

1 openers, corkscrews, matches, printed recipes, shirts, hats, visors,
2 and other similar items. Branded promotional items:

3 (i) Must be used exclusively by the retailer or its employees in a
4 manner consistent with its license;

5 (ii) Must bear imprinted advertising matter of the industry member
6 only, except imprinted advertising matter of the industry member can
7 include the logo of a professional sports team which the industry
8 member is licensed to use;

9 (iii) May be provided by industry members only to retailers and
10 their employees and may not be provided by or through retailers or
11 their employees to retail customers; and

12 (iv) May not be targeted to or appeal principally to youth.

13 (b) An industry member is not obligated to provide any such branded
14 promotional items, and a retailer may not require an industry member to
15 provide such branded promotional items as a condition for selling any
16 alcohol to the retailer.

17 (c) Any industry member or retailer or any other person asserting
18 that the provision of branded promotional items as allowed in (a) of
19 this subsection has resulted or is more likely than not to result in
20 undue influence or an adverse impact on public health and safety, or is
21 otherwise inconsistent with the criteria in (a) of this subsection may
22 file a complaint with the board. Upon receipt of a complaint the board
23 may conduct such investigation as it deems appropriate in the
24 circumstances. If the investigation reveals the provision of branded
25 promotional items has resulted in or is more likely than not to result
26 in undue influence or has resulted or is more likely than not to result
27 in an adverse impact on public health and safety or is otherwise
28 inconsistent with (a) of this subsection the board may issue an
29 administrative violation notice to the industry member, to the
30 retailer, or both. The recipient of the administrative violation
31 notice may request a hearing under chapter 34.05 RCW.

32 (2) Nothing in RCW 66.28.305 prohibits:

33 (a) An industry member from providing to a special occasion
34 licensee and a special occasion licensee from receiving services for:

35 ~~((a))~~ (i) Installation of draft beer dispensing equipment or
36 advertising;

37 ~~((b))~~ (ii) Advertising, pouring, or dispensing of beer or wine at
38 a beer or wine tasting exhibition or judging event; or

1 ~~((e))~~ (iii) Pouring or dispensing of spirits by a licensed
2 domestic distiller or the accredited representative of a distiller,
3 manufacturer, importer, or distributor of spirituous liquor licensed
4 under RCW 66.24.310; or

5 (b) Special occasion licensees from paying for beer or wine
6 immediately following the end of the special occasion event; or

7 (c) Wineries or breweries that are participating in a special
8 occasion event from paying reasonable booth fees to the special
9 occasion licensee.

10 (3) Nothing in RCW 66.28.305 prohibits industry members from
11 performing, and retailers from accepting the service of building,
12 rotating, and restocking displays and stockroom inventories; rotating
13 and rearranging can and bottle displays of their own products;
14 providing point of sale material and brand signs; pricing case goods of
15 their own brands; and performing such similar business services
16 consistent with board rules, or personal services as described in
17 subsection (5) of this section.

18 (4) Nothing in RCW 66.28.305 prohibits:

19 (a) Industry members from listing on their internet web sites
20 information related to retailers who sell or promote their products,
21 including direct links to the retailers' internet web sites; and

22 (b) Retailers from listing on their internet web sites information
23 related to industry members whose products those retailers sell or
24 promote, including direct links to the industry members' web sites; or

25 (c) Industry members and retailers from producing, jointly or
26 together with regional, state, or local industry associations,
27 brochures and materials promoting tourism in Washington state which
28 contain information regarding retail licensees, industry members, and
29 their products.

30 (5) Nothing in RCW 66.28.305 prohibits the performance of personal
31 services offered from time to time by a domestic winery or certificate
32 of approval holder to retailers when the personal services are (a)
33 conducted at a licensed premises, and (b) intended to inform, educate,
34 or enhance customers' knowledge or experience of the manufacturer's
35 products. The performance of personal services may include
36 participation and pouring, bottle signing events, and other similar
37 informational or educational activities at the premises of a retailer
38 holding a spirits, beer, and wine restaurant license, a wine and/or

1 beer restaurant license, a specialty wine shop license, a special
2 occasion license, a grocery store license with a tasting endorsement,
3 or a private club license. A domestic winery or certificate of
4 approval holder is not obligated to perform any such personal services,
5 and a retail licensee may not require a domestic winery or certificate
6 of approval holder to conduct any personal service as a condition for
7 selling any alcohol to the retail licensee, or as a condition for
8 including any product of the domestic winery or certificate of approval
9 holder in any tasting conducted by the licensee. Except as provided in
10 RCW 66.28.150, the cost of sampling may not be borne, directly or
11 indirectly, by any domestic winery or certificate of approval holder or
12 any distributor. Nothing in this section prohibits wineries,
13 certificate of approval holders, and retail licensees from identifying
14 the producers on private labels authorized under RCW 66.24.400,
15 66.24.425, and 66.24.450.

16 (6) Nothing in RCW 66.28.305 prohibits an industry member from
17 entering into an arrangement with any holder of a sports entertainment
18 facility license or an affiliated business for brand advertising at the
19 licensed facility or promoting events held at the sports entertainment
20 facility as authorized under RCW 66.24.570.

21 (7) Nothing in RCW 66.28.305 prohibits the performance of personal
22 services offered from time to time by a domestic brewery, microbrewery,
23 or beer certificate of approval holder to grocery store licensees with
24 a tasting endorsement when the personal services are (a) conducted at
25 a licensed premises in conjunction with a tasting event, and (b)
26 intended to inform, educate, or enhance customers' knowledge or
27 experience of the manufacturer's products. The performance of personal
28 services may include participation and pouring, bottle signing events,
29 and other similar informational or educational activities. A domestic
30 brewery, microbrewery, or beer certificate of approval holder is not
31 obligated to perform any such personal services, and a grocery store
32 licensee may not require the performance of any personal service as a
33 condition for including any product in any tasting conducted by the
34 licensee.

35 (8) Nothing in this section prohibits professional sports teams who
36 hold a retail liquor license or their agents from accepting bona fide
37 liquor advertising from manufacturers, importers, distributors, or
38 their agents for use in the sporting arena. Professional sports teams

1 who hold a retail liquor license or their agents may license the
2 manufacturer, importer, distributor, or their agents to use the name
3 and trademarks of the professional sports team in their advertising and
4 promotions, under the following conditions:

5 (a) Such advertising must be paid for by said manufacturer,
6 importer, distributor, or their agent at the published advertising rate
7 or at a reasonable fair market value.

8 (b) Such advertising may carry with it no express or implied offer
9 on the part of the manufacturer, importer, distributor, or their agent,
10 or promise on the part of the retail licensee whose operation is
11 directly or indirectly part of the sporting arena, to stock or list any
12 particular brand of liquor to the total or partial exclusion of any
13 other brand.

14 **PART II**

15 **CLARIFYING CHANGES TO THE LIQUOR LAWS**

16 NEW SECTION. **Sec. 201.** RCW 66.28.010 (Manufacturers, importers,
17 distributors, and authorized representatives barred from interest in
18 retail business or location--Advances prohibited--"Financial interest"
19 defined--Exceptions) and 2009 c 373 s 5 & 2008 c 94 s 5 are each
20 repealed.

21 **Sec. 202.** RCW 66.28.290 and 2009 c 506 s 3 are each amended to
22 read as follows:

23 (1) Notwithstanding any prohibitions and restrictions contained in
24 this title, it shall be lawful for an industry member or affiliate to
25 have a direct or indirect financial interest in another industry member
26 or a retailer, and for a retailer or affiliate to have a direct or
27 indirect financial interest in an industry member unless such interest
28 has resulted or is more likely than not to result in undue influence
29 over the retailer or the industry member or has resulted or is more
30 likely than not to result in an adverse impact on public health and
31 safety. The structure of any such financial interest must be
32 consistent with subsection (2) of this section.

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

1 (a) An industry member in whose name a license or certificate of
2 approval has been issued pursuant to this title may wholly own or hold
3 a financial interest in a separate legal entity licensed pursuant to
4 RCW 66.24.320 (~~through 66.24.570~~), 66.24.330, 66.24.350, 66.24.360,
5 66.24.371, 66.24.380, 66.24.395, 66.24.400, 66.24.425, 66.24.452,
6 66.24.495, 66.24.540, 66.24.550, 66.24.570, 66.24.580, 66.24.590, and
7 66.24.600, but may not have such a license issued in its name; and

8 (b) A retailer in whose name a license has been issued pursuant to
9 this title may wholly own or hold a financial interest in a separate
10 legal entity licensed or holding a certificate of approval pursuant to
11 RCW 66.24.140, 66.24.170, 66.24.206, 66.24.240, 66.24.244,
12 66.24.270(2), 66.24.200, or 66.24.250, but may not have such a license
13 or certificate of approval issued in its name; and

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

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

25 **Sec. 203.** RCW 66.24.360 and 2007 c 226 s 2 are each amended to
26 read as follows:

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

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

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

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

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

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

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

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

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

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

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

30 (b) Any beer, strong beer, and wine sold under this endorsement
31 must be intended for consumption outside the state of Washington and
32 the United States and appropriate records must be maintained by the
33 licensee.

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

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

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

4 (6) A grocery store licensee holding a snack bar license under RCW
5 66.24.350 may receive an endorsement to allow the sale of confections
6 containing more than one percent but not more than ten percent alcohol
7 by weight to persons twenty-one years of age or older.

8 **Sec. 204.** RCW 66.24.371 and 2009 c 373 s 6 are each amended to
9 read as follows:

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

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

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

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

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

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

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

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

13 **Sec. 205.** RCW 66.24.570 and 2007 c 369 s 2 are each amended to
14 read as follows:

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

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

25 (3) The board may impose reasonable requirements upon a licensee
26 under this section, such as requirements for the availability of food
27 and victuals including but not limited to hamburgers, sandwiches,
28 salads, or other snack food. The board may also restrict the type of
29 events at a sports entertainment facility at which beer, wine, and
30 spirits may be served. When imposing conditions for a licensee, the
31 board must consider the seating accommodations, eating facilities, and
32 circulation patterns in such a facility, and other amenities available
33 at a sports entertainment facility.

34 (4)(a) The board may issue a caterer's endorsement to the license
35 under this section to allow the licensee to remove from the liquor
36 stocks at the licensed premises, for use as liquor for sale and service
37 at event locations at a specified date and place not currently licensed

1 by the board. If the event is open to the public, it must be sponsored
2 by a society or organization as defined by RCW 66.24.375. If
3 attendance at the event is limited to members or invited guests of the
4 sponsoring individual, society, or organization, the requirement that
5 the sponsor must be a society or organization as defined by RCW
6 66.24.375 is waived. Cost of the endorsement is three hundred fifty
7 dollars.

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

14 (5) The board may issue an endorsement to the beer, wine, and
15 spirits sports entertainment facility license that allows the holder of
16 a beer, wine, and spirits sports entertainment facility license to sell
17 for off-premises consumption wine vinted and bottled in the state of
18 Washington and carrying a label exclusive to the license holder selling
19 the wine. Spirits and beer may not be sold for off-premises
20 consumption under this section. The annual fee for the endorsement
21 under this section is one hundred twenty dollars.

22 (6)(a) A licensee and an affiliated business may enter into
23 arrangements with a manufacturer, importer, or distributor for brand
24 advertising at the sports entertainment facility or promotion of events
25 held at the sports entertainment facility, with a capacity of five
26 thousand people or more. The financial arrangements providing for the
27 brand advertising or promotion of events shall not be used as an
28 inducement to purchase the products of the manufacturer, importer, or
29 distributor entering into the arrangement nor shall it result in the
30 exclusion of brands or products of other companies.

31 (b) The arrangements allowed under this subsection (6) are an
32 exception to arrangements prohibited under RCW (~~66.28.010~~) 66.28.305.
33 The board shall monitor the impacts of these arrangements. The board
34 may conduct audits of the licensee and the affiliated business to
35 determine compliance with this subsection (6). Audits may include but
36 are not limited to product selection at the facility; purchase patterns
37 of the licensee; contracts with the liquor manufacturer, importer, or

1 distributor; and the amount allocated or used for liquor advertising by
2 the licensee, affiliated business, manufacturer, importer, or
3 distributor under the arrangements.

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

9 **Sec. 206.** RCW 66.24.580 and 1999 c 281 s 6 are each amended to
10 read as follows:

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

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

15 (b) To sell product, that is produced on the licensed premises, at
16 retail on the licensed premises for consumption on the licensed
17 premises;

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

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

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

27 (2) ~~((While the holder of a public house license is not to be
28 considered in violation of the prohibitions of ownership or interest in
29 a retail license in RCW 66.28.010, the remainder of RCW 66.28.010
30 applies to such licensees.))~~ RCW 66.28.305 applies to a public house
31 license.

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

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

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

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

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

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

13 **Sec. 207.** RCW 66.28.040 and 2009 c 373 s 8 are each amended to
14 read as follows:

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

1 enology or the study of viticulture which has been in existence for at
2 least six months and that uses wine so furnished solely for such
3 educational purposes or a domestic winery, or an out-of-state
4 certificate of approval holder, from furnishing wine without charge or
5 a domestic brewery, or an out-of-state certificate of approval holder,
6 from furnishing beer without charge, subject to the taxes imposed by
7 RCW 66.24.210 or 66.24.290, or a domestic distiller licensed under RCW
8 66.24.140 or an accredited representative of a distiller, manufacturer,
9 importer, or distributor of spirituous liquor licensed under RCW
10 66.24.310, from furnishing spirits without charge, to a nonprofit
11 charitable corporation or association exempt from taxation under
12 section 501(c)(3) or (6) of the internal revenue code of 1986 (26
13 U.S.C. Sec. 501(c)(3) or (6)) for use consistent with the purpose or
14 purposes entitling it to such exemption; nothing in this section shall
15 prevent a domestic brewery or microbrewery from serving beer without
16 charge, on the brewery premises; nothing in this section shall prevent
17 donations of wine for the purposes of RCW 66.12.180; nothing in this
18 section shall prevent a domestic winery from serving wine without
19 charge, on the winery premises; and nothing in this section shall
20 prevent a craft distillery from serving spirits without charge, on the
21 distillery premises subject to RCW 66.24.145.

22 **Sec. 208.** RCW 66.28.042 and 2004 c 160 s 12 are each amended to
23 read as follows:

24 A liquor manufacturer, importer, authorized representative holding
25 a certificate of approval, or distributor may provide to licensed
26 retailers and their employees food and beverages for consumption at a
27 meeting at which the primary purpose is the discussion of business, and
28 may provide local ground transportation to and from such meetings. The
29 value of the food, beverage, or transportation provided under this
30 section shall not be considered the advancement of moneys or moneys'
31 worth within the meaning of RCW (~~66.28.010~~) 66.28.305, nor shall it
32 be considered the giving away of liquor within the meaning of RCW
33 (~~68.28.040~~) 66.28.040. The board may adopt rules for the
34 implementation of this section.

35 **Sec. 209.** RCW 66.28.043 and 2004 c 160 s 13 are each amended to
36 read as follows:

1 A liquor manufacturer, importer, authorized representative holding
2 a certificate of approval, or distributor may provide to licensed
3 retailers and their employees tickets or admission fees for athletic
4 events or other forms of entertainment occurring within the state of
5 Washington, if the manufacturer, importer, distributor, authorized
6 representative holding a certificate of approval, or any of their
7 employees accompanies the licensed retailer or its employees to the
8 event. A liquor manufacturer, importer, authorized representative
9 holding a certificate of approval, or distributor may also provide to
10 licensed retailers and their employees food and beverages for
11 consumption at such events, and local ground transportation to and from
12 activities allowed under this section. The value of the food,
13 beverage, transportation, or admission to events provided under this
14 section shall not be considered the advancement of moneys or moneys'
15 worth within the meaning of RCW (~~66.28.010~~) 66.28.305, nor shall it
16 be considered the giving away of liquor within the meaning of RCW
17 (~~68.28.040~~) 66.28.040. The board may adopt rules for the
18 implementation of this section.

19 **Sec. 210.** RCW 66.28.155 and 2004 c 160 s 15 are each amended to
20 read as follows:

21 A domestic brewery, microbrewery, domestic winery, distillery,
22 distributor, certificate of approval holder, or its licensed agent may
23 conduct educational activities or provide product information to the
24 consumer on the licensed premises of a retailer. Information on the
25 subject of wine, beer, or spirituous liquor, including but not limited
26 to, the history, nature, quality, and characteristics of a wine, beer,
27 or spirituous liquor, methods of harvest, production, storage,
28 handling, and distribution of a wine, beer, or spirituous liquor, and
29 the general development of the wine, beer, and spirituous liquor
30 industry may be provided by a domestic brewery, microbrewery, domestic
31 winery, distillery, distributor, certificate of approval holder, or its
32 licensed agent to the public on the licensed premises of a retailer.
33 The retailer requesting such activity shall attempt to schedule a
34 series of brewery, winery, authorized representative, or distillery and
35 distributor appearances in an effort to equitably represent the
36 industries. Nothing in this section permits a domestic brewery,
37 microbrewery, domestic winery, distillery, distributor, certificate of

1 approval holder, or its licensed agent to receive compensation or
2 financial benefit from the educational activities or product
3 information presented on the licensed premises of a retailer. The
4 promotional value of such educational activities or product information
5 shall not be considered advancement of moneys or of moneys' worth
6 within the meaning of RCW (~~66.28.010~~) 66.28.305.

7 **Sec. 211.** RCW 66.28.190 and 2003 c 168 s 305 are each amended to
8 read as follows:

9 RCW (~~66.28.010~~) 66.28.305 notwithstanding, persons licensed under
10 RCW 66.24.200 as wine distributors and persons licensed under RCW
11 66.24.250 as beer distributors may sell at wholesale nonliquor food and
12 food ingredients on thirty-day credit terms to persons licensed as
13 retailers under this title, but complete and separate accounting
14 records shall be maintained on all sales of nonliquor food and food
15 ingredients to ensure that such persons are in compliance with RCW
16 (~~66.28.010~~) 66.28.305.

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

20 **Sec. 212.** RCW 66.24.240 and 2008 c 41 s 7 are each amended to read
21 as follows:

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

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

1 (3) A domestic brewery may hold up to two retail licenses to
2 operate an on or off-premise tavern, beer and/or wine restaurant, or
3 spirits, beer, and wine restaurant. This retail license is separate
4 from the brewery license. A brewery that holds a tavern license, a
5 spirits, beer, and wine restaurant license, or a beer and/or wine
6 restaurant license shall hold the same privileges and endorsements as
7 permitted under RCW 66.24.320, 66.24.330, and 66.24.420.

8 (4) Any domestic brewery licensed under this section may contract-
9 produce beer for a brand owner of malt beverages defined under RCW
10 66.04.010(~~(+6)~~), and this contract-production is not a sale for the
11 purposes of RCW 66.28.170 and 66.28.180.

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

18 (b) For each month during which a domestic brewery will sell beer
19 at a qualifying farmers market, the domestic brewery must provide the
20 board or its designee a list of the dates, times, and locations at
21 which bottled beer may be offered for sale. This list must be received
22 by the board before the domestic brewery may offer beer for sale at a
23 qualifying farmers market.

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

26 (d) Each approved location in a qualifying farmers market is deemed
27 to be part of the domestic brewery license for the purpose of this
28 title. The approved locations under an endorsement granted under this
29 subsection do not include the tasting or sampling privilege of a
30 domestic brewery. The domestic brewery may not store beer at a farmers
31 market beyond the hours that the domestic brewery offers bottled beer
32 for sale. The domestic brewery may not act as a distributor from a
33 farmers market location.

34 (e) Before a domestic brewery may sell bottled beer at a qualifying
35 farmers market, the farmers market must apply to the board for
36 authorization for any domestic brewery with an endorsement approved
37 under this subsection to sell bottled beer at retail at the farmers
38 market. This application shall include, at a minimum: (i) A map of

1 the farmers market showing all booths, stalls, or other designated
2 locations at which an approved domestic brewery may sell bottled beer;
3 and (ii) the name and contact information for the on-site market
4 managers who may be contacted by the board or its designee to verify
5 the locations at which bottled beer may be sold. Before authorizing a
6 qualifying farmers market to allow an approved domestic brewery to sell
7 bottled beer at retail at its farmers market location, the board shall
8 notify the persons or entities of such application for authorization
9 pursuant to RCW 66.24.010 (8) and (9). An authorization granted under
10 this subsection (5)(e) may be withdrawn by the board for any violation
11 of this title or any rules adopted under this title.

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

15 (g) For the purposes of this subsection:

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

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

23 (B) The total combined gross annual sales of vendors who are
24 farmers exceeds the total combined gross annual sales of vendors who
25 are processors or resellers;

26 (C) The total combined gross annual sales of vendors who are
27 farmers, processors, or resellers exceeds the total combined gross
28 annual sales of vendors who are not farmers, processors, or resellers;

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

31 (E) No vendor is a franchisee.

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

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

1 (iv) "Reseller" means a natural person who buys agricultural
2 products from a farmer and resells the products directly to the
3 consumer.

4 **Sec. 213.** RCW 66.20.010 and 2008 c 181 s 602 are each amended to
5 read as follows:

6 Upon application in the prescribed form being made to any employee
7 authorized by the board to issue permits, accompanied by payment of the
8 prescribed fee, and upon the employee being satisfied that the
9 applicant should be granted a permit under this title, the employee
10 shall issue to the applicant under such regulations and at such fee as
11 may be prescribed by the board a permit of the class applied for, as
12 follows:

13 (1) Where the application is for a special permit by a physician or
14 dentist, or by any person in charge of an institution regularly
15 conducted as a hospital or sanitorium for the care of persons in ill
16 health, or as a home devoted exclusively to the care of aged people, a
17 special liquor purchase permit, except that the governor may waive the
18 requirement for a special liquor purchase permit under this subsection
19 pursuant to an order issued under RCW 43.06.220(2);

20 (2) Where the application is for a special permit by a person
21 engaged within the state in mechanical or manufacturing business or in
22 scientific pursuits requiring alcohol for use therein, or by any
23 private individual, a special permit to purchase alcohol for the
24 purpose named in the permit, except that the governor may waive the
25 requirement for a special liquor purchase permit under this subsection
26 pursuant to an order issued under RCW 43.06.220(2);

27 (3) Where the application is for a special permit to consume liquor
28 at a banquet, at a specified date and place, a special permit to
29 purchase liquor for consumption at such banquet, to such applicants as
30 may be fixed by the board;

31 (4) Where the application is for a special permit to consume liquor
32 on the premises of a business not licensed under this title, a special
33 permit to purchase liquor for consumption thereon for such periods of
34 time and to such applicants as may be fixed by the board;

35 (5) Where the application is for a special permit by a manufacturer
36 to import or purchase within the state alcohol, malt, and other

1 materials containing alcohol to be used in the manufacture of liquor,
2 or other products, a special permit;

3 (6) Where the application is for a special permit by a person
4 operating a drug store to purchase liquor at retail prices only, to be
5 thereafter sold by such person on the prescription of a physician, a
6 special liquor purchase permit, except that the governor may waive the
7 requirement for a special liquor purchase permit under this subsection
8 pursuant to an order issued under RCW 43.06.220(2);

9 (7) Where the application is for a special permit by an authorized
10 representative of a military installation operated by or for any of the
11 armed forces within the geographical boundaries of the state of
12 Washington, a special permit to purchase liquor for use on such
13 military installation at prices to be fixed by the board;

14 (8) Where the application is for a special permit by a vendor that
15 manufactures or sells a product which cannot be effectively presented
16 to potential buyers without serving it with liquor or by a
17 manufacturer, importer, or distributor, or representative thereof, to
18 serve liquor without charge to delegates and guests at a convention of
19 a trade association composed of licensees of the board, when the said
20 liquor is served in a hospitality room or from a booth in a board-
21 approved suppliers' display room at the convention, and when the liquor
22 so served is for consumption in the said hospitality room or display
23 room during the convention, anything in Title 66 RCW to the contrary
24 notwithstanding. Any such spirituous liquor shall be purchased from
25 the board or a spirits, beer, and wine restaurant licensee and any such
26 beer and wine shall be subject to the taxes imposed by RCW 66.24.290
27 and 66.24.210;

28 (9) Where the application is for a special permit by a
29 manufacturer, importer, or distributor, or representative thereof, to
30 donate liquor for a reception, breakfast, luncheon, or dinner for
31 delegates and guests at a convention of a trade association composed of
32 licensees of the board, when the liquor so donated is for consumption
33 at the said reception, breakfast, luncheon, or dinner during the
34 convention, anything in Title 66 RCW to the contrary notwithstanding.
35 Any such spirituous liquor shall be purchased from the board or a
36 spirits, beer, and wine restaurant licensee and any such beer and wine
37 shall be subject to the taxes imposed by RCW 66.24.290 and 66.24.210;

1 (10) Where the application is for a special permit by a
2 manufacturer, importer, or distributor, or representative thereof, to
3 donate and/or serve liquor without charge to delegates and guests at an
4 international trade fair, show, or exposition held under the auspices
5 of a federal, state, or local governmental entity or organized and
6 promoted by a nonprofit organization, anything in Title 66 RCW to the
7 contrary notwithstanding. Any such spirituous liquor shall be
8 purchased from the board and any such beer or wine shall be subject to
9 the taxes imposed by RCW 66.24.290 and 66.24.210;

10 (11) Where the application is for an annual special permit by a
11 person operating a bed and breakfast lodging facility to donate or
12 serve wine or beer without charge to overnight guests of the facility
13 if the wine or beer is for consumption on the premises of the facility.
14 "Bed and breakfast lodging facility," as used in this subsection, means
15 a facility offering from one to eight lodging units and breakfast to
16 travelers and guests.

17 **PART III**
18 **WINE AGENTS**

19 **Sec. 301.** RCW 66.24.310 and 1997 c 321 s 17 are each amended to
20 read as follows:

21 (1)(a) Except as provided in (b) of this subsection, no person
22 shall canvass for, solicit, receive, or take orders for the purchase or
23 sale of liquor, nor contact any licensees of the board in goodwill
24 activities, unless such person shall be the accredited representative
25 of a person, firm, or corporation holding a certificate of approval
26 issued pursuant to RCW 66.24.270 or 66.24.206, a beer distributor's
27 license, a microbrewer's license, a domestic brewer's license, a beer
28 importer's license, a domestic winery license, a wine importer's
29 license, or a wine distributor's license within the state of
30 Washington, or the accredited representative of a distiller,
31 manufacturer, importer, or distributor of spirituous liquor, or foreign
32 produced beer or wine, and shall have applied for and received a
33 representative's license(~~(: PROVIDED, HOWEVER, That the provisions of~~
34 this section shall not apply to drivers who deliver beer or wine~~;)~~).

35 (b) (a) of this subsection shall not apply to: (i) Drivers who
36 deliver beer or wine; or (ii) domestic wineries or their employees.

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

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

15 (4) The fee for a representative's license shall be twenty-five
16 dollars per year((+)).

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

22 **PART IV**
23 **RETAILER'S LICENSE**

24 **Sec. 401.** RCW 66.24.400 and 2008 c 41 s 10 are each amended to
25 read as follows:

26 (1) There shall be a retailer's license, to be known and designated
27 as a spirits, beer, and wine restaurant license, to sell spirituous
28 liquor by the individual glass, beer, and wine, at retail, for
29 consumption on the premises, including mixed drinks and cocktails
30 compounded or mixed on the premises only. A club licensed under
31 chapter 70.62 RCW with overnight sleeping accommodations, that is
32 licensed under this section may sell liquor by the bottle to registered
33 guests of the club for consumption in guest rooms, hospitality rooms,
34 or at banquets in the club. A patron of a bona fide restaurant or club
35 licensed under this section may remove from the premises recorked or
36 recapped in its original container any portion of wine which was

1 purchased for consumption with a meal, and registered guests who have
2 purchased liquor from the club by the bottle may remove from the
3 premises any unused portion of such liquor in its original container.
4 Such license may be issued only to bona fide restaurants and clubs, and
5 to dining, club and buffet cars on passenger trains, and to dining
6 places on passenger boats and airplanes, and to dining places at civic
7 centers with facilities for sports, entertainment, and conventions, and
8 to such other establishments operated and maintained primarily for the
9 benefit of tourists, vacationers and travelers as the board shall
10 determine are qualified to have, and in the discretion of the board
11 should have, a spirits, beer, and wine restaurant license under the
12 provisions and limitations of this title.

13 (2) The board may issue an endorsement to the spirits, beer, and
14 wine restaurant license that allows the holder of a spirits, beer, and
15 wine restaurant license to sell bottled wine for off-premises
16 consumption. Spirits and beer may not be sold for off-premises
17 consumption under this section except as provided in subsection (4) of
18 this section. The annual fee for the endorsement under this subsection
19 is one hundred twenty dollars.

20 (3) The holder of a spirits, beer, and wine license or its manager
21 may furnish beer, wine, or spirituous liquor to the licensee's
22 employees free of charge as may be required for use in connection with
23 instruction on beer, wine, or spirituous liquor. The instruction may
24 include the history, nature, values, and characteristics of beer, wine,
25 or spirituous liquor, the use of wine lists, and the methods of
26 presenting, serving, storing, and handling beer, wine, and spirituous
27 liquor. The spirits, beer, and wine restaurant licensee must use the
28 beer, wine, or spirituous liquor it obtains under its license for the
29 sampling as part of the instruction. The instruction must be given on
30 the premises of the spirits, beer, and wine restaurant licensee.

31 (4) The board may issue an endorsement to the spirits, beer, and
32 wine restaurant license that allows the holder of a spirits, beer, and
33 wine restaurant license to sell for off-premises consumption malt
34 liquor in kegs or other containers that are capable of holding four
35 gallons or more of liquid and are registered in accordance with RCW
36 66.28.200. Beer may also be sold under the endorsement to a purchaser
37 in a sanitary container brought to the premises by the purchaser or

1 furnished by the licensee and filled at the tap by the retailer at the
2 time of sale. The annual fee for the endorsement under this subsection
3 is one hundred twenty dollars.

4 **Sec. 402.** RCW 66.24.450 and 2009 c 373 s 2 are each amended to
5 read as follows:

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

8 (a) Unless such private club has been in continuous operation for
9 at least one year immediately prior to the date of its application for
10 such license;

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

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

22 (2) The annual fee for a spirits, beer, and wine private club
23 license, whether inside or outside of an incorporated city or town, is
24 seven hundred twenty dollars per year.

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

36 (4) The board may issue an endorsement to the spirits, beer, and
37 wine private club license that allows the holder of a spirits, beer,

1 and wine private club license to sell bottled wine for off-premises
2 consumption. Spirits and beer may not be sold for off-premises
3 consumption under this section. The annual fee for the endorsement
4 under this section is one hundred twenty dollars.

5 **Sec. 403.** RCW 66.24.590 and 2008 c 41 s 11 are each amended to
6 read as follows:

7 (1) There shall be a retailer's license to be designated as a hotel
8 license. No license may be issued to a hotel offering rooms to its
9 guests on an hourly basis. Food service provided for room service,
10 banquets or conferences, or restaurant operation under this license
11 shall meet the requirements of rules adopted by the board.

12 (2) The hotel license authorizes the licensee to:

13 (a) Sell (~~(spirited)~~) spirituous liquor, beer, and wine, by the
14 individual glass, at retail, for consumption on the premises, including
15 mixed drinks and cocktails compounded and mixed on the premises;

16 (b) Sell, at retail, from locked honor bars, in individual units,
17 spirits not to exceed fifty milliliters, beer in individual units not
18 to exceed twelve ounces, and wine in individual bottles not to exceed
19 three hundred eighty-five milliliters, to registered guests of the
20 hotel for consumption in guest rooms. The licensee shall require proof
21 of age from the guest renting a guest room and requesting the use of an
22 honor bar. The guest shall also execute an affidavit verifying that no
23 one under twenty-one years of age shall have access to the spirits,
24 beer, and wine in the honor bar;

25 (c) Provide without additional charge, to overnight guests,
26 spirits, beer, and wine by the individual serving for on-premises
27 consumption at a specified regular date, time, and place as may be
28 fixed by the board. Self-service by attendees is prohibited;

29 (d) Sell beer, including strong beer, wine, or spirits, in the
30 manufacturer's sealed container or by the individual drink to guests
31 through room service, or through service to occupants of private
32 residential units which are part of the buildings or complex of
33 buildings that include the hotel;

34 (e) Sell beer, including strong beer, or wine, in the
35 manufacturer's sealed container at retail sales locations within the
36 hotel premises;

1 (f) Sell beer to a purchaser in a sanitary container brought to the
2 premises by the purchaser or furnished by the licensee and filled at
3 the tap in the restaurant area by the licensee at the time of sale;

4 (g) Sell for on or off-premises consumption, including through room
5 service and service to occupants of private residential units managed
6 by the hotel, wine carrying a label exclusive to the hotel license
7 holder;

8 (~~(g)~~) (h) Place in guest rooms at check-in, a complimentary
9 bottle of beer, including strong beer, or wine in a manufacturer-sealed
10 container, and make a reference to this service in promotional
11 material.

12 (3) If all or any facilities for alcoholic beverage service and the
13 preparation, cooking, and serving of food are operated under contract
14 or joint venture agreement, the operator may hold a license separate
15 from the license held by the operator of the hotel. Food and beverage
16 inventory used in separate licensed operations at the hotel may not be
17 shared and shall be separately owned and stored by the separate
18 licensees.

19 (4) All spirits to be sold under this license must be purchased
20 from the board.

21 (5) All on-premise alcoholic beverage service must be done by an
22 alcohol server as defined in RCW 66.20.300 and must comply with RCW
23 66.20.310.

24 (6)(a) The hotel license allows the licensee to remove from the
25 liquor stocks at the licensed premises, liquor for sale and service at
26 event locations at a specified date and place not currently licensed by
27 the board. If the event is open to the public, it must be sponsored by
28 a society or organization as defined by RCW 66.24.375. If attendance
29 at the event is limited to members or invited guests of the sponsoring
30 individual, society, or organization, the requirement that the sponsor
31 must be a society or organization as defined by RCW 66.24.375 is
32 waived.

33 (b) The holder of this license shall, if requested by the board,
34 notify the board or its designee of the date, time, place, and location
35 of any event. Upon request, the licensee shall provide to the board
36 all necessary or requested information concerning the society or
37 organization that will be holding the function at which the endorsed
38 license will be utilized.

1 (c) Licensees may cater events on a domestic winery premises.

2 (7) The holder of this license or its manager may furnish spirits,
3 beer, or wine to the licensee's employees who are twenty-one years of
4 age or older free of charge as may be required for use in connection
5 with instruction on spirits, beer, and wine. The instruction may
6 include the history, nature, values, and characteristics of spirits,
7 beer, or wine, the use of wine lists, and the methods of presenting,
8 serving, storing, and handling spirits, beer, or wine. The licensee
9 must use the beer or wine it obtains under its license for the sampling
10 as part of the instruction. The instruction must be given on the
11 premises of the licensee.

12 (8) Minors may be allowed in all areas of the hotel where alcohol
13 may be consumed; however, the consumption must be incidental to the
14 primary use of the area. These areas include, but are not limited to,
15 tennis courts, hotel lobbies, and swimming pool areas. If an area is
16 not a mixed use area, and is primarily used for alcohol service, the
17 area must be designated and restricted to access by minors.

18 (9) The annual fee for this license is two thousand dollars.

19 (10) As used in this section, "hotel," "spirits," "beer," and
20 "wine" have the meanings defined in RCW 66.24.410 and 66.04.010.

21 **PART V**

22 **MISCELLANEOUS**

23 NEW SECTION. **Sec. 501.** Sections 203, 204, and 206 of this act are
24 necessary for the immediate preservation of the public peace, health,
25 or safety, or support of the state government and its existing public
26 institutions, and take effect July 1, 2011.

--- END ---