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**HOUSE BILL 2160**

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**State of Washington**

**66th Legislature**

**2019 Regular Session**

**By** Representative MacEwen

Read first time 03/28/19. Referred to Committee on Commerce & Gaming.

1 AN ACT Relating to restructuring the liquor and cannabis board;  
2 amending RCW 66.04.010, 66.08.012, 66.08.014, 66.08.016, 66.08.020,  
3 66.08.022, 66.08.024, 66.08.026, 66.08.030, 66.08.050, 66.08.0501,  
4 66.08.055, 66.08.060, 66.08.080, 66.08.090, 66.08.095, 66.08.100,  
5 66.08.120, 66.08.130, 66.08.140, 66.08.145, 66.08.150, 66.08.170, and  
6 66.08.180; and creating new sections.

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

8 NEW SECTION. **Sec. 1.** The legislature finds that countless  
9 licensees are increasingly becoming frustrated with the lack of  
10 assistance and help at the liquor and cannabis board and that the  
11 liquor and cannabis board prefers to penalize its licensees for  
12 administrative or technical violations rather than helping them  
13 comply. The legislature finds that the liquor and cannabis board,  
14 being out of touch with its customers and not fully meeting their  
15 needs, should be accountable as an executive agency. As such, the  
16 legislature intends to dissolve the board and have a governor-  
17 appointed director confirmed by the senate. It is further the intent  
18 of the legislature that moneys saved through the implementation of  
19 this act will be used to ensure the marijuana traceability system is  
20 fully functional and operational.

1       **Sec. 2.** RCW 66.04.010 and 2015 c 193 s 3 are each amended to  
2 read as follows:

3       In this title, unless the context otherwise requires:

4       (1) "Alcohol" is that substance known as ethyl alcohol, hydrated  
5 oxide of ethyl, or spirit of wine, which is commonly produced by the  
6 fermentation or distillation of grain, starch, molasses, or sugar, or  
7 other substances including all dilutions and mixtures of this  
8 substance. The term "alcohol" does not include alcohol in the  
9 possession of a manufacturer or distiller of alcohol fuel, as  
10 described in RCW 66.12.130, which is intended to be denatured and  
11 used as a fuel for use in motor vehicles, farm implements, and  
12 machines or implements of husbandry.

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

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

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

18       (c) Acquires ownership of beer or wine for transportation into  
19 and resale in the state of Washington; and which beer or wine is  
20 produced by a brewery or winery in the United States outside of the  
21 state of Washington; and

22       (d) Is appointed by the brewery or winery referenced in (c) of  
23 this subsection as its authorized representative for marketing and  
24 selling its products within the United States in accordance with a  
25 written agreement between the authorized representative and such  
26 brewery or winery pursuant to this title.

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

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

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

39       (6) (~~"Board" means the liquor control board, constituted under~~  
40 ~~this title.~~

1       ~~(7)~~) "Brewer" or "brewery" means any person engaged in the  
2 business of manufacturing beer and malt liquor. Brewer includes a  
3 brand owner of malt beverages who holds a brewer's notice with the  
4 federal bureau of alcohol, tobacco, and firearms at a location  
5 outside the state and whose malt beverage is contract-produced by a  
6 licensed in-state brewery, and who may exercise within the state,  
7 under a domestic brewery license, only the privileges of storing,  
8 selling to licensed beer distributors, and exporting beer from the  
9 state.

10       ~~((8))~~ (7) "Club" means an organization of persons, incorporated  
11 or unincorporated, operated solely for fraternal, benevolent,  
12 educational, athletic, or social purposes, and not for pecuniary  
13 gain.

14       ~~((9))~~ (8) "Confection" means a preparation of sugar, honey, or  
15 other natural or artificial sweeteners in combination with chocolate,  
16 fruits, nuts, dairy products, or flavorings, in the form of bars,  
17 drops, or pieces.

18       ~~((10))~~ (9) "Consume" includes the putting of liquor to any use,  
19 whether by drinking or otherwise.

20       ~~((11) "Contract liquor store" means a business that sells liquor  
21 on behalf of the board through a contract with a contract liquor  
22 store manager.~~

23       ~~(12)~~) (10) "Craft distillery" means a distillery that pays the  
24 reduced licensing fee under RCW 66.24.140.

25       ~~((13))~~ (11) "Dentist" means a practitioner of dentistry duly  
26 and regularly licensed and engaged in the practice of his or her  
27 profession within the state pursuant to chapter 18.32 RCW.

28       (12) "Department" means the Washington state liquor and cannabis  
29 department.

30       (13) "Director" means the director of the department.

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

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

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

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

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

5 (19) "Employee" means any person employed by the (~~board~~)  
6 department.

7 (20) "Flavored malt beverage" means:

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

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

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

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

25 (23) "Importer" means a person who buys distilled spirits from a  
26 distillery outside the state of Washington and imports such  
27 spirituous liquor into the state for sale (~~to the board~~) under this  
28 title or for export.

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

30 (25) "Liquor" includes the four varieties of liquor herein  
31 defined (alcohol, spirits, wine, and beer), and all fermented,  
32 spirituous, vinous, or malt liquor, or combinations thereof, and  
33 mixed liquor, a part of which is fermented, spirituous, vinous or  
34 malt liquor, or otherwise intoxicating; and every liquid or solid or  
35 semisolid or other substance, patented or not, containing alcohol,  
36 spirits, wine, or beer, and all drinks or drinkable liquids and all  
37 preparations or mixtures capable of human consumption, and any  
38 liquid, semisolid, solid, or other substance, which contains more  
39 than one percent of alcohol by weight shall be conclusively deemed to

1 be intoxicating. Liquor does not include confections or food products  
2 that contain one percent or less of alcohol by weight.

3 (26) "Malt beverage" or "malt liquor" means any beverage such as  
4 beer, ale, lager beer, stout, and porter obtained by the alcoholic  
5 fermentation of an infusion or decoction of pure hops, or pure  
6 extract of hops and pure barley malt or other wholesome grain or  
7 cereal in pure water containing not more than eight percent of  
8 alcohol by weight, and not less than one-half of one percent of  
9 alcohol by volume. For the purposes of this title, any such beverage  
10 containing more than eight percent of alcohol by weight shall be  
11 referred to as "strong beer."

12 (27) "Manufacturer" means a person engaged in the preparation of  
13 liquor for sale, in any form whatsoever.

14 (28) "Nightclub" means an establishment that provides  
15 entertainment and has as its primary source of revenue (a) the sale  
16 of alcohol for consumption on the premises, (b) cover charges, or (c)  
17 both.

18 (29) "Package" means any container or receptacle used for holding  
19 liquor.

20 (30) "Passenger vessel" means any boat, ship, vessel, barge, or  
21 other floating craft of any kind carrying passengers for  
22 compensation.

23 (31) "Permit" means a permit for the purchase of liquor under  
24 this title.

25 (32) "Person" means an individual, copartnership, association, or  
26 corporation.

27 (33) "Physician" means a medical practitioner duly and regularly  
28 licensed and engaged in the practice of his or her profession within  
29 the state pursuant to chapter 18.71 RCW.

30 (34) "Powdered alcohol" means any powder or crystalline substance  
31 containing alcohol that is produced for direct use or reconstitution.

32 (35) "Prescription" means a memorandum signed by a physician and  
33 given by him or her to a patient for the obtaining of liquor pursuant  
34 to this title for medicinal purposes.

35 (36) "Public place" includes streets and alleys of incorporated  
36 cities and towns; state or county or township highways or roads;  
37 buildings and grounds used for school purposes; public dance halls  
38 and grounds adjacent thereto; those parts of establishments where  
39 beer may be sold under this title, soft drink establishments, public  
40 buildings, public meeting halls, lobbies, halls and dining rooms of

1 hotels, restaurants, theatres, stores, garages and filling stations  
2 which are open to and are generally used by the public and to which  
3 the public is permitted to have unrestricted access; railroad trains,  
4 stages, and other public conveyances of all kinds and character, and  
5 the depots and waiting rooms used in conjunction therewith which are  
6 open to unrestricted use and access by the public; publicly owned  
7 bathing beaches, parks, and/or playgrounds; and all other places of  
8 like or similar nature to which the general public has unrestricted  
9 right of access, and which are generally used by the public.

10 (~~(37)~~) (~~"Regulations" means regulations made by the board under~~  
11 ~~the powers conferred by this title.~~

12 ~~(38)~~) "Restaurant" means any establishment provided with special  
13 space and accommodations where, in consideration of payment, food,  
14 without lodgings, is habitually furnished to the public, not  
15 including drug stores and soda fountains.

16 ~~((39))~~ (38) "Sale" and "sell" include exchange, barter, and  
17 traffic; and also include the selling or supplying or distributing,  
18 by any means whatsoever, of liquor, or of any liquid known or  
19 described as beer or by any name whatever commonly used to describe  
20 malt or brewed liquor or of wine, by any person to any person; and  
21 also include a sale or selling within the state to a foreign  
22 consignee or his or her agent in the state. "Sale" and "sell" shall  
23 not include the giving, at no charge, of a reasonable amount of  
24 liquor by a person not licensed by the ~~((board))~~ department to a  
25 person not licensed by the ~~((board))~~ department, for personal use  
26 only. "Sale" and "sell" also does not include a raffle authorized  
27 under RCW 9.46.0315: PROVIDED, That the nonprofit organization  
28 conducting the raffle has obtained the appropriate permit from the  
29 ~~((board))~~ department.

30 ~~((40))~~ (39) "Service bar" means a fixed or portable table,  
31 counter, cart, or similar workstation primarily used to prepare, mix,  
32 serve, and sell alcohol that is picked up by employees or customers.  
33 Customers may not be seated or allowed to consume food or alcohol at  
34 a service bar.

35 ~~((41))~~ (40) "Soda fountain" means a place especially equipped  
36 with apparatus for the purpose of dispensing soft drinks, whether  
37 mixed or otherwise.

38 ~~((42))~~ (41) "Spirits" means any beverage which contains alcohol  
39 obtained by distillation, except flavored malt beverages, but  
40 including wines exceeding twenty-four percent of alcohol by volume.

1       (~~(43)~~) "~~Store~~" means a state liquor store established under this  
2 title.

3       ~~(44)~~) (42) "Tavern" means any establishment with special space  
4 and accommodation for sale by the glass and for consumption on the  
5 premises, of beer, as herein defined.

6       (~~(45)~~) (43) "VIP airport lounge" means an establishment within  
7 an international airport located beyond security checkpoints that  
8 provides a special space to sit, relax, read, work, and enjoy  
9 beverages where access is controlled by the VIP airport lounge  
10 operator and is generally limited to the following classifications of  
11 persons:

12       (a) Airline passengers of any age whose admission is based on a  
13 first-class, executive, or business class ticket;

14       (b) Airline passengers of any age who are qualified members or  
15 allowed guests of certain frequent flyer or other loyalty incentive  
16 programs maintained by airlines that have agreements describing the  
17 conditions for access to the VIP airport lounge;

18       (c) Airline passengers of any age who are qualified members or  
19 allowed guests of certain enhanced amenities programs maintained by  
20 companies that have agreements describing the conditions for access  
21 to the VIP airport lounge;

22       (d) Airport and airline employees, government officials, foreign  
23 dignitaries, and other attendees of functions held by the airport  
24 authority or airlines related to the promotion of business objectives  
25 such as increasing international air traffic and enhancing foreign  
26 trade where access to the VIP airport lounge will be controlled by  
27 the VIP airport lounge operator; and

28       (e) Airline passengers of any age or airline employees whose  
29 admission is based on a pass issued or permission given by the  
30 airline for access to the VIP airport lounge.

31       (~~(46)~~) (44) "VIP airport lounge operator" means an airline,  
32 port district, or other entity operating a VIP airport lounge that:  
33 Is accountable for compliance with the alcohol beverage control act  
34 under this title; holds the license under chapter 66.24 RCW issued to  
35 the VIP airport lounge; and provides a point of contact for  
36 addressing any licensing and enforcement by the (~~board~~) department.

37       (~~(47)~~) (45) (a) "Wine" means any alcoholic beverage obtained by  
38 fermentation of fruits (grapes, berries, apples, et cetera) or other  
39 agricultural product containing sugar, to which any saccharine  
40 substances may have been added before, during or after fermentation,

1 and containing not more than twenty-four percent of alcohol by  
2 volume, including sweet wines fortified with wine spirits, such as  
3 port, sherry, muscatel, and angelica, not exceeding twenty-four  
4 percent of alcohol by volume and not less than one-half of one  
5 percent of alcohol by volume. For purposes of this title, any  
6 beverage containing no more than fourteen percent of alcohol by  
7 volume when bottled or packaged by the manufacturer shall be referred  
8 to as "table wine," and any beverage containing alcohol in an amount  
9 more than fourteen percent by volume when bottled or packaged by the  
10 manufacturer shall be referred to as "fortified wine." However,  
11 "fortified wine" shall not include: (i) Wines that are both sealed or  
12 capped by cork closure and aged two years or more; and (ii) wines  
13 that contain more than fourteen percent alcohol by volume solely as a  
14 result of the natural fermentation process and that have not been  
15 produced with the addition of wine spirits, brandy, or alcohol.

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

19 ~~((48))~~ (46) "Wine distributor" means a person who buys wine  
20 from a domestic winery, wine certificate of approval holder, or wine  
21 importer, or who acquires foreign produced wine from a source outside  
22 of the United States, for the purpose of selling the same not in  
23 violation of this title, or who represents such vintner or winery as  
24 agent.

25 ~~((49))~~ (47) "Wine importer" means a person or business within  
26 Washington who purchases wine from a wine certificate of approval  
27 holder or who acquires foreign produced wine from a source outside of  
28 the United States for the purpose of selling the same pursuant to  
29 this title.

30 ~~((50))~~ (48) "Winery" means a business conducted by any person  
31 for the manufacture of wine for sale, other than a domestic winery.

32 **Sec. 3.** RCW 66.08.012 and 2015 c 70 s 3 are each amended to read  
33 as follows:

34 There shall be a ~~((board))~~ department, known as the "Washington  
35 state liquor and cannabis ~~((board))~~ department," consisting of  
36 ~~((three members))~~ a director, to be appointed by the governor, with  
37 the consent of the senate, who shall ~~((each))~~ be paid an annual  
38 salary to be fixed by the governor in accordance with the provisions  
39 of RCW 43.03.040. ~~((The governor may, in his or her discretion,~~



1 ~~appoint one of the members as chair of the board, and a majority of~~  
2 ~~the members shall constitute a quorum of the board.))~~

3 **Sec. 4.** RCW 66.08.014 and 2012 c 117 s 266 are each amended to  
4 read as follows:

5 (1) ~~((The members of the board to be appointed after December 2,~~  
6 ~~1948, shall be appointed for terms beginning January 15, 1949, and~~  
7 ~~expiring as follows: One member of the board for a term of three~~  
8 ~~years from January 15, 1949; one member of the board for a term of~~  
9 ~~six years from January 15, 1949; and one member of the board for a~~  
10 ~~term of nine years from January 15, 1949. Each of the members of the~~  
11 ~~board appointed hereunder shall hold office until his or her~~  
12 ~~successor is appointed and qualified. After June 11, 1986, the term~~  
13 ~~that began on January 15, 1985, will end on January 15, 1989, the~~  
14 ~~term beginning on January 15, 1988, will end on January 15, 1993, and~~  
15 ~~the term beginning on January 15, 1991, will end on January 15, 1997.~~  
16 ~~Thereafter, upon the expiration of the term of any member appointed~~  
17 ~~after June 11, 1986, each succeeding member of the board shall be~~  
18 ~~appointed and hold office for the term of six years. In case of a~~  
19 ~~vacancy, it shall be filled by appointment by the governor for the~~  
20 ~~unexpired portion of the term in which said vacancy occurs. No~~  
21 ~~vacancy in the membership of the board shall impair the right of the~~  
22 ~~remaining member or members to act, except as herein otherwise~~  
23 ~~provided.~~

24 ~~(2))~~ The principal office of the ~~((board))~~ department shall be  
25 at the state capitol, and it may establish such other offices as it  
26 may deem necessary.

27 ~~((3) Any member of the board))~~ (2) The director may be removed  
28 for inefficiency, malfeasance, or misfeasance in office, upon  
29 specific written charges filed by the governor, who shall transmit  
30 such written charges to the ~~((member accused))~~ director and to the  
31 chief justice of the supreme court. The chief justice shall thereupon  
32 designate a tribunal composed of three judges of the superior court  
33 to hear and adjudicate the charges. Such tribunal shall fix the time  
34 of the hearing, which shall be public, and the procedure for the  
35 hearing, and the decision of such tribunal shall be final and not  
36 subject to review by the supreme court. Removal of ~~((any member of~~  
37 ~~the board))~~ the director by the tribunal shall disqualify ~~((such~~  
38 ~~member))~~ the director for reappointment.

1           (~~(4) Each member of the board~~) (3) The director shall devote  
2 his or her entire time to the duties of his or her office and (~~no~~  
3 ~~member of the board shall~~) may not hold any other public office.  
4 Before entering upon the duties of his or her office, (~~each of said~~  
5 ~~members of the board~~) the director shall enter into a surety bond  
6 executed by a surety company authorized to do business in this state,  
7 payable to the state of Washington, to be approved by the governor in  
8 the penal sum of fifty thousand dollars conditioned upon the faithful  
9 performance of his or her duties, and shall take and subscribe to the  
10 oath of office prescribed for elective state officers, which oath and  
11 bond shall be filed with the secretary of state. The premium for said  
12 bond shall be paid by the (~~board~~) department.

13           **Sec. 5.** RCW 66.08.016 and 1961 c 1 s 30 are each amended to read  
14 as follows:

15           The (~~board~~) department may employ such number of employees as  
16 in its judgment are required from time to time.

17           **Sec. 6.** RCW 66.08.020 and 2012 c 2 s 202 are each amended to  
18 read as follows:

19           The administration of this title is vested in the (~~liquor~~  
20 ~~control board~~) department, constituted under this title.

21           **Sec. 7.** RCW 66.08.022 and 2012 c 117 s 267 are each amended to  
22 read as follows:

23           The attorney general shall be the general counsel of the liquor  
24 (~~control board~~) and cannabis department and he or she shall  
25 institute and prosecute all actions and proceedings which may be  
26 necessary in the enforcement and carrying out of the provisions of  
27 this chapter and this title.

28           He or she shall assign such assistants as may be necessary to the  
29 exclusive duty of assisting the (~~liquor control board~~) department  
30 in the enforcement of this title.

31           **Sec. 8.** RCW 66.08.024 and 1987 c 74 s 1 are each amended to read  
32 as follows:

33           The state auditor shall audit the books, records, and affairs of  
34 the (~~board~~) department annually. The (~~board~~) department may  
35 provide for additional audits by certified public accountants. All  
36 such audits shall be public records of the state. The payment of the

1 audits provided for in this section shall be paid as provided in RCW  
2 66.08.026 for other administrative expenses.

3 **Sec. 9.** RCW 66.08.026 and 2012 c 2 s 203 are each amended to  
4 read as follows:

5 Administrative expenses of the ((board)) department must be  
6 appropriated and paid from the liquor revolving fund. These  
7 administrative expenses include, but ((not be [are not])) are not  
8 limited to: The salaries and expenses of the ((board)) department and  
9 its employees, legal services, pilot projects, annual or other  
10 audits, and other general costs of conducting the business of the  
11 ((board)) department. The administrative expenses do not include  
12 those amounts distributed pursuant to RCW 66.08.180, 66.08.190,  
13 66.08.200, or 66.08.210. ((Agency commissions for contract liquor  
14 stores must be established by the liquor control board after  
15 consultation with and approval by the director of the office of  
16 financial management.)) All expenditures and payment of obligations  
17 authorized by this section are subject to the allotment requirements  
18 of chapter 43.88 RCW.

19 **Sec. 10.** RCW 66.08.030 and 2014 c 63 s 2 are each amended to  
20 read as follows:

21 ((The power of the board to make regulations under chapter 34.05  
22 RCW extends to)) The department may adopt rules:

23 (1) Prescribing the duties of the employees of the ((board))  
24 department, and regulating their conduct in the discharge of their  
25 duties;

26 (2) Prescribing an official seal and official labels and stamps  
27 and determining the manner in which they must be attached to every  
28 package of liquor sold or sealed under this title, including the  
29 prescribing of different official seals or different official labels  
30 for different classes of liquor;

31 (3) Prescribing forms to be used for purposes of this title or  
32 the ((regulations)) rules adopted by the department, and the terms  
33 and conditions to be contained in permits and licenses issued under  
34 this title, and the qualifications for receiving a permit or license  
35 issued under this title, including a criminal history record  
36 information check. The ((board)) department may submit the criminal  
37 history record information check to the Washington state patrol and  
38 to the identification division of the federal bureau of investigation

1 in order that these agencies may search their records for prior  
2 arrests and convictions of the individual or individuals who filled  
3 out the forms. The ((~~board~~)) department must require fingerprinting  
4 of any applicant whose criminal history record information check is  
5 submitted to the federal bureau of investigation;

6 (4) Prescribing the fees payable in respect of permits and  
7 licenses issued under this title for which no fees are prescribed in  
8 this title, and prescribing the fees for anything done or permitted  
9 to be done under ((~~the regulations~~)) department rules;

10 (5) Prescribing the kinds and quantities of liquor which may be  
11 kept on hand by the holder of a special permit for the purposes named  
12 in the permit, regulating the manner in which the same is kept and  
13 disposed of, and providing for the inspection of the same at any time  
14 at the instance of the ((~~board~~)) department;

15 (6) Regulating the sale of liquor kept by the holders of licenses  
16 which entitle the holder to purchase and keep liquor for sale;

17 (7) Prescribing the records of purchases or sales of liquor kept  
18 by the holders of licenses, and the reports to be made thereon to the  
19 ((~~board~~)) department, and providing for inspection of the records so  
20 kept;

21 (8) Prescribing the kinds and quantities of liquor for which a  
22 prescription may be given, and the number of prescriptions which may  
23 be given to the same patient within a stated period;

24 (9) Prescribing the manner of giving and serving notices required  
25 by this title or ((~~the regulations~~)) department rules, where not  
26 otherwise provided for in this title;

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

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

37 (12) Prescribing the conditions, accommodations, and  
38 qualifications requisite for the obtaining of licenses to sell beer,  
39 wines, and spirits, and regulating the sale of beer, wines, and  
40 spirits thereunder;

1 (13) Specifying and regulating the time and periods when, and the  
2 manner, methods and means by which manufacturers must deliver liquor  
3 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 (14) Providing for the making of returns by brewers of their  
7 sales of beer shipped within the state, or from the state, showing  
8 the gross amount of such sales and providing for the inspection of  
9 brewers' books and records, and for the checking of the accuracy of  
10 any such returns;

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

13 (16) Providing for the making of returns by any other liquor  
14 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,  
18 and for the checking of any such return;

19 (17) Providing for the giving of fidelity bonds by any or all of  
20 the employees of the (~~board~~) department. However, the premiums  
21 therefor must be paid by the (~~board~~) department;

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

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

32 (20) Seizing, confiscating and destroying all alcoholic beverages  
33 manufactured, sold or offered for sale within this state which do not  
34 conform in all respects to the standards prescribed by this title or  
35 the (~~regulations of the board~~) department rules. However, nothing  
36 herein contained may be construed as authorizing the (~~liquor board~~)  
37 department to prescribe, alter, limit or in any way change the  
38 present law as to the quantity or percentage of alcohol used in the  
39 manufacturing of wine or other alcoholic beverages;

1 (21) Monitoring and regulating the practices of license holders  
2 as necessary in order to prevent the theft and illegal trafficking of  
3 liquor pursuant to RCW 66.28.350.

4 **Sec. 11.** RCW 66.08.050 and 2015 2nd sp.s. c 4 s 601 are each  
5 amended to read as follows:

6 The ((~~board~~)) department, subject to the provisions of this title  
7 and the rules, must:

8 (1) Determine the nature, form and capacity of all packages to be  
9 used for containing liquor kept for sale under this title;

10 (2) Execute or cause to be executed, all contracts, papers, and  
11 documents in the name of the ((~~board~~)) department, under ((~~such~~  
12 ~~regulations as the board may fix~~)) department rules;

13 (3) Pay all customs, duties, excises, charges and obligations  
14 whatsoever relating to the business of the ((~~board~~)) department;

15 (4) Require bonds from all employees in the discretion of the  
16 ((~~board~~)) department, and to determine the amount of fidelity bond of  
17 each such employee;

18 (5) Perform services for the state lottery commission to such  
19 extent, and for such compensation, as may be mutually agreed upon  
20 between the ((~~board~~)) department and the commission;

21 (6) Accept and deposit into the general fund-local account and  
22 disburse, subject to appropriation, federal grants or other funds or  
23 donations from any source for the purpose of improving public  
24 awareness of the health risks associated with alcohol and marijuana  
25 consumption by youth and the abuse of alcohol and marijuana by adults  
26 in Washington state. The ((~~board's~~)) department's alcohol awareness  
27 program must cooperate with federal and state agencies, interested  
28 organizations, and individuals to effect an active public beverage  
29 alcohol awareness program;

30 (7) Monitor and regulate the practices of licensees as necessary  
31 in order to prevent the theft and illegal trafficking of liquor  
32 pursuant to RCW 66.28.350;

33 (8) Perform all other matters and things, whether similar to the  
34 foregoing or not, to carry out the provisions of this title, and has  
35 full power to do each and every act necessary to the conduct of its  
36 regulatory functions, including all supplies procurement, preparation  
37 and approval of forms, and every other undertaking necessary to  
38 perform its regulatory functions whatsoever, subject only to audit by  
39 the state auditor. However, the ((~~board~~)) department has no authority

1 to regulate the content of spoken language on licensed premises where  
2 wine and other liquors are served and where there is not a clear and  
3 present danger of disorderly conduct being provoked by such language  
4 or to restrict advertising of lawful prices.

5 **Sec. 12.** RCW 66.08.0501 and 1997 c 321 s 56 are each amended to  
6 read as follows:

7 The (~~liquor control board~~) department may adopt appropriate  
8 rules pursuant to chapter 34.05 RCW for the purpose of carrying out  
9 the provisions of chapter 321, Laws of 1997.

10 **Sec. 13.** RCW 66.08.055 and 1933 ex.s. c 62 s 80 are each amended  
11 to read as follows:

12 (~~Every member of the board,~~) The director and every employee  
13 authorized by the (~~board~~) department to issue permits under this  
14 title may administer any oath and take and receive any affidavit or  
15 declaration required under this title or (~~the regulations~~)  
16 department rules.

17 **Sec. 14.** RCW 66.08.060 and 2012 c 2 s 108 are each amended to  
18 read as follows:

19 The (~~board has power to~~) department may adopt any and all  
20 reasonable rules as to the kind, character, and location of  
21 advertising of liquor.

22 **Sec. 15.** RCW 66.08.080 and 2012 c 117 s 268 are each amended to  
23 read as follows:

24 Except as provided by chapter 42.52 RCW, (~~no member of the board~~  
25 ~~and no employee of the board~~) neither the director nor any  
26 department employee shall have any interest, directly or indirectly,  
27 in the manufacture of liquor or in any liquor sold under this title,  
28 or derive any profit or remuneration from the sale of liquor, other  
29 than the salary or wages payable to him or her in respect of his or  
30 her office or position, and shall receive no gratuity from any person  
31 in connection with such business.

32 **Sec. 16.** RCW 66.08.090 and 1933 ex.s. c 62 s 31 are each amended  
33 to read as follows:

1 No employee shall sell liquor in any other place, nor at any  
2 other time, nor otherwise than as authorized by the (~~board~~)  
3 department under this title and (~~the regulations~~) department rules.

4 **Sec. 17.** RCW 66.08.095 and 1993 c 26 s 3 are each amended to  
5 read as follows:

6 The (~~liquor control board~~) department may provide liquor at no  
7 charge, including liquor forfeited under chapter 66.32 RCW, to  
8 recognized law enforcement agencies within the state when the law  
9 enforcement agency will be using the liquor for bona fide law  
10 enforcement training or investigation purposes.

11 **Sec. 18.** RCW 66.08.100 and 2017 c 317 s 4 are each amended to  
12 read as follows:

13 No court of the state of Washington other than the superior court  
14 of Thurston county shall have jurisdiction over any action or  
15 proceeding against the (~~board or any member thereof~~) department or  
16 director for anything done or omitted to be done in or arising out of  
17 the performance of his or her or their duties under this title.  
18 Neither the (~~board~~) director nor any member or members thereof  
19 shall be personally liable in any action at law for damages sustained  
20 by any person because of any acts performed or done or omitted to be  
21 done by the (~~board~~) department or any employee of the (~~board~~)  
22 department in the performance of his or her duties and in the  
23 administration of this title or chapter 69.50 or 69.51A RCW.

24 **Sec. 19.** RCW 66.08.120 and 1933 ex.s. c 62 s 29 are each amended  
25 to read as follows:

26 No municipality or county shall have power to license the sale  
27 of, or impose an excise tax upon, liquor as defined in this title, or  
28 to license the sale or distribution thereof in any manner; and any  
29 power now conferred by law on any municipality or county to license  
30 premises which may be licensed under this section, or to impose an  
31 excise tax upon liquor, or to license the sale and distribution  
32 thereof, as defined in this title, shall be suspended and shall be of  
33 no further effect: PROVIDED, That municipalities and counties shall  
34 have power to adopt police ordinances and regulations not in conflict  
35 with this title or with (~~the regulations made by the board~~)  
36 department rules.



1       **Sec. 20.** RCW 66.08.130 and 1981 1st ex.s. c 5 s 4 are each  
2 amended to read as follows:

3       For the purpose of obtaining information concerning any matter  
4 relating to the administration or enforcement of this title, the  
5 (~~board~~) department, or any person appointed by it in writing for  
6 the purpose, may inspect the books and records of

7       (1) any manufacturer;

8       (2) any license holder;

9       (3) any drug store holding a permit to sell on prescriptions;

10       (4) the freight and express books and records and all waybills,  
11 bills of lading, receipts and documents in the possession of any  
12 common carrier doing business within the state, containing any  
13 information or record relating to any goods shipped or carried, or  
14 consigned or received for shipment or carriage within the state.  
15 Every manufacturer, license holder, drug store holding a permit to  
16 sell on prescriptions, and common carrier, and every owner or officer  
17 or employee of the foregoing, who neglects or refuses to produce and  
18 submit for inspection any book, record or document referred to in  
19 this section when requested to do so by the (~~board~~) department or  
20 by a person so appointed by it shall be guilty of a violation of this  
21 title.

22       **Sec. 21.** RCW 66.08.140 and 1945 c 48 s 1 are each amended to  
23 read as follows:

24       For the purpose of obtaining information concerning any matter  
25 relating to the administration or enforcement of this title, the  
26 (~~board~~) department, or any person appointed by it in writing for  
27 the purpose, may inspect the books, documents and records of any  
28 person lending money to or in any manner financing any license,  
29 holder or applicant for license insofar as such books, documents  
30 and/or records pertain to the financial transaction involved. Every  
31 person who neglects or refuses to produce and submit for inspection  
32 any book, record or document as required by this section when  
33 requested to do so by the (~~board~~) department or by a person duly  
34 appointed by it shall be guilty of a violation of this title.

35       **Sec. 22.** RCW 66.08.145 and 2016 sp.s. c 38 s 29 are each amended  
36 to read as follows:

37       (1) The (~~liquor and cannabis board~~) department may issue  
38 subpoenas in connection with any investigation, hearing, or

1 proceeding for the production of books, records, and documents held  
2 under this chapter or chapters 70.155, 70.158, 70.345, 82.24, and  
3 82.26 RCW, and books and records of common carriers as defined in RCW  
4 81.80.010, or vehicle rental agencies relating to the transportation  
5 or possession of cigarettes or other tobacco products.

6 (2) The (~~liquor and cannabis board~~) department may designate  
7 individuals authorized to sign subpoenas.

8 (3) If any person is served a subpoena from the (~~board~~)  
9 department for the production of records, documents, and books, and  
10 fails or refuses to obey the subpoena for the production of records,  
11 documents, and books when required to do so, the person is subject to  
12 proceedings for contempt, and the (~~board~~) department may institute  
13 contempt of court proceedings in the superior court of Thurston  
14 county or in the county in which the person resides.

15 **Sec. 23.** RCW 66.08.150 and 2012 c 39 s 5 are each amended to  
16 read as follows:

17 The action, order, or decision of the (~~board~~) department as to  
18 any denial of an application for the reissuance of a permit or  
19 license or as to any revocation, suspension, or modification of any  
20 permit or license must be an adjudicative proceeding and subject to  
21 the applicable provisions of chapter 34.05 RCW.

22 (1) An opportunity for a hearing may be provided an applicant for  
23 the reissuance of a permit or license prior to the disposition of the  
24 application, and if no such opportunity for a prior hearing is  
25 provided then an opportunity for a hearing to reconsider the  
26 application must be provided the applicant.

27 (2) An opportunity for a hearing must be provided a permittee or  
28 licensee prior to a revocation or modification of any permit or  
29 license and, except as provided in subsection (4) of this section,  
30 prior to the suspension of any permit or license.

31 (3) No hearing may be required until demanded by the applicant,  
32 permittee, or licensee.

33 (4) The (~~board~~) department may summarily suspend a license or  
34 permit for a period of up to one hundred eighty days without a prior  
35 hearing if it finds that public health, safety, or welfare  
36 imperatively require emergency action, and it incorporates a finding  
37 to that effect in its order. Proceedings for revocation or other  
38 action must be promptly instituted and determined. An administrative  
39 law judge may extend the summary suspension period for up to one

1 calendar year in the event the proceedings for revocation or other  
2 action cannot be completed during the initial one hundred eighty day  
3 period due to actions by the licensee or permittee. The ((~~board's~~))  
4 department's enforcement division must complete a preliminary staff  
5 investigation of the violation before requesting an emergency  
6 suspension by the ((~~board~~)) department.

7 (5) The issues that may be considered at a hearing to contest a  
8 suspension of a license or the denial of an application for a new  
9 license or renewal of an existing license, under RCW 66.24.010(3)(c),  
10 do not include the right to challenge the amount of any spirits taxes  
11 assessed against the licensee or applicant by the department of  
12 revenue. For purposes of this subsection, "spirits taxes" has the  
13 same meaning as in RCW 82.08.155.

14 **Sec. 24.** RCW 66.08.170 and 2017 3rd sp.s. c 1 s 978 are each  
15 amended to read as follows:

16 There shall be a fund, known as the "liquor revolving fund,"  
17 which shall consist of all license fees, permit fees, penalties,  
18 forfeitures, and all other moneys, income, or revenue received by the  
19 ((~~board~~)) department. The state treasurer shall be custodian of the  
20 fund. All moneys received by the ((~~board~~)) department or any employee  
21 thereof, except for change funds and an amount of petty cash as fixed  
22 by the ((~~board~~)) department within the authority of law shall be  
23 deposited each day in a depository approved by the state treasurer  
24 and transferred to the state treasurer to be credited to the liquor  
25 revolving fund. During the 2009-2011 fiscal biennium, the legislature  
26 may transfer funds from the liquor revolving ((~~account—[fund]~~)) fund  
27 to the state general fund and may direct an additional amount of  
28 liquor profits to be distributed to local governments. Neither the  
29 transfer of funds nor the additional distribution of liquor profits  
30 to local governments during the 2009-2011 fiscal biennium may reduce  
31 the excess fund distributions that otherwise would occur under RCW  
32 66.08.190. During the 2011-2013 fiscal biennium, the state treasurer  
33 shall transfer from the liquor revolving fund to the state general  
34 fund forty-two million five hundred thousand dollars for fiscal year  
35 2012 and forty-two million five hundred thousand dollars for fiscal  
36 year 2013. The transfer during the 2011-2013 fiscal biennium may not  
37 reduce the excess fund distributions that otherwise would occur under  
38 RCW 66.08.190. Sales to licensees are exempt from any liquor price  
39 increases that may result from the transfer of funds from the liquor

1 revolving fund to the state general fund during the 2011-2013 fiscal  
2 biennium. Disbursements from the revolving fund shall be on  
3 authorization of the ((~~board~~)) department or a duly authorized  
4 representative thereof. During the 2017-2019 fiscal biennium, the  
5 legislature may also appropriate from the account for local  
6 government studies. In order to maintain an effective expenditure and  
7 revenue control the liquor revolving fund shall be subject in all  
8 respects to chapter 43.88 RCW but no appropriation shall be required  
9 to permit expenditures and payment of obligations from such fund.  
10 During the 2013-2015 and 2015-2017 fiscal biennia, the legislature  
11 may transfer from the liquor revolving fund to the state general fund  
12 such amounts as reflect the excess fund balance of the account.

13 **Sec. 25.** RCW 66.08.180 and 2011 c 325 s 7 are each amended to  
14 read as follows:

15 Except as provided in RCW 66.24.290(1), moneys in the liquor  
16 revolving fund shall be distributed by the ((~~board~~)) department at  
17 least once every three months in accordance with RCW 66.08.190,  
18 66.08.200 and 66.08.210. However, the ((~~board~~)) department shall  
19 reserve from distribution such amount not exceeding five hundred  
20 thousand dollars as may be necessary for the proper administration of  
21 this title.

22 (1) All license fees, penalties, and forfeitures derived under  
23 chapter 13, Laws of 1935 from spirits, beer, and wine restaurant;  
24 spirits, beer, and wine private club; hotel; spirits, beer, and wine  
25 nightclub; spirits, beer, and wine VIP airport lounge; and sports  
26 entertainment facility licenses shall every three months be disbursed  
27 by the ((~~board~~)) department as follows:

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

31 (b) Of the remaining funds:

32 (i) 6.06 percent to the University of Washington and 4.04 percent  
33 to Washington State University for alcoholism and drug abuse research  
34 and for the dissemination of such research; and

35 (ii) 89.9 percent to the general fund to be used by the  
36 department of social and health services solely to carry out the  
37 purposes of RCW ((~~70.96A.050~~)) 71.24.535;

38 (2) The first fifty-five dollars per license fee provided in RCW  
39 66.24.320 and 66.24.330 up to a maximum of one hundred fifty thousand

1 dollars annually shall be disbursed every three months by the  
2 ((board)) department to the general fund to be used for juvenile  
3 alcohol and drug prevention programs for kindergarten through third  
4 grade to be administered by the superintendent of public instruction;

5 (3) Twenty percent of the remaining total amount derived from  
6 license fees pursuant to RCW 66.24.320, 66.24.330, 66.24.350, and  
7 66.24.360, shall be transferred to the general fund to be used by the  
8 department of social and health services solely to carry out the  
9 purposes of RCW ((70.96A.050)) 71.24.535; and

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

20 NEW SECTION. **Sec. 26.** All references to the Washington state  
21 liquor and cannabis board in the Revised Code of Washington shall be  
22 construed to mean the Washington state liquor and cannabis  
23 department.

24 NEW SECTION. **Sec. 27.** The code reviser shall prepare a bill for  
25 introduction in the 2020 legislative session that changes references  
26 from the Washington state liquor and cannabis board to the Washington  
27 state liquor and cannabis department.

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