

2 SHB 1781 - H AMD 0077 BEYOND SCOPED 3/14/01
3 By Representative Delvin

4

5 Strike everything after the enacting clause and insert the
6 following:

7 "Sec. 1. RCW 66.04.010 and 2000 c 142 s 1 are each amended to read
8 as follows:

9 In this title, unless the context otherwise requires:

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

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

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

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

31 (5) "Brewer" means any person engaged in the business of
32 manufacturing beer and malt liquor. Brewer includes a brand owner of
33 malt beverages who holds a brewer's notice with the federal bureau of
34 alcohol, tobacco, and firearms at a location outside the state and
35 whose malt beverage is contract-produced by a licensed in-state
36 brewery, and who may exercise within the state, under a domestic

1 brewery license, only the privileges of storing, selling to licensed
2 beer distributors, and exporting beer from the state.

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

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

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

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

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

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

17 (12) "Domestic winery" means a place where wines are manufactured
18 or produced within the state of Washington.

19 (13) "Druggist" means any person who holds a valid certificate and
20 is a registered pharmacist and is duly and regularly engaged in
21 carrying on the business of pharmaceutical chemistry pursuant to
22 chapter 18.64 RCW.

23 (14) "Drug store" means a place whose principal business is, the
24 sale of drugs, medicines and pharmaceutical preparations and maintains
25 a regular prescription department and employs a registered pharmacist
26 during all hours the drug store is open.

27 (15) "Employee" means any person employed by the board(~~(, including~~
28 ~~a vendor, as hereinafter in this section defined)~~).

29 (16) "Fund" means 'liquor revolving fund.'

30 (17) "Hotel" means every building or other structure kept, used,
31 maintained, advertised or held out to the public to be a place where
32 food is served and sleeping accommodations are offered for pay to
33 transient guests, in which twenty or more rooms are used for the
34 sleeping accommodation of such transient guests and having one or more
35 dining rooms where meals are served to such transient guests, such
36 sleeping accommodations and dining rooms being conducted in the same
37 building and buildings, in connection therewith, and such structure or
38 structures being provided, in the judgment of the board, with adequate
39 and sanitary kitchen and dining room equipment and capacity, for

1 preparing, cooking and serving suitable food for its guests: PROVIDED
2 FURTHER, That in cities and towns of less than five thousand
3 population, the board shall have authority to waive the provisions
4 requiring twenty or more rooms.

5 (18) "Importer" means a person who buys distilled spirits from a
6 distillery outside the state of Washington and imports such spirituous
7 liquor into the state for sale to (~~the board~~) an agency liquor vendor
8 or for export.

9 (19) "Imprisonment" means confinement in the county jail.

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

22 (21) "Manufacturer" means a person engaged in the preparation of
23 liquor for sale, in any form whatsoever.

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

32 (23) "Package" means any container or receptacle used for holding
33 liquor.

34 (24) "Permit" means a permit for the purchase of liquor under this
35 title.

36 (25) "Person" means an individual, copartnership, association, or
37 corporation.

1 (26) "Physician" means a medical practitioner duly and regularly
2 licensed and engaged in the practice of his profession within the state
3 pursuant to chapter 18.71 RCW.

4 (27) "Prescription" means a memorandum signed by a physician and
5 given by him to a patient for the obtaining of liquor pursuant to this
6 title for medicinal purposes.

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

22 (29) "Regulations" means regulations made by the board under the
23 powers conferred by this title.

24 (30) "Restaurant" means any establishment provided with special
25 space and accommodations where, in consideration of payment, food,
26 without lodgings, is habitually furnished to the public, not including
27 drug stores and soda fountains.

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

1 (32) "Soda fountain" means a place especially equipped with
2 apparatus for the purpose of dispensing soft drinks, whether mixed or
3 otherwise.

4 (33) "Spirits" means any beverage which contains alcohol obtained
5 by distillation, including wines exceeding twenty-four percent of
6 alcohol by volume.

7 (~~(34)~~) (~~"Store" means a state liquor store established under this~~
8 ~~title.~~

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

12 (~~((36))~~) (35) "Vendor" means ((a person employed by the board as a
13 store manager under this title)) an agency liquor vendor store licensed
14 by the board to sell liquor at retail.

15 (~~((37))~~) (36) "Winery" means a business conducted by any person for
16 the manufacture of wine for sale, other than a domestic winery.

17 (~~((38))~~) (37) "Wine" means any alcoholic beverage obtained by
18 fermentation of fruits (grapes, berries, apples, et cetera) or other
19 agricultural product containing sugar, to which any saccharine
20 substances may have been added before, during or after fermentation,
21 and containing not more than twenty-four percent of alcohol by volume,
22 including sweet wines fortified with wine spirits, such as port,
23 sherry, muscatel and angelica, not exceeding twenty-four percent of
24 alcohol by volume and not less than one-half of one percent of alcohol
25 by volume. For purposes of this title, any beverage containing no more
26 than fourteen percent of alcohol by volume when bottled or packaged by
27 the manufacturer shall be referred to as "table wine," and any beverage
28 containing alcohol in an amount more than fourteen percent by volume
29 when bottled or packaged by the manufacturer shall be referred to as
30 "fortified wine." However, "fortified wine" shall not include: (a)
31 Wines that are both sealed or capped by cork closure and aged two years
32 or more; and (b) wines that contain more than fourteen percent alcohol
33 by volume solely as a result of the natural fermentation process and
34 that have not been produced with the addition of wine spirits, brandy,
35 or alcohol.

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

38 (~~((39))~~) (38) "Wine distributor" means a person who buys wine from
39 a vintner or winery located either within or beyond the boundaries of

1 the state for the purpose of selling the same not in violation of this
2 title, or who represents such vintner or winery as agent.

3 ~~((40))~~ (39) "Wine importer" means a person or business within
4 Washington who purchases wine from a United States winery holding a
5 certificate of approval (W7) or foreign produced wine from a source
6 outside the state of Washington for the purpose of selling the same
7 pursuant to this title.

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

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

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

15 All administrative expenses of the board incurred on and after
16 April 1, 1963 shall be appropriated and paid from the liquor revolving
17 fund. These administrative expenses shall include, but not be limited
18 to: The salaries and expenses of the board and its employees, (~~the~~
19 ~~cost of establishing, leasing, maintaining, and operating state liquor~~
20 ~~stores and warehouses,~~) legal services, pilot projects, annual or
21 other audits, and other general costs of conducting the business of the
22 board(~~(, and the costs of supplying, installing, and maintaining~~
23 ~~equipment used in state liquor stores and agency liquor vendor stores~~
24 ~~for the purchase of liquor by nonlicensees using debit or credit~~
25 ~~cards)). The administrative expenses shall not, however, be deemed to~~
26 ~~include ((costs of liquor and lottery tickets purchased, the cost of~~
27 ~~transportation and delivery to the point of distribution, other costs~~
28 ~~pertaining to the acquisition and receipt of liquor and lottery~~
29 ~~tickets, packaging and repackaging of liquor, transaction fees~~
30 ~~associated with credit or debit card purchases for liquor in state~~
31 ~~liquor stores and in the stores of agency liquor vendors pursuant to~~
32 ~~RCW 66.16.040 and 66.16.041,~~) agency commissions for agency liquor
33 vendor stores, sales tax, and those amounts distributed pursuant to RCW
34 66.08.180, 66.08.190, 66.08.200, 66.08.210 and 66.08.220. Agency
35 commissions for agency liquor vendor stores shall be established by the
36 liquor control board after consultation with and approval by the
37 director of the office of financial management. All expenditures and

1 payment of obligations authorized by this section are subject to the
2 allotment requirements of chapter 43.88 RCW.

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

5 (1) For the purpose of carrying into effect the provisions of this
6 title according to their true intent or of supplying any deficiency
7 therein, the board may make such regulations not inconsistent with the
8 spirit of this title as are deemed necessary or advisable. All
9 regulations so made shall be a public record and shall be filed in the
10 office of the code reviser, and thereupon shall have the same force and
11 effect as if incorporated in this title. Such regulations, together
12 with a copy of this title, shall be published in pamphlets and shall be
13 distributed as directed by the board.

14 (2) Without thereby limiting the generality of the provisions
15 contained in subsection (1), it is declared that the power of the board
16 to make regulations in the manner set out in that subsection shall
17 extend to:

18 ~~((regulating the equipment and management of stores and~~
19 ~~warehouses in which state liquor is sold or kept, and prescribing the~~
20 ~~books and records to be kept therein and the reports to be made thereon~~
21 ~~to the board;~~

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

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

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

28 ~~(e))~~ (b) Prescribing ~~((, subject to RCW 66.16.080,))~~ the hours
29 during which ~~((the state liquor stores shall be kept open for the sale~~
30 ~~of))~~ agency liquor vendors may sell liquor;

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

34 ~~(g) prescribing an official seal and official labels and stamps and~~
35 ~~determining the manner in which they shall be attached to every package~~
36 ~~of liquor sold or sealed under this title, including the prescribing of~~
37 ~~different official seals or different official labels for different~~
38 ~~classes of liquor;~~

1 ~~(h) providing for the payment by the board in whole or in part of~~
2 ~~the carrying charges on liquor shipped by freight or express;~~
3 ~~(i))~~ (c) Prescribing forms to be used for purposes of this title
4 or the regulations, and the terms and conditions to be contained in
5 permits and licenses issued under this title;
6 ~~((j))~~ (d) Prescribing the fees payable in respect of permits and
7 licenses issued under this title for which no fees are prescribed in
8 this title, and prescribing the fees for anything done or permitted to
9 be done under the regulations;
10 ~~((k))~~ (e) Prescribing the kinds and quantities of liquor which
11 may be kept on hand by the holder of a special permit for the purposes
12 named in the permit, regulating the manner in which the same shall be
13 kept and disposed of, and providing for the inspection of the same at
14 any time at the instance of the board;
15 ~~((l))~~ (f) Regulating the sale of liquor kept by the holders of
16 licenses which entitle the holder to purchase and keep liquor for sale;
17 ~~((m))~~ (g) Prescribing the records of purchases or sales of liquor
18 kept by the holders of licenses, and the reports to be made thereon to
19 the board, and providing for inspection of the records so kept;
20 ~~((n))~~ (h) Prescribing the kinds and quantities of liquor for
21 which a prescription may be given, and the number of prescriptions
22 which may be given to the same patient within a stated period;
23 ~~((o))~~ (i) Prescribing the manner of giving and serving notices
24 required by this title or the regulations, where not otherwise provided
25 for in this title;
26 ~~((p))~~ (j) Regulating premises in which liquor is kept for export
27 from the state, or from which liquor is exported, prescribing the books
28 and records to be kept therein and the reports to be made thereon to
29 the board, and providing for the inspection of the premises and the
30 books, records and the liquor so kept;
31 ~~((q))~~ (k) Prescribing the conditions and qualifications requisite
32 for the obtaining of club licenses and the books and records to be kept
33 and the returns to be made by clubs, prescribing the manner of
34 licensing clubs in any municipality or other locality, and providing
35 for the inspection of clubs;
36 ~~((r))~~ (l) Prescribing the conditions, accommodations and
37 qualifications requisite for the obtaining of licenses to sell beer
38 ~~((and)),~~ wines, and spirits, and regulating the sale of beer ~~((and)),~~
39 wines ~~((thereunder)),~~ and spirits;

1 (~~(s)~~) (m) Specifying and regulating the time and periods when,
2 and the manner, methods and means by which manufacturers shall deliver
3 liquor within the state; and the time and periods when, and the manner,
4 methods and means by which liquor may lawfully be conveyed or carried
5 within the state;

6 (~~(t)~~) (n) Providing for the making of returns by brewers of their
7 sales of beer shipped within the state, or from the state, showing the
8 gross amount of such sales and providing for the inspection of brewers'
9 books and records, and for the checking of the accuracy of any such
10 returns;

11 (~~(u)~~) (o) Providing for the making of returns by the
12 (~~wholesalers~~) distributors of beer whose breweries are located beyond
13 the boundaries of the state;

14 (~~(v)~~) (p) Providing for the making of returns by any other liquor
15 manufacturers, showing the gross amount of liquor produced or
16 purchased, the amount sold within and exported from the state, and to
17 whom so sold or exported, and providing for the inspection of the
18 premises of any such liquor manufacturers, their books and records, and
19 for the checking of any such return;

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

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

27 (~~(y)~~) (s) Prescribing methods of manufacture, conditions of
28 sanitation, standards of ingredients, quality and identity of alcoholic
29 beverages manufactured, sold, bottled, or handled by licensees (~~and~~
30 ~~the board~~); and conducting from time to time, in the interest of the
31 public health and general welfare, scientific studies and research
32 relating to alcoholic beverages and the use and effect thereof;

33 (~~(z)~~) (t) Seizing, confiscating and destroying all alcoholic
34 beverages manufactured, sold or offered for sale within this state
35 which do not conform in all respects to the standards prescribed by
36 this title or the regulations of the board: PROVIDED, Nothing herein
37 contained shall be construed as authorizing the liquor board to
38 prescribe, alter, limit or in any way change the present law as to the

1 quantity or percentage of alcohol used in the manufacturing of wine or
2 other alcoholic beverages.

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

5 The board, subject to the provisions of this title and the rules,
6 shall:

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

10 ~~(2) Appoint in cities and towns and other communities, in which no~~
11 ~~state liquor store is located, liquor vendors. In addition, the board~~
12 ~~may appoint, in its discretion, a manufacturer that also manufactures~~
13 ~~liquor products other than wine under a license under this title, as a~~
14 ~~vendor for the purpose of sale of liquor products of its own~~
15 ~~manufacture on the licensed premises only. Such liquor vendors shall~~
16 ~~be agents of the board and be authorized to sell liquor to such~~
17 ~~persons, firms or corporations as provided for the sale of liquor from~~
18 ~~a state liquor store, and such vendors shall be subject to such~~
19 ~~additional rules and regulations consistent with this title as the~~
20 ~~board may require;~~

21 ~~(3) Establish all necessary warehouses for the storing and~~
22 ~~bottling, diluting and rectifying of stocks of liquors for the purposes~~
23 ~~of this title;~~

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

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

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

35 ~~((+7))~~ (2) Pay all customs, duties, excises, charges and
36 obligations whatsoever relating to the business of the board;

1 (~~(8)~~) (3) Require bonds from all employees in the discretion of
2 the board, and to determine the amount of fidelity bond of each such
3 employee;

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

7 (~~(10)~~) (4) Accept and deposit into the general fund-local account
8 and disburse, subject to appropriation, federal grants or other funds
9 or donations from any source for the purpose of improving public
10 awareness of the health risks associated with alcohol consumption by
11 youth and the abuse of alcohol by adults in Washington state. The
12 board's alcohol awareness program shall cooperate with federal and
13 state agencies, interested organizations, and individuals to effect an
14 active public beverage alcohol awareness program;

15 (~~(11)~~) (5) Perform all other matters and things, whether similar
16 to the foregoing or not, to carry out the provisions of this title, and
17 shall have full power to do each and every act necessary to the conduct
18 of its business, including all buying, selling, preparation and
19 approval of forms, and every other function of the business whatsoever,
20 subject only to audit by the state auditor: PROVIDED, That the board
21 shall have no authority to regulate the content of spoken language on
22 licensed premises where wine and other liquors are served and where
23 there is not a clear and present danger of disorderly conduct being
24 provoked by such language.

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

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

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

32 The liquor control board may provide (~~liquor~~) at no charge(~~(~~
33 ~~including~~) liquor forfeited under chapter 66.32 RCW(~~)~~) to recognized
34 law enforcement agencies within the state when the law enforcement
35 agency will be using the liquor for bona fide law enforcement training
36 or investigation purposes.

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

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

8 Such entry of alcoholic beverages in excess of that herein provided
9 may be authorized by the board 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 Washington state~~) an agency liquor (~~store~~)
12 vendor. The board shall adopt appropriate regulations pursuant to
13 chapter 34.05 RCW for the purpose of carrying out the provisions of
14 this section. The board may issue a spirits, beer, and wine private
15 club license to a charitable or nonprofit corporation of the state of
16 Washington, the majority of the officers and directors of which are
17 United States citizens and the minority of the officers and directors
18 of which are citizens of the Dominion of Canada, and where the location
19 of the premises for such spirits, beer, and wine private club license
20 is not more than ten miles south of the border between the United
21 States and the province of British Columbia.

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

24 Notwithstanding any other provision of Title 66 RCW, a person
25 twenty-one years of age or over may, free of tax (~~and markup~~), for
26 personal or household use, bring into the state of Washington from
27 another state no more than once per calendar month up to two liters of
28 spirits or wine or two hundred eighty-eight ounces of beer.
29 Additionally, such person may be authorized by the board to bring into
30 the state of Washington from another state a reasonable amount of
31 alcoholic beverages in excess of that provided in this section for
32 personal or household use only upon payment of an equivalent (~~markup~~
33 ~~and~~) tax as would be applicable to the purchase of the same or similar
34 liquor at retail from (~~a state~~) an agency liquor (~~store~~) vendor.
35 The board shall adopt appropriate regulations pursuant to chapter 34.05
36 RCW for the purpose of carrying into effect the provisions of this
37 section.

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

3 (1) Nothing in this title shall prevent the use of beer, wine,
4 and/or spirituous liquor, for cooking purposes only, in conjunction
5 with a culinary or restaurant course offered by a college, university,
6 community college, area vocational technical institute, or private
7 vocational school. Further, nothing in this title shall prohibit the
8 making of beer or wine in food fermentation courses offered by a
9 college, university, community college, area vocational technical
10 institute, or private vocational school.

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

15 (3) Persons under twenty-one years of age participating in culinary
16 or restaurant courses may handle beer, wine, or spirituous liquor for
17 purposes of participating in the courses, but nothing in this section
18 shall be construed to authorize consumption of liquor by persons under
19 twenty-one years of age or to authorize possession of liquor by persons
20 under twenty-one years of age at any time or place other than while
21 preparing food under the supervision of the course instructor.

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

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

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

34 Except as otherwise provided by law, an employee ~~((in a state))~~ of
35 an agency liquor ~~((store or agency))~~ vendor may sell liquor to any
36 person of legal age to purchase alcoholic beverages and may also sell
37 to holders of permits such liquor as may be purchased under such
38 permits.

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

5 (1) Liquor control authority card of identification of any state or
6 province of Canada.

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

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

12 (4) Passport.

13 (5) Merchant Marine identification card issued by the United States
14 Coast Guard.

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

17 ~~((No liquor sold under this section shall be delivered until the
18 purchaser has paid for the liquor in cash, except as allowed under RCW
19 66.16.041. The use of a personal credit card does not rely upon the
20 credit of the state as prohibited by Article VIII, section 5 of the
21 state Constitution.))~~

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

24 No ~~((state))~~ agency liquor ~~((store))~~ vendor in a county with a
25 population over three hundred thousand may sell fortified wine if the
26 board finds that the sale would be against the public interest based on
27 the factors in RCW 66.24.360. The burden of establishing that the sale
28 would be against the public interest is on those persons objecting.

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

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

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

3 A card of identification may for the purpose of this title and for
4 the purpose of procuring liquor, be accepted as an identification card
5 by any licensee (~~((or store employee))~~) and as evidence of legal age of
6 the person presenting such card, provided the licensee (~~((or store
7 employee))~~) complies with the conditions and procedures prescribed
8 herein and such regulations as may be made by the board.

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

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

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

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

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

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

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

27 There shall be a license for spirits distributors to sell
28 spirituous liquor, purchased from licensed Washington manufacturers,
29 spirituous liquor certificate of approval holders, licensed liquor
30 importers, or suppliers of foreign liquor located outside the state of
31 Washington, to retailers licensed for off-premises consumption and
32 other spirits distributors and to export spirits from the state of
33 Washington; fee fifteen thousand dollars per year for each distributing
34 unit.

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

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

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

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

23 A liquor importer's license may be issued to any qualified person,
24 firm or corporation, entitling the holder thereof to import into the
25 state any liquor other than beer or wine; to store the same within the
26 state, and to sell and export the same from the state; fee six hundred
27 dollars per annum. Such liquor importer's license shall be subject to
28 all conditions and restrictions imposed by this title or by the rules
29 and regulations of the board, and shall be issued only upon such terms
30 and conditions as may be imposed by the board. (~~(No liquor importer's~~
31 ~~license shall be required in sales to the Washington state liquor~~
32 ~~control board.))~~)

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

35 (1) There is hereby imposed upon all wines except cider sold to
36 wine distributors (~~(and the Washington state liquor control board,))~~)
37 within the state a tax at the rate of twenty and one-fourth cents per

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

21 (2) An additional tax is imposed equal to the rate specified in RCW
22 82.02.030 multiplied by the tax payable under subsection (1) of this
23 section. All revenues collected during any month from this additional
24 tax shall be transferred to the state general fund by the twenty-fifth
25 day of the following month.

26 (3) An additional tax is imposed on wines subject to tax under
27 subsection (1) of this section, at the rate of one-fourth of one cent
28 per liter for wine sold after June 30, 1987. After June 30, 1996, such
29 additional tax does not apply to cider. An additional tax of five one-
30 hundredths of one cent per liter is imposed on cider sold after June
31 30, 1996. The additional taxes imposed by this subsection (3) shall
32 cease to be imposed on July 1, 2001. All revenues collected under this
33 subsection (3) shall be disbursed quarterly to the Washington wine
34 commission for use in carrying out the purposes of chapter 15.88 RCW.

35 (4) An additional tax is imposed on all wine subject to tax under
36 subsection (1) of this section. The additional tax is equal to twenty-
37 three and forty-four one-hundredths cents per liter on fortified wine
38 as defined in RCW 66.04.010(37) when bottled or packaged by the
39 manufacturer, one cent per liter on all other wine except cider, and

1 eighteen one-hundredths of one cent per liter on cider. All revenues
2 collected during any month from this additional tax shall be deposited
3 in the violence reduction and drug enforcement account under RCW
4 69.50.520 by the twenty-fifth day of the following month.

5 (5)(a) An additional tax is imposed on all cider subject to tax
6 under subsection (1) of this section. The additional tax is equal to
7 two and four one-hundredths cents per liter of cider sold after June
8 30, 1996, and before July 1, 1997, and is equal to four and seven one-
9 hundredths cents per liter of cider sold after June 30, 1997.

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

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

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

21 (1) Any microbrewer or domestic brewery or beer distributor
22 licensed under this title may sell and deliver beer to holders of
23 authorized licenses direct, but to no other person, (~~other than the~~
24 ~~board~~) and every such brewery or beer distributor shall report all
25 sales to the board monthly, pursuant to the regulations, and shall pay
26 to the board as an added tax for the privilege of manufacturing and
27 selling the beer within the state a tax of one dollar and thirty cents
28 per barrel of thirty-one gallons on sales to licensees within the state
29 and on sales to licensees within the state of bottled and canned beer
30 shall pay a tax computed in gallons at the rate of one dollar and
31 thirty cents per barrel of thirty-one gallons. Any brewery or beer
32 distributor whose applicable tax payment is not postmarked by the
33 twentieth day following the month of sale will be assessed a penalty at
34 the rate of two percent per month or fraction thereof. Beer shall be
35 sold by breweries and distributors in sealed barrels or packages. The
36 moneys collected under this subsection shall be distributed as follows:
37 (a) Three-tenths of a percent shall be distributed to border areas
38 under RCW 66.08.195; and (b) of the remaining moneys: (i) Twenty

1 percent shall be distributed to counties in the same manner as under
2 RCW 66.08.200; and (ii) eighty percent shall be distributed to
3 incorporated cities and towns in the same manner as under RCW
4 66.08.210.

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

11 (3)(a) An additional tax is imposed on all beer subject to tax
12 under subsection (1) of this section. The additional tax is equal to
13 ninety-six cents per barrel of thirty-one gallons through June 30,
14 1995, two dollars and thirty-nine cents per barrel of thirty-one
15 gallons for the period July 1, 1995, through June 30, 1997, and four
16 dollars and seventy-eight cents per barrel of thirty-one gallons
17 thereafter.

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

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

27 (4) An additional tax is imposed on all beer that is subject to tax
28 under subsection (1) of this section that is in the first sixty
29 thousand barrels of beer by breweries that are entitled to a reduced
30 rate of tax under 26 U.S.C. Sec. 5051, as existing on July 1, 1993, or
31 such subsequent date as may be provided by the board by rule consistent
32 with the purposes of the exemption under subsection (3)(b) of this
33 section. The additional tax is equal to one dollar and forty-eight and
34 two-tenths cents per barrel of thirty-one gallons. By the twenty-fifth
35 day of the following month, three percent of the revenues collected
36 from this additional tax shall be distributed to border areas under RCW
37 66.08.195 and the remaining moneys shall be transferred to the state
38 general fund.

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

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

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

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

12 (1) No person shall canvass for, solicit, receive, or take orders
13 for the purchase or sale of liquor, nor contact any licensees of the
14 board in goodwill activities, unless such person shall be the
15 accredited representative of a person, firm, or corporation holding a
16 certificate of approval issued pursuant to RCW 66.24.270 or 66.24.206,
17 a beer distributor's license, a microbrewer's license, a domestic
18 brewer's license, a beer importer's license, a domestic winery license,
19 a wine importer's license, ~~((or))~~ a wine distributor's license, or a
20 spirits distributor's license within the state of Washington, or the
21 accredited representative of a distiller, manufacturer, importer, or
22 distributor of spirituous liquor, or foreign produced beer or wine, and
23 shall have applied for and received a representative's license:
24 PROVIDED, HOWEVER, That the provisions of this section shall not apply
25 to drivers who deliver beer or wine;

26 (2) Every representative's license issued under this title shall be
27 subject to all conditions and restrictions imposed by this title or by
28 the rules and regulations of the board; the board, for the purpose of
29 maintaining an orderly market, may limit the number of representative's
30 licenses issued for representation of specific classes of eligible
31 employers;

32 (3) Every application for a representative's license must be
33 approved by a holder of a certificate of approval issued pursuant to
34 RCW 66.24.270 or 66.24.206, a licensed beer distributor, a licensed
35 domestic brewer, a licensed beer importer, a licensed microbrewer, a
36 licensed domestic winery, a licensed wine importer, a licensed wine
37 distributor, or by a distiller, manufacturer, importer, or distributor

1 of spirituous liquor, or foreign produced beer or wine, as the rules
2 and regulations of the board shall require;

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

5 (5) An accredited representative of a distiller, manufacturer,
6 importer, or distributor of spirituous liquor may, after he or she has
7 applied for and received a representative's license, contact (~~retail~~
8 ~~licensees~~) agency liquor vendors of the board only in goodwill
9 activities pertaining to spirituous liquor products.

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

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

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

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

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

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

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

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

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

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

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

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

14 (6) Until July 1, 2004, the board may issue a retailer's license
15 under this section to agency liquor vendors appointed by the board on
16 or before January 1, 2001. Subsections (4) and (5) of this section do
17 not apply to liquor vendors who qualify under this subsection (6), but
18 such vendors are subject to the remainder of this section.

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

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

25 (b) Any beer and wine sold under this endorsement must be intended
26 for consumption outside the state of Washington and the United States
27 and appropriate records must be maintained by the licensee.

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

30 (d) Any beer or wine sold under this license must be sold at a
31 price no less than the acquisition price paid by the holder of the
32 license.

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

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

1 (1) There shall be a beer and/or wine (~~retailer's~~) agency liquor
2 vendor license to be designated as a beer and/or wine specialty shop
3 license to sell beer and/or wine at retail in bottles, cans, and
4 original containers, not to be consumed upon the premises where sold,
5 at any store (~~other than the state liquor stores~~). Licensees
6 obtaining a written endorsement from the board may also sell malt
7 liquor in kegs or other containers capable of holding less than five
8 and one-half gallons of liquid. The annual fee for the beer and/or
9 wine specialty shop license is one hundred dollars for each store.

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

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

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

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

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

30 If the board receives no evidence or objection that the sale of
31 fortified wine would be against the public interest, it shall issue or
32 renew the license without restriction, as applicable. The burden of
33 establishing that the sale of fortified wine by the licensee would be
34 against the public interest is on those persons objecting.

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

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

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

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

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

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

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

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

23 **Sec. 27.** RCW 66.24.481 and 1969 ex.s. c 250 s 2 are each amended
24 to read as follows:

25 No public place or club, or agent, servant or employee thereof,
26 shall keep or allow to be kept, either by itself, its agent, servant or
27 employee, or any other person, any liquor in any place maintained or
28 conducted by such public place or club, nor shall it permit the
29 drinking of any liquor in any such place, unless the sale of liquor in
30 said place is authorized by virtue of a valid and subsisting license
31 issued by the Washington state liquor control board, or the consumption
32 of liquor in said place is authorized by a special banquet permit
33 issued by said board. Every person who violates any provision of this
34 section shall be guilty of a gross misdemeanor.

35 "Public place," for purposes of this section only, shall mean in
36 addition to the definition set forth in RCW 66.04.010(~~(+24)~~), any
37 place to which admission is charged or in which any pecuniary gain is

1 realized by the owner or operator of such place in selling or vending
2 food or soft drinks.

3 **Sec. 28.** RCW 66.24.540 and 1999 c 129 s 1 are each amended to read
4 as follows:

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

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

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

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

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

24 (2) Provide without additional charge, to overnight guests of the
25 motel, beer and wine by the individual serving for on-premises
26 consumption at a specified regular date, time, and place as may be
27 fixed by the board. Self-service by attendees is prohibited. All beer
28 and wine service must be done by an alcohol server as defined in RCW
29 66.20.300 and comply with RCW 66.20.310.

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

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

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

35 NEW SECTION. **Sec. 29.** A new section is added to chapter 66.28 RCW
36 to read as follows:

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

3 **Sec. 30.** RCW 66.28.030 and 1997 c 321 s 47 are each amended to
4 read as follows:

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

25 **Sec. 31.** RCW 66.28.040 and 2000 c 179 s 1 are each amended to read
26 as follows:

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

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

24 **Sec. 32.** RCW 66.28.060 and 1933 ex.s. c 62 s 26 are each amended
25 to read as follows:

26 Every distillery licensed under this title shall make monthly
27 reports to the board pursuant to the regulations. No such distillery
28 shall make any sale of spirits within the state of Washington except to
29 ~~((the board))~~ a licensed spirits distributor.

30 **Sec. 33.** RCW 66.28.070 and 1994 c 201 s 5 and 1994 c 63 s 2 are
31 each reenacted and amended to read as follows:

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

1 spirits, beer, or wine, except from a duly licensed spirits, beer, or
2 wine ((~~wholesaler~~)) distributor or importer.

3 (2) A spirits, beer, or wine retailer licensee may purchase
4 spirits, beer, or wine from a government agency which has lawfully
5 seized spirits, beer, or wine from a licensed spirits, beer, or wine
6 retailer, or from a board-authorized retailer, or from a licensed
7 retailer which has discontinued business if the ((~~wholesaler~~))
8 distributor has refused to accept spirits, beer, or wine from that
9 retailer for return and refund. Spirits, beer, and wine purchased
10 under this subsection shall meet the quality standards set by its
11 manufacturer.

12 (3) Special occasion licensees holding ((~~either a class G or J~~))
13 a special occasion license may only purchase beer or wine from a beer
14 or wine retailer duly licensed to sell beer or wine for off-premises
15 consumption((~~, the board,~~)) or from a duly licensed beer or wine
16 ((~~wholesaler~~)) distributor.

17 **Sec. 34.** RCW 66.28.180 and 1997 c 321 s 51 are each amended to
18 read as follows:

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

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

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

37 (a) Every spirits, beer, or wine distributor shall file with the
38 board at its office in Olympia a price posting showing the wholesale

1 prices at which any and all brands of spirits, beer, and wine sold by
2 such (~~beer and/or wine~~) distributor shall be sold to retailers within
3 the state.

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

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

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

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

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

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

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

1 until such time as an amended posting is filed and approved, in
2 accordance with the provisions of this section.

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

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

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

18 (ii) Spirits, beer, and wine sold as provided in this section shall
19 be delivered by the distributor or an authorized employee either to the
20 ~~((retailer's))~~ agency liquor vendor's licensed premises or directly to
21 the ~~((retailer))~~ vendor at the distributor's licensed premises. A
22 distributor's prices to ~~((retail licensees))~~ agency liquor vendors
23 shall be the same at both such places of delivery.

24 (3) Beer and wine suppliers' price filings, contracts, and
25 memoranda.

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

1 Each price schedule shall be made on a form prepared and furnished
2 by the board, or a reasonable facsimile thereof, and shall set forth
3 all brands, types, packages, and containers of beer or wine offered for
4 sale by such licensed brewery or winery; all additional information
5 required may be filed as a supplement to the price schedule forms.

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

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

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

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

1 shall become effective at a time fixed by the board. If the price
2 filing, contract, or memorandum, or portion thereof, is rejected, the
3 last effective price filing, contract, or memorandum shall remain in
4 effect until such time as an amended price filing, contract, or
5 memorandum is filed and approved, in accordance with the provisions of
6 this section.

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

11 **Sec. 35.** RCW 66.28.190 and 1997 c 321 s 52 are each amended to
12 read as follows:

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

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

26 **Sec. 36.** RCW 66.40.140 and 1933 ex.s. c 62 s 88 are each amended
27 to read as follows:

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

35 (1) (~~As to any stores maintained by the board within any such unit~~
36 ~~at the time of such licensing, the board shall have a period of thirty~~

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

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

8 ~~((3))~~ (2) Nothing herein contained shall prevent any distillery,
9 brewery, rectifying plant or winery or the licensed operators thereof
10 from selling its manufactured product, manufactured within such unit,
11 outside the boundaries thereof.

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

19 **Sec. 37.** RCW 66.44.150 and 1955 c 289 s 5 are each amended to read
20 as follows:

21 ~~((If))~~ Any person in this state who buys alcoholic beverages from
22 any person other than ~~((the board,))~~ a ~~((state liquor store,))~~ licensee
23 or some person authorized by the board to sell ~~((them, he shall be))~~ it
24 is guilty of a misdemeanor.

25 **Sec. 38.** RCW 66.44.160 and 1955 c 289 s 6 are each amended to read
26 as follows:

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

32 **Sec. 39.** RCW 66.44.318 and 1995 c 100 s 2 are each amended to read
33 as follows:

34 Licensees holding nonretail class liquor licenses are permitted to
35 allow their employees between ~~((the))~~ the ages of eighteen and
36 twenty-one to stock, merchandise, and handle spirits, beer, or wine on

1 or about the nonretail premises if there is an adult twenty-one years
2 of age or older on duty supervising such activities on the premises.

3 **Sec. 40.** RCW 66.44.340 and 1999 c 281 s 11 are each amended to
4 read as follows:

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

19 NEW SECTION. **Sec. 41.** A new section is added to chapter 66.44 RCW
20 to read as follows:

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

30 NEW SECTION. **Sec. 42.** A new section is added to chapter 66.24 RCW
31 to read as follows:

32 There is hereby imposed upon all spirits sold by spirits
33 distributors licensed under this title, a tax at the rate of one dollar
34 and sixty-two cents per liter. The tax provided for in this section
35 shall be collected by direct payments based on spirits sold by spirits
36 distributors. Every person selling spirits under the provisions of

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

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

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

20 (2) The board shall establish the annual base consumption rate
21 determined by the total liter volume per capita of spirits sold through
22 state liquor stores and vendor agencies and to spirits, beer, and wine
23 restaurant licensees during calendar year 2000.

24 (3) Beginning on January 1, 2003, and each year thereafter, the
25 board shall monitor sales and transfers of spirits by spirits
26 distributors. If during calendar year 2003 the total liter volume per
27 capita of spirits sold or transferred reaches the 2000 annual liter
28 volume per capita, the board shall collect from each spirits
29 distributor, beginning April 1, 2004, a surcharge of two dollars per
30 liter of spirits sold or transferred between April 1, 2004, and March
31 31, 2005.

32 (4) If the total liter volume per capita of spirits sold or
33 transferred during calendar year 2004 falls below the base consumption
34 rate established in 2000, imposition of the consumption surcharge shall
35 be terminated beginning April 1, 2005.

36 (5) Beginning with calendar year 2006, and each year thereafter, if
37 the total liter volume per capita of spirits exceeds the total liter
38 volume per capita of spirits sold or transferred in the base

1 consumption year of 2000, the board shall impose a surcharge, beginning
2 on April 1st of the following year, on the sale or transfer of spirits
3 by spirit distributors to spirit retailers for a period of three
4 hundred fifty-two days.

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

8 NEW SECTION. **Sec. 44.** A new section is added to chapter 66.08 RCW
9 to read as follows:

10 The liquor control board must determined annually per capita
11 consumption levels and total volume by liter of spirits sold or
12 transferred during the calendar year by a spirits distributor to an
13 agency liquor vendor authorized to sell spirits. The board may
14 recommend consumption surcharge adjustments to respond to any increase
15 in consumption above the base level established for 2000. It is the
16 intent of the legislature that as consumption increases over the level
17 established by the board for calendar year 2000, a surcharge be imposed
18 that increases the cost of the product as a means of controlling
19 consumption.

20 **Sec. 45.** RCW 66.08.170 and 1961 ex.s. c 6 s 1 are each amended to
21 read as follows:

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

1 NEW SECTION. **Sec. 46.** A new section is added to chapter 66.08 RCW
2 to read as follows:

3 (1) Any licensee that employs a former state liquor store employee
4 during calendar year 2003 may deduct from his or her annual license fee
5 for the subsequent year one dollar for each hour the employee is
6 employed by the licensee up to the license fee amount.

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

11 NEW SECTION. **Sec. 47.** (1) The liquor control board shall begin
12 the process of terminating its operations involving the retail sale and
13 wholesale distribution of liquor. The board and the office of
14 financial management shall determine those actions necessary to
15 terminate the board's direct involvement in the retail sale and
16 wholesale distribution of liquor by July 1, 2003, and make
17 recommendations to the legislature by December 1, 2001, on the
18 following:

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

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

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

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

28 (e) Identification of issues and a plan for treatment of personnel;
29 and

30 (f) Any other actions determined necessary by the reporting
31 agencies.

32 (2) The board is authorized to take actions necessary to implement
33 the spirits distributor's license and the spirits retail license for
34 grocery stores by July 1, 2003.

35 (3) The board shall exercise due diligence to reduce any
36 liabilities associated with discontinuing board retailing and
37 wholesaling operations including contract commitments for the

1 acquisition of alcoholic beverages or interests in real estate used for
2 the retailing and wholesaling of alcoholic beverages past July 1, 2003.

3 NEW SECTION. **Sec. 48.** The following acts or parts of acts are
4 each repealed:

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

9 (2) RCW 66.08.160 (Acquisition of warehouse authorized) and 1947 c
10 134 s 1;

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

13 (4) RCW 66.12.020 (Sales of liquor to board) and 1933 ex.s. c 62 s
14 48;

15 (5) RCW 66.16.010 (Board may establish--Price standards--Prices in
16 special instances) and 1939 c 172 s 10, 1937 c 62 s 1, & 1933 ex.s. c
17 62 s 4;

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

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

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

26 (9) RCW 66.16.060 (Sealed packages may be required, exception) and
27 1943 c 216 s 1 & 1933 ex.s. c 62 s 9;

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

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

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

34 (13) RCW 66.20.160 ("Card of identification", "licensee", "store
35 employee" defined for certain purposes) and 1973 1st ex.s. c 209 s 4,
36 1971 ex.s. c 15 s 2, 1959 c 111 s 4, & 1949 c 67 s 1;

37 (14) RCW 66.24.440 (Liquor by the drink, spirits, beer, and wine
38 restaurant, spirits, beer, and wine private club, and sports

1 entertainment facility license--Purchase of liquor by licensees--
2 Discount) and 1998 c 126 s 8, 1997 c 321 s 29, & 1949 c 5 s 5;

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

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

7 NEW SECTION. **Sec. 49.** If any provision of this act or its
8 application to any person or circumstance is held invalid, the
9 remainder of the act or the application of the provision to other
10 persons or circumstances is not affected.

11 NEW SECTION. **Sec. 50.** Sections 1 through 46 and 48 of this act
12 take effect July 1, 2003."

13 Correct the title.

EFFECT: The liquor control board will terminate its operations involving the retail sale and wholesale distribution of liquor by July 1, 2003. The board may license qualifying private distributors and grocery stores for the wholesale and retail sale of spirits, beer, and wine. The board will calculate a base consumption rate based on the liter volume per capita of liquor sold during the calendar year 2000. Consumption in excess of the base rate will trigger a consumption surcharge. The board will continue to regulate liquor for the purposes of licensing, taxing, and consumption monitoring.

--- END ---