
SENATE BILL 6543

State of Washington

63rd Legislature

2014 Regular Session

By Senators Keiser and Hill

Read first time 02/03/14. Referred to Committee on Commerce & Labor.

1 AN ACT Relating to prohibiting a person from obtaining certain
2 liquor and marijuana licenses or permits if convicted of unlawful use
3 of an automated sales suppression device or phantom-ware; amending RCW
4 66.24.010; adding a new section to chapter 69.50 RCW; and adding a new
5 section to chapter 69.51A RCW.

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

7 NEW SECTION. **Sec. 1.** A new section is added to chapter 69.50 RCW
8 to read as follows:

9 No license to sell marijuana may be issued or renewed under this
10 chapter for any person who has been convicted under RCW 82.32.290(4).

11 NEW SECTION. **Sec. 2.** A new section is added to chapter 69.51A RCW
12 to read as follows:

13 No license or permit to produce or administer marijuana for medical
14 use may be issued or renewed under this chapter for any person who has
15 been convicted under RCW 82.32.290(4).

16 **Sec. 3.** RCW 66.24.010 and 2012 c 39 s 4 are each amended to read
17 as follows:

1 (1) Every license must be issued in the name of the applicant, and
2 the holder thereof may not allow any other person to use the license.

3 (2) For the purpose of considering any application for a license,
4 or the renewal of a license, the board may cause an inspection of the
5 premises to be made, and may inquire into all matters in connection
6 with the construction and operation of the premises. For the purpose
7 of reviewing any application for a license and for considering the
8 denial, suspension, revocation, or renewal or denial thereof, of any
9 license, the liquor control board may consider any prior criminal
10 conduct of the applicant including an administrative violation history
11 record with the board and a criminal history record information check.
12 The board may submit the criminal history record information check to
13 the Washington state patrol and to the identification division of the
14 federal bureau of investigation in order that these agencies may search
15 their records for prior arrests and convictions of the individual or
16 individuals who filled out the forms. The board must require
17 fingerprinting of any applicant whose criminal history record
18 information check is submitted to the federal bureau of investigation.
19 The provisions of RCW 9.95.240 and of chapter 9.96A RCW do not apply to
20 such cases. Subject to the provisions of this section, the board may,
21 in its discretion, grant or deny the renewal or license applied for.
22 Denial may be based on, without limitation, the existence of chronic
23 illegal activity documented in objections submitted pursuant to
24 subsections (8)(d) and (12) of this section. Authority to approve an
25 uncontested or unopposed license may be granted by the board to any
26 staff member the board designates in writing. Conditions for granting
27 such authority must be adopted by rule. No retail license of any kind
28 may be issued to:

29 (a) A person doing business as a sole proprietor who has not
30 resided in the state for at least one month prior to receiving a
31 license, except in cases of licenses issued to dining places on
32 railroads, boats, or aircraft;

33 (b) A copartnership, unless all of the members thereof are
34 qualified to obtain a license, as provided in this section;

35 (c) A person whose place of business is conducted by a manager or
36 agent, unless such manager or agent possesses the same qualifications
37 required of the licensee;

1 (d) A corporation or a limited liability company, unless it was
2 created under the laws of the state of Washington or holds a
3 certificate of authority to transact business in the state of
4 Washington.

5 (3)(a) The board may, in its discretion, subject to the provisions
6 of RCW 66.08.150, suspend or cancel any license; and all rights of the
7 licensee to keep or sell liquor thereunder must be suspended or
8 terminated, as the case may be.

9 (b) The board must immediately suspend the license or certificate
10 of a person who has been certified pursuant to RCW 74.20A.320 by the
11 department of social and health services as a person who is not in
12 compliance with a support order. If the person has continued to meet
13 all other requirements for reinstatement during the suspension,
14 reissuance of the license or certificate is automatic upon the board's
15 receipt of a release issued by the department of social and health
16 services stating that the licensee is in compliance with the order.

17 (c) Upon written notification by the department of revenue in
18 accordance with RCW 82.08.155 that a person is more than thirty days
19 delinquent in reporting or remitting spirits taxes to the department,
20 the board must suspend all spirits licenses held by that person. The
21 board must also refuse to renew any existing spirits license of, or
22 issue any new spirits license to, the person or any other applicant
23 controlled directly or indirectly by that person. The board may not
24 reinstate a person's spirits license or renew or issue a new spirits
25 license to that person, or an applicant controlled directly or
26 indirectly by that person, until such time as the department of revenue
27 notifies the board that the person is current in reporting and
28 remitting spirits taxes or that the department consents to the
29 reinstatement or renewal of the person's spirits license or the
30 issuance of a new spirits license to the person. For purposes of this
31 section: (i) "Spirits license" means any license issued by the board
32 under the authority of this chapter that authorizes the licensee to
33 sell spirits; and (ii) "spirits taxes" has the same meaning as in RCW
34 82.08.155.

35 (d) The board may request the appointment of administrative law
36 judges under chapter 34.12 RCW who must have power to administer oaths,
37 issue subpoenas for the attendance of witnesses and the production of
38 papers, books, accounts, documents, and testimony, examine witnesses,

1 and to receive testimony in any inquiry, investigation, hearing, or
2 proceeding in any part of the state, under such rules and regulations
3 as the board may adopt.

4 (e) Witnesses are allowed fees and mileage each way to and from any
5 such inquiry, investigation, hearing, or proceeding at the rate
6 authorized by RCW 34.05.446. Fees need not be paid in advance of
7 appearance of witnesses to testify or to produce books, records, or
8 other legal evidence.

9 (f) In case of disobedience of any person to comply with the order
10 of the board or a subpoena issued by the board, or any of its members,
11 or administrative law judges, or on the refusal of a witness to testify
12 to any matter regarding which he or she may be lawfully interrogated,
13 the judge of the superior court of the county in which the person
14 resides, on application of any member of the board or administrative
15 law judge, must compel obedience by contempt proceedings, as in the
16 case of disobedience of the requirements of a subpoena issued from said
17 court or a refusal to testify therein.

18 (4) Upon receipt of notice of the suspension or cancellation of a
19 license, the licensee must forthwith deliver up the license to the
20 board. Where the license has been suspended only, the board must
21 return the license to the licensee at the expiration or termination of
22 the period of suspension. The board must notify all vendors in the
23 city or place where the licensee has its premises of the suspension or
24 cancellation of the license; and no employee may allow or cause any
25 liquor to be delivered to or for any person at the premises of that
26 licensee.

27 (5)(a) At the time of the original issuance of a spirits, beer, and
28 wine restaurant license, the board must prorate the license fee charged
29 to the new licensee according to the number of calendar quarters, or
30 portion thereof, remaining until the first renewal of that license is
31 required.

32 (b) Unless sooner canceled, every license issued by the board must
33 expire at midnight of the thirtieth day of June of the fiscal year for
34 which it was issued. However, if the board deems it feasible and
35 desirable to do so, it may establish, by rule pursuant to chapter 34.05
36 RCW, a system for staggering the annual renewal dates for any and all
37 licenses authorized by this chapter. If such a system of staggered

1 annual renewal dates is established by the board, the license fees
2 provided by this chapter must be appropriately prorated during the
3 first year that the system is in effect.

4 (6) Every license issued under this section is subject to all
5 conditions and restrictions imposed by this title or by rules adopted
6 by the board. All conditions and restrictions imposed by the board in
7 the issuance of an individual license may be listed on the face of the
8 individual license along with the trade name, address, and expiration
9 date. Conditions and restrictions imposed by the board may also be
10 included in official correspondence separate from the license. All
11 spirits licenses are subject to the condition that the spirits license
12 holder must report and remit to the department of revenue all spirits
13 taxes by the date due.

14 (7) Every licensee must post and keep posted its license, or
15 licenses, and any additional correspondence containing conditions and
16 restrictions imposed by the board in a conspicuous place on the
17 premises.

18 (8)(a) Unless (b) of this subsection applies, before the board
19 issues a new or renewal license to an applicant it must give notice of
20 such application to the chief executive officer of the incorporated
21 city or town, if the application is for a license within an
22 incorporated city or town, or to the county legislative authority, if
23 the application is for a license outside the boundaries of incorporated
24 cities or towns.

25 (b) If the application for a special occasion license is for an
26 event held during a county, district, or area fair as defined by RCW
27 15.76.120, and the county, district, or area fair is located on
28 property owned by the county but located within an incorporated city or
29 town, the county legislative authority must be the entity notified by
30 the board under (a) of this subsection. The board must send a
31 duplicate notice to the incorporated city or town within which the fair
32 is located.

33 (c) The incorporated city or town through the official or employee
34 selected by it, or the county legislative authority or the official or
35 employee selected by it, has the right to file with the board within
36 twenty days after the date of transmittal of such notice for
37 applications, or at least thirty days prior to the expiration date for

1 renewals, written objections against the applicant or against the
2 premises for which the new or renewal license is asked. The board may
3 extend the time period for submitting written objections.

4 (d) The written objections must include a statement of all facts
5 upon which such objections are based, and in case written objections
6 are filed, the city or town or county legislative authority may request
7 and the liquor control board may in its discretion hold a hearing
8 subject to the applicable provisions of Title 34 RCW. If the board
9 makes an initial decision to deny a license or renewal based on the
10 written objections of an incorporated city or town or county
11 legislative authority, the applicant may request a hearing subject to
12 the applicable provisions of Title 34 RCW. If such a hearing is held
13 at the request of the applicant, liquor control board representatives
14 must present and defend the board's initial decision to deny a license
15 or renewal.

16 (e) Upon the granting of a license under this title the board must
17 send written notification to the chief executive officer of the
18 incorporated city or town in which the license is granted, or to the
19 county legislative authority if the license is granted outside the
20 boundaries of incorporated cities or towns. When the license is for a
21 special occasion license for an event held during a county, district,
22 or area fair as defined by RCW 15.76.120, and the county, district, or
23 area fair is located on county-owned property but located within an
24 incorporated city or town, the written notification must be sent to
25 both the incorporated city or town and the county legislative
26 authority.

27 (9)(a) Before the board issues any license to any applicant, it
28 shall give (i) due consideration to the location of the business to be
29 conducted under such license with respect to the proximity of churches,
30 schools, and public institutions and (ii) written notice, with receipt
31 verification, of the application to public institutions identified by
32 the board as appropriate to receive such notice, churches, and schools
33 within five hundred feet of the premises to be licensed. The board may
34 not issue a liquor license for either on-premises or off-premises
35 consumption covering any premises not now licensed, if such premises
36 are within five hundred feet of the premises of any tax-supported
37 public elementary or secondary school measured along the most direct
38 route over or across established public walks, streets, or other public

1 passageway from the main entrance of the school to the nearest public
2 entrance of the premises proposed for license, and if, after receipt by
3 the school of the notice as provided in this subsection, the board
4 receives written objection, within twenty days after receiving such
5 notice, from an official representative or representatives of the
6 school within five hundred feet of said proposed licensed premises,
7 indicating to the board that there is an objection to the issuance of
8 such license because of proximity to a school. The board may extend
9 the time period for submitting objections. For the purpose of this
10 section, "church" means a building erected for and used exclusively for
11 religious worship and schooling or other activity in connection
12 therewith. For the purpose of this section, "public institution" means
13 institutions of higher education, parks, community centers, libraries,
14 and transit centers.

15 (b) No liquor license may be issued or reissued by the board to any
16 motor sports facility or licensee operating within the motor sports
17 facility unless the motor sports facility enforces a program reasonably
18 calculated to prevent alcohol or alcoholic beverages not purchased
19 within the facility from entering the facility and such program is
20 approved by local law enforcement agencies.

21 (c) It is the intent under this subsection (9) that a retail
22 license may not be issued by the board where doing so would, in the
23 judgment of the board, adversely affect a private school meeting the
24 requirements for private schools under Title 28A RCW, which school is
25 within five hundred feet of the proposed licensee. The board must
26 fully consider and give substantial weight to objections filed by
27 private schools. If a license is issued despite the proximity of a
28 private school, the board must state in a letter addressed to the
29 private school the board's reasons for issuing the license.

30 (10) The restrictions set forth in subsection (9) of this section
31 do not prohibit the board from authorizing the assumption of existing
32 licenses now located within the restricted area by other persons or
33 licenses or relocations of existing licensed premises within the
34 restricted area. In no case may the licensed premises be moved closer
35 to a church or school than it was before the assumption or relocation.

36 (11)(a) Nothing in this section prohibits the board, in its
37 discretion, from issuing a temporary retail or distributor license to

1 an applicant to operate the retail or distributor premises during the
2 period the application for the license is pending. The board may
3 establish a fee for a temporary license by rule.

4 (b) A temporary license issued by the board under this section must
5 be for a period not to exceed sixty days. A temporary license may be
6 extended at the discretion of the board for additional periods of sixty
7 days upon payment of an additional fee and upon compliance with all
8 conditions required in this section.

9 (c) Refusal by the board to issue or extend a temporary license
10 shall not entitle the applicant to request a hearing. A temporary
11 license may be canceled or suspended summarily at any time if the board
12 determines that good cause for cancellation or suspension exists. RCW
13 66.08.130 applies to temporary licenses.

14 (d) Application for a temporary license must be on such form as the
15 board shall prescribe. If an application for a temporary license is
16 withdrawn before issuance or is refused by the board, the fee which
17 accompanied such application must be refunded in full.

18 (12) In determining whether to grant or deny a license or renewal
19 of any license, the board must give substantial weight to objections
20 from an incorporated city or town or county legislative authority based
21 upon chronic illegal activity associated with the applicant's
22 operations of the premises proposed to be licensed or the applicant's
23 operation of any other licensed premises, or the conduct of the
24 applicant's patrons inside or outside the licensed premises. "Chronic
25 illegal activity" means (a) a pervasive pattern of activity that
26 threatens the public health, safety, and welfare of the city, town, or
27 county including, but not limited to, open container violations,
28 assaults, disturbances, disorderly conduct, or other criminal law
29 violations, or as documented in crime statistics, police reports,
30 emergency medical response data, calls for service, field data, or
31 similar records of a law enforcement agency for the city, town, county,
32 or any other municipal corporation or any state agency; or (b) an
33 unreasonably high number of citations for violations of RCW 46.61.502
34 associated with the applicant's or licensee's operation of any licensed
35 premises as indicated by the reported statements given to law
36 enforcement upon arrest.

37 (13) No license for retail sale may be issued or renewed under this
38 chapter for any person who has been convicted under RCW 82.32.290(4),

1 except that this prohibition does not apply to a license issued under
2 RCW 66.24.055 (spirits distributor), 66.24.185 (bonded wine warehouse
3 storage), 66.24.200 (wine distributors), 66.24.203 (wine importers),
4 66.24.250 (beer distributors), 66.24.261 (beer importers), 66.24.310
5 (representatives), 66.24.380 (special occasion license), 66.24.395
6 (interstate common carriers), 66.24.480 (bottle clubs), 66.24.520
7 (grower's license), 66.24.530 (class S duty free exporter's license),
8 66.24.540 (motel license), 66.24.550 (beer and wine gift delivery
9 license), 66.24.590 (hotel license), or 66.24.610 (VIP airport lounge
10 operator).

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