
HOUSE BILL 1351

State of Washington

65th Legislature

2017 Regular Session

By Representatives Sawyer, Vick, Springer, Barkis, Blake, Fitzgibbon,
and Haler

Read first time 01/18/17. Referred to Committee on Commerce &
Gaming.

1 AN ACT Relating to authorizing, under one license, the sale of
2 spirits, beer, and wine at retail for off-premises consumption;
3 amending RCW 66.24.360, 66.24.630, and 66.24.363; reenacting and
4 amending RCW 66.24.371; and adding a new section to chapter 66.24
5 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 66.24
8 RCW to read as follows:

9 (1) There is a license called a combination spirits, beer, and
10 wine license, to sell wine and beer, including without limitation
11 strong beer, at retail in bottles, cans, and original containers, not
12 to be consumed upon the premises where sold, and to:

13 (a) Sell spirits in original containers to consumers for
14 consumption off the licensed premises and to permit holders;

15 (b) Sell spirits in original containers to retailers licensed to
16 sell spirits for consumption on the premises, for resale at their
17 licensed premises according to the terms of their licenses, although
18 no single sale may exceed twenty-four liters; and

19 (c) Export spirits.

20 (2) The annual fee for the combination spirits, beer, and wine
21 license is two hundred fifty dollars for each store.

1 (3) For the purposes of this title, a combination spirits, beer,
2 and wine license is a retail license, and a sale by a combination
3 spirits, beer, and wine licensee is a retail sale only if not for
4 resale. Nothing in this title authorizes sales by on sale licensees
5 to other retail licensees.

6 (4)(a) The board may issue a combination spirits, beer, and wine
7 license only for premises comprising at least ten thousand square
8 feet of fully enclosed retail space within a single structure,
9 including storerooms and other interior auxiliary areas but excluding
10 covered or fenced exterior areas, whether or not attached to the
11 structure, and only to applicants that the board determines will
12 maintain appropriate systems for inventory management, employee
13 training, employee supervision, and physical security of the product.

14 (b) License issuances and renewals are subject to RCW 66.24.010
15 and the regulations adopted thereunder including, without limitation,
16 rights of cities, towns, county legislative authorities, the public,
17 churches, schools, and public institutions to object to or prevent
18 issuance of local liquor licenses. However, existing grocery premises
19 licensed to sell beer and/or wine are deemed to be premises "now
20 licensed" under RCW 66.24.010(9)(a) for the purpose of processing
21 applications for combination spirits, beer, and wine licenses.

22 (c) A retailer authorized to sell spirits for consumption on or
23 off the licensed premises may accept delivery of spirits and deliver
24 spirits in the same manner as is provided in RCW 66.24.630(3)(d).

25 (d) For purposes of negotiating volume discounts of spirits, a
26 group of individual retailers authorized to sell spirits for
27 consumption off the licensed premises may accept delivery of spirits
28 as provided in RCW 66.24.630(3)(e).

29 (5) Each combination spirits, beer, and wine licensee must pay to
30 the board, for deposit into the liquor revolving fund, a license
31 issuance fee equivalent to the license issuance fee imposed on
32 licensees selling spirits pursuant to RCW 66.24.630(4)(a).

33 (6) The board may not issue a combined spirits, beer, and wine
34 license to an applicant if the applicant would qualify for a
35 restricted license as provided in RCW 66.24.371(4) or 66.24.360(7) if
36 the applicant had applied for a license under RCW 66.24.371 or
37 66.24.360 instead of pursuant to this section.

38 (7) As a condition to receiving and renewing a combination
39 spirits, beer, and wine license the licensee must comply with RCW
40 66.24.630(6).

1 (8) The maximum penalties prescribed by the board in WAC
2 314-29-020 through 314-29-040 relating to fines and suspensions are
3 doubled for violations relating to the sale of spirits by combination
4 spirits, beer, and wine licensees.

5 (9)(a) A combination spirits, beer, and wine licensee that joins
6 the responsible vendor program developed by the board pursuant to RCW
7 66.24.630(8) and maintains all of the program's requirements is not
8 subject to the doubling of penalties provided in this section for a
9 single violation in any period of twelve calendar months.

10 (b) To participate in the responsible vendor program, a
11 combination spirits, beer, and wine licensee must submit an
12 application form to the board. If the application establishes that
13 the combination spirits, beer, and wine licensee meets the
14 qualifications to join the program, the board must send the licensee
15 a membership certificate.

16 (c) A combination spirits, beer, and wine licensee participating
17 in the responsible vendor program must meet the requirements in RCW
18 66.24.630(8)(e) and comply with board rules adopted to implement RCW
19 66.24.630(8).

20 (10)(a) Any endorsement available to the holder of a license
21 issued pursuant to RCW 66.24.360 or 66.24.371 is available, upon
22 board approval and pursuant to board rules, to a combination spirits,
23 beer, and wine licensee, provided that the combination spirits, beer,
24 and wine licensee would qualify for a license and the endorsement
25 under RCW 66.24.360 or 66.24.371, as applicable, had the licensee
26 applied for a license and endorsement pursuant to RCW 66.24.360,
27 66.24.363, or 66.24.371, as applicable, instead of the combination
28 spirits, beer, and wine license pursuant to this section. A
29 combination spirits, beer, and wine licensee with an endorsement
30 issued pursuant to this subsection must comply with the requirements
31 of the endorsement to the same extent as if the endorsement was
32 issued pursuant to RCW 66.24.360, 66.24.363, or 66.24.371, as
33 applicable.

34 (b) A combination spirits, beer, and wine licensee may conduct
35 sampling in accordance with:

36 (i) RCW 66.24.371(2) if the combination spirits, beer, and wine
37 licensee would qualify for a license under RCW 66.24.371; or

38 (ii) RCW 66.24.363 if the combination spirits, beer, and wine
39 licensee would qualify for a license under RCW 66.24.360.

1 (11) Licensees holding a combination spirits, beer, and wine
2 license must maintain either:

3 (a) A minimum three thousand dollar inventory of food products
4 for human consumption, not including pop, beer, strong beer, wine, or
5 spirits; or

6 (b) A minimum three thousand dollar wholesale inventory of beer,
7 strong beer, and/or wine.

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

13 (13) The board may adopt rules to implement this section.

14 **Sec. 2.** RCW 66.24.360 and 2015 c 192 s 1 are each amended to
15 read as follows:

16 (1) There is a grocery store license to sell wine and/or beer,
17 including without limitation strong beer at retail in original
18 containers, not to be consumed upon the premises where sold.

19 (2) There is a wine retailer reseller endorsement of a grocery
20 store license, to sell wine at retail in original containers to
21 retailers licensed to sell wine for consumption on the premises, for
22 resale at their licensed premises according to the terms of the
23 license. However, no single sale may exceed twenty-four liters,
24 unless the sale is made by a licensee that was a contract liquor
25 store manager of a contract-operated liquor store at the location
26 from which such sales are made. For the purposes of this title, a
27 grocery store license is a retail license, and a sale by a grocery
28 store licensee with a reseller endorsement is a retail sale only if
29 not for resale.

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

33 (4) The annual fee for the grocery store license is one hundred
34 fifty dollars for each store.

35 (5) The annual fee for the wine retailer reseller endorsement is
36 one hundred sixty-six dollars for each store.

37 (6)(a) Upon approval by the board, a grocery store licensee with
38 revenues derived from beer and/or wine sales exceeding fifty percent
39 of total revenues or that maintains an alcohol inventory of not less

1 than fifteen thousand dollars may also receive an endorsement to
2 permit the sale of beer and cider, as defined in RCW 66.24.210(6), in
3 a sanitary container brought to the premises by the purchaser, or
4 provided by the licensee or manufacturer, and filled at the tap by
5 the licensee at the time of sale by an employee of the licensee
6 holding a class 12 alcohol server permit.

7 (b) Pursuant to RCW 74.08.580(1)(f), a person may not use an
8 electronic benefit transfer card for the purchase of any product
9 authorized for sale under this section.

10 (c) The board may, by rule, establish fees to be paid by
11 licensees receiving the endorsement authorized under this subsection
12 (6), as necessary to cover the costs of implementing and enforcing
13 the provisions of this subsection (6).

14 (7) The board must issue a restricted grocery store license
15 authorizing the licensee to sell beer and only table wine, if the
16 board finds upon issuance or renewal of the license that the sale of
17 strong beer or fortified wine would be against the public interest.
18 In determining the public interest, the board must consider at least
19 the following factors:

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

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

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

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

34 (8) Licensees holding a grocery store license must maintain a
35 minimum three thousand dollar inventory of food products for human
36 consumption, not including pop, beer, strong beer, or wine.

37 (9) A grocery store licensee with a wine retailer reseller
38 endorsement may accept delivery of wine at its licensed premises or
39 at one or more warehouse facilities registered with the board, which
40 facilities may also warehouse and distribute nonliquor items, and

1 from which it may deliver to its own licensed premises and, pursuant
2 to sales permitted by this title, to other licensed premises, to
3 other registered facilities, or to lawful purchasers outside the
4 state. Facilities may be registered and utilized by associations,
5 cooperatives, or comparable groups of grocery store licensees.

6 (10) Upon approval by the board, the grocery store licensee may
7 also receive an endorsement to permit the international export of
8 beer, strong beer, and wine.

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

12 (b) Any beer, strong beer, and wine sold under this endorsement
13 must be intended for consumption outside the state of Washington and
14 the United States and appropriate records must be maintained by the
15 licensee.

16 (c) Any beer, strong beer, or wine sold under this endorsement
17 must be sold at a price no less than the acquisition price paid by
18 the holder of the license.

19 (d) The annual cost of this endorsement is five hundred dollars
20 and is in addition to the license fees paid by the licensee for a
21 grocery store license.

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

27 (12) The board may adopt rules to implement this section.

28 (13) Nothing in this section limits the authority of the board to
29 regulate the sale of beer or cider or container sizes under rules
30 adopted pursuant to RCW 66.08.030.

31 (14) Any endorsement issued pursuant to this section or RCW
32 66.24.363 may be issued to a qualified combination spirits, beer, and
33 wine licensee in accordance with section 1(10) of this act.

34 (15)(a) A grocery store licensee that also holds a spirits retail
35 license under RCW 66.24.630 may, upon board approval and pursuant to
36 board rules, transition to a combination spirits, beer, and wine
37 license pursuant to section 1 of this act.

38 (b) An applicant that would qualify for a grocery store license
39 under this section and a spirits retail license under RCW 66.24.630
40 may apply for a single license pursuant to section 1 of this act

1 instead of applying for a grocery store license under this section in
2 addition to a spirits retail license under to RCW 66.24.630.

3 **Sec. 3.** RCW 66.24.371 and 2011 c 195 s 4 and 2011 c 119 s 204
4 are each reenacted and amended to read as follows:

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

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

22 (3) Upon approval by the board, the beer and/or wine specialty
23 shop licensee that exceeds fifty percent beer and/or wine sales may
24 also receive an endorsement to permit the sale of beer to a purchaser
25 in a sanitary container brought to the premises by the purchaser, or
26 provided by the licensee or manufacturer, and fill at the tap by the
27 licensee at the time of sale. If the beer and/or wine specialty shop
28 licensee does not exceed fifty percent beer and/or wine sales, the
29 board may waive the fifty percent beer and/or wine sale criteria if
30 the beer and/or wine specialty shop maintains alcohol inventory that
31 exceeds fifteen thousand dollars.

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

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

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

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

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

13 (5) Licensees holding a beer and/or wine specialty shop license
14 must maintain a minimum three thousand dollar wholesale inventory of
15 beer, strong beer, and/or wine.

16 (6) The board may adopt rules to implement this section.

17 (7) Any endorsement issued pursuant to this section may be issued
18 to a qualified combination spirits, beer, and wine licensee in
19 accordance with section 1 of this act.

20 (8)(a) A beer and/or wine specialty shop licensee that also holds
21 a spirits retail license under RCW 66.24.630 may, upon board approval
22 and pursuant to board rules, transition to a combination spirits,
23 beer, and wine license pursuant to section 1 of this act.

24 (b) An applicant that would qualify for a beer and/or wine
25 specialty shop license under this section and a spirits retail
26 license under RCW 66.24.630 may apply for a single license pursuant
27 to section 1 of this act instead of applying for a beer and/or wine
28 specialty shop license under this section in addition to a spirits
29 retail license under RCW 66.24.630.

30 **Sec. 4.** RCW 66.24.630 and 2015 c 186 s 1 are each amended to
31 read as follows:

32 (1) There is a spirits retail license to: Sell spirits in
33 original containers to consumers for consumption off the licensed
34 premises and to permit holders; sell spirits in original containers
35 to retailers licensed to sell spirits for consumption on the
36 premises, for resale at their licensed premises according to the
37 terms of their licenses, although no single sale may exceed twenty-
38 four liters, unless the sale is by a licensee that was a contract
39 liquor store manager of a contract liquor store at the location of

1 its spirits retail licensed premises from which it makes such sales;
2 and export spirits.

3 (2) For the purposes of this title, a spirits retail license is a
4 retail license, and a sale by a spirits retailer is a retail sale
5 only if not for resale. Nothing in this title authorizes sales by on-
6 sale licensees to other retail licensees. The board must establish by
7 rule an obligation of on-sale spirits retailers to:

8 (a) Maintain a schedule by stock-keeping unit of all their
9 purchases of spirits from spirits retail licensees, including
10 combination spirits, beer, and wine licensees holding a license
11 issued pursuant to section 1 of this act, indicating the identity of
12 the seller and the quantities purchased; and

13 (b) Provide, not more frequently than quarterly, a report for
14 each scheduled item containing the identity of the purchasing on-
15 premises licensee and the quantities of that scheduled item purchased
16 since any preceding report to:

17 (i) A distributor authorized by the distiller to distribute a
18 scheduled item in the on-sale licensee's geographic area; or

19 (ii) A distiller acting as distributor of the scheduled item in
20 the area.

21 (3)(a) Except as otherwise provided in (c) of this subsection,
22 the board may issue spirits retail licenses only for premises
23 comprising at least ten thousand square feet of fully enclosed retail
24 space within a single structure, including storerooms and other
25 interior auxiliary areas but excluding covered or fenced exterior
26 areas, whether or not attached to the structure, and only to
27 applicants that the board determines will maintain systems for
28 inventory management, employee training, employee supervision, and
29 physical security of the product substantially as effective as those
30 of stores currently operated by the board with respect to preventing
31 sales to or pilferage by underage or inebriated persons.

32 (b) License issuances and renewals are subject to RCW 66.24.010
33 and the regulations (~~promulgated~~) adopted thereunder, including
34 without limitation rights of cities, towns, county legislative
35 authorities, the public, churches, schools, and public institutions
36 to object to or prevent issuance of local liquor licenses. However,
37 existing grocery premises licensed to sell beer and/or wine are
38 deemed to be premises "now licensed" under RCW 66.24.010(9)(a) for
39 the purpose of processing applications for spirits retail licenses.

1 (c) The board may not deny a spirits retail license to an
2 otherwise qualified contract liquor store at its contract location or
3 to the holder of former state liquor store operating rights sold at
4 auction under RCW 66.24.620 on the grounds of location, nature, or
5 size of the premises to be licensed. The board may not deny a spirits
6 retail license to applicants that are not contract liquor stores or
7 operating rights holders on the grounds of the size of the premises
8 to be licensed, if such applicant is otherwise qualified and the
9 board determines that:

10 (i) There is no spirits retail license holder in the trade area
11 that the applicant proposes to serve;

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

14 (iii) The licensee has not committed more than one public safety
15 violation within the three years preceding application.

16 (d) A retailer authorized to sell spirits for consumption on or
17 off the licensed premises may accept delivery of spirits at its
18 licensed premises, at another licensed premises as designated by the
19 retailer, or at one or more warehouse facilities registered with the
20 board, which facilities may also warehouse and distribute nonliquor
21 items, and from which the retailer may deliver to its own licensed
22 premises and, pursuant to sales permitted under subsection (1) of
23 this section:

24 (i) To other retailer premises licensed to sell spirits for
25 consumption on the licensed premises;

26 (ii) To other registered facilities; or

27 (iii) To lawful purchasers outside the state. The facilities may
28 be registered and utilized by associations, cooperatives, or
29 comparable groups of retailers, including at least one retailer
30 licensed to sell spirits.

31 (e) For purposes of negotiating volume discounts, a group of
32 individual retailers authorized to sell spirits for consumption off
33 the licensed premises may accept delivery of spirits at their
34 individual licensed premises or at any one of the individual
35 licensee's premises, or at a warehouse facility registered with the
36 board.

37 (4)(a) Except as otherwise provided in RCW 66.24.632, or in (b)
38 of this subsection, each spirits retail licensee must pay to the
39 board, for deposit into the liquor revolving fund, a license issuance
40 fee equivalent to seventeen percent of all spirits sales revenues

1 under the license, exclusive of taxes collected by the licensee and
2 of sales of items on which a license fee payable under this section
3 has otherwise been incurred. The board must establish rules setting
4 forth the timing of such payments and reporting of sales dollar
5 volume by the licensee, with payments required quarterly in arrears.
6 The first payment is due October 1, 2012.

7 (b) This subsection (4) does not apply to craft distilleries.

8 (5) In addition to the payment required under subsection (4) of
9 this section, each licensee must pay an annual license renewal fee of
10 one hundred sixty-six dollars. The board must periodically review and
11 adjust the renewal fee as may be required to maintain it as
12 comparable to annual license renewal fees for licenses to sell beer
13 and wine not for consumption on the licensed premises. If required by
14 law at the time, any increase of the annual renewal fee becomes
15 effective only upon ratification by the legislature.

16 (6) As a condition to receiving and renewing a spirits retail
17 license the licensee must provide training as prescribed by the board
18 by rule for individuals who sell spirits or who manage others who
19 sell spirits regarding compliance with laws and regulations regarding
20 sale of spirits, including without limitation the prohibitions
21 against sale of spirits to individuals who are underage or visibly
22 intoxicated. The training must be provided before the individual
23 first engages in the sale of spirits and must be renewed at least
24 every five years. The licensee must maintain records documenting the
25 nature and frequency of the training provided. An employee training
26 program is presumptively sufficient if it incorporates a "responsible
27 vendor program" (~~(promulgated)~~) adopted by the board.

28 (7) The maximum penalties prescribed by the board in WAC
29 314-29-020 through 314-29-040 relating to fines and suspensions are
30 doubled for violations relating to the sale of spirits by spirits
31 retail licensees.

32 (8)(a) The board must (~~(promulgate)~~) adopt regulations concerning
33 the adoption and administration of a compliance training program for
34 spirits retail licensees, to be known as a "responsible vendor
35 program," to reduce underage drinking, encourage licensees to adopt
36 specific best practices to prevent sales to minors, and provide
37 licensees with an incentive to give their employees ongoing training
38 in responsible alcohol sales and service.

39 (b) Licensees who join the responsible vendor program under this
40 section and maintain all of the program's requirements are not

1 subject to the doubling of penalties provided in this section for a
2 single violation in any period of twelve calendar months.

3 (c) The responsible vendor program must be free, voluntary, and
4 self-monitoring.

5 (d) To participate in the responsible vendor program, licensees
6 must submit an application form to the board. If the application
7 establishes that the licensee meets the qualifications to join the
8 program, the board must send the licensee a membership certificate.

9 (e) A licensee participating in the responsible vendor program
10 must at a minimum:

11 (i) Provide ongoing training to employees;

12 (ii) Accept only certain forms of identification for alcohol
13 sales;

14 (iii) Adopt policies on alcohol sales and checking
15 identification;

16 (iv) Post specific signs in the business; and

17 (v) Keep records verifying compliance with the program's
18 requirements.

19 (f)(i) A spirits retail licensee that also holds a grocery store
20 license under RCW 66.24.360 or a beer and/or wine specialty shop
21 license under RCW 66.24.371 may, upon board approval and pursuant to
22 board rules, transition to a combination spirits, beer, and wine
23 license pursuant to section 1 of this act.

24 (ii) An applicant that would qualify for a spirits retail license
25 under this section and that qualifies for a combination spirits,
26 beer, and wine license pursuant to section 1 of this act may apply
27 for a license pursuant to section 1 of this act instead of applying
28 for a spirits retail license under this section.

29 **Sec. 5.** RCW 66.24.363 and 2013 c 52 s 1 are each amended to read
30 as follows:

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

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

35 (a) The licensee operates a fully enclosed retail area
36 encompassing at least ten thousand square feet of fully enclosed
37 retail space within a single structure, including storerooms and
38 other interior auxiliary areas but excluding covered or fenced
39 exterior areas, whether or not attached to the structure, except that

1 the board may issue an endorsement to a licensee with a retail area
2 encompassing less than ten thousand square feet if the board
3 determines that no licensee in the community the licensee serves
4 meets the square footage requirement and the licensee meets
5 operational requirements established by the board by rule; and

6 (b) The licensee has not had more than one public safety
7 violation within the past two years.

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

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

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

14 (c) The licensee must have food available for the tasting
15 participants;

16 (d) Customers must remain in the service area while consuming
17 samples; and

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

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

26 (5) Tasting activities under this section are subject to RCW
27 66.28.305 and 66.28.040 and the cost of sampling may not be borne,
28 directly or indirectly, by any liquor manufacturer, importer, or
29 distributor.

30 (6) A licensee may advertise a tasting event only within the
31 store, on a store web site, in store newsletters and flyers, and via
32 email and mail to customers who have requested notice of events.
33 Advertising under this subsection may not be targeted to or appeal
34 principally to youth.

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

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

6 (c) RCW 66.08.150 applies to the suspension or revocation of an
7 endorsement.

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

11 (9) The annual fee for the endorsement is two hundred dollars.
12 The board shall review the fee annually and may increase the fee by
13 rule to a level sufficient to defray the cost of administration and
14 enforcement of the endorsement, except that the board may not
15 increase the fee by more than ten percent annually.

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

17 (11) An endorsement issued pursuant to this section may be issued
18 to a qualified combination spirits, beer, and wine licensee in
19 accordance with section 1 of this act.

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