

1 NEW SECTION. **Sec. 101.** The legislature of the state of Washington
2 finds that consumers of distilled spirits in the state will enjoy a
3 greater variety of products, with potential for lower prices, reduced
4 diversion of consumer purchases to out-of-state sources, and a more
5 convenient shopping experience than is currently available to them
6 through the present control system, while enhancing state revenues and
7 retaining suitable security and public safety in the handling and sale
8 of all alcoholic beverages, by adoption of a private licensee system of
9 distribution of distilled spirits in place of purchase and resale of
10 distilled spirits by the state; and that reform of outdated laws
11 governing the distribution of wine will lead to greater efficiencies
12 for wineries, distributors, and retailers of wine, to the benefit of
13 consumers of wine in Washington state.

14 NEW SECTION. **Sec. 102.** The holder of a spirits distributor
15 license or spirits retail license issued under this act may commence
16 sale of spirits upon issuance thereof, but in no event earlier than
17 March 30, 2012, for distributors, or June 30, 2012, for retailers. The
18 liquor control board shall do all things necessary to complete
19 processing by said dates of all complete applications for spirits
20 licenses on file with the board on or before ninety days from the
21 effective date of this section. Until June 30, 2012, the board shall
22 operate state liquor stores so as to serve consumer demand for spirits
23 in the same manner and to the same extent as under the system
24 immediately preceding the system established by this act. The board
25 shall effect orderly closure of all state liquor stores no later than
26 September 1, 2012, and shall thereafter refrain from purchase of
27 liquor, from sale or distribution of liquor, except for asset sales
28 authorized by this act. Beginning upon the effective date of this
29 section, the board shall devote sufficient resources to planning and
30 preparation for sale of all assets of state liquor stores and
31 distribution centers, and all other assets of the state over which the
32 board has power of disposition, including without limitation goodwill
33 and location value associated with state liquor stores, with the
34 objective of depleting all inventory of liquor by August 31, 2012, and
35 closing all other asset sales no later than July 1, 2013. The board,
36 in furtherance of said objective, may sell liquor to spirits licensees.
37 Disposition of any state liquor store or distribution center assets

1 remaining after July 1, 2013, shall be managed by the department of
2 revenue. All asset sales under this section have the objective of
3 obtaining maximum reasonable value therefor, taking into account all
4 relevant factors, including without limitation present value
5 equivalents of delayed or deferred consideration. To the maximum
6 practicable extent consistent with securing the highest value, the
7 board shall sell by auction open to the public the right to operate a
8 liquor store at each state-store location. The rights shall be freely
9 alienable, but shall be subject to all state and local zoning and land
10 use requirements applicable to the property. Acquisition of the
11 operating rights shall be a precondition to, but shall not establish
12 eligibility for, any liquor license at the location of a state store
13 and shall not confer any privilege conferred by a liquor license.
14 Holding the rights shall not require the holder of the right to operate
15 a liquor-licensed business or apply for a liquor license. All sales
16 proceeds under this section, net of direct sales and other transition
17 costs, shall be deposited into the liquor excise tax fund. For the
18 purposes of this section, a long-term lease with payout materially
19 equivalent to sale on ordinary commercial property terms is deemed a
20 sale. The board shall do all things necessary to complete orderly
21 transition from the current state controlled system to the private
22 licensee system of spirits retailing and distribution under this act by
23 August 31, 2012. The transition shall include, without limitation, a
24 provision for operating and asset sale revenues of the board for (a)
25 retraining and/or outplacement services for state employees displaced
26 thereby, and (b) just and reasonable measures to avert harm to
27 interests of tribes, military buyers, and nonemployee liquor store
28 operators under then existing contracts for supply by the board of
29 distilled spirits, taking into account present value of issuance of a
30 spirits retail license to the holder of such interest. All exemptions
31 from tax available to military buyers for purchase of beer or wine
32 shall be available on the same terms for purchase of spirits from any
33 licensee of the board authorized to make such sale. The provisions may
34 extend beyond the time for completion of transition to a spirits
35 licensee system.

36 NEW SECTION. **Sec. 103.** A new section is added to chapter 66.24
37 RCW to read as follows:

1 (1) There is a spirits retail license to: Sell spirits in original
2 containers to consumers for consumption off the licensed premises and
3 to permit holders; sell spirits in original containers to retailers
4 licensed to sell spirits for consumption on the premises, for resale at
5 their licensed premises according to the terms of their licenses,
6 provided, however, that no such single sale shall exceed twenty-four
7 liters, which limit shall not apply to such sales by licensees who were
8 contract-operated state stores; and export spirits. For the purposes
9 of this title, a spirits retail license is a retail license, and a sale
10 by a spirits retailer is a retail sale only if not for resale. Nothing
11 in this section or title authorizes sales by on-sale licensees to other
12 retail licensees. The board shall establish by rule, the obligation of
13 on-sale spirits retailers to provide to the distributor or distiller
14 acting as distributor information by stock keeping unit of that
15 distributor or distiller concerning the identity of the purchasing on-
16 premise licensee and quantities purchased.

17 (2)(a) The board shall issue spirits retail licenses only for
18 premises comprising at least nine thousand square feet of retail space,
19 including storerooms and other auxiliary areas, within a single
20 structure and only to applicants it reasonably believes will maintain
21 systems for inventory management, employee training, employee
22 supervision, and physical security of the product substantially as
23 effective as those of stores currently operated by the board with
24 respect to preventing sales to or pilferage by underage or inebriated
25 persons. The board shall not deny a spirits retail license to an
26 otherwise qualified nonemployee contractor operating a contract liquor
27 store or to the holder of former state liquor store operating rights
28 sold at auction pursuant to section 102 of this act on the grounds of
29 location or size of the premises to be licensed. The board may issue
30 a retail spirits license for premises comprising less than nine
31 thousand square feet if the board determines that:

32 (i) There is no retail spirits license holder in the community the
33 applicant serves or proposes to serve;

34 (ii) The applicant meets or upon licensure will meet operational
35 requirements established by the board by rule; and

36 (iii) The licensee has not committed more than one public safety
37 violation within the two years preceding application.

1 (b) A retailer authorized to sell spirits for consumption on or off
2 the licensed premises may accept delivery of spirits at its licensed
3 premises or at one or more warehouse facilities registered with the
4 board, which facilities may also warehouse and distribute nonliquor
5 items, and from which it may deliver to its own licensed premises and,
6 pursuant to sales permitted by (a) of this subsection (2) and
7 subsection (1) of this section, (i) to other retailer premises licensed
8 to sell spirits for consumption on the licensed premises, (ii) to other
9 registered facilities, or (iii) to lawful purchasers without the state.
10 The facilities may be registered and utilized by associations,
11 cooperatives, or comparable groups of retailers, including at least one
12 retailer licensed to sell spirits.

13 (3) Each spirits retail licensee shall pay to the board, for
14 deposit into the state general fund, a license issuance fee equivalent
15 to the following, calculated for the five-year period commencing upon
16 the licensee's first sale of spirits under the license: Ten percent on
17 all spirits sales in each of the first two years and, for each of the
18 following three years, five percent on all spirits sales; provided,
19 however, that twenty-one million dollars of such fees annually
20 beginning with the first year of collection of such fees shall be
21 distributed three-tenths of one percent to border areas, nineteen and
22 four-tenths percent to counties, and seventy-seven and six-tenths
23 percent to incorporated cities and towns. The board shall establish
24 rules setting forth the frequency and timing of such payments and
25 reporting of sales dollar volume by the licensee, with payments
26 required quarterly in arrears. No spirits inventory shall be subject
27 to calculation of more than a single retail license issuance fee. A
28 licensee who has paid a license issuance fee and relocates shall not be
29 required to pay a new license issuance fee.

30 (4) In addition to the payment set forth in subsection (3) of this
31 section, each licensee must pay an annual license renewal fee of one
32 hundred sixty-six dollars. The board shall periodically review and
33 adjust the fee as may be required to maintain it as comparable to
34 annual license renewal fees for licenses to sell beer and wine not for
35 consumption on the licensed premises. If required by law at the time,
36 any increase of the annual renewal fee shall become effective only upon
37 ratification by the legislature.

1 **Sec. 104.** RCW 66.24.360 and 2007 c 226 s 2 are each amended to
2 read as follows:

3 ~~(1) There ((shall be)) is a ((beer and/or wine retailer's license~~
4 ~~to be designated as a))~~ grocery store license to sell wine and/or beer,
5 including without limitation, strong beer(~~(, and/or wine))~~ at retail in
6 (~~(bottles, cans, and))~~ original containers, not to be consumed upon the
7 premises where sold(~~(, at any store other than the state liquor~~
8 ~~stores))~~).

9 ~~((+1))~~ (2) There is a wine retailer reseller endorsement of a
10 grocery store license, to sell wine at retail in original containers to
11 other retailers licensed to sell the same for consumption on the
12 premises, for resale at their licensed premises according to the terms
13 of the license; provided, however that no such single sale shall exceed
14 twenty-four liters, which limit shall not apply to such sales by
15 licensees who were contract-operated state stores. For the purposes of
16 this title, a grocery store license is a retail license, and a sale by
17 a grocery store licensee with a reseller endorsement is a retail sale
18 only if not for resale.

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

22 ~~((+2))~~ (4) The annual fee for the grocery store license is one
23 hundred fifty dollars for each store.

24 ~~((+3))~~ (5) The annual fee for the wine retailer reseller
25 endorsement is one hundred sixty-six dollars for each store.

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

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

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

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

9 ~~((+4))~~ (7) Licensees holding a grocery store license must maintain
10 a minimum three thousand dollar inventory of food products for human
11 consumption, not including pop, beer, strong beer, or wine.

12 ~~((+5))~~ (8) A grocery store licensee with a wine retailer reseller
13 endorsement may accept delivery of wine at its licensed premises or at
14 one or more warehouse facilities registered with the board, which
15 facilities may also warehouse and distribute nonliquor items, and from
16 which it may deliver to its own licensed premises and, pursuant to
17 sales permitted by this title, to other licensed premises, to other
18 registered facilities, or to lawful purchasers without the state.
19 Facilities may be registered and utilized by associations,
20 cooperatives, or comparable groups of grocery store licensees.

21 (9) Upon approval by the board, the grocery store licensee may also
22 receive an endorsement to permit the international export of beer,
23 strong beer, and wine.

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

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

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

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

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

1 (~~(6)~~) (10) A grocery store licensee holding a snack bar license
2 under RCW 66.24.350 may receive an endorsement to allow the sale of
3 confections containing more than one percent but not more than ten
4 percent alcohol by weight to persons twenty-one years of age or older.

5 NEW SECTION. **Sec. 105.** A new section is added to chapter 66.24
6 RCW to read as follows:

7 (1) There is a license for spirits distributors to (a) sell spirits
8 purchased from manufacturers, distillers, or suppliers including,
9 without limitation, licensed Washington distilleries, licensed spirits
10 importers, other Washington spirits distributors, or suppliers of
11 foreign spirits located outside of the United States, to spirits
12 retailers including, without limitation, spirits retail licensees,
13 special occasion license holders, interstate common carrier license
14 holders, restaurant spirits retailer license holders, spirits, beer,
15 and wine private club license holders, hotel license holders, sports
16 entertainment facility license holders, and spirits, beer, and wine
17 nightclub license holders, and to other spirits distributors; and (b)
18 export the same from the state.

19 (2) By June 30, 2012, the board shall issue spirits distributor
20 licenses to all applicants who, upon the effective date of this
21 section, have the right to purchase spirits from a spirits
22 manufacturer, spirits distiller, or other spirits supplier for resale
23 in the state, or are agents of such supplier authorized to sell to
24 licensees in the state, unless the board determines that issuance of a
25 license to such applicant is not in the public interest.

26 (3) Each spirits distributor licensee shall pay to the board for
27 deposit into the state general fund, a license issuance fee equivalent
28 to the following, calculated for a five-year period commencing upon the
29 licensee's first sale of spirits under the license, on sales of spirits
30 such licensee was the first spirits distributor licensee to receive
31 from the distiller, in the case of spirits manufactured in the state,
32 or an authorized out-of-state distiller or other supplier: Ten percent
33 on all spirits sales in each of the first two years and three and
34 three-tenths percent on all spirits sales in each of the following
35 three years; provided, however, that twenty-one million dollars of such
36 fees annually beginning with the collection of such fees shall be
37 distributed three-tenths of one percent to border areas, nineteen and

1 four-tenths percent to counties, and seventy-seven and six-tenths
2 percent to incorporated cities and towns. A retail licensee selling
3 for resale shall pay a distributor license fee under the terms and
4 conditions stated in this section on resales of spirits it has
5 purchased on which no other distributor license fee has been paid. The
6 board shall establish rules setting forth the frequency and timing of
7 such payments and reporting of sales dollar volume by the licensee,
8 with payments due quarterly in arrears. No spirits inventory shall be
9 subject to calculation of more than a single spirits distributor
10 license issuance fee. A licensee who has paid a license issuance fee
11 and relocates shall not be required to pay a new license issuance fee.

12 (4) In addition to the payment set forth in subsection (3) of this
13 section, each spirits distributor licensee renewing its annual license
14 shall pay an annual license renewal fee of one thousand three hundred
15 twenty dollars for each licensed location.

16 (5) There shall be no minimum facility size or capacity for spirits
17 distributor licenses, and no limit on the number of such licenses
18 issued to qualified applicants.

19 **Sec. 106.** RCW 82.08.150 and 2009 c 479 s 65 are each amended to
20 read as follows:

21 (1) There is levied and shall be collected a tax upon each retail
22 sale of spirits in the original package at the rate of fifteen percent
23 of the selling price(~~(. The tax imposed in this subsection shall apply~~
24 ~~to all such sales including sales by the Washington state liquor stores~~
25 ~~and agencies, but excluding sales to spirits, beer, and wine restaurant~~
26 ~~licensees)).~~

27 (2) There is levied and shall be collected a tax upon each sale of
28 spirits in the original package at the rate of ten percent of the
29 selling price on sales by (~~Washington state liquor stores and agencies~~
30 ~~to spirits, beer, and wine restaurant licensees)) a spirits distributor
31 licensee or other licensee acting as a spirits distributor pursuant to
32 Title 66 RCW to restaurant spirits retailers.~~

33 (3) There is levied and shall be collected an additional tax upon
34 each (~~retail~~) sale of spirits in the original package by a spirits
35 distributor licensee or other licensee acting as a spirits distributor
36 pursuant to Title 66 RCW to a restaurant spirits retailer and upon each
37 retail sale of spirits in the original package by a licensee of the

1 board at the rate of one dollar and seventy-two cents per liter. ((The
2 ~~additional tax imposed in this subsection shall apply to all such sales~~
3 ~~including sales by Washington state liquor stores and agencies, and~~
4 ~~including sales to spirits, beer, and wine restaurant licensees.))~~

5 (4) An additional tax is imposed equal to fourteen percent
6 multiplied by the taxes payable under subsections (1), (2), and (3) of
7 this section.

8 (5) An additional tax is imposed upon each ((~~retail~~)) sale of
9 spirits in the original package by a spirits distributor licensee or
10 other licensee acting as a spirits distributor pursuant to Title 66 RCW
11 to a restaurant spirits retailer and upon each retail sale of spirits
12 in the original package by a licensee of the board at the rate of seven
13 cents per liter. ((The ~~additional tax imposed in this subsection shall~~
14 ~~apply to all such sales including sales by Washington state liquor~~
15 ~~stores and agencies, and including sales to spirits, beer, and wine~~
16 ~~restaurant licensees.)) All revenues collected during any month from
17 this additional tax shall be deposited in the state general fund by the
18 twenty-fifth day of the following month.~~

19 (6)(a) An additional tax is imposed upon retail sale of spirits in
20 the original package at the rate of ((~~one and seven-tenths percent of~~
21 ~~the selling price through June 30, 1995, two and six-tenths percent of~~
22 ~~the selling price for the period July 1, 1995, through June 30, 1997,~~
23 ~~and~~)) three and four-tenths percent of the selling price ((~~thereafter.~~
24 ~~This additional tax applies to all such sales including sales by~~
25 ~~Washington state liquor stores and agencies, but excluding sales to~~
26 ~~spirits, beer, and wine restaurant licensees)).~~

27 (b) An additional tax is imposed upon retail sale of spirits in the
28 original package to a restaurant spirits retailer at the rate of ((~~one~~
29 ~~and one-tenth percent of the selling price through June 30, 1995, one~~
30 ~~and seven-tenths percent of the selling price for the period July 1,~~
31 ~~1995, through June 30, 1997, and~~)) two and three-tenths percent of the
32 selling price ((~~thereafter. This additional tax applies to all such~~
33 ~~sales to spirits, beer, and wine restaurant licensees)).~~

34 (c) An additional tax is imposed upon each ((~~retail~~)) sale of
35 spirits in the original package by a spirits distributor licensee or
36 other licensee acting as a spirits distributor pursuant to Title 66 RCW
37 to a restaurant spirits retailer and upon each retail sale of spirits
38 in the original package by a licensee of the board at the rate of

1 (~~twenty cents per liter through June 30, 1995, thirty cents per liter~~
2 ~~for the period July 1, 1995, through June 30, 1997, and~~) forty-one
3 cents per liter (~~thereafter. This additional tax applies to all such~~
4 ~~sales including sales by Washington state liquor stores and agencies,~~
5 ~~and including sales to spirits, beer, and wine restaurant licensees~~)).

6 (d) All revenues collected during any month from additional taxes
7 under this subsection shall be deposited in the state general fund by
8 the twenty-fifth day of the following month.

9 (7)(a) An additional tax is imposed upon each retail sale of
10 spirits in the original package at the rate of one dollar and thirty-
11 three cents per liter. (~~This additional tax applies to all such sales~~
12 ~~including sales by Washington state liquor stores and agencies, but~~
13 ~~excluding sales to spirits, beer, and wine restaurant licensees.~~)

14 (b) All revenues collected during any month from additional taxes
15 under this subsection shall be deposited by the twenty-fifth day of the
16 following month into the general fund.

17 (8) The tax imposed in RCW 82.08.020 shall not apply to sales of
18 spirits in the original package.

19 (9) The taxes imposed in this section shall be paid by the buyer to
20 the seller, and each seller shall collect from the buyer the full
21 amount of the tax payable in respect to each taxable sale under this
22 section. The taxes required by this section to be collected by the
23 seller shall be stated separately from the selling price, and for
24 purposes of determining the tax due from the buyer to the seller, it
25 shall be conclusively presumed that the selling price quoted in any
26 price list does not include the taxes imposed by this section. Sellers
27 shall report and return all taxes imposed in this section in accordance
28 with rules adopted by the department.

29 (10) As used in this section, the terms, "spirits" and "package"
30 shall have the meaning ascribed to them in chapter 66.04 RCW.

31 **Sec. 107.** RCW 66.08.050 and 2005 c 151 s 3 are each amended to
32 read as follows:

33 The board, subject to the provisions of this title and the rules,
34 shall:

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

1 ~~(2) Appoint in cities and towns and other communities, in which no~~
2 ~~state liquor store is located, contract liquor stores. In addition,~~
3 ~~the board may appoint, in its discretion, a manufacturer that also~~
4 ~~manufactures liquor products other than wine under a license under this~~
5 ~~title, as a contract liquor store for the purpose of sale of liquor~~
6 ~~products of its own manufacture on the licensed premises only. Such~~
7 ~~contract liquor stores shall be authorized to sell liquor under the~~
8 ~~guidelines provided by law, rule, or contract, and such contract liquor~~
9 ~~stores shall be subject to such additional rules and regulations~~
10 ~~consistent with this title as the board may require;~~

11 ~~(3) Establish all necessary warehouses for the storing and~~
12 ~~bottling, diluting and rectifying of stocks of liquors for the purposes~~
13 ~~of this title;~~

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

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

22 ~~((+6))~~ (2) Execute or cause to be executed, all contracts, papers,
23 and documents in the name of the board, under such regulations as the
24 board may fix;

25 ~~((+7))~~ (3) Pay all customs, duties, excises, charges and
26 obligations whatsoever relating to the business of the board;

27 ~~((+8))~~ (4) Require bonds from all employees in the discretion of
28 the board, and to determine the amount of fidelity bond of each such
29 employee;

30 ~~((+9))~~ (5) Perform services for the state lottery commission to
31 such extent, and for such compensation, as may be mutually agreed upon
32 between the board and the commission;

33 ~~((+10))~~ (6) Accept and deposit into the general fund-local account
34 and disburse, subject to appropriation, federal grants or other funds
35 or donations from any source for the purpose of improving public
36 awareness of the health risks associated with alcohol consumption by
37 youth and the abuse of alcohol by adults in Washington state. The

1 board's alcohol awareness program shall cooperate with federal and
2 state agencies, interested organizations, and individuals to effect an
3 active public beverage alcohol awareness program;

4 ~~((+11))~~ (7) Perform all other matters and things, whether similar
5 to the foregoing or not, to carry out the provisions of this title, and
6 shall have full power to do each and every act necessary to the conduct
7 of its ~~((business))~~ regulatory functions, including all ~~((buying,~~
8 ~~selling))~~ supplies procurement, preparation and approval of forms, and
9 every other undertaking necessary to perform its regulatory functions
10 ~~((of the business))~~ whatsoever, subject only to audit by the state
11 auditor(~~(:— PROVIDED, That)~~). However, the board shall have no
12 authority to regulate the content of spoken language on licensed
13 premises where wine and other liquors are served and where there is not
14 a clear and present danger of disorderly conduct being provoked by such
15 language or to restrict advertising of lawful prices.

16 **Sec. 108.** RCW 66.08.060 and 2005 c 231 s 3 are each amended to
17 read as follows:

18 ~~((1) The board shall not advertise liquor in any form or through~~
19 ~~any medium whatsoever.~~

20 ~~(2) In store liquor merchandising is not advertising for the~~
21 ~~purposes of this section.~~

22 ~~(3))~~ The board shall have power to adopt any and all reasonable
23 rules as to the kind, character, and location of advertising of liquor
24 that are consistent with this title and with applicable rights of
25 commercial speech.

26 **Sec. 109.** RCW 66.20.010 and 2008 c 181 s 602 are each amended to
27 read as follows:

28 Upon application in the prescribed form being made to any employee
29 authorized by the board to issue permits, accompanied by payment of the
30 prescribed fee, and upon the employee being satisfied that the
31 applicant should be granted a permit under this title, the employee
32 shall issue to the applicant under such regulations and at such fee as
33 may be prescribed by the board a permit of the class applied for, as
34 follows:

35 (1) Where the application is for a special permit by a physician or
36 dentist, or by any person in charge of an institution regularly

1 conducted as a hospital or sanitorium for the care of persons in ill
2 health, or as a home devoted exclusively to the care of aged people, a
3 special liquor purchase permit, except that the governor may waive the
4 requirement for a special liquor purchase permit under this subsection
5 pursuant to an order issued under RCW 43.06.220(2);

6 (2) Where the application is for a special permit by a person
7 engaged within the state in mechanical or manufacturing business or in
8 scientific pursuits requiring alcohol for use therein, or by any
9 private individual, a special permit to purchase alcohol for the
10 purpose named in the permit, except that the governor may waive the
11 requirement for a special liquor purchase permit under this subsection
12 pursuant to an order issued under RCW 43.06.220(2);

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

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

21 (5) Where the application is for a special permit by a manufacturer
22 to import or purchase within the state alcohol, malt, and other
23 materials containing alcohol to be used in the manufacture of liquor,
24 or other products, a special permit;

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

31 (7) Where the application is for a special permit by an authorized
32 representative of a military installation operated by or for any of the
33 armed forces within the geographical boundaries of the state of
34 Washington, a special permit to purchase liquor for use on such
35 military installation (~~at prices to be fixed by the board~~);

36 (8) Where the application is for a special permit by a
37 manufacturer, importer, or distributor, or representative thereof, to
38 serve liquor without charge to delegates and guests at a convention of

1 a trade association composed of licensees of the board, when the said
2 liquor is served in a hospitality room or from a booth in a board-
3 approved suppliers' display room at the convention, and when the liquor
4 so served is for consumption in the said hospitality room or display
5 room during the convention, anything in Title 66 RCW to the contrary
6 notwithstanding. Any such spirituous liquor shall be purchased from
7 ~~((the board or a spirits, beer, and wine restaurant licensee))~~ a
8 spirits retailer or distributor, and any such ~~((beer and wine))~~ liquor
9 shall be subject to the taxes imposed by chapter 66.24 RCW ~~((66.24.290~~
10 ~~and 66.24.210))~~);

11 (9) Where the application is for a special permit by a
12 manufacturer, importer, or distributor, or representative thereof, to
13 donate liquor for a reception, breakfast, luncheon, or dinner for
14 delegates and guests at a convention of a trade association composed of
15 licensees of the board, when the liquor so donated is for consumption
16 at the said reception, breakfast, luncheon, or dinner during the
17 convention, anything in this title ~~((66—RCW))~~ to the contrary
18 notwithstanding. Any such spirituous liquor shall be purchased from
19 ~~((the board or a spirits, beer, and wine restaurant licensee))~~ a
20 spirits retailer or distributor, and any such ~~((beer and wine))~~ liquor
21 shall be subject to the taxes imposed by chapter 66.24 RCW ~~((66.24.290~~
22 ~~and 66.24.210))~~);

23 (10) Where the application is for a special permit by a
24 manufacturer, importer, or distributor, or representative thereof, to
25 donate and/or serve liquor without charge to delegates and guests at an
26 international trade fair, show, or exposition held under the auspices
27 of a federal, state, or local governmental entity or organized and
28 promoted by a nonprofit organization, anything in this title ~~((66—RCW))~~
29 to the contrary notwithstanding. Any such spirituous liquor shall be
30 purchased from ~~((the board))~~ a spirits retailer or distributor, and any
31 such ~~((beer or wine))~~ liquor shall be subject to the taxes imposed by
32 chapter 66.24 RCW ~~((66.24.290 and 66.24.210))~~);

33 (11) Where the application is for an annual special permit by a
34 person operating a bed and breakfast lodging facility to donate or
35 serve wine or beer without charge to overnight guests of the facility
36 if the wine or beer is for consumption on the premises of the facility.
37 "Bed and breakfast lodging facility," as used in this subsection, means

1 a facility offering from one to eight lodging units and breakfast to
2 travelers and guests.

3 **Sec. 110.** RCW 66.20.160 and 2005 c 151 s 8 are each amended to
4 read as follows:

5 ~~((Words and phrases))~~ As used in RCW 66.20.160 ~~((to))~~ through
6 66.20.210, inclusive, ~~((shall have the following meaning:~~

7 "~~Card of identification~~" means any one of those cards described in
8 RCW ~~66.16.040~~.)

9 "licensee" means the holder of a retail liquor license issued by
10 the board, and includes any employee or agent of the licensee.

11 ~~(("Store employee" means a person employed in a state liquor store
12 to sell liquor.))~~

13 **Sec. 111.** RCW 66.24.310 and 1997 c 321 s 17 are each amended to
14 read as follows:

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

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

1 (3) Every application for a representative's license must be
2 approved by a holder of a certificate of approval (~~issued pursuant to~~
3 ~~RCW 66.24.270 or 66.24.206~~), a licensed beer distributor, a licensed
4 domestic brewer, a licensed beer importer, a licensed microbrewer, a
5 licensed domestic winery, a licensed wine importer, a licensed wine
6 distributor, or by a distiller, manufacturer, importer, or distributor
7 of (~~spirituous liquor~~) spirits, or of foreign-produced beer or wine,
8 as the rules and regulations of the board shall require;

9 (4) The fee for a representative's license shall be twenty-five
10 dollars per year(†

11 ~~(5) An accredited representative of a distiller, manufacturer,~~
12 ~~importer, or distributor of spirituous liquor may, after he or she has~~
13 ~~applied for and received a representative's license, contact retail~~
14 ~~licensees of the board only in goodwill activities pertaining to~~
15 ~~spirituous liquor products)).~~

16 **Sec. 112.** RCW 66.24.380 and 2005 c 151 s 10 are each amended to
17 read as follows:

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

24 (1) The not-for-profit society or organization is limited to sales
25 of no more than twelve calendar days per year. For the purposes of
26 this subsection, special occasion licensees that are "agricultural area
27 fairs" or "agricultural county, district, and area fairs," as defined
28 by RCW 15.76.120, that receive a special occasion license may, once per
29 calendar year, count as one event fairs that last multiple days, so
30 long as alcohol sales are at set dates, times, and locations, and the
31 board receives prior notification of the dates, times, and locations.
32 The special occasion license applicant will pay the sixty dollars per
33 day for this event.

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

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

3 (4) (~~(Spirituuous)~~) Liquor sold under this special occasion license
4 must be purchased (~~((at a state liquor store or contract liquor store~~
5 ~~without discount at retail prices, including all taxes))~~) from a
6 licensee of the board.

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

10 **Sec. 113.** RCW 66.28.030 and 2004 c 160 s 10 are each amended to
11 read as follows:

12 Every domestic distillery, brewery, and microbrewery, domestic
13 winery, certificate of approval holder, licensed liquor importer,
14 licensed wine importer, and licensed beer importer shall be responsible
15 for the conduct of any licensed spirits, beer, or wine distributor in
16 selling, or contracting to sell, to retail licensees, spirits, beer, or
17 wine manufactured by such domestic distillery, brewery, microbrewery,
18 domestic winery, manufacturer holding a certificate of approval, sold
19 by an authorized representative holding a certificate of approval, or
20 imported by such liquor, beer, or wine importer. Where the board finds
21 that any licensed spirits, beer, or wine distributor has violated any
22 of the provisions of this title or of the regulations of the board in
23 selling or contracting to sell spirits, beer, or wine to retail
24 licensees, the board may, in addition to any punishment inflicted or
25 imposed upon such distributor, prohibit the sale of the brand or brands
26 of spirits, beer, or wine involved in such violation to any or all
27 retail licensees within the trade territory usually served by such
28 distributor for such period of time as the board may fix, irrespective
29 of whether the distiller manufacturing such spirits or the liquor
30 importer importing such spirits, brewer manufacturing such beer or the
31 beer importer importing such beer, or the domestic winery manufacturing
32 such wine or the wine importer importing such wine or the certificate
33 of approval holder manufacturing such spirits, beer, or wine or acting
34 as authorized representative actually participated in such violation.

35 **Sec. 114.** RCW 66.24.440 and 2009 c 271 s 8 are each amended to
36 read as follows:

1 (~~Each spirits, beer, and wine restaurant, spirits, beer, and wine~~
2 ~~private club, hotel, spirits, beer, and wine nightclub, and sports~~
3 ~~entertainment facility licensee shall be entitled to~~) A retailer for
4 consumption on the premises may purchase any spirituous liquor items
5 salable under such license from spirits licensees of the board (~~(at a~~
6 ~~discount of not less than fifteen percent from the retail price fixed~~
7 ~~by the board, together with)~~) licensed under section 103 or 105 of this
8 act, subject to all taxes.

9 **Sec. 115.** RCW 66.24.540 and 1999 c 129 s 1 are each amended to
10 read as follows:

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

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

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

23 (b) All spirits to be sold under the license must be purchased from
24 a spirits retailer or a spirits distributor licensee of the board.

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

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

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

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

3 ~~((As used in this section, "spirits," "beer," and "wine" have the
4 meanings defined in RCW 66.04.010.))~~

5 **Sec. 116.** 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, spirits, or wine, in the
35 manufacturer's sealed container at retail sales locations within the
36 hotel premises;

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

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

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

16 (4) All spirits to be sold under this license must be purchased
17 from a spirits retailer or spirits distributor licensee of the board.

18 (5) All on-premise alcoholic beverage service must be done by an
19 alcohol server as defined in RCW 66.20.300 and must comply with RCW
20 66.20.310.

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

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

36 (c) Licensees may cater events on a domestic winery, brewery, or
37 distillery premises.

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

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

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 **Sec. 117.** RCW 66.28.040 and 2009 c 373 s 8 are each amended to
22 read as follows:

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

1 ~~board~~)); nothing in this section shall prevent a domestic brewery,
2 microbrewery, domestic winery, distillery, certificate of approval
3 holder, or distributor from furnishing beer, wine, or spirituous liquor
4 for instructional purposes under RCW 66.28.150; nothing in this section
5 shall prevent a domestic winery, certificate of approval holder, or
6 distributor from furnishing wine without charge, subject to the taxes
7 imposed by RCW 66.24.210, to a not-for-profit group organized and
8 operated solely for the purpose of enology or the study of viticulture
9 which has been in existence for at least six months and that uses wine
10 so furnished solely for such educational purposes or a domestic winery,
11 or an out-of-state certificate of approval holder, from furnishing wine
12 without charge or a domestic brewery, or an out-of-state certificate of
13 approval holder, from furnishing beer without charge, subject to the
14 taxes imposed by RCW 66.24.210 or 66.24.290, or a domestic distiller
15 licensed under RCW 66.24.140 or an accredited representative of a
16 distiller, manufacturer, importer, or distributor of spirituous liquor
17 licensed under RCW 66.24.310, from furnishing spirits without charge,
18 to a nonprofit charitable corporation or association exempt from
19 taxation under section 501(c)(3) or (6) of the internal revenue code of
20 1986 (26 U.S.C. Sec. 501(c)(3) or (6)) for use consistent with the
21 purpose or purposes entitling it to such exemption; nothing in this
22 section shall prevent a domestic brewery or microbrewery from serving
23 beer without charge, on the brewery premises; nothing in this section
24 shall prevent donations of wine for the purposes of RCW 66.12.180;
25 nothing in this section shall prevent a domestic winery from serving
26 wine without charge, on the winery premises; and nothing in this
27 section shall prevent a craft distillery from serving spirits without
28 charge, on the distillery premises subject to RCW 66.24.145.

29 **Sec. 118.** RCW 66.28.060 and 2008 c 94 s 7 are each amended to read
30 as follows:

31 Every distillery licensed under this title shall make monthly
32 reports to the board pursuant to the regulations. (~~No such distillery~~
33 ~~shall make any sale of spirits within the state of Washington except to~~
34 ~~the board and as provided in RCW 66.24.145.))~~

35 **Sec. 119.** RCW 66.28.070 and 2006 c 302 s 8 are each amended to
36 read as follows:

1 (1) Except as provided in subsection (2) of this section, it shall
2 be unlawful for any retail spirits, beer, or wine licensee to purchase
3 spirits, beer, or wine, except from a duly licensed distributor,
4 domestic winery, domestic brewer, or certificate of approval holder
5 with a direct shipment endorsement(~~(, or the board)~~).

6 (2) A spirits, beer, or wine retailer (~~(licensee)~~) may purchase
7 spirits, beer, or wine (a) from a government agency which has lawfully
8 seized (~~(beer or wine from)~~) liquor possessed by a licensed (~~(beer)~~)
9 distributor or (~~(wine)~~) retailer, (~~(or)~~) (b) from a board-authorized
10 (~~(retailer)~~) manufacturer or certificate holder authorized by this
11 title to act as a distributor of liquor, (~~(or)~~) (c) from a licensed
12 retailer which has discontinued business if the distributor has refused
13 to accept spirits, beer, or wine from that retailer for return and
14 refund(~~(. Beer and wine)~~), or (d) for a retailer of wine and/or
15 spirits for consumption on the premises, purchasing wine and/or spirits
16 it is authorized to sell, from a retailer whose license or license
17 endorsement permits such resale. Goods purchased under this subsection
18 shall meet the quality standards set by its manufacturer.

19 (3) Special occasion licensees holding a special occasion license
20 may only purchase spirits, beer, or wine from a spirits, beer, or wine
21 retailer duly licensed to sell spirits, beer, or wine for off-premises
22 consumption, (~~(the board,)~~) or from a duly licensed spirits, beer, or
23 wine distributor.

24 **Sec. 120.** RCW 66.28.170 and 2004 c 160 s 17 are each amended to
25 read as follows:

26 It is unlawful for a manufacturer of spirits, wine, or malt
27 beverages holding a certificate of approval (~~(issued under RCW~~
28 ~~66.24.270 or 66.24.206)~~) or the manufacturer's authorized
29 representative, a distillery, brewery, or a domestic winery to
30 discriminate in price in selling to any purchaser for resale in the
31 state of Washington. Price differentials for sales of spirits or wine
32 based upon competitive conditions, costs of servicing a purchaser's
33 account, efficiencies in handling goods, or other bona fide business
34 factors, to the extent the differentials are not unlawful under trade
35 regulation laws applicable to goods of all kinds, do not violate this
36 section.

1 NEW SECTION. **Sec. 121.** A new section is added to chapter 66.28
2 RCW to read as follows:

3 (1) No price for spirits sold in the state by a distributor or
4 other licensee acting as a distributor pursuant to this title may be
5 below acquisition cost unless the item sold below acquisition cost has
6 been stocked by the seller for a period of at least six months. The
7 seller may not restock the item for a period of one year following the
8 first effective date of such below cost price.

9 (2) Spirits sold to retailers for resale for consumption on or off
10 the licensed premises may be delivered to the retailer's licensed
11 premises, to a location specified by the retailer and approved for
12 deliveries by the board, or to a carrier engaged by either party to the
13 transaction.

14 (3) In selling spirits to another retailer, to the extent
15 consistent with the purposes of this act, a spirits retail licensee
16 shall comply with all provisions of and regulations under this title
17 applicable to wholesale distributors selling spirits to retailers.

18 (4) A distiller holding a license or certificate of compliance as
19 a distiller under this title may act as distributor in the state of
20 spirits of its own production or of foreign-produced spirits it is
21 entitled to import. The distiller shall, to the extent consistent with
22 the purposes of this act, comply with all provisions of and regulations
23 under this title applicable to wholesale distributors selling spirits
24 to retailers.

25 (5) With respect to any alleged violation of this title by sale of
26 spirits at a discounted price, all defenses under applicable trade
27 regulation laws shall be available, including without limitation good
28 faith meeting of a competitor's lawful price and absence of harm to
29 competition.

30 (6) No licensee shall import, purchase, distribute, or accept
31 delivery of any brand of distilled spirits unless the licensee is
32 designated in writing as an authorized importer or distributor of such
33 brand by the brand owner or his or her authorized agent. Such
34 distilled spirits imported into Washington shall come to rest at the
35 warehouse of the licensed importer or distributor or an authorized
36 warehouse for the account of such licensed importer or distributor,
37 before sale and delivery to a retail licensee. The authorization
38 required by this section shall be filed with the board.

1 **Sec. 122.** RCW 66.28.180 and 2009 c 506 s 10 are each amended to
2 read as follows:

3 (1) Beer and/or wine distributors.

4 (a) Every beer (~~(or wine)~~) distributor shall maintain at its
5 liquor_licensed location a price list showing the wholesale prices at
6 which any and all brands of beer (~~(and wine)~~) sold by (~~(such beer~~
7 ~~and/or wine)~~) the distributor shall be sold to retailers within the
8 state.

9 (b) Each price list shall set forth:

10 (i) All brands, types, packages, and containers of beer (~~(or wine)~~)
11 offered for sale by (~~(such beer and/or wine)~~) the distributor; and

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

14 (c) No beer (~~(and/or wine)~~) distributor may sell or offer to sell
15 any package or container of beer (~~(or wine)~~) to any retail licensee at
16 a price differing from the price for such package or container as shown
17 in the price list, according to rules adopted by the board.

18 (d) Quantity discounts of sales prices of beer are prohibited. No
19 distributor's sale price of beer may be below the distributor's
20 acquisition cost.

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

27 (f) Any beer (~~(and/or wine)~~) distributor (~~(or employee authorized~~
28 ~~by the distributor employer)~~) may sell beer (~~(and/or wine)~~) at the
29 distributor's listed prices to any annual or special occasion retail
30 licensee upon presentation to the distributor (~~(or employee)~~) at the
31 time of purchase or delivery of an original or facsimile license or a
32 special permit issued by the board to such licensee.

33 (g) Every annual or special occasion retail licensee, upon
34 purchasing any beer (~~(and/or wine)~~) from a distributor, shall
35 immediately cause such beer (~~(or wine)~~) to be delivered to the licensed
36 premises, and the licensee shall not thereafter permit such beer to be
37 disposed of in any manner except as authorized by the license.

1 (h) Beer (~~and wine~~) sold as provided in this section shall be
2 delivered by the distributor (~~or an authorized employee either~~) to
3 the retailer's licensed premises or directly to the retailer at the
4 distributor's licensed premises. When a (~~domestic winery,~~) brewery,
5 microbrewery, or certificate of approval holder with a direct shipping
6 endorsement is acting as a distributor of beer of its own production,
7 a licensed retailer may contract with a common carrier to obtain the
8 (~~product~~) beer directly from the (~~domestic winery,~~) brewery,
9 microbrewery, or certificate of approval holder with a direct shipping
10 endorsement. A distributor's prices to retail licensees for beer shall
11 be the same at both such places of delivery. Wine sold to retailers
12 shall be delivered to the retailer's licensed premises, to a location
13 specified by the retailer and approved for deliveries by the board, or
14 to a carrier engaged by either party to the transaction.

15 (2) Beer (~~and wine~~) suppliers' contracts and memoranda.

16 (a) Every domestic brewery, microbrewery, (~~domestic winery,~~)
17 certificate of approval holder, and beer and/or wine importer offering
18 beer (~~and/or wine~~) for sale to distributors within the state and any
19 beer (~~and/or wine~~) distributor who sells to other beer (~~and/or~~
20 ~~wine~~) distributors shall maintain at its liquor-licensed location a
21 beer price list and a copy of every written contract and a memorandum
22 of every oral agreement which such brewery (~~or winery~~) may have with
23 any beer (~~or wine~~) distributor for the supply of beer, which
24 contracts or memoranda shall contain:

25 (i) All advertising, sales and trade allowances, and incentive
26 programs; and

27 (ii) All commissions, bonuses or gifts, and any and all other
28 discounts or allowances.

29 (b) Whenever changed or modified, such revised contracts or
30 memoranda shall also be maintained at its liquor licensed location.

31 (c) Each price list shall set forth all brands, types, packages,
32 and containers of beer (~~or wine~~) offered for sale by such (~~licensed~~
33 ~~brewery or winery~~) supplier.

34 (d) Prices of a domestic brewery, microbrewery, (~~domestic~~
35 ~~winery,~~) or certificate of approval holder for beer shall be uniform
36 prices to all distributors or retailers on a statewide basis less bona
37 fide allowances for freight differentials. Quantity discounts of

1 suppliers' prices for beer are prohibited. No price shall be below the
2 supplier's acquisition((/)) or production cost.

3 (e) A domestic brewery, microbrewery, (~~((domestic winery,))~~)
4 certificate of approval holder, (~~((beer or wine))~~) importer, or (~~((beer or~~
5 ~~wine))~~) distributor acting as a supplier to another distributor must
6 file (~~((a distributor appointment))~~) with the board a list of all
7 distributor licensees of the board to which it sells or offers to sell
8 beer.

9 (f) No domestic brewery, microbrewery, (~~((domestic winery,))~~) or
10 certificate of approval holder may sell or offer to sell any package or
11 container of beer (~~((or wine))~~) to any distributor at a price differing
12 from the price list for such package or container as shown in the price
13 list of the domestic brewery, microbrewery, (~~((domestic winery,))~~) or
14 certificate of approval holder and then in effect, according to rules
15 adopted by the board.

16 (3) In selling wine to another retailer, to the extent consistent
17 with the purposes of this act, a grocery store licensee with a reseller
18 endorsement shall comply with all provisions of and regulations under
19 this title applicable to wholesale distributors selling wine to
20 retailers.

21 (4) With respect to any alleged violation of this title by sale of
22 wine at a discounted price, all defenses under applicable trade
23 regulation laws shall be available including, without limitation, good
24 faith meeting of a competitor's lawful price and absence of harm to
25 competition.

26 **Sec. 123.** RCW 66.28.190 and 2003 c 168 s 305 are each amended to
27 read as follows:

28 (~~((RCW 66.28.010))~~) Any other provision of this title
29 notwithstanding, persons licensed under ((RCW 66.24.200 as wine
30 distributors and persons licensed under RCW 66.24.250 as beer
31 distributors)) this title to sell liquor for resale may sell at
32 wholesale nonliquor food and food ingredients on thirty-day credit
33 terms to persons licensed as retailers under this title, but complete
34 and separate accounting records shall be maintained on all sales of
35 nonliquor food and food ingredients to ensure that such persons are in
36 compliance with ((RCW 66.28.010)) this title.

1 For the purpose of this section, "nonliquor food and food
2 ingredients" includes, without limitation, all food and food
3 ingredients for human consumption as defined in RCW 82.08.0293 as it
4 ((exists)) existed on July 1, 2004.

5 NEW SECTION. **Sec. 124.** A new section is added to chapter 66.28
6 RCW to read as follows:

7 A retailer authorized to sell wine may accept delivery of wine at
8 its licensed premises or at one or more warehouse facilities registered
9 with the board, which facilities may also warehouse and distribute
10 nonliquor items, and from which it may deliver to its own licensed
11 premises and, pursuant to sales permitted by this title, to other
12 licensed retailers, to other registered facilities, or to lawful
13 purchasers without the state; such facilities may be registered and
14 utilized by associations, cooperatives, or comparable groups of
15 retailers including at least one retailer licensed to sell wine. A
16 restaurant retailer authorized to sell spirits may accept delivery of
17 spirits at its licensed premises or at one or more warehouse facilities
18 registered with the board, which facilities may also warehouse and
19 distribute nonliquor items, from which it may deliver to its own
20 licensed premises and, pursuant to sales permitted by this title, to
21 other licensed retailers, to other registered facilities, or to lawful
22 purchasers without the state; such facilities may be registered and
23 utilized by associations, cooperatives, or comparable groups of
24 retailers including at least one restaurant retailer licensed to sell
25 spirits. Nothing in this section authorizes sales of spirits or wine
26 by a retailer holding only an on-sale privilege to another retailer.

27 **Sec. 125.** RCW 66.28.280 and 2009 c 506 s 1 are each amended to
28 read as follows:

29 ((The legislature recognizes that Washington's current three-tier
30 system, where the functions of manufacturing, distributing, and
31 retailing are distinct and the financial relationships and business
32 transactions between entities in these tiers are regulated, is a
33 valuable system for the distribution of beer and wine.)) The
34 legislature ((further)) recognizes that the historical total
35 prohibition on ownership of an interest in one tier by a person with an
36 ownership interest in another tier, as well as the historical

1 restriction on financial incentives and business relationships between
2 tiers, is unduly restrictive. The legislature finds the modifications
3 contained in chapter 506, Laws of 2009 (~~are~~) appropriate for all four
4 varieties of liquor defined in this title, because the modifications do
5 not impermissibly interfere with (~~the goals of orderly marketing of~~
6 ~~alcohol in the state, encouraging moderation in consumption of alcohol~~
7 ~~by the citizens of the state,~~) protecting the public interest and
8 advancing public safety by preventing the use and consumption of
9 alcohol by minors and other abusive consumption, and promoting the
10 efficient collection of taxes by the state.

11 **Sec. 126.** RCW 66.04.010 and 2009 c 373 s 1 and 2009 c 271 s 2 are
12 each reenacted and amended to read as follows:

13 In this title, unless the context otherwise requires:

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

23 (2) "Authorized representative" means a person who:

24 (a) Is required to have a federal basic permit issued pursuant to
25 the federal alcohol administration act, 27 U.S.C. Sec. 204;

26 (b) Has its business located in the United States outside of the
27 state of Washington;

28 (c) Acquires ownership of spirits, beer, or wine for transportation
29 into and resale in the state of Washington; and which spirits, beer, or
30 wine is produced by a distiller, brewery, or winery in the United
31 States outside of the state of Washington; and

32 (d) Is appointed by the distiller, brewery, or winery referenced in
33 (c) of this subsection as its authorized representative for marketing
34 and selling its products within the United States in accordance with a
35 written agreement between the authorized representative and such
36 distiller, brewery, or winery pursuant to this title.

1 (3) "Beer" means any malt beverage, flavored malt beverage, or malt
2 liquor as these terms are defined in this chapter.

3 (4) "Beer distributor" means a person who buys beer from a domestic
4 brewery, microbrewery, beer certificate of approval holder, or beer
5 importers, or who acquires foreign produced beer from a source outside
6 of the United States, for the purpose of selling the same pursuant to
7 this title, or who represents such brewer or brewery as agent.

8 (5) "Beer importer" means a person or business within Washington
9 who purchases beer from a beer certificate of approval holder or who
10 acquires foreign produced beer from a source outside of the United
11 States for the purpose of selling the same pursuant to this title.

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

14 (7) "Brewer" or "brewery" means any person engaged in the business
15 of manufacturing beer and malt liquor. Brewer includes a brand owner
16 of malt beverages who holds a brewer's notice with the federal bureau
17 of alcohol, tobacco, and firearms at a location outside the state and
18 whose malt beverage is contract-produced by a licensed in-state
19 brewery, and who may exercise within the state, under a domestic
20 brewery license, only the privileges of storing, selling to licensed
21 beer distributors, and exporting beer from the state.

22 (8) "Club" means an organization of persons, incorporated or
23 unincorporated, operated solely for fraternal, benevolent, educational,
24 athletic or social purposes, and not for pecuniary gain.

25 (9) "Confection" means a preparation of sugar, honey, or other
26 natural or artificial sweeteners in combination with chocolate, fruits,
27 nuts, dairy products, or flavorings, in the form of bars, drops, or
28 pieces.

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

31 (11) "Contract liquor store" means a business that sells liquor on
32 behalf of the board through a contract with a contract liquor store
33 manager.

34 (12) "Craft distillery" means a distillery that pays the reduced
35 licensing fee under RCW 66.24.140.

36 (13) "Dentist" means a practitioner of dentistry duly and regularly
37 licensed and engaged in the practice of his profession within the state
38 pursuant to chapter 18.32 RCW.

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

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

5 (16) "Domestic winery" means a place where wines are manufactured
6 or produced within the state of Washington.

7 (17) "Drug store" means a place whose principal business is, the
8 sale of drugs, medicines and pharmaceutical preparations and maintains
9 a regular prescription department and employs a registered pharmacist
10 during all hours the drug store is open.

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

15 (19) "Employee" means any person employed by the board.

16 (20) "Flavored malt beverage" means:

17 (a) A malt beverage containing six percent or less alcohol by
18 volume to which flavoring or other added nonbeverage ingredients are
19 added that contain distilled spirits of not more than forty-nine
20 percent of the beverage's overall alcohol content; or

21 (b) A malt beverage containing more than six percent alcohol by
22 volume to which flavoring or other added nonbeverage ingredients are
23 added that contain distilled spirits of not more than one and one-half
24 percent of the beverage's overall alcohol content.

25 (21) "Fund" means 'liquor revolving fund.'

26 (22) "Hotel" means buildings, structures, and grounds, having
27 facilities for preparing, cooking, and serving food, that are kept,
28 used, maintained, advertised, or held out to the public to be a place
29 where food is served and sleeping accommodations are offered for pay to
30 transient guests, in which twenty or more rooms are used for the
31 sleeping accommodation of such transient guests. The buildings,
32 structures, and grounds must be located on adjacent property either
33 owned or leased by the same person or persons.

34 ~~(23) ("Importer" means a person who buys distilled spirits from a~~
35 ~~distillery outside the state of Washington and imports such spirituous~~
36 ~~liquor into the state for sale to the board or for export.~~

37 ~~(24))~~ "Imprisonment" means confinement in the county jail.

1 ~~((+25+))~~ (24) "Liquor" includes the four varieties of liquor herein
2 defined (alcohol, spirits, wine and beer), and all fermented,
3 spirituous, vinous, or malt liquor, or combinations thereof, and mixed
4 liquor, a part of which is fermented, spirituous, vinous or malt
5 liquor, or otherwise intoxicating; and every liquid or solid or
6 semisolid or other substance, patented or not, containing alcohol,
7 spirits, wine or beer, and all drinks or drinkable liquids and all
8 preparations or mixtures capable of human consumption, and any liquid,
9 semisolid, solid, or other substance, which contains more than one
10 percent of alcohol by weight shall be conclusively deemed to be
11 intoxicating. Liquor does not include confections or food products
12 that contain one percent or less of alcohol by weight.

13 ~~((+26+))~~ (25) "Malt beverage" or "malt liquor" means any beverage
14 such as beer, ale, lager beer, stout, and porter obtained by the
15 alcoholic fermentation of an infusion or decoction of pure hops, or
16 pure extract of hops and pure barley malt or other wholesome grain or
17 cereal in pure water containing not more than eight percent of alcohol
18 by weight, and not less than one-half of one percent of alcohol by
19 volume. For the purposes of this title, ~~((any such beverage))~~ "strong
20 beer" is beer containing more than eight percent ~~((of))~~ alcohol by
21 weight ~~((shall be referred to as "strong beer."))~~.

22 ~~((+27+))~~ (26) "Manufacturer" means a person engaged in the
23 preparation of liquor for sale, in any form whatsoever.

24 ~~((+28+))~~ (27) "Nightclub" means an establishment that provides
25 entertainment and has as its primary source of revenue (a) the sale of
26 alcohol for consumption on the premises, (b) cover charges, or (c)
27 both, and has an occupancy load of one hundred or more.

28 ~~((+29+))~~ (28) "Package" means any container or receptacle used for
29 holding liquor.

30 ~~((+30+))~~ (29) "Passenger vessel" means any boat, ship, vessel,
31 barge, or other floating craft of any kind carrying passengers for
32 compensation.

33 ~~((+31+))~~ (30) "Permit" means a permit for the purchase of liquor
34 under this title.

35 ~~((+32+))~~ (31) "Person" means an individual, copartnership,
36 association, or corporation.

37 ~~((+33+))~~ (32) "Physician" means a medical practitioner duly and

1 regularly licensed and engaged in the practice of his profession within
2 the state pursuant to chapter 18.71 RCW.

3 ~~((+34+))~~ (33) "Prescription" means a memorandum signed by a
4 physician and given by him to a patient for the obtaining of liquor
5 pursuant to this title for medicinal purposes.

6 ~~((+35+))~~ (34) "Public place" includes streets and alleys of
7 incorporated cities and towns; state or county or township highways or
8 roads; buildings and grounds used for school purposes; public dance
9 halls and grounds adjacent thereto; those parts of establishments where
10 beer may be sold under this title, soft drink establishments, public
11 buildings, public meeting halls, lobbies, halls and dining rooms of
12 hotels, restaurants, theatres, stores, garages and filling stations
13 which are open to and are generally used by the public and to which the
14 public is permitted to have unrestricted access; railroad trains,
15 stages, and other public conveyances of all kinds and character, and
16 the depots and waiting rooms used in conjunction therewith which are
17 open to unrestricted use and access by the public; publicly owned
18 bathing beaches, parks, and/or playgrounds; and all other places of
19 like or similar nature to which the general public has unrestricted
20 right of access, and which are generally used by the public.

21 ~~((+36+))~~ (35) "Regulations" means regulations made by the board
22 under the powers conferred by this title.

23 ~~((+37+))~~ (36) "Restaurant" means any establishment provided with
24 special space and accommodations where, in consideration of payment,
25 food, without lodgings, is habitually furnished to the public, not
26 including drug stores and soda fountains.

27 (37) "Retailer," except as qualified expressly or by context, means
28 any licensee authorized to sell liquor to consumers, including for
29 consumption off the licensed premises and/or for consumption on the
30 licensed premises. With respect to retailer licenses, "on-sale" refers
31 to the license privilege of selling for consumption upon the licensed
32 premises.

33 (38) "Sale" and "sell" include exchange, barter, and traffic; and
34 also include the selling or supplying or distributing, by any means
35 whatsoever, of liquor, or of any liquid known or described as beer or
36 by any name whatever commonly used to describe malt or brewed liquor or
37 of wine, by any person to any person; and also include a sale or
38 selling within the state to a foreign consignee or his agent in the

1 state. "Sale" and "sell" shall not include the giving, at no charge,
2 of a reasonable amount of liquor by a person not licensed by the board
3 to a person not licensed by the board, for personal use only. "Sale"
4 and "sell" also does not include a raffle authorized under RCW
5 9.46.0315(~~(:—PROVIDED, That)~~), if the nonprofit organization
6 conducting the raffle has obtained the appropriate permit from the
7 board.

8 (39) "Soda fountain" means a place especially equipped with
9 apparatus for the purpose of dispensing soft drinks, whether mixed or
10 otherwise.

11 (40) "Spirits" means any beverage which contains alcohol obtained
12 by distillation, except flavored malt beverages, but including wines
13 exceeding twenty-four percent of alcohol by volume.

14 (~~(("Store" means a state liquor store established under this~~
15 ~~title))~~) "Spirits distributor" means a person, other than a person who
16 holds only a retail license, who buys spirits from a domestic
17 distiller, manufacturer, supplier, spirits distributor, or spirits
18 importer, or who acquires foreign-produced spirits from a source
19 outside of the United States, for the purpose of reselling the same not
20 in violation of this title, or who represents such distiller as agent.

21 (42) "Spirits importer" means a person who buys distilled spirits
22 from a distiller outside the state of Washington and imports such
23 spirits into the state for sale or export.

24 (~~(+42+))~~ (43) "Tavern" means any establishment with special space
25 and accommodation for sale by the glass and for consumption on the
26 premises, of beer, as herein defined.

27 (~~(+43+))~~ (44)(a) "Wine" means any alcoholic beverage obtained by
28 fermentation of fruits (grapes, berries, apples, et cetera) or other
29 agricultural product containing sugar, to which any saccharine
30 substances may have been added before, during or after fermentation,
31 and containing not more than twenty-four percent of alcohol by volume,
32 including sweet wines fortified with wine spirits, such as port,
33 sherry, muscatel and angelica, not exceeding twenty-four percent of
34 alcohol by volume and not less than one-half of one percent of alcohol
35 by volume. For purposes of this title, any beverage containing no more
36 than fourteen percent of alcohol by volume when bottled or packaged by
37 the manufacturer shall be referred to as "table wine," and any beverage
38 containing alcohol in an amount more than fourteen percent by volume

1 when bottled or packaged by the manufacturer shall be referred to as
2 "fortified wine." However, "fortified wine" shall not include: (i)
3 Wines that are both sealed or capped by cork closure and aged two years
4 or more; and (ii) wines that contain more than fourteen percent alcohol
5 by volume solely as a result of the natural fermentation process and
6 that have not been produced with the addition of wine spirits, brandy,
7 or alcohol.

8 (b) This subsection shall not be interpreted to require that any
9 wine be labeled with the designation "table wine" or "fortified wine."

10 ~~((+44+))~~ (45) "Wine distributor" means a person who buys wine from
11 a domestic winery, wine certificate of approval holder, or wine
12 importer, or who acquires foreign produced wine from a source outside
13 of the United States, for the purpose of selling the same not in
14 violation of this title, or who represents such vintner or winery as
15 agent.

16 ~~((+45+))~~ (46) "Wine importer" means a person or business within
17 Washington who purchases wine from a wine certificate of approval
18 holder or who acquires foreign produced wine from a source outside of
19 the United States for the purpose of selling the same pursuant to this
20 title.

21 ~~((+46+))~~ (47) "Winery" means a business conducted by any person for
22 the manufacture of wine for sale, other than a domestic winery.

23 **PART II**

24 **LIQUOR CONTROL BOARD--DISCONTINUING RETAIL SALES--TECHNICAL CHANGES**

25 **Sec. 201.** RCW 43.19.19054 and 1975-'76 2nd ex.s. c 21 s 7 are each
26 amended to read as follows:

27 The provisions of RCW 43.19.1905 shall not apply to materials,
28 supplies, and equipment purchased for resale to other than public
29 agencies by state agencies, including educational institutions. (~~In~~
30 ~~addition, RCW 43.19.1905 shall not apply to liquor purchased by the~~
31 ~~state for resale under the provisions of Title 66 RCW.))~~)

32 **Sec. 202.** RCW 66.08.020 and 1933 ex.s. c 62 s 5 are each amended
33 to read as follows:

34 The administration of this title(~~(, including the general control,~~

1 ~~management and supervision of all liquor stores, shall be))~~ is vested
2 in the liquor control board, constituted under this title.

3 **Sec. 203.** RCW 66.08.026 and 2008 c 67 s 1 are each amended to read
4 as follows:

5 Administrative expenses of the board shall be appropriated and paid
6 from the liquor revolving fund. These administrative expenses shall
7 include, but not be limited to: The salaries and expenses of the board
8 and its employees, (~~the cost of opening additional state liquor stores
9 and warehouses,~~) legal services, pilot projects, annual or other
10 audits, and other general costs of conducting the business of the
11 board. (~~The administrative expenses shall not include costs of liquor
12 and lottery tickets purchased, the cost of transportation and delivery
13 to the point of distribution, the cost of operating, maintaining,
14 relocating, and leasing state liquor stores and warehouses, other costs
15 pertaining to the acquisition and receipt of liquor and lottery
16 tickets, agency commissions for contract liquor stores, transaction
17 fees associated with credit or debit card purchases for liquor in state
18 liquor stores and in contract liquor stores pursuant to RCW 66.16.040
19 and 66.16.041, sales tax, and those amounts distributed pursuant to RCW
20 66.08.180, 66.08.190, 66.08.200, 66.08.210 and 66.08.220. Agency
21 commissions for contract liquor stores shall be established by the
22 liquor control board after consultation with and approval by the
23 director of the office of financial management.)) All expenditures and
24 payment of obligations authorized by this section are subject to the
25 allotment requirements of chapter 43.88 RCW.~~

26 **Sec. 204.** RCW 66.08.030 and 2002 c 119 s 2 are each amended to
27 read as follows:

28 (~~(1) For the purpose of carrying into effect the provisions of
29 this title according to their true intent or of supplying any
30 deficiency therein, the board may make such regulations not
31 inconsistent with the spirit of this title as are deemed necessary or
32 advisable. All regulations so made shall be a public record and shall
33 be filed in the office of the code reviser, and thereupon shall have
34 the same force and effect as if incorporated in this title. Such
35 regulations, together with a copy of this title, shall be published in
36 pamphlets and shall be distributed as directed by the board.~~)

1 ~~(2) Without thereby limiting the generality of the provisions~~
2 ~~contained in subsection (1), it is declared that))~~ The power of the
3 ~~board to make regulations ((in the manner set out in that subsection))~~
4 under chapter 34.05 RCW shall extend to

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

9 ~~(b))~~);

10 (1) Prescribing the duties of the employees of the board, and
11 regulating their conduct in the discharge of their duties;

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

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

16 ~~(e) prescribing, subject to RCW 66.16.080, the hours during which~~
17 ~~the state liquor stores shall be kept open for the sale of liquor;~~

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

21 ~~(g))~~ (2) Prescribing an official seal and official labels and
22 stamps and determining the manner in which they shall be attached to
23 every package of liquor sold or sealed under this title, including the
24 prescribing of different official seals or different official labels
25 for different classes of liquor;

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

28 ~~(i))~~ (3) Prescribing forms to be used for purposes of this title
29 or the regulations, and the terms and conditions to be contained in
30 permits and licenses issued under this title, and the qualifications
31 for receiving a permit or license issued under this title, including a
32 criminal history record information check. The board may submit the
33 criminal history record information check to the Washington state
34 patrol and to the identification division of the federal bureau of
35 investigation in order that these agencies may search their records for
36 prior arrests and convictions of the individual or individuals who
37 filled out the forms. The board shall require fingerprinting of any

1 applicant whose criminal history record information check is submitted
2 to the federal bureau of investigation;

3 ~~((+j))~~ (4) Prescribing the fees payable in respect of permits and
4 licenses issued under this title for which no fees are prescribed in
5 this title, and prescribing the fees for anything done or permitted to
6 be done under the regulations;

7 ~~((+k))~~ (5) Prescribing the kinds and quantities of liquor which
8 may be kept on hand by the holder of a special permit for the purposes
9 named in the permit, regulating the manner in which the same shall be
10 kept and disposed of, and providing for the inspection of the same at
11 any time at the instance of the board;

12 ~~((+l))~~ (6) Regulating the sale of liquor kept by the holders of
13 licenses which entitle the holder to purchase and keep liquor for sale;

14 ~~((+m))~~ (7) Prescribing the records of purchases or sales of
15 liquor kept by the holders of licenses, and the reports to be made
16 thereon to the board, and providing for inspection of the records so
17 kept;

18 ~~((+n))~~ (8) Prescribing the kinds and quantities of liquor for
19 which a prescription may be given, and the number of prescriptions
20 which may be given to the same patient within a stated period;

21 ~~((+o))~~ (9) Prescribing the manner of giving and serving notices
22 required by this title or the regulations, where not otherwise provided
23 for in this title;

24 ~~((+p))~~ (10) Regulating premises in which liquor is kept for export
25 from the state, or from which liquor is exported, prescribing the books
26 and records to be kept therein and the reports to be made thereon to
27 the board, and providing for the inspection of the premises and the
28 books, records and the liquor so kept;

29 ~~((+q))~~ (11) Prescribing the conditions and qualifications
30 requisite for the obtaining of club licenses and the books and records
31 to be kept and the returns to be made by clubs, prescribing the manner
32 of licensing clubs in any municipality or other locality, and providing
33 for the inspection of clubs;

34 ~~((+r))~~ (12) Prescribing the conditions, accommodations, and
35 qualifications requisite for the obtaining of licenses to sell beer
36 ~~((and))~~, wines, and spirits, and regulating the sale of beer ~~((and))~~,
37 wines, and spirits thereunder;

1 ~~((s))~~ (13) Specifying and regulating the time and periods when,
2 and the manner, methods and means by which manufacturers shall deliver
3 liquor within the state; and the time and periods when, and the manner,
4 methods and means by which liquor may lawfully be conveyed or carried
5 within the state;

6 ~~((t))~~ (14) Providing for the making of returns by brewers of
7 their sales of beer shipped within the state, or from the state,
8 showing the gross amount of such sales and providing for the inspection
9 of brewers' books and records, and for the checking of the accuracy of
10 any such returns;

11 ~~((u))~~ (15) Providing for the making of returns by the wholesalers
12 of beer whose breweries are located beyond the boundaries of the state;

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

19 ~~((w))~~ (17) Providing for the giving of fidelity bonds by any or
20 all of the employees of the board: PROVIDED, That the premiums
21 therefor shall be paid by the board;

22 ~~((x))~~ (18) Providing for the shipment ~~((by mail or common
23 carrier))~~ of liquor to any person holding a permit and residing in any
24 unit which has, by election pursuant to this title, prohibited the sale
25 of liquor therein;

26 ~~((y))~~ (19) Prescribing methods of manufacture, conditions of
27 sanitation, standards of ingredients, quality and identity of alcoholic
28 beverages manufactured, sold, bottled, or handled by licensees and the
29 board; and conducting from time to time, in the interest of the public
30 health and general welfare, scientific studies and research relating to
31 alcoholic beverages and the use and effect thereof;

32 ~~((z))~~ (20) Seizing, confiscating and destroying all alcoholic
33 beverages manufactured, sold or offered for sale within this state
34 which do not conform in all respects to the standards prescribed by
35 this title or the regulations of the board: PROVIDED, Nothing herein
36 contained shall be construed as authorizing the liquor board to
37 prescribe, alter, limit or in any way change the present law as to the

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

3 **Sec. 205.** RCW 66.24.145 and 2010 c 290 s 2 are each amended to
4 read as follows:

5 (1) Any craft distillery may sell spirits of its own production for
6 consumption off the premises, up to two liters per person per day.
7 (~~Spirits sold under this subsection must be purchased from the board
8 and sold at the retail price established by the board.~~) A craft
9 distillery selling spirits under this subsection must comply with the
10 applicable laws and rules relating to retailers.

11 (2) Any craft distillery may contract distill spirits for, and sell
12 contract distilled spirits to, holders of distillers' or manufacturers'
13 licenses, including licenses issued under RCW 66.24.520, or for export.

14 (3) Any craft distillery licensed under this section may provide,
15 free of charge, one-half ounce or less samples of spirits of its own
16 production to persons on the premises of the distillery. The maximum
17 total per person per day is two ounces. Every person who participates
18 in any manner in the service of samples must obtain a class 12 alcohol
19 server permit. (~~Spirits used for samples must be purchased from the
20 board.~~)

21 (4) The board shall adopt rules to implement the alcohol server
22 permit requirement and may adopt additional rules to implement this
23 section.

24 (5) Distilling is an agricultural practice.

25 NEW SECTION. **Sec. 206.** A new section is added to chapter 66.24
26 RCW to read as follows:

27 Any distiller licensed under this title may act as a retailer
28 and/or distributor to retailers selling for consumption on or off the
29 licensed premises of spirits of its own production, and any
30 manufacturer, importer, or bottler of spirits holding a certificate of
31 approval may act as a distributor of spirits it is entitled to import
32 into the state under such certificate. The board shall by rule provide
33 for issuance of certificates of approval to spirits suppliers. An
34 industry member operating as a distributor and/or retailer under this
35 section shall comply with the applicable laws and rules relating to
36 distributors and/or retailers, except that an industry member operating

1 as a distributor under this section may maintain a warehouse off the
2 distillery premises for the distribution of spirits of its own
3 production to spirits retailers within the state, if the warehouse is
4 within the United States and has been approved by the board.

5 **Sec. 207.** RCW 66.24.160 and 1981 1st ex.s. c 5 s 30 are each
6 amended to read as follows:

7 A (~~liquor~~) spirits importer's license may be issued to any
8 qualified person, firm or corporation, entitling the holder thereof to
9 import into the state any liquor other than beer or wine; to store the
10 same within the state, and to sell and export the same from the state;
11 fee six hundred dollars per annum. Such (~~liquor~~) spirits importer's
12 license shall be subject to all conditions and restrictions imposed by
13 this title or by the rules and regulations of the board, and shall be
14 issued only upon such terms and conditions as may be imposed by the
15 board. (~~No liquor importer's license shall be required in sales to
16 the Washington state liquor control board.~~)

17 **Sec. 208.** RCW 66.28.060 and 2008 c 94 s 7 are each amended to read
18 as follows:

19 Every distillery licensed under this title shall make monthly
20 reports to the board pursuant to the regulations. (~~No such distillery
21 shall make any sale of spirits within the state of Washington except to
22 the board and as provided in RCW 66.24.145.~~)

23 **Sec. 209.** RCW 66.32.010 and 1955 c 39 s 3 are each amended to read
24 as follows:

25 (~~Except as permitted by~~) The board may, (~~no liquor shall be kept
26 or had by any person within this state unless the package in which the
27 liquor was contained had, while containing that liquor, been~~) to the
28 extent required to control unlawful diversion of liquor from legitimate
29 channels of distribution, require that packages of liquor transported
30 within the state be sealed with ((the)) such official seal as may be
31 adopted by the board, except in the case of:

32 (1) (~~Liquor imported by the board; or
33 (2)~~) Liquor manufactured in the state (~~for sale to the board or
34 for export~~); or

1 ~~((3) Beer,)~~ (2) Liquor purchased within the state or for shipment
2 to a consumer within the state in accordance with the provisions of
3 law; or

4 ~~((4))~~ (3) Wine or beer exempted in RCW 66.12.010.

5 **Sec. 210.** RCW 66.44.120 and 2005 c 151 s 11 are each amended to
6 read as follows:

7 (1) No person other than an employee of the board shall keep or
8 have in his or her possession any official seal (~~(prescribed)~~) adopted
9 by the board under this title, unless the same is attached to a package
10 (~~(which has been purchased from a liquor store or contract liquor~~
11 ~~store)) in accordance with the law; nor shall any person keep or have~~
12 in his or her possession any design in imitation of any official seal
13 prescribed under this title, or calculated to deceive by its
14 resemblance thereto, or any paper upon which any design in imitation
15 thereof, or calculated to deceive as aforesaid, is stamped, engraved,
16 lithographed, printed, or otherwise marked.

17 (2)(a) Except as provided in (b) of this subsection, every person
18 who willfully violates this section is guilty of a gross misdemeanor
19 and shall be liable on conviction thereof for a first offense to
20 imprisonment in the county jail for a period of not less than three
21 months nor more than six months, without the option of the payment of
22 a fine, and for a second offense, to imprisonment in the county jail
23 for not less than six months nor more than one year, without the option
24 of the payment of a fine.

25 (b) A third or subsequent offense is a class C felony, punishable
26 by imprisonment in a state correctional facility for not less than one
27 year nor more than two years.

28 **Sec. 211.** RCW 66.44.140 and 1980 c 140 s 4 are each amended to
29 read as follows:

30 Every person who shall sell or offer for sale, or transport in any
31 manner, any spirituous liquor, without (~~(government stamp or)~~) such
32 official seal as the board may require pursuant to this title attached
33 thereto, or who shall operate without a license, any still or other
34 device for the production of spirituous liquor, or shall have in his
35 possession or under his control any mash capable of being distilled
36 into spirituous liquor except as provided in RCW 66.12.130, shall be

1 guilty of a gross misdemeanor and upon conviction thereof shall upon
2 his first conviction be fined not less than five hundred dollars and
3 confined in the county jail not less than six months, and upon second
4 and subsequent conviction shall be fined not less than one thousand
5 dollars and confined in the county jail not less than one year.

6 **Sec. 212.** RCW 66.44.150 and 1955 c 289 s 5 are each amended to
7 read as follows:

8 If any person in this state buys alcoholic beverages from any
9 person other than (~~the board, a state liquor store, or~~) some person
10 authorized by the board to sell them, he shall be guilty of a
11 misdemeanor.

12 **Sec. 213.** RCW 66.44.340 and 1999 c 281 s 11 are each amended to
13 read as follows:

14 Employers holding grocery store or beer and/or wine specialty shop
15 licenses exclusively are permitted to allow their employees, between
16 the ages of eighteen and twenty-one years, to sell, stock, and handle
17 (~~beer or wine~~) liquor in, on or about any establishment holding a
18 (~~grocery store or beer and/or wine specialty shop~~) license
19 (~~exclusively~~) to sell such liquor: PROVIDED, That there is an adult
20 twenty-one years of age or older on duty supervising the sale of liquor
21 at the licensed premises: PROVIDED, That minor employees may make
22 deliveries of (~~beer and/or wine purchased from licensees holding~~
23 ~~grocery store or beer and/or wine specialty shop licenses exclusively,~~
24 ~~when delivery is made~~) such liquor to cars of customers adjacent to
25 such licensed premises but only, however, when the minor employee is
26 accompanied by the purchaser.

27 **Sec. 214.** RCW 19.126.010 and 2003 c 59 s 1 are each amended to
28 read as follows:

29 (1) The legislature recognizes that both suppliers and wholesale
30 distributors of malt beverages and spirits are interested in the goal
31 of best serving the public interest through the fair, efficient, and
32 competitive distribution of such beverages. The legislature encourages
33 them to achieve this goal by:

34 (a) Assuring the wholesale distributor's freedom to manage the

1 business enterprise, including the wholesale distributor's right to
2 independently establish its selling prices; and

3 (b) Assuring the supplier and the public of service from wholesale
4 distributors who will devote their best competitive efforts and
5 resources to sales and distribution of the supplier's products which
6 the wholesale distributor has been granted the right to sell and
7 distribute.

8 (2) This chapter governs the relationship between suppliers of malt
9 beverages and spirits and their wholesale distributors to the full
10 extent consistent with the Constitution and laws of this state and of
11 the United States.

12 **Sec. 215.** RCW 19.126.020 and 2009 c 155 s 1 are each reenacted and
13 amended to read as follows:

14 The definitions in this section apply throughout this chapter
15 unless the context clearly requires otherwise.

16 (1) "Agreement of distributorship" means any contract, agreement,
17 commercial relationship, license, association, or any other
18 arrangement, for a definite or indefinite period, between a supplier
19 and distributor.

20 (2) "Authorized representative" has the same meaning as "authorized
21 representative" as defined in RCW 66.04.010.

22 (3) "Brand" means any word, name, group of letters, symbol, or
23 combination thereof, including the name of the distiller or brewer if
24 the distiller's or brewer's name is also a significant part of the
25 product name, adopted and used by a supplier to identify ((a)) specific
26 spirits or a specific malt beverage product and to distinguish that
27 product from other spirits or malt beverages produced by that supplier
28 or other suppliers.

29 (4) "Distributor" means any person, including but not limited to a
30 component of a supplier's distribution system constituted as an
31 independent business, importing or causing to be imported into this
32 state, or purchasing or causing to be purchased within this state, any
33 spirits or malt beverages for sale or resale to retailers licensed
34 under the laws of this state, regardless of whether the business of
35 such person is conducted under the terms of any agreement with a
36 distiller or malt beverage manufacturer.

1 (5) "Importer" means any distributor importing spirits or beer into
2 this state for sale to retailer accounts or for sale to other
3 distributors designated as "subjobbers" for resale.

4 (6) "Malt beverage manufacturer" means every brewer, fermenter,
5 processor, bottler, or packager of malt beverages located within or
6 outside this state, or any other person, whether located within or
7 outside this state, who enters into an agreement of distributorship for
8 the resale of malt beverages in this state with any wholesale
9 distributor doing business in the state of Washington.

10 (7) "Person" means any natural person, corporation, partnership,
11 trust, agency, or other entity, as well as any individual officers,
12 directors, or other persons in active control of the activities of such
13 entity.

14 (8) "Spirits manufacturer" means every distiller, processor,
15 bottler, or packager of spirits located within or outside this state,
16 or any other person, whether located within or outside this state, who
17 enters into an agreement of distributorship for the resale of spirits
18 in this state with any wholesale distributor doing business in the
19 state of Washington.

20 (9) "Successor distributor" means any distributor who enters into
21 an agreement, whether oral or written, to distribute a brand of spirits
22 or malt beverages after the supplier with whom such agreement is made
23 or the person from whom that supplier acquired the right to manufacture
24 or distribute the brand has terminated, canceled, or failed to renew an
25 agreement of distributorship, whether oral or written, with another
26 distributor to distribute that same brand of spirits or malt beverages.

27 ((+9)) (10) "Supplier" means any spirits or malt beverage
28 manufacturer or importer who enters into or is a party to any agreement
29 of distributorship with a wholesale distributor. "Supplier" does not
30 include: (a) Any domestic distillery licensed under RCW 66.24.140 or
31 66.24.145 and producing less than sixty thousand proof gallons of
32 spirits annually or any brewery or microbrewery licensed under RCW
33 66.24.240 and producing less than two hundred thousand barrels of malt
34 liquor annually; (b) any brewer or manufacturer of malt liquor
35 producing less than two hundred thousand barrels of malt liquor
36 annually and holding a certificate of approval issued under RCW
37 66.24.270; or (c) any authorized representative of distillers or malt
38 liquor manufacturers who holds an appointment from one or more

1 distillers or malt liquor manufacturers which, in the aggregate,
2 produce less than two hundred thousand barrels of malt liquor or sixty
3 thousand proof gallons of spirits.

4 ~~((+10))~~ (11) "Terminated distribution rights" means distribution
5 rights with respect to a brand of malt beverages which are lost by a
6 terminated distributor as a result of termination, cancellation, or
7 nonrenewal of an agreement of distributorship for that brand.

8 ~~((+11))~~ (12) "Terminated distributor" means a distributor whose
9 agreement of distributorship with respect to a brand of spirits or malt
10 beverages, whether oral or written, has been terminated, canceled, or
11 not renewed.

12 **Sec. 216.** RCW 19.126.040 and 2009 c 155 s 3 are each amended to
13 read as follows:

14 Wholesale distributors are entitled to the following protections
15 which are deemed to be incorporated into every agreement of
16 distributorship:

17 (1) Agreements between wholesale distributors and suppliers shall
18 be in writing;

19 (2) A supplier shall give the wholesale distributor at least sixty
20 days prior written notice of the supplier's intent to cancel or
21 otherwise terminate the agreement, unless such termination is based on
22 a reason set forth in RCW 19.126.030(5) or results from a supplier
23 acquiring the right to manufacture or distribute a particular brand and
24 electing to have that brand handled by a different distributor. The
25 notice shall state all the reasons for the intended termination or
26 cancellation. Upon receipt of notice, the wholesale distributor shall
27 have sixty days in which to rectify any claimed deficiency. If the
28 deficiency is rectified within this sixty-day period, the proposed
29 termination or cancellation is null and void and without legal effect;

30 (3) The wholesale distributor may sell or transfer its business, or
31 any portion thereof, including the agreement, to successors in interest
32 upon prior approval of the transfer by the supplier. No supplier may
33 unreasonably withhold or delay its approval of any transfer, including
34 wholesaler's rights and obligations under the terms of the agreement,
35 if the person or persons to be substituted meet reasonable standards
36 imposed by the supplier;

1 (4) If an agreement of distributorship is terminated, canceled, or
2 not renewed for any reason other than for cause, failure to live up to
3 the terms and conditions of the agreement, or a reason set forth in RCW
4 19.126.030(5), the wholesale distributor is entitled to compensation
5 from the successor distributor for the laid-in cost of inventory and
6 for the fair market value of the terminated distribution rights. For
7 purposes of this section, termination, cancellation, or nonrenewal of
8 a distributor's right to distribute a particular brand constitutes
9 termination, cancellation, or nonrenewal of an agreement of
10 distributorship whether or not the distributor retains the right to
11 continue distribution of other brands for the supplier. In the case of
12 terminated distribution rights resulting from a supplier acquiring the
13 right to manufacture or distribute a particular brand and electing to
14 have that brand handled by a different distributor, the affected
15 distribution rights will not transfer until such time as the
16 compensation to be paid to the terminated distributor has been finally
17 determined by agreement or arbitration;

18 (5) When a terminated distributor is entitled to compensation under
19 subsection (4) of this section, a successor distributor must compensate
20 the terminated distributor for the fair market value of the terminated
21 distributor's rights to distribute the brand, less any amount paid to
22 the terminated distributor by a supplier or other person with respect
23 to the terminated distribution rights for the brand. If the terminated
24 distributor's distribution rights to a brand of spirits or malt
25 beverages are divided among two or more successor distributors, each
26 successor distributor must compensate the terminated distributor for
27 the fair market value of the distribution rights assumed by that
28 successor distributor, less any amount paid to the terminated
29 distributor by a supplier or other person with respect to the
30 terminated distribution rights assumed by the successor distributor.
31 A terminated distributor may not receive total compensation under this
32 subsection that exceeds the fair market value of the terminated
33 distributor's distribution rights with respect to the affected brand.
34 Nothing in this section shall be construed to require any supplier or
35 other third person to make any payment to a terminated distributor;

36 (6) For purposes of this section, the "fair market value" of
37 distribution rights as to a particular brand means the amount that a
38 willing buyer would pay and a willing seller would accept for such

1 distribution rights when neither is acting under compulsion and both
2 have knowledge of all facts material to the transaction. "Fair market
3 value" is determined as of the date on which the distribution rights
4 are to be transferred in accordance with subsection (4) of this
5 section;

6 (7) In the event the terminated distributor and the successor
7 distributor do not agree on the fair market value of the affected
8 distribution rights within thirty days after the terminated distributor
9 is given notice of termination, the matter must be submitted to binding
10 arbitration. Unless the parties agree otherwise, such arbitration must
11 be conducted in accordance with the American arbitration association
12 commercial arbitration rules with each party to bear its own costs and
13 attorneys' fees;

14 (8) Unless the parties otherwise agree, or the arbitrator for good
15 cause shown orders otherwise, an arbitration conducted pursuant to
16 subsection (7) of this section must proceed as follows: (a) The notice
17 of intent to arbitrate must be served within forty days after the
18 terminated distributor receives notice of terminated distribution
19 rights; (b) the arbitration must be conducted within ninety days after
20 service of the notice of intent to arbitrate; and (c) the arbitrator or
21 arbitrators must issue an order within thirty days after completion of
22 the arbitration;

23 (9) In the event of a material change in the terms of an agreement
24 of distribution, the revised agreement must be considered a new
25 agreement for purposes of determining the law applicable to the
26 agreement after the date of the material change, whether or not the
27 agreement of distribution is or purports to be a continuing agreement
28 and without regard to the process by which the material change is
29 effected.

30 NEW SECTION. **Sec. 217.** The following acts or parts of acts are
31 each repealed:

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

36 (2) RCW 66.08.075 (Officer, employee not to represent manufacturer,
37 wholesaler in sale to board) and 1937 c 217 s 5;

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

3 (4) RCW 66.08.165 (Strategies to improve operational efficiency and
4 revenue) and 2005 c 231 s 1;

5 (5) RCW 66.08.166 (Sunday sales authorized--Store selection and
6 other requirements) and 2005 c 231 s 2;

7 (6) RCW 66.08.167 (Sunday sales--Store selection) and 2005 c 231 s
8 4;

9 (7) RCW 66.08.220 (Liquor revolving fund--Separate account--
10 Distribution) and 2009 c 271 s 4, 2007 c 370 s 15, 1999 c 281 s 2, &
11 1949 c 5 s 11;

12 (8) RCW 66.08.235 (Liquor control board construction and
13 maintenance account) and 2005 c 151 s 4, 2002 c 371 s 918, & 1997 c 75
14 s 1;

15 (9) RCW 66.16.010 (Board may establish--Price standards--Prices in
16 special instances) and 2005 c 518 s 935, 2003 1st sp.s. c 25 s 928,
17 1939 c 172 s 10, 1937 c 62 s 1, & 1933 ex.s. c 62 s 4;

18 (10) RCW 66.16.040 (Sales of liquor by employees--Identification
19 cards--Permit holders--Sales for cash--Exception) and 2005 c 206 s 1,
20 2005 c 151 s 5, 2005 c 102 s 1, 2004 c 61 s 1, 1996 c 291 s 1, 1995 c
21 16 s 1, 1981 1st ex.s. c 5 s 8, 1979 c 158 s 217, 1973 1st ex.s. c 209
22 s 3, 1971 ex.s. c 15 s 1, 1959 c 111 s 1, & 1933 ex.s. c 62 s 7;

23 (11) RCW 66.16.041 (Credit and debit card purchases--Rules--
24 Provision, installation, maintenance of equipment by board--
25 Consideration of offsetting liquor revolving fund balance reduction)
26 and 2005 c 151 s 6, 2004 c 63 s 2, 1998 c 265 s 3, 1997 c 148 s 2, &
27 1996 c 291 s 2;

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

30 (13) RCW 66.16.060 (Sealed packages may be required, exception) and
31 1943 c 216 s 1 & 1933 ex.s. c 62 s 9;

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

34 (15) RCW 66.16.100 (Fortified wine sales) and 1997 c 321 s 42 &
35 1987 c 386 s 5;

36 (16) RCW 66.16.110 (Birth defects from alcohol--Warning required)
37 and 1993 c 422 s 2;

1 (17) RCW 66.16.120 (Employees working on Sabbath) and 2005 c 231 s
2 5; and

3 (18) RCW 66.28.045 (Furnishing samples to board--Standards for
4 accountability--Regulations) and 1975 1st ex.s. c 173 s 9.

5 **PART III**

6 **MISCELLANEOUS PROVISIONS**

7 NEW SECTION. **Sec. 301.** This act does not increase any tax, create
8 any new tax, or eliminate any tax. Section 106 of this act applies to
9 spirits licensees upon the effective date of this section, but all
10 taxes presently imposed by RCW 82.08.150 on sales of spirits by or on
11 behalf of the liquor control board shall continue to apply so long as
12 the liquor control board makes any such sales.

13 NEW SECTION. **Sec. 302.** If any provision of this act or its
14 application to any person or circumstance is held invalid, the
15 remainder of this act or the application of the provision to other
16 persons or circumstances is not affected.

17 NEW SECTION. **Sec. 303.** This act is necessary for the immediate
18 preservation of the public peace, health, or safety, or support of the
19 state government and its existing public institutions, and takes effect
20 July 1, 2011.

--- END ---