
HOUSE BILL 2790

State of Washington

61st Legislature

2010 Regular Session

By Representative Conway

Read first time 01/14/10. Referred to Committee on Commerce & Labor.

1 AN ACT Relating to making technical and clarifying changes to the
2 liquor laws; amending RCW 66.28.290, 66.24.360, 66.24.360, 66.24.371,
3 66.24.570, 66.24.580, 66.24.580, 66.28.040, 66.28.042, 66.28.043,
4 66.28.155, 66.28.190, and 66.24.240; reenacting and amending RCW
5 66.24.371; repealing RCW 66.28.010; providing an effective date; and
6 providing an expiration date.

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

8 NEW SECTION. **Sec. 1.** RCW 66.28.010 (Manufacturers, importers,
9 distributors, and authorized representatives barred from interest in
10 retail business or location--Advances prohibited--"Financial interest"
11 defined--Exceptions) and 2009 c 373 s 5 & 2008 c 94 s 5 are each
12 repealed.

13 **Sec. 2.** RCW 66.28.290 and 2009 c 506 s 3 are each amended to read
14 as follows:

15 (1) Notwithstanding any prohibitions and restrictions contained in
16 this title, it shall be lawful for an industry member or affiliate to
17 have a direct or indirect financial interest in another industry member
18 or a retailer, and for a retailer or affiliate to have a direct or

1 indirect financial interest in an industry member unless such interest
2 has resulted or is more likely than not to result in undue influence
3 over the retailer or the industry member or has resulted or is more
4 likely than not to result in an adverse impact on public health and
5 safety. The structure of any such financial interest must be
6 consistent with subsection (2) of this section.

7 (2) Subject to subsection (1) of this section and except as
8 provided in RCW 66.28.295:

9 (a) An industry member in whose name a license or certificate of
10 approval has been issued pursuant to this title may wholly own or hold
11 a financial interest in a separate legal entity licensed pursuant to
12 RCW 66.24.320 through (~~66.24.570~~) 66.24.600, but may not have such a
13 license issued in its name; and

14 (b) A retailer in whose name a license has been issued pursuant to
15 this title may wholly own or hold a financial interest in a separate
16 legal entity licensed or holding a certificate of approval pursuant to
17 RCW 66.24.140, 66.24.170, 66.24.206, 66.24.240, 66.24.244,
18 66.24.270(2), 66.24.200, or 66.24.250, but may not have such a license
19 or certificate of approval issued in its name; and

20 (c) A supplier in whose name a license or certificate of approval
21 has been issued pursuant to this title may wholly own or hold a
22 financial interest in a separate legal entity licensed as a distributor
23 or importer under this title, but such supplier may not have a license
24 as a distributor or importer issued in its own name; and

25 (d) A distributor or importer in whose name a license has been
26 issued pursuant to this title may wholly own or hold a financial
27 interest in a separate legal entity licensed or holding a certificate
28 of approval as a supplier under this title, but such distributor or
29 importer may not have a license or certificate of approval as a
30 supplier issued in its own name.

31 **Sec. 3.** RCW 66.24.360 and 2009 c 507 s 5 are each amended to read
32 as follows:

33 There shall be a beer and/or wine retailer's license to be
34 designated as a grocery store license to sell beer, strong beer, and/or
35 wine at retail in bottles, cans, and original containers, not to be
36 consumed upon the premises where sold, at any store other than the
37 state liquor stores.

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

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

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

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

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

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

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

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

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

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

35 (b) Any beer, strong beer, and wine sold under this endorsement
36 must be intended for consumption outside the state of Washington and
37 the United States and appropriate records must be maintained by the
38 licensee.

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

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

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

9 (6) A grocery store licensee holding a snack bar license under RCW
10 66.24.350 may receive an endorsement to allow the sale of confections
11 containing more than one percent but not more than ten percent alcohol
12 by weight to persons twenty-one years of age or older.

13 **Sec. 4.** RCW 66.24.360 and 2007 c 226 s 2 are each amended to read
14 as follows:

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

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

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

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

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

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

36 (c) Whether the sale of strong beer or fortified wine would be

1 detrimental to or inconsistent with a government-operated or funded
2 alcohol treatment or detoxification program in the area.

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

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

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

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

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

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

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

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

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

34 **Sec. 5.** RCW 66.24.371 and 2009 c 507 s 6 and 2009 c 373 s 6 are
35 each reenacted and amended to read as follows:

36 (1) There shall be a beer and/or wine retailer's license to be
37 designated as a beer and/or wine specialty shop license to sell beer,

1 strong beer, and/or wine at retail in bottles, cans, and original
2 containers, not to be consumed upon the premises where sold, at any
3 store other than the state liquor stores. Licensees obtaining a
4 written endorsement from the board may also sell malt liquor in kegs or
5 other containers capable of holding four gallons or more of liquid.
6 The annual fee for the beer and/or wine specialty shop license is one
7 hundred eleven dollars for each store. The sale of any container
8 holding four gallons or more must comply with RCW 66.28.200 and
9 66.28.220.

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~~)) 66.28.305 and 66.28.040
14 and the cost of sampling under this section may not be borne, directly
15 or indirectly, 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 strong beer or fortified wine would be against the public
20 interest. In determining the public interest, the board shall consider
21 at least the following factors:

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

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

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

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

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

1 **Sec. 6.** RCW 66.24.371 and 2009 c 373 s 6 are each amended to read
2 as follows:

3 (1) There shall be a beer and/or wine retailer's license to be
4 designated as a beer and/or wine specialty shop license to sell beer,
5 strong beer, and/or wine at retail in bottles, cans, and original
6 containers, not to be consumed upon the premises where sold, at any
7 store other than the state liquor stores. Licensees obtaining a
8 written endorsement from the board may also sell malt liquor in kegs or
9 other containers capable of holding four gallons or more of liquid.
10 The annual fee for the beer and/or wine specialty shop license is one
11 hundred dollars for each store. The sale of any container holding four
12 gallons or more must comply with RCW 66.28.200 and 66.28.220.

13 (2) Licensees under this section may provide, free or for a charge,
14 single-serving samples of two ounces or less to customers for the
15 purpose of sales promotion. Sampling activities of licensees under
16 this section are subject to RCW (~~66.28.010~~) 66.28.305 and 66.28.040
17 and the cost of sampling under this section may not be borne, directly
18 or indirectly, by any manufacturer, importer, or distributor of liquor.

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

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

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

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

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

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

4 **Sec. 7.** RCW 66.24.570 and 2007 c 369 s 2 are each amended to read
5 as follows:

6 (1) There is a license for sports entertainment facilities to be
7 designated as a sports entertainment facility license to sell beer,
8 wine, and spirits at retail, for consumption upon the premises only,
9 the license to be issued to the entity providing food and beverage
10 service at a sports entertainment facility as defined in this section.
11 The cost of the license is two thousand five hundred dollars per annum.

12 (2) For purposes of this section, a sports entertainment facility
13 includes a publicly or privately owned arena, coliseum, stadium, or
14 facility where sporting events are presented for a price of admission.
15 The facility does not have to be exclusively used for sporting events.

16 (3) The board may impose reasonable requirements upon a licensee
17 under this section, such as requirements for the availability of food
18 and victuals including but not limited to hamburgers, sandwiches,
19 salads, or other snack food. The board may also restrict the type of
20 events at a sports entertainment facility at which beer, wine, and
21 spirits may be served. When imposing conditions for a licensee, the
22 board must consider the seating accommodations, eating facilities, and
23 circulation patterns in such a facility, and other amenities available
24 at a sports entertainment facility.

25 (4)(a) The board may issue a caterer's endorsement to the license
26 under this section to allow the licensee to remove from the liquor
27 stocks at the licensed premises, for use as liquor for sale and service
28 at event locations at a specified date and place not currently licensed
29 by the board. If the event is open to the public, it must be sponsored
30 by a society or organization as defined by RCW 66.24.375. If
31 attendance at the event is limited to members or invited guests of the
32 sponsoring individual, society, or organization, the requirement that
33 the sponsor must be a society or organization as defined by RCW
34 66.24.375 is waived. Cost of the endorsement is three hundred fifty
35 dollars.

36 (b) The holder of this license with catering endorsement shall, if
37 requested by the board, notify the board or its designee of the date,

1 time, place, and location of any catered event. Upon request, the
2 licensee shall provide to the board all necessary or requested
3 information concerning the society or organization that will be holding
4 the function at which the endorsed license will be utilized.

5 (5) The board may issue an endorsement to the beer, wine, and
6 spirits sports entertainment facility license that allows the holder of
7 a beer, wine, and spirits sports entertainment facility license to sell
8 for off-premises consumption wine vinted and bottled in the state of
9 Washington and carrying a label exclusive to the license holder selling
10 the wine. Spirits and beer may not be sold for off-premises
11 consumption under this section. The annual fee for the endorsement
12 under this section is one hundred twenty dollars.

13 (6)(a) A licensee and an affiliated business may enter into
14 arrangements with a manufacturer, importer, or distributor for brand
15 advertising at the sports entertainment facility or promotion of events
16 held at the sports entertainment facility, with a capacity of five
17 thousand people or more. The financial arrangements providing for the
18 brand advertising or promotion of events shall not be used as an
19 inducement to purchase the products of the manufacturer, importer, or
20 distributor entering into the arrangement nor shall it result in the
21 exclusion of brands or products of other companies.

22 (b) (~~The arrangements allowed under this subsection (6) are an~~
23 ~~exception to arrangements prohibited under RCW 66.28.010.~~) The board
24 shall monitor the impacts of these arrangements. The board may conduct
25 audits of the licensee and the affiliated business to determine
26 compliance with this subsection (6). Audits may include but are not
27 limited to product selection at the facility; purchase patterns of the
28 licensee; contracts with the liquor manufacturer, importer, or
29 distributor; and the amount allocated or used for liquor advertising by
30 the licensee, affiliated business, manufacturer, importer, or
31 distributor under the arrangements.

32 (c) The board shall report to the appropriate committees of the
33 legislature by December 30, 2008, and biennially thereafter, on the
34 impacts of arrangements allowed between sports entertainment licensees
35 and liquor manufacturers, importers, and distributors for brand
36 advertising and promotion of events at the facility.

1 **Sec. 8.** RCW 66.24.580 and 2009 c 507 s 13 are each amended to read
2 as follows:

3 (1) A public house license allows the licensee:

4 (a) To annually manufacture no less than two hundred fifty gallons
5 and no more than two thousand four hundred barrels of beer on the
6 licensed premises;

7 (b) To sell product, that is produced on the licensed premises, at
8 retail on the licensed premises for consumption on the licensed
9 premises;

10 (c) To sell beer or wine not of its own manufacture for consumption
11 on the licensed premises if the beer or wine has been purchased from a
12 licensed beer or wine wholesaler;

13 ~~(d) ((To hold other classes of retail licenses at other locations
14 without being considered in violation of RCW 66.28.010;~~

15 ~~(e))~~ To apply for and, if qualified and upon the payment of the
16 appropriate fee, be licensed as a spirits, beer, and wine restaurant to
17 do business at the same location. This fee is in addition to the fee
18 charged for the basic public house license.

19 ~~(2) ((While the holder of a public house license is not to be
20 considered in violation of the prohibitions of ownership or interest in
21 a retail license in RCW 66.28.010, the remainder of RCW 66.28.010
22 applies to such licensees.))~~ RCW 66.28.305 applies to a public house
23 license.

24 (3) A public house licensee must pay all applicable taxes on
25 production as are required by law, and all appropriate taxes must be
26 paid for any product sold at retail on the licensed premises.

27 (4) The employees of the licensee must comply with the provisions
28 of mandatory server training in RCW 66.20.300 through 66.20.350.

29 (5) The holder of a public house license may not hold a
30 wholesaler's or importer's license, act as the agent of another
31 manufacturer, wholesaler, or importer, or hold a brewery or winery
32 license.

33 (6) The annual license fee for a public house is one thousand one
34 hundred five dollars.

35 (7) The holder of a public house license may hold other licenses at
36 other locations if the locations are approved by the board.

37 (8) Existing holders of annual retail liquor licenses may apply for

1 and, if qualified, be granted a public house license at one or more of
2 their existing liquor licensed locations without discontinuing business
3 during the application or construction stages.

4 **Sec. 9.** RCW 66.24.580 and 1999 c 281 s 6 are each amended to read
5 as follows:

6 (1) A public house license allows the licensee:

7 (a) To annually manufacture no less than two hundred fifty gallons
8 and no more than two thousand four hundred barrels of beer on the
9 licensed premises;

10 (b) To sell product, that is produced on the licensed premises, at
11 retail on the licensed premises for consumption on the licensed
12 premises;

13 (c) To sell beer or wine not of its own manufacture for consumption
14 on the licensed premises if the beer or wine has been purchased from a
15 licensed beer or wine wholesaler;

16 (d) (~~To hold other classes of retail licenses at other locations
17 without being considered in violation of RCW 66.28.010;~~

18 ~~(e))~~) To apply for and, if qualified and upon the payment of the
19 appropriate fee, be licensed as a spirits, beer, and wine restaurant to
20 do business at the same location. This fee is in addition to the fee
21 charged for the basic public house license.

22 (2) (~~While the holder of a public house license is not to be
23 considered in violation of the prohibitions of ownership or interest in
24 a retail license in RCW 66.28.010, the remainder of RCW 66.28.010
25 applies to such licensees.)) RCW 66.28.305 applies to a public house
26 license.~~

27 (3) A public house licensee must pay all applicable taxes on
28 production as are required by law, and all appropriate taxes must be
29 paid for any product sold at retail on the licensed premises.

30 (4) The employees of the licensee must comply with the provisions
31 of mandatory server training in RCW 66.20.300 through 66.20.350.

32 (5) The holder of a public house license may not hold a
33 wholesaler's or importer's license, act as the agent of another
34 manufacturer, wholesaler, or importer, or hold a brewery or winery
35 license.

36 (6) The annual license fee for a public house is one thousand
37 dollars.

1 (7) The holder of a public house license may hold other licenses at
2 other locations if the locations are approved by the board.

3 (8) Existing holders of annual retail liquor licenses may apply for
4 and, if qualified, be granted a public house license at one or more of
5 their existing liquor licensed locations without discontinuing business
6 during the application or construction stages.

7 **Sec. 10.** RCW 66.28.040 and 2009 c 373 s 8 are each amended to read
8 as follows:

9 Except as permitted by the board under RCW 66.20.010, no domestic
10 brewery, microbrewery, distributor, distiller, domestic winery,
11 importer, rectifier, certificate of approval holder, or other
12 manufacturer of liquor shall, within the state of Washington, give to
13 any person any liquor; but nothing in this section nor in RCW
14 (~~66.28.010 shall~~) 66.28.305 prevents a domestic brewery,
15 microbrewery, distributor, domestic winery, distiller, certificate of
16 approval holder, or importer from furnishing samples of beer, wine, or
17 spirituous liquor to authorized licensees for the purpose of
18 negotiating a sale, in accordance with regulations adopted by the
19 liquor control board, provided that the samples are subject to taxes
20 imposed by RCW 66.24.290 and 66.24.210, and in the case of spirituous
21 liquor, any product used for samples must be purchased at retail from
22 the board; nothing in this section shall prevent the furnishing of
23 samples of liquor to the board for the purpose of negotiating the sale
24 of liquor to the state liquor control board; nothing in this section
25 shall prevent a domestic brewery, microbrewery, domestic winery,
26 distillery, certificate of approval holder, or distributor from
27 furnishing beer, wine, or spirituous liquor for instructional purposes
28 under RCW 66.28.150; nothing in this section shall prevent a domestic
29 winery, certificate of approval holder, or distributor from furnishing
30 wine without charge, subject to the taxes imposed by RCW 66.24.210, to
31 a not-for-profit group organized and operated solely for the purpose of
32 enology or the study of viticulture which has been in existence for at
33 least six months and that uses wine so furnished solely for such
34 educational purposes or a domestic winery, or an out-of-state
35 certificate of approval holder, from furnishing wine without charge or
36 a domestic brewery, or an out-of-state certificate of approval holder,
37 from furnishing beer without charge, subject to the taxes imposed by

1 RCW 66.24.210 or 66.24.290, or a domestic distiller licensed under RCW
2 66.24.140 or an accredited representative of a distiller, manufacturer,
3 importer, or distributor of spirituous liquor licensed under RCW
4 66.24.310, from furnishing spirits without charge, to a nonprofit
5 charitable corporation or association exempt from taxation under
6 section 501(c)(3) or (6) of the internal revenue code of 1986 (26
7 U.S.C. Sec. 501(c)(3) or (6)) for use consistent with the purpose or
8 purposes entitling it to such exemption; nothing in this section shall
9 prevent a domestic brewery or microbrewery from serving beer without
10 charge, on the brewery premises; nothing in this section shall prevent
11 donations of wine for the purposes of RCW 66.12.180; nothing in this
12 section shall prevent a domestic winery from serving wine without
13 charge, on the winery premises; and nothing in this section shall
14 prevent a craft distillery from serving spirits without charge, on the
15 distillery premises subject to RCW 66.24.145.

16 **Sec. 11.** RCW 66.28.042 and 2004 c 160 s 12 are each amended to
17 read as follows:

18 A liquor manufacturer, importer, authorized representative holding
19 a certificate of approval, or distributor may provide to licensed
20 retailers and their employees food and beverages for consumption at a
21 meeting at which the primary purpose is the discussion of business, and
22 may provide local ground transportation to and from such meetings. The
23 value of the food, beverage, or transportation provided under this
24 section shall not ~~((be considered the advancement of moneys or moneys+~~
25 ~~worth within the meaning of RCW 66.28.010, nor shall it))~~ be considered
26 the giving away of liquor within the meaning of RCW ~~((68.28.040))~~
27 66.28.040. The board may adopt rules for the implementation of this
28 section.

29 **Sec. 12.** RCW 66.28.043 and 2004 c 160 s 13 are each amended to
30 read as follows:

31 A liquor manufacturer, importer, authorized representative holding
32 a certificate of approval, or distributor may provide to licensed
33 retailers and their employees tickets or admission fees for athletic
34 events or other forms of entertainment occurring within the state of
35 Washington, if the manufacturer, importer, distributor, authorized
36 representative holding a certificate of approval, or any of their

1 employees accompanies the licensed retailer or its employees to the
2 event. A liquor manufacturer, importer, authorized representative
3 holding a certificate of approval, or distributor may also provide to
4 licensed retailers and their employees food and beverages for
5 consumption at such events, and local ground transportation to and from
6 activities allowed under this section. The value of the food,
7 beverage, transportation, or admission to events provided under this
8 section shall not ~~((be considered the advancement of moneys or moneys'~~
9 ~~worth within the meaning of RCW 66.28.010, nor shall it))~~ be considered
10 the giving away of liquor within the meaning of RCW ~~((68.28.040))~~
11 66.28.040. The board may adopt rules for the implementation of this
12 section.

13 **Sec. 13.** RCW 66.28.155 and 2004 c 160 s 15 are each amended to
14 read as follows:

15 A domestic brewery, microbrewery, domestic winery, distillery,
16 distributor, certificate of approval holder, or its licensed agent may
17 conduct educational activities or provide product information to the
18 consumer on the licensed premises of a retailer. Information on the
19 subject of wine, beer, or spirituous liquor, including but not limited
20 to, the history, nature, quality, and characteristics of a wine, beer,
21 or spirituous liquor, methods of harvest, production, storage,
22 handling, and distribution of a wine, beer, or spirituous liquor, and
23 the general development of the wine, beer, and spirituous liquor
24 industry may be provided by a domestic brewery, microbrewery, domestic
25 winery, distillery, distributor, certificate of approval holder, or its
26 licensed agent to the public on the licensed premises of a retailer.
27 The retailer requesting such activity shall attempt to schedule a
28 series of brewery, winery, authorized representative, or distillery and
29 distributor appearances in an effort to equitably represent the
30 industries. Nothing in this section permits a domestic brewery,
31 microbrewery, domestic winery, distillery, distributor, certificate of
32 approval holder, or its licensed agent to receive compensation or
33 financial benefit from the educational activities or product
34 information presented on the licensed premises of a retailer. ~~((The
35 promotional value of such educational activities or product information
36 shall not be considered advancement of moneys or of moneys' worth
37 within the meaning of RCW 66.28.010.))~~

1 **Sec. 14.** RCW 66.28.190 and 2003 c 168 s 305 are each amended to
2 read as follows:

3 (~~RCW 66.28.010 notwithstanding,~~) Persons licensed under RCW
4 66.24.200 as wine distributors and persons licensed under RCW 66.24.250
5 as beer distributors may sell at wholesale nonliquor food and food
6 ingredients on thirty-day credit terms to persons licensed as retailers
7 under this title, but complete and separate accounting records shall be
8 maintained on all sales of nonliquor food and food ingredients (~~to~~
9 ~~ensure that such persons are in compliance with RCW 66.28.010~~)).

10 For the purpose of this section, "nonliquor food and food
11 ingredients" includes all food and food ingredients for human
12 consumption as defined in RCW 82.08.0293 as it exists on July 1, 2004.

13 **Sec. 15.** RCW 66.24.240 and 2008 c 41 s 7 are each amended to read
14 as follows:

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

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

29 (3) A domestic brewery may hold up to two retail licenses to
30 operate an on or off-premise tavern, beer and/or wine restaurant, or
31 spirits, beer, and wine restaurant. This retail license is separate
32 from the brewery license. A brewery that holds a tavern license, a
33 spirits, beer, and wine restaurant license, or a beer and/or wine
34 restaurant license shall hold the same privileges and endorsements as
35 permitted under RCW 66.24.320, 66.24.330, and 66.24.420.

36 (4) Any domestic brewery licensed under this section may contract-

1 produce beer for a brand owner of malt beverages defined under RCW
2 66.04.010(~~(+6)~~), and this contract-production is not a sale for the
3 purposes of RCW 66.28.170 and 66.28.180.

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

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

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

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

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

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

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

7 (g) For the purposes of this subsection:

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

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

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

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

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

23 (E) No vendor is a franchisee.

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

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

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

34 NEW SECTION. **Sec. 16.** Sections 3, 5, and 8 of this act expire
35 July 1, 2011.

1 NEW SECTION. **Sec. 17.** Sections 4, 6, and 9 of this act take
2 effect July 1, 2011.

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