four and seven one-
23 hundredths cents per liter of cider sold after June 30, 1997.

24 (b) All revenues collected from the additional tax imposed under
25 this subsection (5) shall be deposited in the health services account
26 under RCW 43.72.900.

27 (6) For the purposes of this section, "cider" means table wine that
28 contains not less than one-half of one percent of alcohol by volume and
29 not more than seven percent of alcohol by volume and is made from the
30 normal alcoholic fermentation of the juice of sound, ripe apples or
31 pears. "Cider" includes, but is not limited to, flavored, sparkling,
32 or carbonated cider and cider made from condensed apple or pear must.

33 **Sec. 22.** RCW 66.24.290 and 1999 c 281 s 14 are each amended to
34 read as follows:

35 (1) Any microbrewer or domestic brewery or beer distributor
36 licensed under this title may sell and deliver beer to holders of
37 authorized licenses direct, but to no other person, (~~(other than the~~
38 ~~board+)~~) and every such brewery or beer distributor shall report all

1 sales to the board monthly, pursuant to the regulations, and shall pay
2 to the board as an added tax for the privilege of manufacturing and
3 selling the beer within the state a tax of one dollar and thirty cents
4 per barrel of thirty-one gallons on sales to licensees within the state
5 and on sales to licensees within the state of bottled and canned beer
6 shall pay a tax computed in gallons at the rate of one dollar and
7 thirty cents per barrel of thirty-one gallons. Any brewery or beer
8 distributor whose applicable tax payment is not postmarked by the
9 twentieth day following the month of sale will be assessed a penalty at
10 the rate of two percent per month or fraction thereof. Beer shall be
11 sold by breweries and distributors in sealed barrels or packages. The
12 moneys collected under this subsection shall be distributed as follows:
13 (a) Three-tenths of a percent shall be distributed to border areas
14 under RCW 66.08.195; and (b) of the remaining moneys: (i) Twenty
15 percent shall be distributed to counties in the same manner as under
16 RCW 66.08.200; and (ii) eighty percent shall be distributed to
17 incorporated cities and towns in the same manner as under RCW
18 66.08.210.

19 (2) An additional tax is imposed on all beer subject to tax under
20 subsection (1) of this section. The additional tax is equal to two
21 dollars per barrel of thirty-one gallons. All revenues collected
22 during any month from this additional tax shall be deposited in the
23 violence reduction and drug enforcement account under RCW 69.50.520 by
24 the twenty-fifth day of the following month.

25 (3)(a) An additional tax is imposed on all beer subject to tax
26 under subsection (1) of this section. The additional tax is equal to
27 ninety-six cents per barrel of thirty-one gallons through June 30,
28 1995, two dollars and thirty-nine cents per barrel of thirty-one
29 gallons for the period July 1, 1995, through June 30, 1997, and four
30 dollars and seventy-eight cents per barrel of thirty-one gallons
31 thereafter.

32 (b) The additional tax imposed under this subsection does not apply
33 to the sale of the first sixty thousand barrels of beer each year by
34 breweries that are entitled to a reduced rate of tax under 26 U.S.C.
35 Sec. 5051, as existing on July 1, 1993, or such subsequent date as may
36 be provided by the board by rule consistent with the purposes of this
37 exemption.

1 (c) All revenues collected from the additional tax imposed under
2 this subsection (3) shall be deposited in the health services account
3 under RCW 43.72.900.

4 (4) An additional tax is imposed on all beer that is subject to tax
5 under subsection (1) of this section that is in the first sixty
6 thousand barrels of beer by breweries that are entitled to a reduced
7 rate of tax under 26 U.S.C. Sec. 5051, as existing on July 1, 1993, or
8 such subsequent date as may be provided by the board by rule consistent
9 with the purposes of the exemption under subsection (3)(b) of this
10 section. The additional tax is equal to one dollar and forty-eight and
11 two-tenths cents per barrel of thirty-one gallons. By the twenty-fifth
12 day of the following month, three percent of the revenues collected
13 from this additional tax shall be distributed to border areas under RCW
14 66.08.195 and the remaining moneys shall be transferred to the state
15 general fund.

16 (5) The board may make refunds for all taxes paid on beer exported
17 from the state for use outside the state.

18 (6) The board may require filing with the board of a bond to be
19 approved by it, in such amount as the board may fix, securing the
20 payment of the tax. If any licensee fails to pay the tax when due, the
21 board may forthwith suspend or cancel his or her license until all
22 taxes are paid.

23 (7) The tax imposed under this section shall not apply to "strong
24 beer" as defined in this title.

25 **Sec. 23.** RCW 66.24.310 and 1997 c 321 s 17 are each amended to
26 read as follows:

27 (1) No person shall canvass for, solicit, receive, or take orders
28 for the purchase or sale of liquor, nor contact any licensees of the
29 board in goodwill activities, unless such person shall be the
30 accredited representative of a person, firm, or corporation holding a
31 certificate of approval issued pursuant to RCW 66.24.270 or 66.24.206,
32 a beer distributor's license, a microbrewer's license, a domestic
33 brewer's license, a beer importer's license, a domestic winery license,
34 a wine importer's license, (~~or~~) a wine distributor's license, or a
35 spirits distributor's license within the state of Washington, or the
36 accredited representative of a distiller, manufacturer, importer, or
37 distributor of spirituous liquor, or foreign produced beer or wine, and
38 shall have applied for and received a representative's license:

1 PROVIDED, HOWEVER, That the provisions of this section shall not apply
2 to drivers who deliver beer or wine;

3 (2) Every representative's license issued under this title shall be
4 subject to all conditions and restrictions imposed by this title or by
5 the rules and regulations of the board; the board, for the purpose of
6 maintaining an orderly market, may limit the number of representative's
7 licenses issued for representation of specific classes of eligible
8 employers;

9 (3) Every application for a representative's license must be
10 approved by a holder of a certificate of approval issued pursuant to
11 RCW 66.24.270 or 66.24.206, a licensed beer distributor, a licensed
12 domestic brewer, a licensed beer importer, a licensed microbrewer, a
13 licensed domestic winery, a licensed wine importer, a licensed wine
14 distributor, or by a distiller, manufacturer, importer, or distributor
15 of spirituous liquor, or foreign produced beer or wine, as the rules
16 and regulations of the board shall require;

17 (4) The fee for a representative's license shall be twenty-five
18 dollars per year;

19 (5) An accredited representative of a distiller, manufacturer,
20 importer, or distributor of spirituous liquor may, after he or she has
21 applied for and received a representative's license, contact retail
22 licensees of the board only in goodwill activities pertaining to
23 spirituous liquor products.

24 **Sec. 24.** RCW 66.24.360 and 1997 c 321 s 22 are each amended to
25 read as follows:

26 There shall be a spirits, beer, and/or wine retailer's license to
27 be designated as a grocery store license to sell spirits, beer, and/or
28 wine at retail in bottles, cans, and original containers, not to be
29 consumed upon the premises where sold, at any store (~~other than the~~
30 ~~state liquor stores~~)).

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

34 (2)(a) The annual fee for the grocery store license is one hundred
35 fifty dollars for each store selling beer or wine but not spirits.

36 (b) The annual fee for the grocery store license is three thousand
37 dollars for each store selling spirits.

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

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

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

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

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

20 (4) Licensees holding a grocery store license must maintain a
21 minimum three thousand dollar inventory of food products for human
22 consumption, not including pop, spirits, beer, or wine.

23 (5) Only grocery store licensees whose contiguous business premises
24 measure five thousand or more square feet of floor space and who meet
25 the requirements of subsection (4) of this section may sell at retail,
26 spirituous liquor in its original container. The board shall
27 determine, by rule, criteria for establishing qualifying floor space.

28 (6) Until July 1, 2003, the board may issue a retailer's license
29 under this section to agency liquor vendors appointed by the board on
30 or before January 1, 2000. Subsections (4) and (5) of this section do
31 not apply to liquor vendors who qualify under this subsection (6), but
32 such vendors are subject to the remainder of this section.

33 (7) Upon approval by the board, the grocery store licensee may also
34 receive an endorsement to permit the international export of beer and
35 wine.

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

1 (b) Any beer and wine sold under this endorsement must be intended
2 for consumption outside the state of Washington and the United States
3 and appropriate records must be maintained by the 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 or wine sold under this license must be sold at a
7 price no less than the acquisition price paid by the holder of the
8 license.

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

12 **Sec. 25.** RCW 66.24.371 and 1997 c 321 s 23 are each amended to
13 read as follows:

14 (1) There shall be a beer and/or wine retailer's license to be
15 designated as a beer and/or wine specialty shop license to sell beer
16 and/or wine at retail in bottles, cans, and original containers, not to
17 be consumed upon the premises where sold, at any store (~~other than the~~
18 ~~state liquor stores~~). Licensees obtaining a written endorsement from
19 the board may also sell malt liquor in kegs or other containers capable
20 of holding less than five and one-half gallons of liquid. The annual
21 fee for the beer and/or wine specialty shop license is one hundred
22 dollars for each store.

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

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

35 (a) The likelihood that the applicant will sell fortified wine to
36 persons who are intoxicated;

1 (b) Law enforcement problems in the vicinity of the applicant's
2 establishment that may arise from persons purchasing fortified wine at
3 the establishment; and

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

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

12 (4) Licensees holding a beer and/or wine specialty shop license
13 must maintain a minimum three thousand dollar wholesale inventory of
14 beer and/or wine.

15 **Sec. 26.** RCW 66.24.380 and 1997 c 321 s 24 are each amended to
16 read as follows:

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

23 (1) The not-for-profit society or organization is limited to sales
24 of no more than twelve calendar days per year.

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

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

30 (4) Spirituous liquor sold under this special occasion license must
31 be purchased (~~at a state liquor store or agency without discount at~~
32 ~~retail prices, including all taxes~~) from a licensed spirits
33 distributor.

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

1 **Sec. 27.** RCW 66.24.540 and 1999 c 129 s 1 are each amended to read
2 as follows:

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

8 (1) Sell, at retail, in locked honor bars, spirits in individual
9 bottles not to exceed fifty milliliters, beer in individual cans or
10 bottles not to exceed twelve ounces, and wine in individual bottles not
11 to exceed one hundred eighty-seven milliliters, to registered guests of
12 the motel for consumption in guest rooms.

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

15 (b) All spirits to be sold under the license must be purchased from
16 (~~the board~~) a licensed spirits distributor.

17 (c) The licensee shall require proof of age from the guest renting
18 a guest room and requesting the use of an honor bar. The guest shall
19 also execute an affidavit verifying that no one under twenty-one years
20 of age shall have access to the spirits, beer, and wine in the honor
21 bar.

22 (2) Provide without additional charge, to overnight guests of the
23 motel, beer and wine by the individual serving for on-premises
24 consumption at a specified regular date, time, and place as may be
25 fixed by the board. Self-service by attendees is prohibited. All beer
26 and wine service must be done by an alcohol server as defined in RCW
27 66.20.300 and comply with RCW 66.20.310.

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

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

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

33 NEW SECTION. **Sec. 28.** A new section is added to chapter 66.28 RCW
34 to read as follows:

35 A retail spirits licensee may sell spirits only during the hours of
36 twelve o'clock noon and eight o'clock p.m. each day, except Sundays.

1 **Sec. 29.** RCW 66.28.030 and 1997 c 321 s 47 are each amended to
2 read as follows:

3 Every licensed brewer, domestic brewer and microbrewer, domestic
4 winery, manufacturer holding a certificate of approval, licensed wine
5 importer, and licensed beer importer shall be responsible for the
6 conduct of any licensed spirits, beer, or wine distributor in selling,
7 or contracting to sell, to retail licensees, spirits, beer, or wine
8 manufactured by such brewer, domestic brewer and microbrewer, domestic
9 winery, manufacturer holding a certificate of approval, or imported by
10 such liquor, beer, or wine importer. Where the board finds that any
11 licensed spirits, beer, or wine distributor has violated any of the
12 provisions of this title or of the regulations of the board in selling
13 or contracting to sell spirits, beer, or wine to retail licensees, the
14 board may, in addition to any punishment inflicted or imposed upon such
15 distributor, prohibit the sale of the brand or brands of spirits, beer,
16 or wine involved in such violation to any or all retail licensees
17 within the trade territory usually served by such distributor for such
18 period of time as the board may fix, irrespective of whether the brewer
19 manufacturing such beer or the beer importer importing such beer or the
20 domestic winery manufacturing such wine or the wine importer importing
21 such wine or the certificate of approval holder manufacturing such
22 spirits, beer, or wine actually participated in such violation.

23 **Sec. 30.** RCW 66.28.040 and 1998 c 256 s 1 and 1998 c 126 s 12 are
24 each reenacted and amended to read as follows:

25 Except as permitted by the board under RCW 66.20.010, no brewery,
26 distributor, distiller, winery, importer, rectifier, or other
27 manufacturer of liquor shall, within the state, give to any person any
28 liquor; but nothing in this section nor in RCW 66.28.010 shall prevent
29 a brewery, distributor, winery, distiller, or importer from furnishing
30 samples of beer, wine, or spirituous liquor to authorized licensees for
31 the purpose of negotiating a sale, in accordance with regulations
32 adopted by the liquor control board, provided that the samples are
33 subject to taxes imposed by RCW 66.24.290 and 66.24.210, and in the
34 case of spirituous liquor, any product used for samples must be
35 purchased at retail from ~~((the board; nothing in this section shall~~
36 ~~prevent the furnishing of samples of liquor to the board for the~~
37 ~~purpose of negotiating the sale of liquor to the state liquor control~~
38 ~~board))~~ a retail liquor licensee; nothing in this section shall prevent

1 a brewery, winery, distillery, or distributor from furnishing beer,
2 wine, or spirituous liquor for instructional purposes under RCW
3 66.28.150 and 66.28.155; nothing in this section shall prevent a winery
4 or distributor from furnishing wine without charge, subject to the
5 taxes imposed by RCW 66.24.210, to a not-for-profit group organized and
6 operated solely for the purpose of enology or the study of viticulture
7 which has been in existence for at least six months and that uses wine
8 so furnished solely for such educational purposes or a domestic winery
9 from furnishing wine without charge or a domestic brewery from
10 furnishing beer without charge, subject to the taxes imposed by RCW
11 66.24.210 or 66.24.290, to a nonprofit charitable corporation or
12 association exempt from taxation under section 501(c)(3) of the
13 internal revenue code of 1986 (26 U.S.C. Sec. 501(c)(3)) for use
14 consistent with the purpose or purposes entitling it to such exemption;
15 nothing in this section shall prevent a brewer from serving beer
16 without charge, on the brewery premises; nothing in this section shall
17 prevent donations of wine for the purposes of RCW 66.12.180; and
18 nothing in this section shall prevent a domestic winery from serving
19 wine without charge, on the winery premises.

20 **Sec. 31.** RCW 66.28.060 and 1933 ex.s. c 62 s 26 are each amended
21 to read as follows:

22 Every distillery licensed under this title shall make monthly
23 reports to the board pursuant to the regulations. No such distillery
24 shall make any sale of spirits within the state of Washington except to
25 (~~the board~~) a licensed spirits distributor.

26 **Sec. 32.** RCW 66.28.070 and 1994 c 201 s 5 and 1994 c 63 s 2 are
27 each reenacted and amended to read as follows:

28 (1) Except as provided in subsection (2) of this section, it shall
29 be unlawful for any retail spirits, beer, or wine licensee to purchase
30 spirits, beer, or wine, except from a duly licensed (~~wholesaler or the~~
31 ~~board~~) distributor, and it shall be unlawful for any brewer, winery,
32 or spirits, beer, or wine (~~wholesaler~~) distributor to purchase
33 spirits, beer, or wine, except from a duly licensed spirits, beer, or
34 wine (~~wholesaler~~) distributor or importer.

35 (2) A spirits, beer, or wine retailer licensee may purchase
36 spirits, beer, or wine from a government agency which has lawfully
37 seized spirits, beer, or wine from a licensed spirits, beer, or wine

1 retailer, or from a board-authorized retailer, or from a licensed
2 retailer which has discontinued business if the (~~wholesaler~~)
3 distributor has refused to accept spirits, beer, or wine from that
4 retailer for return and refund. Spirits, beer, and wine purchased
5 under this subsection shall meet the quality standards set by its
6 manufacturer.

7 (3) Special occasion licensees holding (~~either a class G or J~~)
8 a special occasion license may only purchase beer or wine from a beer
9 or wine retailer duly licensed to sell beer or wine for off-premises
10 consumption(~~(, the board,)~~) or from a duly licensed beer or wine
11 (~~wholesaler~~) distributor.

12 **Sec. 33.** RCW 66.28.180 and 1997 c 321 s 51 are each amended to
13 read as follows:

14 It is unlawful for a person, firm, or corporation holding a
15 certificate of approval issued under RCW 66.24.270 or 66.24.206, a
16 spirits distributor's license, a beer distributor's license, a domestic
17 brewer's license, a microbrewer's license, a beer importer's license,
18 a beer distributor's license, a domestic winery license, a wine
19 importer's license, or a wine distributor's license within the state of
20 Washington to modify any prices without prior notification to and
21 approval of the board.

22 (1) Intent. This section is enacted, pursuant to the authority of
23 this state under the twenty-first amendment to the United States
24 Constitution, to promote the public's interest in fostering the orderly
25 and responsible distribution of (~~malt~~) alcoholic beverages (~~and~~
26 ~~wine~~) towards effective control of consumption; to promote the fair
27 and efficient three-tier system of distribution of such beverages; and
28 to confirm existing board rules as the clear expression of state policy
29 to regulate the manner of selling and pricing of (~~wine and malt~~)
30 alcoholic beverages by licensed suppliers and distributors.

31 (2) Spirits, beer, and wine distributor price posting.

32 (a) Every spirits, beer, or wine distributor shall file with the
33 board at its office in Olympia a price posting showing the wholesale
34 prices at which any and all brands of spirits, beer, and wine sold by
35 such (~~beer and/or wine~~) distributor shall be sold to retailers within
36 the state.

1 (b) Each price posting shall be made on a form prepared and
2 furnished by the board, or a reasonable facsimile thereof, and shall
3 set forth:

4 (i) All brands, types, packages, and containers of beer offered for
5 sale by such beer and/or wine distributor;

6 (ii) The wholesale prices thereof to retail licensees, including
7 allowances, if any, for returned empty containers.

8 (c) No spirits, beer, and/or wine distributor may sell or offer to
9 sell any package or container of spirits, beer, or wine to any retail
10 licensee at a price differing from the price for such package or
11 container as shown in the price posting filed by the (~~beer and/or~~
12 ~~wine~~) distributor and then in effect, according to rules adopted by
13 the board.

14 (d) Quantity discounts are prohibited. No price may be posted that
15 is below acquisition cost plus ten percent of acquisition cost.
16 However, the board is empowered to review periodically, as it may deem
17 appropriate, the amount of the percentage of acquisition cost as a
18 minimum mark-up over cost and to modify such percentage by rule of the
19 board, except such percentage shall be not less than ten percent.

20 (e) Distributor prices on a "close-out" item shall be accepted by
21 the board if the item to be discontinued has been listed on the state
22 market for a period of at least six months, and upon the further
23 condition that the distributor who posts such a close-out price shall
24 not restock the item for a period of one year following the first
25 effective date of such close-out price.

26 (f) The board may reject any price posting that it deems to be in
27 violation of this section or any rule, or portion thereof, or that
28 would tend to disrupt the orderly sale and distribution of beer,
29 spirits, and wine. Whenever the board rejects any posting, the
30 licensee submitting the posting may be heard by the board and shall
31 have the burden of showing that the posting is not in violation of this
32 section or a rule or does not tend to disrupt the orderly sale and
33 distribution of spirits, beer, and wine. If the posting is accepted,
34 it shall become effective at the time fixed by the board. If the
35 posting is rejected, the last effective posting shall remain in effect
36 until such time as an amended posting is filed and approved, in
37 accordance with the provisions of this section.

1 (g) All price postings filed as required by this section shall at
2 all times be open to inspection to all trade buyers within the state of
3 Washington and shall not in any sense be considered confidential.

4 (h) Any spirits, beer, and/or wine distributor or employee
5 authorized by the distributor-employer may sell spirits, beer, and/or
6 wine at the distributor's posted prices to any annual or special
7 occasion retail licensee upon presentation to the distributor or
8 employee at the time of purchase of a special permit issued by the
9 board to such licensee.

10 (i) Every annual or special occasion retail licensee, upon
11 purchasing any beer and/or wine from a distributor, shall immediately
12 cause such beer or wine to be delivered to the licensed premises, and
13 the licensee shall not thereafter permit such beer to be disposed of in
14 any manner except as authorized by the license.

15 (ii) Spirits, beer, and wine sold as provided in this section shall
16 be delivered by the distributor or an authorized employee either to the
17 retailer's licensed premises or directly to the retailer at the
18 distributor's licensed premises. A distributor's prices to retail
19 licensees shall be the same at both such places of delivery.

20 (3) Beer and wine suppliers' price filings, contracts, and
21 memoranda.

22 (a) Every brewery and winery offering beer and/or wine for sale
23 within the state shall file with the board at its office in Olympia a
24 copy of every written contract and a memorandum of every oral agreement
25 which such brewery or winery may have with any beer or wine
26 distributor, which contracts or memoranda shall contain a schedule of
27 prices charged to distributors for all items and all terms of sale,
28 including all regular and special discounts; all advertising, sales and
29 trade allowances, and incentive programs; and all commissions, bonuses
30 or gifts, and any and all other discounts or allowances. Whenever
31 changed or modified, such revised contracts or memoranda shall
32 forthwith be filed with the board as provided for by rule. The
33 provisions of this section also apply to certificate of approval
34 holders, beer and/or wine importers, and beer and/or wine distributors
35 who sell to other beer and/or wine distributors.

36 Each price schedule shall be made on a form prepared and furnished
37 by the board, or a reasonable facsimile thereof, and shall set forth
38 all brands, types, packages, and containers of beer or wine offered for

1 sale by such licensed brewery or winery; all additional information
2 required may be filed as a supplement to the price schedule forms.

3 (b) Prices filed by a brewery or winery shall be uniform prices to
4 all distributors on a state-wide basis less bona fide allowances for
5 freight differentials. Quantity discounts are prohibited. No price
6 shall be filed that is below acquisition/production cost plus ten
7 percent of that cost, except that acquisition cost plus ten percent of
8 acquisition cost does not apply to sales of beer or wine between a beer
9 or wine importer who sells beer or wine to another beer or wine
10 importer or to a beer or wine distributor, or to a beer or wine
11 distributor who sells beer or wine to another beer or wine distributor.
12 However, the board is empowered to review periodically, as it may deem
13 appropriate, the amount of the percentage of acquisition/production
14 cost as a minimum mark-up over cost and to modify such percentage by
15 rule of the board, except such percentage shall be not less than ten
16 percent.

17 (c) No brewery, winery, certificate of approval holder, beer or
18 wine importer, or beer or wine distributor may sell or offer to sell
19 any beer or wine to any persons whatsoever in this state until copies
20 of such written contracts or memoranda of such oral agreements are on
21 file with the board.

22 (d) No brewery or winery may sell or offer to sell any package or
23 container of beer or wine to any distributor at a price differing from
24 the price for such package or container as shown in the schedule of
25 prices filed by the brewery or winery and then in effect, according to
26 rules adopted by the board.

27 (e) The board may reject any supplier's price filing, contract, or
28 memorandum of oral agreement, or portion thereof that it deems to be in
29 violation of this section or any rule or that would tend to disrupt the
30 orderly sale and distribution of beer or wine. Whenever the board
31 rejects any such price filing, contract, or memorandum, the licensee
32 submitting the price filing, contract, or memorandum may be heard by
33 the board and shall have the burden of showing that the price filing,
34 contract, or memorandum is not in violation of this section or a rule
35 or does not tend to disrupt the orderly sale and distribution of beer
36 or wine. If the price filing, contract, or memorandum is accepted, it
37 shall become effective at a time fixed by the board. If the price
38 filing, contract, or memorandum, or portion thereof, is rejected, the
39 last effective price filing, contract, or memorandum shall remain in

1 effect until such time as an amended price filing, contract, or
2 memorandum is filed and approved, in accordance with the provisions of
3 this section.

4 (f) All prices, contracts, and memoranda filed as required by this
5 section shall at all times be open to inspection to all trade buyers
6 within the state of Washington and shall not in any sense be considered
7 confidential.

8 **Sec. 34.** RCW 66.28.190 and 1997 c 321 s 52 are each amended to
9 read as follows:

10 RCW 66.28.010 notwithstanding, persons licensed under RCW 66.24.200
11 as wine distributors ~~((and))~~, persons licensed under RCW 66.24.250 as
12 beer distributors, and persons licensed under section 18 of this act
13 may sell at wholesale nonliquor food products on thirty-day credit
14 terms to persons licensed as retailers under this title, but complete
15 and separate accounting records shall be maintained on all sales of
16 nonliquor food products to ensure that such persons are in compliance
17 with RCW 66.28.010.

18 For the purpose of this section, "nonliquor food products" includes
19 all food products for human consumption as defined in RCW 82.08.0293 as
20 it exists on July 1, 1987, except that for the purposes of this section
21 bottled water and carbonated beverages, whether liquid or frozen, shall
22 be considered food products.

23 **Sec. 35.** RCW 66.40.140 and 1933 ex.s. c 62 s 88 are each amended
24 to read as follows:

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

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

36 (2)) As to any premises licensed hereunder within any such unit at
37 the time of such election, such licensee shall have a period of sixty

1 days from and after the date of the canvass of the vote upon such
2 election in which to discontinue operation of its store or stores
3 therein.

4 ~~((+3))~~ (2) Nothing herein contained shall prevent any distillery,
5 brewery, rectifying plant or winery or the licensed operators thereof
6 from selling its manufactured product, manufactured within such unit,
7 outside the boundaries thereof.

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

15 **Sec. 36.** RCW 66.44.150 and 1955 c 289 s 5 are each amended to read
16 as follows:

17 ~~((+f))~~ Any person in this state who buys alcoholic beverages from
18 any person other than ~~((the board,))~~ a ~~((state liquor store,))~~ licensee
19 or some person authorized by the board to sell ~~((them, he shall be))~~ it
20 is guilty of a misdemeanor.

21 **Sec. 37.** RCW 66.44.160 and 1955 c 289 s 6 are each amended to read
22 as follows:

23 Except as otherwise provided in this title, any person who has or
24 keeps or transports alcoholic beverages other than those purchased from
25 ~~((the board,))~~ a ~~((state liquor store,))~~ licensee or some person
26 authorized by the board to sell ~~((them, shall be))~~ it is guilty of a
27 violation of this title.

28 **Sec. 38.** RCW 66.44.318 and 1995 c 100 s 2 are each amended to read
29 as follows:

30 Licensees holding nonretail class liquor licenses are permitted to
31 allow their employees between ~~((+the+))~~ the ages of eighteen and
32 twenty-one to stock, merchandise, and handle spirits, beer, or wine on
33 or about the nonretail premises if there is an adult twenty-one years
34 of age or older on duty supervising such activities on the premises.

1 **Sec. 39.** RCW 66.44.340 and 1999 c 281 s 11 are each amended to
2 read as follows:

3 Employers holding (~~(grocery store or beer and/or wine specialty~~
4 ~~shop)) retail liquor licenses exclusively for off-premises consumption
5 are permitted to allow their employees, between the ages of eighteen
6 and twenty-one years, to sell, stock, and handle spirits, beer, or wine
7 in, on, or about any establishment holding (~~(a grocery store or beer~~
8 ~~and/or wine specialty shop)) such license exclusively: PROVIDED, That
9 there is an adult twenty-one years of age or older on duty supervising
10 the sale of liquor at the licensed premises: PROVIDED, That minor
11 employees may make deliveries of spirits, beer, and/or wine purchased
12 from licensees holding (~~(grocery store or beer and/or wine specialty~~
13 ~~shop)) retail liquor licenses exclusively for off-premises consumption,
14 when delivery is made to cars of customers adjacent to such licensed
15 premises but only, however, when the minor employee is accompanied by
16 the purchaser.~~~~~~

17 NEW SECTION. **Sec. 40.** A new section is added to chapter 66.44 RCW
18 to read as follows:

19 It shall be unlawful for any person, firm, or corporation to
20 advertise any spirituous liquor beverage product through outdoor
21 advertising or print media within the state of Washington. However,
22 one sign at the retail outlet for such products using the words retail,
23 alcohol, liquor, store, or any combination of such words may be
24 allowed. For purposes of this section, "outdoor advertising" means all
25 signs, visible to the general public, whether permanent or temporary,
26 advertising spirituous liquor, except for the one sign allowed for each
27 retail outlet.

28 NEW SECTION. **Sec. 41.** A new section is added to chapter 66.24 RCW
29 to read as follows:

30 There is hereby imposed upon all spirits sold by spirits
31 distributors licensed under this title, a tax at the rate of one dollar
32 and sixty-two cents per liter. The tax provided for in this section
33 shall be collected by direct payments based on spirits sold by spirits
34 distributors. Every person selling spirits under the provisions of
35 this section shall on or before the twentieth day of each month report
36 to the board all sales during the preceding calendar month in such
37 manner and upon such forms as may be prescribed by the board, and with

1 such report shall pay the tax due from the sales covered by such report
2 unless the same has previously been paid. Any such seller of spirits
3 whose applicable tax payment is not postmarked by the twentieth day
4 following the month of purchase will be assessed a penalty at the rate
5 of two percent a month or fraction thereof. The board may require that
6 every such person execute and file with the board a bond to be approved
7 by the board, in such amount as the board may fix, securing the payment
8 of the tax. If any such person fails to pay the tax when due, the
9 board may forthwith suspend or cancel the license until all taxes are
10 paid. All revenues collected under this section shall be deposited in
11 the liquor revolving fund.

12 NEW SECTION. **Sec. 42.** A new section is added to chapter 66.08 RCW
13 to read as follows:

14 (1) A consumption surcharge is established to be paid by spirits
15 distributors on the sale or transfer of spirits from the distributor to
16 the retailer.

17 (2) The board shall establish the annual base consumption rate
18 determined by the total liter volume per capita of spirits sold through
19 state liquor stores and vendor agencies and to spirits, beer, and wine
20 restaurant licensees during calendar year 1999.

21 (3) Beginning on January 1, 2002, and each year thereafter, the
22 board shall monitor sales and transfers of spirits by spirits
23 distributors. If during calendar year 2002 the total liter volume per
24 capita of spirits sold or transferred reaches the 1999 annual liter
25 volume per capita, the board shall collect from each spirits
26 distributor, beginning April 1, 2003, a surcharge of two dollars per
27 liter of spirits sold or transferred between April 1, 2003, and March
28 31, 2004.

29 (4) If the total liter volume per capita of spirits sold or
30 transferred during calendar year 2003 falls below the base consumption
31 rate established in 1999, imposition of the consumption surcharge shall
32 be terminated beginning April 1, 2004.

33 (5) Beginning with calendar year 2005, and each year thereafter, if
34 the total liter volume per capita of spirits exceeds the total liter
35 volume per capita of spirits sold or transferred in the base
36 consumption year of 1999, the board shall impose a surcharge, beginning
37 on April 1st of the following year, on the sale or transfer of spirits

1 by spirit distributors to spirit retailers for a period of three
2 hundred fifty-two days.

3 (6) Revenue generated by the consumption surcharge shall be
4 deposited in the liquor revolving fund and the surcharge, when imposed,
5 shall be collected by the board annually from distributors.

6 NEW SECTION. **Sec. 43.** A new section is added to chapter 66.08 RCW
7 to read as follows:

8 The liquor control board must determined annually per capita
9 consumption levels and total volume by liter of spirits sold or
10 transferred during the calendar year by a spirits distributor to a
11 retail licensee authorized to sell spirits. The board may recommend
12 consumption surcharge adjustments to respond to any increase in
13 consumption above the base level established for 1999. It is the
14 intent of the legislature that as consumption increases over the level
15 established by the board for calendar year 1999, a surcharge be imposed
16 that increases the cost of the product as a means of controlling
17 consumption.

18 **Sec. 44.** RCW 66.08.170 and 1961 ex.s. c 6 s 1 are each amended to
19 read as follows:

20 There shall be a fund, known as the "liquor revolving fund", which
21 shall consist of all license fees, permit fees, penalties, forfeitures,
22 consumption surcharge revenues, and all other moneys, income, or
23 revenue received by the board. The state treasurer shall be custodian
24 of the fund. All moneys received by the board or any employee thereof,
25 except for change funds and an amount of petty cash as fixed by the
26 board within the authority of law shall be deposited each day in a
27 depository approved by the state treasurer and transferred to the state
28 treasurer to be credited to the liquor revolving fund. Disbursements
29 from the revolving fund shall be on authorization of the board or a
30 duly authorized representative thereof. In order to maintain an
31 effective expenditure and revenue control the liquor revolving fund
32 shall be subject in all respects to chapter 43.88 RCW but no
33 appropriation shall be required to permit expenditures and payment of
34 obligations from such fund.

35 NEW SECTION. **Sec. 45.** A new section is added to chapter 66.08 RCW
36 to read as follows:

1 (1) Any licensee that employs a former state liquor store employee
2 during calendar year 2002 may deduct from his or her annual license fee
3 for the subsequent year one dollar for each hour the employee is
4 employed by the licensee up to the license fee amount.

5 (2) For purposes of this section, "former state liquor store
6 employee" means an individual employed full time by the liquor control
7 board at a state liquor store for at least six months prior to the
8 effective date of this section.

9 NEW SECTION. **Sec. 46.** (1) The liquor control board shall begin
10 the process of terminating its operations involving the retail sale and
11 wholesale distribution of liquor. The board and the office of
12 financial management shall determine those actions necessary to
13 terminate the board's direct involvement in the retail sale and
14 wholesale distribution of liquor by July 1, 2002, and make
15 recommendations to the legislature by December 1, 2000, on the
16 following:

17 (a) Disposition of equipment and inventory under the control of the
18 liquor control board used in the operation of state liquor stores and
19 agency vendor stores;

20 (b) Disposition of all warehousing facilities and other equipment
21 and vehicles used in the wholesale distribution of liquor;

22 (c) The status of contracts and other obligations;

23 (d) Determine the impact on sales and availability of spirits to
24 the public during the period of decreasing state liquor store operation
25 and the implementation of private retail and wholesaling of spirits;

26 (e) Identification of issues and a plan for treatment of personnel;
27 and

28 (f) Any other actions determined necessary by the reporting
29 agencies.

30 (2) The board is authorized to take actions necessary to implement
31 the spirits distributor's license and the spirits retail license for
32 grocery stores by July 1, 2002.

33 (3) The board shall exercise due diligence to reduce any
34 liabilities associated with discontinuing board retailing and
35 wholesaling operations including contract commitments for the
36 acquisition of alcoholic beverages or interests in real estate used for
37 the retailing and wholesaling of alcoholic beverages past July 1, 2002.

1 NEW SECTION. **Sec. 47.** The following acts or parts of acts are
2 each repealed:

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

7 (2) RCW 66.08.160 (Acquisition of warehouse authorized) and 1947 c
8 134 s 1;

9 (3) RCW 66.08.235 (Liquor control board construction and
10 maintenance account) and 1997 c 75 s 1;

11 (4) RCW 66.12.020 (Sales of liquor to board) and 1933 ex.s. c 62 s
12 48;

13 (5) RCW 66.16.010 (Board may establish--Price standards--Prices in
14 special instances) and 1939 c 172 s 10, 1937 c 62 s 1, & 1933 ex.s. c
15 62 s 4;

16 (6) RCW 66.16.030 (Vendor to be in charge) and 1933 ex.s. c 62 s 6;

17 (7) RCW 66.16.041 (Credit and debit card purchases--Rules--
18 Provision, installation, maintenance of equipment by board--
19 Consideration of offsetting liquor revolving fund balance reduction--
20 Report to legislature) and 1998 c 265 s 3, 1997 c 148 s 2, & 1996 c 291
21 s 2;

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

24 (9) RCW 66.16.060 (Sealed packages may be required, exception) and
25 1943 c 216 s 1 & 1933 ex.s. c 62 s 9;

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

28 (11) RCW 66.16.080 (Sunday closing) and 1988 c 101 s 1 & 1933 ex.s.
29 c 62 s 11;

30 (12) RCW 66.16.090 (Record of individual purchases confidential--
31 Penalty for disclosure) and 1933 ex.s. c 62 s 89;

32 (13) RCW 66.20.160 ("Card of identification", "licensee", "store
33 employee" defined for certain purposes) and 1973 1st ex.s. c 209 s 4,
34 1971 ex.s. c 15 s 2, 1959 c 111 s 4, & 1949 c 67 s 1;

35 (14) RCW 66.24.440 (Liquor by the drink, spirits, beer, and wine
36 restaurant, spirits, beer, and wine private club, and sports
37 entertainment facility license--Purchase of liquor by licensees--
38 Discount) and 1998 c 126 s 8, 1997 c 321 s 29, & 1949 c 5 s 5;

1 (15) RCW 66.32.010 (Possession of contraband liquor) and 1955 c 39
2 s 3; and

3 (16) RCW 66.44.120 (Unlawful use of seal) and 1992 c 7 s 42 & 1933
4 ex.s. c 62 s 47.

5 NEW SECTION. **Sec. 48.** If any provision of this act or its
6 application to any person or circumstance is held invalid, the
7 remainder of the act or the application of the provision to other
8 persons or circumstances is not affected.

9 NEW SECTION. **Sec. 49.** Sections 1 through 45 and 47 of this act
10 take effect July 1, 2002.

--- END ---