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**SUBSTITUTE HOUSE BILL 2686**

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**State of Washington**

**66th Legislature**

**2020 Regular Session**

**By** House Commerce & Gaming (originally sponsored by Representatives Orwall, MacEwen, DeBolt, Blake, Fey, Vick, and Springer)

READ FIRST TIME 02/07/20.

1 AN ACT Relating to excluding the common carrier licensees from  
2 the definition of retailer for the purposes of the three-tier system;  
3 and amending RCW 66.28.295.

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

5 **Sec. 1.** RCW 66.28.295 and 2011 c 66 s 2 are each amended to read  
6 as follows:

7 Nothing in RCW 66.28.290 shall prohibit:

8 (1) A licensed domestic brewery or microbrewery from being  
9 licensed as a retailer pursuant to chapter 66.24 RCW for the purpose  
10 of selling beer or wine at retail on the brewery premises and at one  
11 additional off-site retail only location.

12 (2) A domestic winery from being licensed as a retailer pursuant  
13 to chapter 66.24 RCW for the purpose of selling beer or wine at  
14 retail on the winery premises. Such beer and wine so sold at retail  
15 shall be subject to the taxes imposed by RCW 66.24.290 and 66.24.210  
16 and to reporting and bonding requirements as prescribed by  
17 regulations adopted by the board pursuant to chapter 34.05 RCW, and  
18 beer and wine that is not produced by the brewery or winery shall be  
19 purchased from a licensed beer or wine distributor.

1 (3) A microbrewery holding a beer and/or wine restaurant license  
2 under RCW 66.24.320 from holding the same privileges and endorsements  
3 attached to the beer and/or wine restaurant license.

4 (4) A licensed craft distillery from selling spirits of its own  
5 production under RCW 66.24.145.

6 (5) A licensed distiller, domestic brewery, microbrewery,  
7 domestic winery, or a lessee of a licensed domestic brewer,  
8 microbrewery, or domestic winery, from being licensed as a spirits,  
9 beer, and wine restaurant pursuant to chapter 66.24 RCW for the  
10 purpose of selling liquor at a spirits, beer, and wine restaurant  
11 premises on the property on which the primary manufacturing facility  
12 of the licensed distiller, domestic brewer, microbrewery, or domestic  
13 winery is located or on contiguous property owned or leased by the  
14 licensed distiller, domestic brewer, microbrewery, or domestic winery  
15 as prescribed by rules adopted by the board pursuant to chapter 34.05  
16 RCW.

17 (6) A microbrewery holding a spirits, beer, and wine restaurant  
18 license under RCW 66.24.420 from holding the same privileges and  
19 endorsements attached to the spirits, beer, and wine restaurant  
20 license.

21 (7) A brewery or microbrewery holding a spirits, beer, and wine  
22 restaurant license or a beer and/or wine license under chapter 66.24  
23 RCW operated on the premises of the brewery or microbrewery from  
24 holding a second retail only license at a location separate from the  
25 premises of the brewery or microbrewery.

26 (8) Retail licensees with a caterer's endorsement issued under  
27 RCW 66.24.320 or 66.24.420 from operating on a domestic winery  
28 premises.

29 (9) An organization qualifying under RCW 66.24.375 formed for the  
30 purpose of constructing and operating a facility to promote  
31 Washington wines from holding retail licenses on the facility  
32 property or leasing all or any portion of such facility property to a  
33 retail licensee on the facility property if the members of the board  
34 of directors or officers of the board for the organization include  
35 officers, directors, owners, or employees of a licensed domestic  
36 winery. Financing for the construction of the facility must include  
37 both public and private money.

38 (10) A bona fide charitable nonprofit society or association  
39 registered under Title 26 U.S.C. Sec. 501(c)(3) of the federal  
40 internal revenue code, or a local wine industry association

1 registered under Title 26 U.S.C. Sec. 501(c)(6) of the federal  
2 internal revenue code as it existed on July 22, 2007, and having an  
3 officer, director, owner, or employee of a licensed domestic winery  
4 or a wine certificate of approval holder on its board of directors  
5 from holding a special occasion license under RCW 66.24.380.

6 (11) A person licensed pursuant to RCW 66.24.170, 66.24.240, or  
7 66.24.244 from exercising the privileges of distributing and selling  
8 at retail such person's own production or from exercising any other  
9 right or privilege that attaches to such license.

10 (12) A person holding a certificate of approval pursuant to RCW  
11 66.24.206 from obtaining an endorsement to act as a distributor of  
12 their own product or from shipping their own product directly to  
13 consumers as authorized by RCW 66.20.360.

14 (13) A person holding a wine shipper's permit pursuant to RCW  
15 66.20.375 from shipping their own product directly to consumers.

16 (14) A person holding a certificate of approval pursuant to RCW  
17 66.24.270(2) from obtaining an endorsement to act as a distributor of  
18 their own product.

19 (15) A domestic winery and a restaurant licensed under RCW  
20 66.24.320 or 66.24.400 from entering an arrangement to waive a  
21 corkage fee.

22 (16) A common carrier licensed under RCW 66.24.395 from:

23 (a) Transporting liquor without charge or at a discounted rate  
24 when the liquor was purchased by a ticketed passenger and is not  
25 intended to be sold for resale;

26 (b) Displaying or distributing information about an industry  
27 member provided the industry member did not pay the common carrier to  
28 have the information displayed or distributed;

29 (c) Sponsoring any public or private event including those hosted  
30 by or otherwise affiliated with an industry member;

31 (d) Accepting payment from an industry member for advertising,  
32 provided:

33 (i) The advertising appears in a publication produced and  
34 distributed to passengers of the common carrier;

35 (ii) The amount of the payment is consistent with the advertising  
36 rates paid by other advertisers purchasing similar advertisements in  
37 the same publication; and

38 (iii) The payment is not used as an inducement to purchase the  
39 products of the industry member paying for the advertising nor does  
40 it result in the exclusion of products of other industry members.

1       (17) An industry member, subject to the requirements of its  
2 license, from entering into an arrangement to provide tastings with  
3 or without charge to passengers of a common carrier holding a license  
4 under RCW 66.24.395.

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