
HOUSE BILL 2014

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By Representatives Hunt, Hasegawa, Appleton, Reykdal, Jinkins, Moscoso, Goodman, Dickerson, Fitzgibbon, Kagi, and Kenney

Read first time 03/08/11. Referred to Committee on State Government & Tribal Affairs.

1 AN ACT Relating to liquor license fees; amending RCW 66.08.180,
2 66.24.320, 66.24.330, 66.24.350, 66.24.354, 66.24.360, 66.24.363,
3 66.24.371, 66.24.395, 66.24.400, 66.24.420, 66.24.450, 66.24.452, and
4 66.24.580; reenacting and amending RCW 66.24.425; providing an
5 effective date; and declaring an emergency.

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

7 **Sec. 1.** RCW 66.08.180 and 2009 c 271 s 3 are each amended to read
8 as follows:

9 Except as provided in RCW 66.24.290(1), moneys in the liquor
10 revolving fund shall be distributed by the board at least once every
11 three months in accordance with RCW 66.08.190, 66.08.200, and
12 66.08.210(~~(: PROVIDED, That)~~). However, the board shall reserve from
13 distribution such amount not exceeding five hundred thousand dollars as
14 may be necessary for the proper administration of this title.

15 (1) ((All)) Before any other distributions under this section are
16 made, license fees shall be distributed first as provided in this
17 subsection for the following licenses: Beer and/or wine restaurants;
18 taverns; snack bars; combined beer and wine retailers; grocery stores;

1 beer and/or wine specialty shops; passenger trains, vessels, and
2 airplanes; spirits, beer, and wine restaurants; spirits, beer, and wine
3 private clubs; beer and wine private clubs; and public houses.

4 (a) Ten and one-half percent of total license fee revenues shall be
5 deposited in the liquor revolving fund and may be expended only for
6 purposes of administration and enforcement of the licenses in this
7 subsection.

8 (b) Five percent of total license fee revenues shall be transferred
9 to the general fund to be used by the department of commerce solely for
10 community mobilization grants awarded under RCW 43.270.020.

11 (c) Five percent of total license fee revenues shall be transferred
12 to the general fund to be used by the office of the superintendent of
13 public instruction solely for safe and drug-free schools and
14 communities grants awarded under RCW 28A.170.090.

15 (2) After any distributions under subsection (1) of this section
16 are made, any remaining license fees, penalties, and forfeitures
17 derived under chapter 13, Laws of 1935 from spirits, beer, and wine
18 restaurant; spirits, beer, and wine private club; hotel; spirits, beer,
19 and wine nightclub; and sports entertainment facility licenses shall
20 every three months be disbursed by the board as follows:

21 (a) Three hundred thousand dollars per biennium, to the death
22 investigations account for the state toxicology program pursuant to RCW
23 68.50.107; and

24 (b) Of the remaining funds:

25 (i) 6.06 percent to the University of Washington and 4.04 percent
26 to Washington State University for alcoholism and drug abuse research
27 and for the dissemination of such research; and

28 (ii) 89.9 percent to the general fund to be used by the department
29 of social and health services solely to carry out the purposes of RCW
30 70.96A.050;

31 ~~((+2))~~ (3) After any distributions under subsection (1) of this
32 section are made, the first fifty-five dollars per license fee provided
33 in RCW 66.24.320 and 66.24.330 up to a maximum of one hundred fifty
34 thousand dollars annually shall be disbursed every three months by the
35 board to the general fund to be used for juvenile alcohol and drug
36 prevention programs for kindergarten through third grade to be
37 administered by the superintendent of public instruction;

1 (~~(3)~~) (4) Twenty percent of the remaining total amount derived
2 from license fees pursuant to RCW 66.24.320, 66.24.330, 66.24.350, and
3 66.24.360, shall be transferred to the general fund to be used by the
4 department of social and health services solely to carry out the
5 purposes of RCW 70.96A.050; and

6 (~~(4)~~) (5) One-fourth cent per liter of the tax imposed by RCW
7 66.24.210 shall every three months be disbursed by the board to
8 Washington State University solely for wine and wine grape research,
9 extension programs related to wine and wine grape research, and
10 resident instruction in both wine grape production and the processing
11 aspects of the wine industry in accordance with RCW 28B.30.068. The
12 director of financial management shall prescribe suitable accounting
13 procedures to ensure that the funds transferred to the general fund to
14 be used by the department of social and health services and
15 appropriated are separately accounted for.

16 **Sec. 2.** RCW 66.24.320 and 2007 c 370 s 9 are each amended to read
17 as follows:

18 There shall be a beer and/or wine restaurant license to sell beer,
19 including strong beer, or wine, or both, at retail, for consumption on
20 the premises. A patron of the licensee may remove from the premises,
21 recorked or recapped in its original container, any portion of wine
22 that was purchased for consumption with a meal.

23 (1) The annual fee shall be two hundred forty-one dollars for the
24 beer license, two hundred forty-one dollars for the wine license, or
25 four hundred eighty-two dollars for a combination beer and wine
26 license.

27 (2)(a) The board may issue a caterer's endorsement to this license
28 to allow the licensee to remove from the liquor stocks at the licensed
29 premises, only those types of liquor that are authorized under the on-
30 premises license privileges for sale and service at event locations at
31 a specified date and, except as provided in subsection (3) of this
32 section, place not currently licensed by the board. If the event is
33 open to the public, it must be sponsored by a society or organization
34 as defined by RCW 66.24.375. If attendance at the event is limited to
35 members or invited guests of the sponsoring individual, society, or
36 organization, the requirement that the sponsor must be a society or

1 organization as defined by RCW 66.24.375 is waived. Cost of the
2 endorsement is (~~three hundred fifty~~) four hundred twenty-two dollars.

3 (b) The holder of this license with (~~fa~~) a catering endorsement
4 shall, if requested by the board, notify the board or its designee of
5 the date, time, place, and location of any catered event. Upon
6 request, the licensee shall provide to the board all necessary or
7 requested information concerning the society or organization that will
8 be holding the function at which the endorsed license will be utilized.

9 (c) The holder of this license with a caterer's endorsement may,
10 under conditions established by the board, store liquor on the premises
11 of another not licensed by the board so long as there is a written
12 agreement between the licensee and the other party to provide for
13 ongoing catering services, the agreement contains no exclusivity
14 clauses regarding the alcoholic beverages to be served, and the
15 agreement is filed with the board.

16 (d) The holder of this license with a caterer's endorsement may,
17 under conditions established by the board, store liquor on other
18 premises operated by the licensee so long as the other premises are
19 owned or controlled by a leasehold interest by that licensee. A
20 duplicate license may be issued for each additional premises. A
21 license fee of (~~twenty~~) twenty-four dollars shall be required for
22 such duplicate licenses.

23 (3) Licensees under this section that hold a caterer's endorsement
24 are allowed to use this endorsement on a domestic winery premises or on
25 the premises of a passenger vessel and may store liquor at such
26 premises under conditions established by the board under the following
27 conditions:

28 (a) Agreements between the domestic winery or the passenger vessel,
29 as the case may be, and the retail licensee shall be in writing,
30 contain no exclusivity clauses regarding the alcoholic beverages to be
31 served, and be filed with the board; and

32 (b) The domestic winery or passenger vessel, as the case may be,
33 and the retail licensee shall be separately contracted and compensated
34 by the persons sponsoring the event for their respective services.

35 (4) The holder of this license or its manager may furnish beer or
36 wine to the licensee's employees free of charge as may be required for
37 use in connection with instruction on beer and wine. The instruction
38 may include the history, nature, values, and characteristics of beer or

1 wine, the use of wine lists, and the methods of presenting, serving,
2 storing, and handling beer or wine. The beer and/or wine licensee must
3 use the beer or wine it obtains under its license for the sampling as
4 part of the instruction. The instruction must be given on the premises
5 of the beer and/or wine licensee.

6 (5) If the license is issued to a person who contracts with the
7 Washington state ferry system to provide food and alcohol service on a
8 designated ferry route, the license shall cover any vessel assigned to
9 the designated route. A separate license is required for each
10 designated ferry route.

11 **Sec. 3.** RCW 66.24.330 and 2003 c 167 s 7 are each amended to read
12 as follows:

13 There shall be a beer and wine retailer's license to be designated
14 as a tavern license to sell beer, including strong beer, or wine, or
15 both, at retail, for consumption on the premises. Such licenses may be
16 issued only to a person operating a tavern that may be frequented only
17 by persons twenty-one years of age and older.

18 The annual fee for such license shall be two hundred forty-one
19 dollars for the beer license, two hundred forty-one dollars for the
20 wine license, or four hundred eighty-two dollars for a combination beer
21 and wine license. (~~Licensees who have a fee increase of more than one~~
22 ~~hundred dollars as a result of this change shall have their fees~~
23 ~~increased fifty percent of the amount the first renewal year and the~~
24 ~~remaining amount beginning with the second renewal period. New~~
25 ~~licensees obtaining a license after July 1, 1998, shall pay the full~~
26 ~~amount of four hundred dollars.))~~

27 **Sec. 4.** RCW 66.24.350 and 1997 c 321 s 20 are each amended to read
28 as follows:

29 There shall be a beer retailer's license to be designated as a
30 snack bar license to sell beer by the opened bottle or can at retail,
31 for consumption upon the premises only, such license to be issued to
32 places where the sale of beer is not the principal business conducted;
33 fee one hundred (~~twenty-five~~) fifty-one dollars per year.

34 **Sec. 5.** RCW 66.24.354 and 1997 c 321 s 21 are each amended to read
35 as follows:

1 There shall be a beer and wine retailer's license that may be
2 combined only with the on-premises licenses described in either RCW
3 66.24.320 or 66.24.330. The combined license permits the sale of beer
4 and wine for consumption off the premises.

5 (1) Beer and wine sold for consumption off the premises must be in
6 original sealed packages of the manufacturer or bottler.

7 (2) Beer may be sold to a purchaser in a sanitary container brought
8 to the premises by the purchaser and filled at the tap by the retailer
9 at the time of sale.

10 (3) Licensees holding this type of license also may sell malt
11 liquor in kegs or other containers that are capable of holding four
12 gallons or more of liquid and are registered in accordance with RCW
13 66.28.200.

14 (4) The board may impose conditions upon the issuance of this
15 license to best protect and preserve the health, safety, and welfare of
16 the public.

17 (5) The annual fee for this license shall be one hundred (~~twenty~~)
18 forty-five dollars.

19 **Sec. 6.** RCW 66.24.360 and 2007 c 226 s 2 are each amended to read
20 as follows:

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

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

29 (2) The annual fee for the grocery store license is one hundred
30 (~~fifty~~) eighty-one dollars for each store.

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

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

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

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

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

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

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

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

24 (b) Any beer, strong beer, and wine sold under this endorsement
25 must be intended for consumption outside the state of Washington and
26 the United States and appropriate records must be maintained by the
27 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, strong beer, or wine sold under this license must be
31 sold at a price no less than the acquisition price paid by the holder
32 of the license.

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

36 (6) A grocery store licensee holding a snack bar license under RCW
37 66.24.350 may receive an endorsement to allow the sale of confections

1 containing more than one percent but not more than ten percent alcohol
2 by weight to persons twenty-one years of age or older.

3 **Sec. 7.** RCW 66.24.363 and 2010 c 141 s 1 are each amended to read
4 as follows:

5 (1) A grocery store licensed under RCW 66.24.360 may apply for an
6 endorsement to offer beer and wine tasting under this section.

7 (2) To be issued an endorsement, a licensee must meet the following
8 criteria:

9 (a) The licensee has retail sales of grocery products for off-
10 premises consumption that are more than fifty percent of the licensee's
11 gross sales or the licensee is a membership organization that requires
12 members to be at least eighteen years of age;

13 (b) The licensee operates a fully enclosed retail area encompassing
14 at least nine thousand square feet, except that the board may issue an
15 endorsement to a licensee with a retail area encompassing less than
16 nine thousand square feet if the board determines that no licensee in
17 the community the licensee serves meets the square footage requirement
18 and the licensee meets operational requirements established by the
19 board by rule; and

20 (c) The licensee has not had more than one public safety violation
21 within the past two years.

22 (3) A tasting must be conducted under the following conditions:

23 (a) Each sample must be two ounces or less, up to a total of four
24 ounces, per customer during any one visit to the premises;

25 (b) No more than one sample of the same product offering of beer or
26 wine may be provided to a customer during any one visit to the
27 premises;

28 (c) The licensee must have food available for the tasting
29 participants;

30 (d) Customers must remain in the service area while consuming
31 samples; and

32 (e) The service area and facilities must be located within the
33 licensee's fully enclosed retail area and must be of a size and design
34 such that the licensee can observe and control persons in the area to
35 ensure that persons under twenty-one years of age and apparently
36 intoxicated persons cannot possess or consume alcohol.

1 (4) Employees of licensees whose duties include serving during
2 tasting activities under this section must hold a class 12 alcohol
3 server permit.

4 (5) Tasting activities under this section are subject to RCW
5 66.28.305 and 66.28.040 and the cost of sampling may not be borne,
6 directly or indirectly, by any liquor manufacturer, importer, or
7 distributor.

8 (6) A licensee may advertise a tasting event only within the store,
9 on a store web site, in store newsletters and flyers, and via e-mail
10 and mail to customers who have requested notice of events. Advertising
11 under this subsection may not be targeted to or appeal principally to
12 youth.

13 (7)(a) If a licensee is found to have committed a public safety
14 violation in conjunction with tasting activities, the board may suspend
15 the licensee's tasting endorsement and not reissue the endorsement for
16 up to two years from the date of the violation. If mitigating
17 circumstances exist, the board may offer a monetary penalty in lieu of
18 suspension during a settlement conference.

19 (b) The board may revoke an endorsement granted to a licensee that
20 is located within the boundaries of an alcohol impact area recognized
21 by resolution of the board if the board finds that the tasting
22 activities by the licensee are having an adverse effect on the
23 reduction of chronic public inebriation in the area.

24 (c) RCW 66.08.150 applies to the suspension or revocation of an
25 endorsement.

26 (8) The board may establish additional requirements under this
27 section to assure that persons under twenty-one years of age and
28 apparently intoxicated persons cannot possess or consume alcohol.

29 (9) The annual fee for the endorsement is two hundred forty-one
30 dollars. The board shall review the fee annually and may increase the
31 fee by rule to a level sufficient to defray the cost of administration
32 and enforcement of the endorsement, except that the board may not
33 increase the fee by more than ten percent annually.

34 (10) The board must adopt rules to implement this section.

35 **Sec. 8.** RCW 66.24.371 and 2009 c 373 s 6 are each amended to read
36 as follows:

37 (1) There shall be a beer and/or wine retailer's license to be

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

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

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

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

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

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

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

37 (4) Licensees holding a beer and/or wine specialty shop license

1 must maintain a minimum three thousand dollar wholesale inventory of
2 beer, strong beer, and/or wine.

3 **Sec. 9.** RCW 66.24.395 and 1997 c 321 s 25 are each amended to read
4 as follows:

5 (1)(a) There shall be a license that may be issued to corporations,
6 associations, or persons operating as federally licensed commercial
7 common passenger carriers engaged in interstate commerce, in or over
8 territorial limits of the state of Washington on passenger trains,
9 vessels, or airplanes. Such license shall permit the sale of
10 spirituous liquor, wine, and beer at retail for passenger consumption
11 within the state upon one such train passenger car, vessel, or
12 airplane, while in or over the territorial limits of the state. Such
13 license shall include the privilege of transporting into and storing
14 within the state such liquor for subsequent retail sale to passengers
15 in passenger train cars, vessels or airplanes. The fees for such
16 master license shall be (~~seven hundred fifty~~) nine hundred four
17 dollars per annum (class CCI-1)(~~PROVIDED, That~~). However, upon
18 payment of an additional sum of (~~five~~) six dollars per annum per car,
19 or vessel, or airplane, the privileges authorized by such license
20 classes shall extend to additional cars, or vessels, or airplanes
21 operated by the same licensee within the state, and a duplicate license
22 for each additional car, or vessel, or airplane shall be issued(~~PROVIDED, FURTHER, That~~).
23 Moreover, such licensee may make such sales
24 and/or service upon cars, or vessels, or airplanes in emergency for not
25 more than five consecutive days without such license(~~AND PROVIDED, FURTHER, That~~).
26 Furthermore, such license shall be valid only while
27 such cars, or vessels, or airplanes are actively operated as common
28 carriers for hire in interstate commerce and not while they are out of
29 such common carrier service.

30 (b) Alcoholic beverages sold and/or served for consumption by such
31 interstate common carriers while within or over the territorial limits
32 of this state shall be subject to such board markup and state liquor
33 taxes in an amount to approximate the revenue that would have been
34 realized from such markup and taxes had the alcoholic beverages been
35 purchased in Washington(~~PROVIDED, That~~). However, the board's
36 markup shall be applied on spirituous liquor only. Such common

1 carriers shall report such sales and/or service and pay such markup and
2 taxes in accordance with procedures prescribed by the board.

3 (2) Alcoholic beverages sold and delivered in this state to
4 interstate common carriers for use under the provisions of this section
5 shall be considered exported from the state, subject to the conditions
6 provided in subsection (1)(b) of this section. The storage facilities
7 for liquor within the state by common carriers licensed under this
8 section shall be subject to written approval by the board.

9 **Sec. 10.** RCW 66.24.400 and 2008 c 41 s 10 are each amended to read
10 as follows:

11 (1) There shall be a retailer's license, to be known and designated
12 as a spirits, beer, and wine restaurant license, to sell spirituous
13 liquor by the individual glass, beer, and wine, at retail, for
14 consumption on the premises, including mixed drinks and cocktails
15 compounded or mixed on the premises only. A club licensed under
16 chapter 70.62 RCW with overnight sleeping accommodations, that is
17 licensed under this section may sell liquor by the bottle to registered
18 guests of the club for consumption in guest rooms, hospitality rooms,
19 or at banquets in the club. A patron of a bona fide restaurant or club
20 licensed under this section may remove from the premises recorked or
21 recapped in its original container any portion of wine which was
22 purchased for consumption with a meal, and registered guests who have
23 purchased liquor from the club by the bottle may remove from the
24 premises any unused portion of such liquor in its original container.
25 Such license may be issued only to bona fide restaurants and clubs, and
26 to dining, club and buffet cars on passenger trains, and to dining
27 places on passenger boats and airplanes, and to dining places at civic
28 centers with facilities for sports, entertainment, and conventions, and
29 to such other establishments operated and maintained primarily for the
30 benefit of tourists, vacationers and travelers as the board shall
31 determine are qualified to have, and in the discretion of the board
32 should have, a spirits, beer, and wine restaurant license under the
33 provisions and limitations of this title.

34 (2) The board may issue an endorsement to the spirits, beer, and
35 wine restaurant license that allows the holder of a spirits, beer, and
36 wine restaurant license to sell bottled wine for off-premises
37 consumption. Spirits and beer may not be sold for off-premises

1 consumption under this section except as provided in subsection (4) of
2 this section. The annual fee for the endorsement under this subsection
3 is one hundred (~~twenty~~) forty-five dollars.

4 (3) The holder of a spirits, beer, and wine license or its manager
5 may furnish beer, wine, or spirituous liquor to the licensee's
6 employees free of charge as may be required for use in connection with
7 instruction on beer, wine, or spirituous liquor. The instruction may
8 include the history, nature, values, and characteristics of beer, wine,
9 or spirituous liquor, the use of wine lists, and the methods of
10 presenting, serving, storing, and handling beer, wine, and spirituous
11 liquor. The spirits, beer, and wine restaurant licensee must use the
12 beer, wine, or spirituous liquor it obtains under its license for the
13 sampling as part of the instruction. The instruction must be given on
14 the premises of the spirits, beer, and wine restaurant licensee.

15 (4) The board may issue an endorsement to the spirits, beer, and
16 wine restaurant license that allows the holder of a spirits, beer, and
17 wine restaurant license to sell for off-premises consumption malt
18 liquor in kegs or other containers that are capable of holding four
19 gallons or more of liquid and are registered in accordance with RCW
20 66.28.200. The annual fee for the endorsement under this subsection is
21 one hundred (~~twenty~~) forty-five dollars.

22 **Sec. 11.** RCW 66.24.420 and 2009 c 271 s 7 are each amended to read
23 as follows:

24 (1) The spirits, beer, and wine restaurant license shall be issued
25 in accordance with the following schedule of annual fees:

26 (a) The annual fee for a spirits, beer, and wine restaurant license
27 shall be graduated according to the dedicated dining area and type of
28 service provided as follows:

29	Less than 50% dedicated dining area	((\$2,000))
30		<u>\$2,410</u>
31	50% or more dedicated dining area	((\$1,600))
32		<u>\$1,928</u>
33	Service bar only	((\$1,000))
34		<u>\$1,205</u>

1 (b) The annual fee for the license when issued to any other
2 spirits, beer, and wine restaurant licensee outside of incorporated
3 cities and towns shall be prorated according to the calendar quarters,
4 or portion thereof, during which the licensee is open for business,
5 except in case of suspension or revocation of the license.

6 (c) Where the license shall be issued to any corporation,
7 association or person operating a bona fide restaurant in an airport
8 terminal facility providing service to transient passengers with more
9 than one place where liquor is to be dispensed and sold, such license
10 shall be issued upon the payment of the annual fee, which shall be a
11 master license and shall permit such sale within and from one such
12 place. Such license may be extended to additional places on the
13 premises at the discretion of the board and a duplicate license may be
14 issued for each such additional place. The holder of a master license
15 for a restaurant in an airport terminal facility must maintain in a
16 substantial manner at least one place on the premises for preparing,
17 cooking, and serving of complete meals, and such food service shall be
18 available on request in other licensed places on the premises. An
19 additional license fee of twenty-five percent of the annual master
20 license fee shall be required for such duplicate licenses.

21 (d) Where the license shall be issued to any corporation,
22 association, or person operating dining places at a publicly or
23 privately owned civic or convention center with facilities for sports,
24 entertainment, or conventions, or a combination thereof, with more than
25 one place where liquor is to be dispensed and sold, such license shall
26 be issued upon the payment of the annual fee, which shall be a master
27 license and shall permit such sale within and from one such place.
28 Such license may be extended to additional places on the premises at
29 the discretion of the board and a duplicate license may be issued for
30 each such additional place. The holder of a master license for a
31 dining place at such a publicly or privately owned civic or convention
32 center must maintain in a substantial manner at least one place on the
33 premises for preparing, cooking, and serving of complete meals, and
34 food service shall be available on request in other licensed places on
35 the premises. An additional license fee of (~~ten~~) twelve dollars
36 shall be required for such duplicate licenses.

37 (2) The board, so far as in its judgment is reasonably possible,
38 shall confine spirits, beer, and wine restaurant licenses to the

1 business districts of cities and towns and other communities, and not
2 grant such licenses in residential districts, nor within the immediate
3 vicinity of schools, without being limited in the administration of
4 this subsection to any specific distance requirements.

5 (3) The board shall have discretion to issue spirits, beer, and
6 wine restaurant licenses outside of cities and towns in the state of
7 Washington. The purpose of this subsection is to enable the board, in
8 its discretion, to license in areas outside of cities and towns and
9 other communities, establishments which are operated and maintained
10 primarily for the benefit of tourists, vacationers and travelers, and
11 also golf and country clubs, and common carriers operating dining, club
12 and buffet cars, or boats.

13 (4) The combined total number of spirits, beer, and wine nightclub
14 licenses, and spirits, beer, and wine restaurant licenses issued in the
15 state of Washington by the board, not including spirits, beer, and wine
16 private club licenses, shall not in the aggregate at any time exceed
17 one license for each one thousand two hundred of population in the
18 state, determined according to the yearly population determination
19 developed by the office of financial management pursuant to RCW
20 43.62.030.

21 (5) Notwithstanding the provisions of subsection (4) of this
22 section, the board shall refuse a spirits, beer, and wine restaurant
23 license to any applicant if in the opinion of the board the spirits,
24 beer, and wine restaurant licenses already granted for the particular
25 locality are adequate for the reasonable needs of the community.

26 (6)(a) The board may issue a caterer's endorsement to this license
27 to allow the licensee to remove the liquor stocks at the licensed
28 premises, for use as liquor for sale and service at event locations at
29 a specified date and, except as provided in subsection (7) of this
30 section, place not currently licensed by the board. If the event is
31 open to the public, it must be sponsored by a society or organization
32 as defined by RCW 66.24.375. If attendance at the event is limited to
33 members or invited guests of the sponsoring individual, society, or
34 organization, the requirement that the sponsor must be a society or
35 organization as defined by RCW 66.24.375 is waived. Cost of the
36 endorsement is (~~three hundred fifty~~) four hundred twenty-two dollars.

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

1 date, time, place, and location of any catered event. Upon request,
2 the 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 (c) The holder of this license with a caterer's endorsement may,
6 under conditions established by the board, store liquor on the premises
7 of another not licensed by the board so long as there is a written
8 agreement between the licensee and the other party to provide for
9 ongoing catering services, the agreement contains no exclusivity
10 clauses regarding the alcoholic beverages to be served, and the
11 agreement is filed with the board.

12 (d) The holder of this license with a caterer's endorsement may,
13 under conditions established by the board, store liquor on other
14 premises operated by the licensee so long as the other premises are
15 owned or controlled by a leasehold interest by that licensee. A
16 duplicate license may be issued for each additional premises. A
17 license fee of (~~twenty~~) twenty-four dollars shall be required for
18 such duplicate licenses.

19 (7) Licensees under this section that hold a caterer's endorsement
20 are allowed to use this endorsement on a domestic winery premises or on
21 the premises of a passenger vessel and may store liquor at such
22 premises under conditions established by the board under the following
23 conditions:

24 (a) Agreements between the domestic winery or passenger vessel, as
25 the case may be, and the retail licensee shall be in writing, contain
26 no exclusivity clauses regarding the alcoholic beverages to be served,
27 and be filed with the board; and

28 (b) The domestic winery or passenger vessel, as the case may be,
29 and the retail licensee shall be separately contracted and compensated
30 by the persons sponsoring the event for their respective services.

31 **Sec. 12.** RCW 66.24.425 and 2001 c 199 s 3 and 2001 c 198 s 1 are
32 each reenacted and amended to read as follows:

33 (1) The board may, in its discretion, issue a spirits, beer, and
34 wine restaurant license to a business which qualifies as a "restaurant"
35 as that term is defined in RCW 66.24.410 in all respects except that
36 the business does not serve the general public but, through membership
37 qualification, selectively restricts admission to the business. For

1 purposes of RCW 66.24.400 and 66.24.420, all licenses issued under this
2 section shall be considered spirits, beer, and wine restaurant licenses
3 and shall be subject to all requirements, fees, and qualifications in
4 this title, or in rules adopted by the board, as are applicable to
5 spirits, beer, and wine restaurant licenses generally except that no
6 service to the general public may be required.

7 (2) No license shall be issued under this section to a business:

8 (a) Which shall not have been in continuous operation for at least
9 one year immediately prior to the date of its application; or

10 (b) Which denies membership or admission to any person because of
11 race, creed, color, national origin, sex, or the presence of any
12 sensory, mental, or physical handicap.

13 (3) The board may issue an endorsement to the spirits, beer, and
14 wine restaurant license issued under this section that allows up to
15 forty nonclub, member-sponsored events using club liquor. Visitors and
16 guests may attend these events only by invitation of the sponsoring
17 member or members. These events may not be open to the general public.
18 The fee for the endorsement is an annual fee of (~~nine hundred~~) one
19 thousand eighty-five dollars. Upon the board's request, the holder of
20 the endorsement must provide the board or the board's designee with the
21 following information at least seventy-two hours before the event: The
22 date, time, and location of the event; the name of the sponsor of the
23 event; and a brief description of the purpose of the event.

24 (4) The board may issue an endorsement to the spirits, beer, and
25 wine restaurant license that allows the holder of a spirits, beer, and
26 wine restaurant license to sell for off-premises consumption wine
27 vinted and bottled in the state of Washington and carrying a label
28 exclusive to the license holder selling the wine. Spirits and beer may
29 not be sold for off-premises consumption under this section. The
30 annual fee for the endorsement under this (~~chapter [section]~~) section
31 is one hundred (~~twenty~~) forty-five dollars.

32 **Sec. 13.** RCW 66.24.450 and 2009 c 373 s 2 are each amended to read
33 as follows:

34 (1) No club shall be entitled to a spirits, beer, and wine private
35 club license:

36 (a) Unless such private club has been in continuous operation for

1 at least one year immediately prior to the date of its application for
2 such license;

3 (b) Unless the private club premises be constructed and equipped,
4 conducted, managed, and operated to the satisfaction of the board and
5 in accordance with this title and the regulations made thereunder;

6 (c) Unless the board shall have determined pursuant to any
7 regulations made by it with respect to private clubs, that such private
8 club is a bona fide private club; it being the intent of this section
9 that license shall not be granted to a club which is, or has been,
10 primarily formed or activated to obtain a license to sell liquor, but
11 solely to a bona fide private club, where the sale of liquor is
12 incidental to the main purposes of the spirits, beer, and wine private
13 club, as defined in RCW 66.04.010(8).

14 (2) The annual fee for a spirits, beer, and wine private club
15 license, whether inside or outside of an incorporated city or town, is
16 (~~seven hundred twenty~~) eight hundred sixty-eight dollars per year.

17 (3) The board may issue an endorsement to the spirits, beer, and
18 wine private club license that allows up to forty nonclub, member-
19 sponsored events using club liquor. Visitors and guests may attend
20 these events only by invitation of the sponsoring member or members.
21 These events may not be open to the general public. The fee for the
22 endorsement shall be an annual fee of (~~nine hundred~~) one thousand
23 eighty-five dollars. Upon the board's request, the holder of the
24 endorsement must provide the board or the board's designee with the
25 following information at least seventy-two hours prior to the event:
26 The date, time, and location of the event; the name of the sponsor of
27 the event; and a brief description of the purpose of the event.

28 (4) The board may issue an endorsement to the spirits, beer, and
29 wine private club license that allows the holder of a spirits, beer,
30 and wine private club license to sell bottled wine for off-premises
31 consumption. Spirits and beer may not be sold for off-premises
32 consumption under this section. The annual fee for the endorsement
33 under this section is one hundred (~~twenty~~) forty-five dollars.

34 **Sec. 14.** RCW 66.24.452 and 2009 c 373 s 3 are each amended to read
35 as follows:

36 (1) There shall be a beer and wine license to be issued to a

1 private club for sale of beer, strong beer, and wine for on-premises
2 consumption.

3 (2) Beer, strong beer, and wine sold by the licensee may be on tap
4 or by open bottles or cans.

5 (3) The fee for the private club beer and wine license is (~~one~~
6 ~~hundred eighty~~) two hundred seventeen dollars per year.

7 (4) The board may issue an endorsement to the private club beer and
8 wine license that allows the holder of a private club beer and wine
9 license to sell bottled wine for off-premises consumption. Spirits,
10 strong beer, and beer may not be sold for off-premises consumption
11 under this section. The annual fee for the endorsement under this
12 section is one hundred (~~twenty~~) forty-five dollars.

13 **Sec. 15.** RCW 66.24.580 and 1999 c 281 s 6 are each amended to read
14 as follows:

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

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

19 (b) To sell product, that is produced on the licensed premises, at
20 retail on the licensed premises for consumption on the licensed
21 premises;

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

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

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

31 (2) While the holder of a public house license is not to be
32 considered in violation of the prohibitions of ownership or interest in
33 a retail license in RCW 66.28.010, the remainder of RCW 66.28.010
34 applies to such licensees.

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

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

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

7 (6) The annual license fee for a public house is one thousand two
8 hundred five dollars.

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

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

15 NEW SECTION. **Sec. 16.** This act is necessary for the immediate
16 preservation of the public peace, health, or safety, or support of the
17 state government and its existing public institutions, and takes effect
18 July 1, 2011.

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