

3SHB 1359 - S COMM AMD
By Committee on Ways & Means

ADOPTED 03/10/2022

1 Strike everything after the enacting clause and insert the
2 following:

3 "NEW SECTION. **Sec. 1.** The legislature finds that operations of
4 businesses in the hospitality industry have been significantly
5 disrupted since the beginning of the COVID-19 pandemic. Many of these
6 businesses, including restaurants, hotels, theaters, caterers, and
7 nightclubs maintain state liquor licenses in order to offer their
8 customers beer, wine, or spirits as products or amenities as
9 authorized under the terms of their licenses. However, many
10 licensees' businesses were completely or partially closed for much of
11 2020 and continue to be closed or substantially disrupted in 2021 and
12 2022. Recognizing many licensees' inability to fully operate and use
13 their license, and the financial hardships faced by many licensees,
14 the legislature intends to provide relief to the hospitality industry
15 by reducing certain liquor license fees in 2022 and 2023.

16 **Sec. 2.** RCW 66.24.420 and 2021 c 6 s 9 are each amended to read
17 as follows:

18 (1) The spirits, beer, and wine restaurant license shall be
19 issued in accordance with the following schedule of annual fees:

20 (a) The annual fee for a spirits, beer, and wine restaurant
21 license shall be graduated according to the dedicated dining area and
22 type of service provided as follows:

23	Less than 50% dedicated dining area	(((\$2,000))
24		<u>\$1,000</u>
25	50% or more dedicated dining area	(((\$1,600))
26		<u>\$800</u>
27	Service bar only	(((\$1,000))
28		<u>\$500</u>

29 (b) The annual fee for the license when issued to any other
30 spirits, beer, and wine restaurant licensee outside of incorporated

1 cities and towns shall be prorated according to the calendar
2 quarters, or portion thereof, during which the licensee is open for
3 business, except in case of suspension or revocation of the license.

4 (c) Where the license shall be issued to any corporation,
5 association or person operating a bona fide restaurant in an airport
6 terminal facility providing service to transient passengers with more
7 than one place where liquor is to be dispensed and sold, such license
8 shall be issued upon the payment of the annual fee, which shall be a
9 master license and shall permit such sale within and from one such
10 place. Such license may be extended to additional places on the
11 premises at the discretion of the board and a duplicate license may
12 be issued for each such additional place. The holder of a master
13 license for a restaurant in an airport terminal facility must
14 maintain in a substantial manner at least one place on the premises
15 for preparing, cooking, and serving of complete meals, and such food
16 service shall be available on request in other licensed places on the
17 premises. An additional license fee of twenty-five percent of the
18 annual master license fee shall be required for such duplicate
19 licenses.

20 (d) Where the license shall be issued to any corporation,
21 association, or person operating dining places at a publicly or
22 privately owned civic or convention center with facilities for
23 sports, entertainment, or conventions, or a combination thereof, with
24 more than one place where liquor is to be dispensed and sold, such
25 license shall be issued upon the payment of the annual fee, which
26 shall be a master license and shall permit such sale within and from
27 one such place. Such license may be extended to additional places on
28 the premises at the discretion of the board and a duplicate license
29 may be issued for each such additional place. The holder of a master
30 license for a dining place at such a publicly or privately owned
31 civic or convention center must maintain in a substantial manner at
32 least one place on the premises for preparing, cooking, and serving
33 of complete meals, and food service shall be available on request in
34 other licensed places on the premises. An additional license fee of
35 ten dollars shall be required for such duplicate licenses.

36 (e) The annual fees in this subsection (1) are waived during the
37 12-month period beginning with the second calendar month after
38 February 28, 2021, for:

39 (i) Licenses that expire during the 12-month waiver period under
40 this subsection (1)(e); and

1 (ii) Licenses issued to persons previously licensed under this
2 section at any time during the 12-month period prior to the 12-month
3 waiver period under this subsection (1)(e).

4 (f) The waivers in (e) of this subsection do not apply to any
5 licensee that:

6 (i) Had their license suspended by the board for health and
7 safety violations of state COVID-19 guidelines; or

8 (ii) Received an order of immediate restraint or citation from
9 the department of labor and industries for allowing an employee to
10 perform work where business activity was prohibited in violation of
11 an emergency proclamation of the governor under RCW 43.06.220.

12 (g) Upon request of the department of revenue, the board and the
13 department of labor and industries must both provide a list of
14 persons that they have determined to be ineligible for a fee waiver
15 under (e) of this subsection for the reasons described in (f) of this
16 subsection. Unless otherwise agreed, any list must be received by the
17 department of revenue no later than 15 calendar days after the
18 request is made.

19 (2) The board, so far as in its judgment is reasonably possible,
20 shall confine spirits, beer, and wine restaurant licenses to the
21 business districts of cities and towns and other communities, and not
22 grant such licenses in residential districts, nor within the
23 immediate vicinity of schools, without being limited in the
24 administration of this subsection to any specific distance
25 requirements.

26 (3) The board shall have discretion to issue spirits, beer, and
27 wine restaurant licenses outside of cities and towns in the state of
28 Washington. The purpose of this subsection is to enable the board, in
29 its discretion, to license in areas outside of cities and towns and
30 other communities, establishments which are operated and maintained
31 primarily for the benefit of tourists, vacationers and travelers, and
32 also golf and country clubs, and common carriers operating dining,
33 club and buffet cars, or boats.

34 (4) The combined total number of spirits, beer, and wine
35 nightclub licenses, and spirits, beer, and wine restaurant licenses
36 issued in the state of Washington by the board, not including
37 spirits, beer, and wine private club licenses, shall not in the
38 aggregate at any time exceed one license for each one thousand two
39 hundred of population in the state, determined according to the

1 yearly population determination developed by the office of financial
2 management pursuant to RCW 43.62.030.

3 (5) Notwithstanding the provisions of subsection (4) of this
4 section, the board shall refuse a spirits, beer, and wine restaurant
5 license to any applicant if in the opinion of the board the spirits,
6 beer, and wine restaurant licenses already granted for the particular
7 locality are adequate for the reasonable needs of the community.

8 (6)(a) The board may issue a caterer's endorsement to this
9 license to allow the licensee to remove the liquor stocks at the
10 licensed premises, for use as liquor for sale and service at event
11 locations at a specified date and, except as provided in subsection
12 (7) of this section, place not currently licensed by the board. If
13 the event is open to the public, it must be sponsored by a society or
14 organization as defined by RCW 66.24.375. If attendance at the event
15 is limited to members or invited guests of the sponsoring individual,
16 society, or organization, the requirement that the sponsor must be a
17 society or organization as defined by RCW 66.24.375 is waived. Cost
18 of the endorsement is three hundred fifty dollars.

19 (b) The holder of this license with a catering endorsement shall,
20 if requested by the board, notify the board or its designee of the
21 date, time, place, and location of any catered event. Upon request,
22 the licensee shall provide to the board all necessary or requested
23 information concerning the society or organization that will be
24 holding the function at which the endorsed license will be utilized.

25 (c) The holder of this license with a caterer's endorsement may,
26 under conditions established by the board, store liquor on the
27 premises of another not licensed by the board so long as there is a
28 written agreement between the licensee and the other party to provide
29 for ongoing catering services, the agreement contains no exclusivity
30 clauses regarding the alcoholic beverages to be served, and the
31 agreement is filed with the board.

32 (d) The holder of this license with a caterer's endorsement may,
33 under conditions established by the board, store liquor on other
34 premises operated by the licensee so long as the other premises are
35 owned or controlled by a leasehold interest by that licensee. A
36 duplicate license may be issued for each additional premises. A
37 license fee of twenty dollars shall be required for such duplicate
38 licenses.

39 (7) Licensees under this section that hold a caterer's
40 endorsement are allowed to use this endorsement on a domestic winery

1 premises or on the premises of a passenger vessel and may store
2 liquor at such premises under conditions established by the board
3 under the following conditions:

4 (a) Agreements between the domestic winery or passenger vessel,
5 as the case may be, and the retail licensee shall be in writing,
6 contain no exclusivity clauses regarding the alcoholic beverages to
7 be served, and be filed with the board; and

8 (b) The domestic winery or passenger vessel, as the case may be,
9 and the retail licensee shall be separately contracted and
10 compensated by the persons sponsoring the event for their respective
11 services.

12 **Sec. 3.** RCW 66.24.590 and 2021 c 6 s 14 are each amended to read
13 as follows:

14 (1) There is a retailer's license to be designated as a hotel
15 license. No license may be issued to a hotel offering rooms to its
16 guests on an hourly basis. Food service provided for room service,
17 banquets or conferences, or restaurant operation under this license
18 must meet the requirements of rules adopted by the board.

19 (2) The hotel license authorizes the licensee to:

20 (a) Sell spirituous liquor, beer, and wine, by the individual
21 glass, at retail, for consumption on the premises, including mixed
22 drinks and cocktails compounded and mixed on the premises;

23 (b) Sell, at retail, from locked honor bars, in individual units,
24 spirits not to exceed fifty milliliters, beer in individual units not
25 to exceed twelve ounces, and wine in individual bottles not to exceed
26 three hundred eighty-five milliliters, to registered guests of the
27 hotel for consumption in guest rooms. The licensee must require proof
28 of age from the guest renting a guest room and requesting the use of
29 an honor bar. The guest must also execute an affidavit verifying that
30 no one under twenty-one years of age will have access to the spirits,
31 beer, and wine in the honor bar;

32 (c) Provide without additional charge, to overnight guests,
33 spirits, beer, and wine by the individual serving for on-premises
34 consumption at a specified regular date, time, and place as may be
35 fixed by the board. Self-service by attendees is prohibited;

36 (d) Sell beer, including strong beer, wine, or spirits, in the
37 manufacturer's sealed container or by the individual drink to guests
38 through room service, or through service to occupants of private

1 residential units which are part of the buildings or complex of
2 buildings that include the hotel;

3 (e) Sell beer, including strong beer, spirits, or wine, in the
4 manufacturer's sealed container at retail sales locations within the
5 hotel premises;

6 (f) Sell beer to a purchaser in a sanitary container brought to
7 the premises by the purchaser or furnished by the licensee and filled
8 at the tap in the restaurant area by the licensee at the time of
9 sale;

10 (g) Sell for on or off-premises consumption, including through
11 room service and service to occupants of private residential units
12 managed by the hotel, wine carrying a label exclusive to the hotel
13 license holder;

14 (h) Place in guest rooms at check-in, a complimentary bottle of
15 liquor in a manufacturer-sealed container, and make a reference to
16 this service in promotional material.

17 (3) If all or any facilities for alcoholic beverage service and
18 the preparation, cooking, and serving of food are operated under
19 contract or joint venture agreement, the operator may hold a license
20 separate from the license held by the operator of the hotel. Food and
21 beverage inventory used in separate licensed operations at the hotel
22 may not be shared and must be separately owned and stored by the
23 separate licensees.

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

26 (5) All on-premises alcoholic beverage service must be done by an
27 alcohol server as defined in RCW 66.20.300 and must comply with RCW
28 66.20.310.

29 (6)(a) The hotel license allows the licensee to remove from the
30 liquor stocks at the licensed premises, liquor for sale and service
31 at event locations at a specified date and place not currently
32 licensed by the board. If the event is open to the public, it must be
33 sponsored by a society or organization as defined by RCW 66.24.375.
34 If attendance at the event is limited to members or invited guests of
35 the sponsoring individual, society, or organization, the requirement
36 that the sponsor must be a society or organization as defined by RCW
37 66.24.375 is waived.

38 (b) The holder of this license must, if requested by the board,
39 notify the board or its designee of the date, time, place, and
40 location of any event. Upon request, the licensee must provide to the

1 board all necessary or requested information concerning the society
2 or organization that will be holding the function at which the
3 endorsed license will be utilized.

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

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

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

23 (9) (a) The annual fee for this license is (~~two thousand~~
24 ~~dollars~~) \$1,000.

25 (b) The annual fee in (a) of this subsection is waived during the
26 12-month period beginning with the second calendar month after
27 February 28, 2021, for:

28 (i) Licenses that expire during the 12-month waiver period under
29 this subsection (9) (b); and

30 (ii) Licenses issued to persons previously licensed under this
31 section at any time during the 12-month period prior to the 12-month
32 waiver period under this subsection (9) (b).

33 (c) The waiver in (b) of this subsection does not apply to any
34 licensee that:

35 (i) Had their license suspended by the board for health and
36 safety violations of state COVID-19 guidelines; or

37 (ii) Received an order of immediate restraint or citation from
38 the department of labor and industries for allowing an employee to
39 perform work where business activity was prohibited in violation of
40 an emergency proclamation of the governor under RCW 43.06.220.

1 (d) Upon request of the department of revenue, the board and the
2 department of labor and industries must both provide a list of
3 persons that they have determined to be ineligible for a fee waiver
4 under (b) of this subsection for the reasons described in (c) of this
5 subsection. Unless otherwise agreed, any list must be received by the
6 department of revenue no later than 15 calendar days after the
7 request is made.

8 (10) As used in this section, "hotel," "spirits," "beer," and
9 "wine" have the meanings defined in RCW 66.24.410 and 66.04.010.

10 **Sec. 4.** RCW 66.24.600 and 2021 c 6 s 15 are each amended to read
11 as follows:

12 (1) There shall be a spirits, beer, and wine nightclub license to
13 sell spirituous liquor by the drink, beer, and wine at retail, for
14 consumption on the licensed premises.

15 (2) The license may be issued only to a person whose business
16 includes the sale and service of alcohol to the person's customers,
17 has food sales and service incidental to the sale and service of
18 alcohol, and has primary business hours between 9:00 p.m. and 2:00
19 a.m.

20 (3) Minors may be allowed on the licensed premises but only in
21 areas where alcohol is not served or consumed.

22 (4)(a) The annual fee for this license is (~~two thousand~~
23 ~~dollars~~) \$1,000. The fee for the license shall be reviewed from time
24 to time and set at such a level sufficient to defray the cost of
25 licensing and enforcing this licensing program. The fee shall be
26 fixed by rule adopted by the board in accordance with the provisions
27 of the administrative procedure act, chapter 34.05 RCW.

28 (b) The annual fee in (a) of this subsection is waived during the
29 12-month period beginning with the second calendar month after
30 February 28, 2021, for:

31 (i) Licenses that expire during the 12-month waiver period under
32 this subsection (4)(b); and

33 (ii) Licenses issued to persons previously licensed under this
34 section at any time during the 12-month period prior to the 12-month
35 waiver period under this subsection (4)(b).

36 (c) The waiver in (b) of this subsection does not apply to any
37 licensee that:

38 (i) Had their license suspended by the board for health and
39 safety violations of state COVID-19 guidelines; or

1 (ii) Received an order of immediate restraint or citation from
2 the department of labor and industries for allowing an employee to
3 perform work where business activity was prohibited in violation of
4 an emergency proclamation of the governor under RCW 43.06.220.

5 (d) Upon request of the department of revenue, the board and the
6 department of labor and industries must both provide a list of
7 persons that they have determined to be ineligible for a fee waiver
8 under (b) of this subsection for the reasons described in (c) of this
9 subsection. Unless otherwise agreed, any list must be received by the
10 department of revenue no later than 15 calendar days after the
11 request is made.

12 (5) Local governments may petition the board to request that
13 further restrictions be imposed on a spirits, beer, and wine
14 nightclub license in the interest of public safety. Examples of
15 further restrictions a local government may request are: No minors
16 allowed on the entire premises, submitting a security plan, or
17 signing a good neighbor agreement with the local government.

18 (6) The total number of spirits, beer, and wine nightclub
19 licenses are subject to the requirements of RCW 66.24.420(4).
20 However, the board shall refuse a spirits, beer, and wine nightclub
21 license to any applicant if the board determines that the spirits,
22 beer, and wine nightclub licenses already granted for the particular
23 locality are adequate for the reasonable needs of the community.

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

25 **Sec. 5.** RCW 66.24.655 and 2021 c 6 s 17 are each amended to read
26 as follows:

27 (1)(a) There is a theater license to sell spirits, beer,
28 including strong beer, or wine, or all, at retail, for consumption on
29 theater premises. A spirits, beer, and wine theater license may be
30 issued only to theaters that have no more than one hundred twenty
31 seats per screen and that are maintained in a substantial manner as a
32 place for preparing, cooking, and serving complete meals and
33 providing tabletop accommodations for in-theater dining. Requirements
34 for complete meals are the same as those adopted by the board in
35 rules pursuant to chapter 34.05 RCW for a spirits, beer, and wine
36 restaurant license authorized by RCW 66.24.400. The annual fee for a
37 spirits, beer, and wine theater license is (~~two thousand dollars~~)
38 \$1,000.

1 (b) The annual fee in (a) of this subsection is waived during the
2 12-month period beginning with the second calendar month after
3 February 28, 2021, for:

4 (i) Licenses that expire during the 12-month waiver period under
5 this subsection (1)(b); and

6 (ii) Licenses issued to persons previously licensed under this
7 section at any time during the 12-month period prior to the 12-month
8 waiver period under this subsection (1)(b).

9 (c) The waiver in (b) of this subsection does not apply to any
10 licensee that:

11 (i) Had their license suspended by the board for health and
12 safety violations of state COVID-19 guidelines; or

13 (ii) Received an order of immediate restraint or citation from
14 the department of labor and industries for allowing an employee to
15 perform work where business activity was prohibited in violation of
16 an emergency proclamation of the governor under RCW 43.06.220.

17 (d) Upon request of the department of revenue, the board and the
18 department of labor and industries must both provide a list of
19 persons that they have determined to be ineligible for a fee waiver
20 under (b) of this subsection for the reasons described in (c) of this
21 subsection. Unless otherwise agreed, any list must be received by the
22 department of revenue no later than 15 calendar days after the
23 request is made.

24 (2) If the theater premises is to be frequented by minors, an
25 alcohol control plan must be submitted to the board at the time of
26 application. The alcohol control plan must be approved by the board
27 and be prominently posted on the premises, prior to minors being
28 allowed.

29 (3) For the purposes of this section:

30 (a) "Alcohol control plan" means a written, dated, and signed
31 plan submitted to the board by an applicant or licensee for the
32 entire theater premises, or rooms or areas therein, that shows where
33 and when alcohol is permitted, where and when minors are permitted,
34 and the control measures used to ensure that minors are not able to
35 obtain alcohol or be exposed to environments where drinking alcohol
36 predominates.

37 (b) "Theater" means a place of business where motion pictures or
38 other primarily nonparticipatory entertainment are shown.

39 (4) The board must adopt rules regarding alcohol control plans
40 and necessary control measures to ensure that minors are not able to

1 obtain alcohol or be exposed to areas where drinking alcohol
2 predominates. All alcohol control plans must include a requirement
3 that any person involved in the serving of spirits, beer, and/or wine
4 must have completed a mandatory alcohol server training program.

5 (5) (a) A licensee that is an entity that is exempt from taxation
6 under Title 26 U.S.C. Sec. 501(c) (3) of the federal internal revenue
7 code of 1986, as amended as of January 1, 2013, may enter into
8 arrangements with a spirits, beer, or wine manufacturer, importer, or
9 distributor for brand advertising at the theater or promotion of
10 events held at the theater. The financial arrangements providing for
11 the brand advertising or promotion of events may not be used as an
12 inducement to purchase the products of the manufacturer, importer, or
13 distributor entering into the arrangement and such arrangements may
14 not result in the exclusion of brands or products of other companies.

15 (b) The arrangements allowed under this subsection (5) are an
16 exception to arrangements prohibited under RCW 66.28.305. The board
17 must monitor the impacts of these arrangements. The board may conduct
18 audits of a licensee and the affiliated business to determine
19 compliance with this subsection (5). Audits may include, but are not
20 limited to: Product selection at the facility; purchase patterns of
21 the licensee; contracts with the spirits, beer, or wine manufacturer,
22 importer, or distributor; and the amount allocated or used for
23 spirits, beer, or wine advertising by the licensee, affiliated
24 business, manufacturer, importer, or distributor under the
25 arrangements.

26 (6) The maximum penalties prescribed by the board in WAC
27 314-29-020 relating to fines and suspensions are double for
28 violations involving minors or the failure to follow the alcohol
29 control plan with respect to theaters licensed under this section.

30 **Sec. 6.** RCW 66.24.690 and 2021 c 6 s 19 are each amended to read
31 as follows:

32 (1) There shall be a caterer's license to sell spirits, beer, and
33 wine, by the individual serving, at retail, for consumption on the
34 premises at an event location that is either owned, leased, or
35 operated either by the caterer or the sponsor of the event for which
36 catering services are being provided. If the event is open to the
37 public, it must be sponsored by a society or organization as defined
38 in RCW 66.24.375. If attendance at the event is limited to members or
39 invited guests of the sponsoring individual, society, or

1 organization, the requirement that the sponsor must be a society or
2 organization as defined in RCW 66.24.375 is waived. The licensee must
3 serve food as required by rules of the board.

4 (2)(a) The annual fee is two hundred dollars for the beer
5 license, two hundred dollars for the wine license, or four hundred
6 dollars for a combination beer and wine license. The annual fee for a
7 combined beer, wine, and spirits license is (~~one thousand dollars~~)
8 \$500.

9 (b) The annual fees in (a) of this subsection are waived during
10 the 12-month period beginning with the second calendar month after
11 February 28, 2021, for:

12 (i) Licenses that expire during the 12-month waiver period under
13 this subsection (2)(b); and

14 (ii) Licenses issued to persons previously licensed under this
15 section at any time during the 12-month period prior to the 12-month
16 waiver period under this subsection (2)(b).

17 (c) The waivers in (b) of this subsection do not apply to any
18 licensee that:

19 (i) Had their license suspended by the board for health and
20 safety violations of state COVID-19 guidelines; or

21 (ii) Received an order of immediate restraint or citation from
22 the department of labor and industries for allowing an employee to
23 perform work where business activity was prohibited in violation of
24 an emergency proclamation of the governor under RCW 43.06.220.

25 (d) Upon request of the department of revenue, the board and the
26 department of labor and industries must both provide a list of
27 persons that they have determined to be ineligible for a fee waiver
28 under (b) of this subsection for the reasons described in (c) of this
29 subsection. Unless otherwise agreed, any list must be received by the
30 department of revenue no later than 15 calendar days after the
31 request is made.

32 (3) The holder of this license shall notify the board or its
33 designee of the date, time, place, and location of any catered event
34 at which liquor will be served, sold, or consumed. The board shall
35 create rules detailing notification requirements. Upon request, the
36 licensee shall provide to the board all necessary or requested
37 information concerning the individual, society, or organization that
38 will be holding the catered function at which the caterer's liquor
39 license will be utilized.

1 (4) The holder of this license may, under conditions established
2 by the board, store liquor on other premises operated by the licensee
3 so long as the other premises are owned or controlled by a leasehold
4 interest by that licensee.

5 (5) The holder of this license is prohibited from catering events
6 at locations that are already licensed to sell liquor under this
7 chapter.

8 (6) The holder of this license is responsible for all sales,
9 service, and consumption of alcohol at the location of the catered
10 event.

11 **Sec. 7.** RCW 66.24.140 and 2021 c 6 s 1 are each amended to read
12 as follows:

13 (1) There is a license to distillers, including blending,
14 rectifying, and bottling; fee (~~((two thousand dollars))~~) \$1,000 per
15 annum, unless provided otherwise as follows:

16 (a) For distillers producing one hundred fifty thousand gallons
17 or less of spirits with at least half of the raw materials used in
18 the production grown in Washington, the license fee must be reduced
19 to one hundred dollars per annum;

20 (b) The board must license stills used and to be used solely and
21 only by a commercial chemist for laboratory purposes, and not for the
22 manufacture of liquor for sale, at a fee of twenty dollars per annum;

23 (c) The board must license stills used and to be used solely and
24 only for laboratory purposes in any school, college, or educational
25 institution in the state, without fee;

26 (d) The board must license stills that have been duly licensed as
27 fruit and/or wine distilleries by the federal government, used and to
28 be used solely as fruit and/or wine distilleries in the production of
29 fruit brandy and wine spirits, at a fee of two hundred dollars per
30 annum;

31 (e) The annual fees in this subsection (1) are waived during the
32 12-month period beginning with the second calendar month after
33 February 28, 2021, for:

34 (i) Licenses that expire during the 12-month waiver period under
35 this subsection (1) (e); and

36 (ii) Licenses issued to persons previously licensed under this
37 section at any time during the 12-month period prior to the 12-month
38 waiver period under this subsection (1) (e);

1 (f) The waivers in (e) of this subsection do not apply to any
2 licensee that:

3 (i) Had their license suspended by the board for health and
4 safety violations of state COVID-19 guidelines; or

5 (ii) Received an order of immediate restraint or citation from
6 the department of labor and industries for allowing an employee to
7 perform work where business activity was prohibited in violation of
8 an emergency proclamation of the governor under RCW 43.06.220; and

9 (g) Upon request of the department of revenue, the board and the
10 department of labor and industries must both provide a list of
11 persons that they have determined to be ineligible for a fee waiver
12 under (e) of this subsection for the reasons described in (f) of this
13 subsection. Unless otherwise agreed, any list must be received by the
14 department of revenue no later than 15 calendar days after the
15 request is made.

16 (2) Any distillery licensed under this section may:

17 (a) Sell, for off-premises consumption, spirits of the
18 distillery's own production, spirits produced by another distillery
19 or craft distillery licensed in this state, or vermouth or sparkling
20 wine products produced by a licensee in this state. A distillery
21 selling spirits or other alcohol authorized under this subsection
22 must comply with the applicable laws and rules relating to retailers
23 for those products;

24 (b) Contract distilled spirits for, and sell contract distilled
25 spirits to, holders of distillers' or manufacturers' licenses,
26 including licenses issued under RCW 66.24.520, or for export; and

27 (c) Serve samples of spirits for free or for a charge, and sell
28 servings of spirits, vermouth, and sparkling wine to customers for
29 on-premises consumption, at the premises of the distillery indoors,
30 outdoors, or in any combination thereof, and at the distillery's off-
31 site tasting rooms in accordance with this chapter, subject to the
32 following conditions:

33 (i) A distillery may provide to customers, for free or for a
34 charge, for on-premises consumption, spirits samples that are one-
35 half ounce or less per sample of spirits, and that may be adulterated
36 with water, ice, other alcohol entitled to be served or sold on the
37 licensed premises under this section, or nonalcoholic mixers;

38 (ii) A distillery may sell, for on-premises consumption, servings
39 of spirits of the distillery's own production or spirits produced by
40 another distillery or craft distillery licensed in this state, which

1 must be adulterated with water, ice, other alcohol entitled to be
2 sold or served on the licensed premises, or nonalcoholic mixers if
3 the revenue derived from the sale of spirits for on-premises
4 consumption under this subsection (2)(c)(ii) does not comprise more
5 than thirty percent of the overall gross revenue earned in the
6 tasting room during the calendar year. Any distiller who sells
7 adulterated products under this subsection, must file an annual
8 report with the board that summarizes the distiller's revenue
9 sources; and

10 (iii) A distillery may sell, for on-premises consumption,
11 servings of vermouth or sparkling wine products produced by a
12 licensee in this state.

13 (3)(a) If a distillery provides or sells spirits or other alcohol
14 products authorized to be sold or provided to customers for on-
15 premises or off-premises consumption that are produced by another
16 distillery, craft distillery, or licensee in this state, then at any
17 one time no more than twenty-five percent of the alcohol stock-
18 keeping units offered or sold by the distillery at its distillery
19 premises and at any off-site tasting rooms licensed under RCW
20 66.24.146 may be vermouth, sparkling wine, or spirits made by another
21 distillery, craft distillery, or licensee in this state. If a
22 distillery sells fewer than twenty alcohol stock-keeping units of
23 products of its own production, it may sell up to five alcohol stock-
24 keeping units of vermouth, sparkling wine, or spirits produced by
25 another distillery, craft distillery, or licensee in this state.

26 (b) A person is limited to receiving or purchasing, for on-
27 premises consumption, no more than two ounces total of spirits that
28 are unadulterated. Any additional spirits purchased for on-premises
29 consumption must be adulterated as authorized in this section.

30 (c)(i) No person under twenty-one years of age may be on the
31 premises of a distillery tasting room, including an off-site tasting
32 room licensed under RCW 66.24.146, unless they are accompanied by
33 their parent or legal guardian.

34 (ii) Every distillery tasting room, including the off-site
35 tasting rooms licensed under RCW 66.24.146, where alcohol is sampled,
36 sold, or served, must include a designated area where persons under
37 twenty-one years of age are allowed to enter. Such location may be in
38 a separate room or a designated area within the tasting room
39 separated from the remainder of the tasting room space as authorized
40 by the board.

1 (iii) Except for (c)(iv) of this subsection, or an event where a
2 private party has secured a private banquet permit, no person under
3 twenty-one years of age may be on the distillery premises, or the
4 off-site tasting rooms licensed under RCW 66.24.146, past 9:00 p.m.

5 (iv) Notwithstanding the limitations of (c)(iii) of this
6 subsection, persons under twenty-one years of age who are children of
7 owners, operators, or managers of a distillery or an off-site tasting
8 room licensed under RCW 66.24.146, may be in any area of a
9 distillery, tasting room, or an off-site tasting room licensed under
10 RCW 66.24.146, provided they must be under the direct supervision of
11 their parent or legal guardian while on the premises.

12 (d) Any person serving or selling spirits or other alcohol
13 authorized to be served or sold by a distillery must obtain a class
14 12 alcohol server permit.

15 (e) A distillery may sell nonalcoholic products at retail.

16 **Sec. 8.** RCW 66.24.146 and 2021 c 6 s 2 are each amended to read
17 as follows:

18 (1) There is a tasting room license available to distillery and
19 craft distillery licensees. A tasting room license authorizes the
20 operation of an off-site tasting room, in addition to a tasting room
21 attached to the distillery's or craft distillery's production
22 facility, at which the licensee may sample, serve, and sell spirits
23 and alcohol products authorized to be sampled, served, and sold under
24 RCW 66.24.140 and 66.24.145, for on-premises and off-premises
25 consumption, subject to the same limitations as provided in RCW
26 66.24.140 and 66.24.145.

27 (2)(a) A distillery or craft distillery licensed production
28 facility is eligible for no more than two off-site tasting room
29 licenses located in this state, which may be indoors, or outdoors or
30 a combination thereof, and which shall be administratively tied to a
31 licensed production facility. A separate license is required for the
32 operation of each off-site tasting room. The fee for each off-site
33 tasting room license is (~~two thousand dollars~~) \$1,000 per annum. No
34 additional license is required for a distillery or craft distillery
35 to sample, serve, and sell spirits and alcohol to customers in a
36 tasting room on the distillery or craft distillery premises as
37 authorized under this section, RCW 66.24.1472, 66.24.140, 66.24.145,
38 66.28.040, 66.24.630, and 66.28.310. Off-site tasting rooms may have
39 a section identified and segregated as federally bonded spaces for

1 the storage of bulk or packaged spirits. Product of the licensee's
2 production may be bottled or packaged in the space.

3 (b) The annual fee in (a) of this subsection is waived during the
4 12-month period beginning with the second calendar month after
5 February 28, 2021, for:

6 (i) Licenses that expire during the 12-month waiver period under
7 this subsection (2)(b); and

8 (ii) Licenses issued to persons previously licensed under this
9 section at any time during the 12-month period prior to the 12-month
10 waiver period under this subsection (2)(b).

11 (c) The waiver in (b) of this subsection does not apply to any
12 licensee that:

13 (i) Had their license suspended by the board for health and
14 safety violations of state COVID-19 guidelines; or

15 (ii) Received an order of immediate restraint or citation from
16 the department of labor and industries for allowing an employee to
17 perform work where business activity was prohibited in violation of
18 an emergency proclamation of the governor under RCW 43.06.220.

19 (d) Upon request of the department of revenue, the board and the
20 department of labor and industries must both provide a list of
21 persons that they have determined to be ineligible for a fee waiver
22 under (b) of this subsection for the reasons described in (c) of this
23 subsection. Unless otherwise agreed, any list must be received by the
24 department of revenue no later than 15 calendar days after the
25 request is made.

26 **Sec. 9.** RCW 66.24.170 and 2021 c 6 s 3 are each amended to read
27 as follows:

28 (1)(a) There is a license for domestic wineries; fee to be
29 computed only on the liters manufactured: Less than two hundred fifty
30 thousand liters per year, (~~one hundred dollars~~) \$50 per year; and
31 two hundred fifty thousand liters or more per year, (~~four hundred~~
32 ~~dollars~~) \$200 per year.

33 (b) The annual fees in (a) of this subsection are waived during
34 the 12-month period beginning with the second calendar month after
35 February 28, 2021, for:

36 (i) Licenses that expire during the 12-month waiver period under
37 this subsection (1)(b); and

1 (ii) Licenses issued to persons previously licensed under this
2 section at any time during the 12-month period prior to the 12-month
3 waiver period under this subsection (1)(b).

4 (c) The waivers in (b) of this subsection do not apply to any
5 licensee that:

6 (i) Had their license suspended by the board for health and
7 safety violations of state COVID-19 guidelines; or

8 (ii) Received an order of immediate restraint or citation from
9 the department of labor and industries for allowing an employee to
10 perform work where business activity was prohibited in violation of
11 an emergency proclamation of the governor under RCW 43.06.220.

12 (d) Upon request of the department of revenue, the board and the
13 department of labor and industries must both provide a list of
14 persons that they have determined to be ineligible for a fee waiver
15 under (b) of this subsection for the reasons described in (c) of this
16 subsection. Unless otherwise agreed, any list must be received by the
17 department of revenue no later than 15 calendar days after the
18 request is made.

19 (2) The license allows for the manufacture of wine in Washington
20 state from grapes or other agricultural products.

21 (3) Any domestic winery licensed under this section may also act
22 as a retailer of wine of its own production. Any domestic winery
23 licensed under this section may act as a distributor of its own
24 production. Notwithstanding any language in this title to the
25 contrary, a domestic winery may use a common carrier to deliver up to
26 one hundred cases of its own production, in the aggregate, per month
27 to licensed Washington retailers. A domestic winery may not arrange
28 for any such common carrier shipments to licensed retailers of wine
29 not of its own production. Except as provided in this section, any
30 winery operating as a distributor and/or retailer under this
31 subsection must comply with the applicable laws and rules relating to
32 distributors and/or retailers, except that a winery operating as a
33 distributor may maintain a warehouse off the premises of the winery
34 for the distribution of wine of its own production provided that: (a)
35 The warehouse has been approved by the board under RCW 66.24.010; and
36 (b) the number of warehouses off the premises of the winery does not
37 exceed one.

38 (4)(a) A domestic winery licensed under this section, at
39 locations separate from any of its production or manufacturing sites,
40 may serve samples of its own products, with or without charge, may

1 sell wine of its own production at retail, and may sell for off-
2 premises consumption wines of its own production in kegs or sanitary
3 containers meeting the applicable requirements of federal law brought
4 to the premises by the purchaser or furnished by the licensee and
5 filled at the tap at the time of sale, provided that: (i) Each
6 additional location has been approved by the board under RCW
7 66.24.010; (ii) the total number of additional locations does not
8 exceed four; (iii) a winery may not act as a distributor at any such
9 additional location; and (iv) any person selling or serving wine at
10 an additional location for on-premises consumption must obtain a
11 class 12 or class 13 alcohol server permit. Each additional location
12 is deemed to be part of the winery license for the purpose of this
13 title. At additional locations operated by multiple wineries under
14 this section, if the board cannot connect a violation of RCW
15 66.44.200 or 66.44.270 to a single licensee, the board may hold all
16 licensees operating the additional location jointly liable. Nothing
17 in this subsection may be construed to prevent a domestic winery from
18 holding multiple domestic winery licenses.

19 (b) A customer of a domestic winery may remove from the premises
20 of the domestic winery or from a tasting room location approved under
21 (a) of this subsection, recorked or recapped in its original
22 container, any portion of wine purchased for on-premises consumption.

23 (5) (a) A domestic winery licensed under this section may apply to
24 the board for an endorsement to sell wine of its own production at
25 retail for off-premises consumption at a qualifying farmers market.
26 The annual fee for this endorsement is seventy-five dollars. An
27 endorsement issued pursuant to this subsection does not count toward
28 the four additional retail locations limit specified in this section.

29 (b) For each month during which a domestic winery will sell wine
30 at a qualifying farmers market, the winery must provide the board or
31 its designee a list of the dates, times, and locations at which
32 bottled wine may be offered for sale. This list must be received by
33 the board before the winery may offer wine for sale at a qualifying
34 farmers market.

35 (c) The wine sold at qualifying farmers markets must be made
36 entirely from grapes grown in a recognized Washington appellation or
37 from other agricultural products grown in this state.

38 (d) Each approved location in a qualifying farmers market is
39 deemed to be part of the winery license for the purpose of this
40 title. The approved locations under an endorsement granted under this

1 subsection include tasting or sampling privileges subject to the
2 conditions pursuant to RCW 66.24.175. The winery may not store wine
3 at a farmers market beyond the hours that the winery offers bottled
4 wine for sale. The winery may not act as a distributor from a farmers
5 market location.

6 (e) Before a winery may sell bottled wine at a qualifying farmers
7 market, the farmers market must apply to the board for authorization
8 for any winery with an endorsement approved under this subsection to
9 sell bottled wine at retail at the farmers market. This application
10 shall include, at a minimum: (i) A map of the farmers market showing
11 all booths, stalls, or other designated locations at which an
12 approved winery may sell bottled wine; and (ii) the name and contact
13 information for the on-site market managers who may be contacted by
14 the board or its designee to verify the locations at which bottled
15 wine may be sold. Before authorizing a qualifying farmers market to
16 allow an approved winery to sell bottled wine at retail at its
17 farmers market location, the board must notify the persons or
18 entities of such application for authorization pursuant to RCW
19 66.24.010 (8) and (9). An authorization granted under this subsection
20 (5)(e) may be withdrawn by the board for any violation of this title
21 or any rules adopted under this title.

22 (f) The board may adopt rules establishing the application and
23 approval process under this section and such additional rules as may
24 be necessary to implement this section.

25 (g) For the purposes of this subsection:

26 (i) "Qualifying farmers market" means an entity that sponsors a
27 regular assembly of vendors at a defined location for the purpose of
28 promoting the sale of agricultural products grown or produced in this
29 state directly to the consumer under conditions that meet the
30 following minimum requirements:

31 (A) There are at least five participating vendors who are farmers
32 selling their own agricultural products;

33 (B) The total combined gross annual sales of vendors who are
34 farmers exceeds the total combined gross annual sales of vendors who
35 are processors or resellers. However, if a farmers market does not
36 satisfy this subsection (5)(g)(i)(B), a farmers market is still
37 considered a "qualifying farmers market" if the total combined gross
38 annual sales of farmers and processors at the farmers market is one
39 million dollars or more;

1 (C) The total combined gross annual sales of vendors who are
2 farmers, processors, or resellers exceeds the total combined gross
3 annual sales of vendors who are not farmers, processors, or
4 resellers;

5 (D) The sale of imported items and secondhand items by any vendor
6 is prohibited; and

7 (E) No vendor is a franchisee.

8 (ii) "Farmer" means a natural person who sells, with or without
9 processing, agricultural products that he or she raises on land he or
10 she owns or leases in this state or in another state's county that
11 borders this state.

12 (iii) "Processor" means a natural person who sells processed food
13 that he or she has personally prepared on land he or she owns or
14 leases in this state or in another state's county that borders this
15 state.

16 (iv) "Reseller" means a natural person who buys agricultural
17 products from a farmer and resells the products directly to the
18 consumer.

19 (6) Wine produced in Washington state by a domestic winery
20 licensee may be shipped out-of-state for the purpose of making it
21 into sparkling wine and then returned to such licensee for resale.
22 Such wine is deemed wine manufactured in the state of Washington for
23 the purposes of RCW 66.24.206, and shall not require a special
24 license.

25 (7) During an event held by a nonprofit holding a special
26 occasion license issued under RCW 66.24.380, a domestic winery
27 licensed under this section may take orders, either in writing or
28 electronically, and accept payment for wines of its own production
29 under the following conditions:

30 (a) Wine produced by the domestic winery may be served for on-
31 premises consumption by the special occasion licensee;

32 (b) The domestic winery delivers wine to the consumer on a date
33 after the conclusion of the special occasion event;

34 (c) The domestic winery delivers wine to the consumer at a
35 location different from the location at which the special occasion
36 event is held;

37 (d) The domestic winery complies with all requirements in chapter
38 66.20 RCW for direct sale of wine to consumers;

39 (e) The wine is not sold for resale; and

1 (f) The domestic winery is entitled to all proceeds from the sale
2 and delivery of its wine to a consumer after the conclusion of the
3 special occasion event, but may enter into an agreement to share a
4 portion of the proceeds of these sales with the special occasion
5 licensee licensed under RCW 66.24.380.

6 **Sec. 10.** RCW 66.24.240 and 2021 c 6 s 4 are each amended to read
7 as follows:

8 (1)(a) There shall be a license for domestic breweries; fee to be
9 (~~two thousand dollars~~) \$1,000 for production of sixty thousand
10 barrels or more of malt liquor per year.

11 (b) The annual fee in (a) of this subsection is waived during the
12 12-month period beginning with the second calendar month after
13 February 28, 2021, for:

14 (i) Licenses that expire during the 12-month waiver period under
15 this subsection (1)(b); and

16 (ii) Licenses issued to persons previously licensed under this
17 section at any time during the 12-month period prior to the 12-month
18 waiver period under this subsection (1)(b).

19 (c) The waiver in (b) of this subsection does not apply to any
20 licensee that:

21 (i) Had their license suspended by the board for health and
22 safety violations of state COVID-19 guidelines; or

23 (ii) Received an order of immediate restraint or citation from
24 the department of labor and industries for allowing an employee to
25 perform work where business activity was prohibited in violation of
26 an emergency proclamation of the governor under RCW 43.06.220.

27 (d) Upon request of the department of revenue, the board and the
28 department of labor and industries must both provide a list of
29 persons that they have determined to be ineligible for a fee waiver
30 under (b) of this subsection for the reasons described in (c) of this
31 subsection. Unless otherwise agreed, any list must be received by the
32 department of revenue no later than 15 calendar days after the
33 request is made.

34 (2) Any domestic brewery, except for a brand owner of malt
35 beverages under RCW 66.04.010(7), licensed under this section may
36 also act as a distributor and/or retailer for beer of its own
37 production. Any domestic brewery operating as a distributor and/or
38 retailer under this subsection shall comply with the applicable laws
39 and rules relating to distributors and/or retailers. A domestic

1 brewery holding a spirits, beer, and wine restaurant license may sell
2 beer of its own production for off-premises consumption from its
3 restaurant premises in kegs or in a sanitary container brought to the
4 premises by the purchaser or furnished by the licensee and filled at
5 the tap by the licensee at the time of sale.

6 (3) Any domestic brewery licensed under this section may also
7 sell beer produced by another domestic brewery or a microbrewery for
8 on and off-premises consumption from its premises as long as the
9 other breweries' brands do not exceed twenty-five percent of the
10 domestic brewery's on-tap offering of its own brands.

11 (4) A domestic brewery may hold up to four retail licenses to
12 operate an on or off-premises tavern, beer and/or wine restaurant,
13 spirits, beer, and wine restaurant, or any combination thereof. This
14 retail license is separate from the brewery license. A brewery that
15 holds a tavern license, a spirits, beer, and wine restaurant license,
16 or a beer and/or wine restaurant license shall hold the same
17 privileges and endorsements as permitted under RCW 66.24.320,
18 66.24.330, and 66.24.420.

19 (5) Any domestic brewery licensed under this section may
20 contract-produce beer for a brand owner of malt beverages defined
21 under RCW 66.04.010(7), and this contract-production is not a sale
22 for the purposes of RCW 66.28.170 and 66.28.180.

23 (6)(a) A domestic brewery licensed under this section and
24 qualified for a reduced rate of taxation pursuant to RCW
25 66.24.290(3)(b) may apply to the board for an endorsement to sell
26 bottled beer of its own production at retail for off-premises
27 consumption at a qualifying farmers market. The annual fee for this
28 endorsement is seventy-five dollars.

29 (b) For each month during which a domestic brewery will sell beer
30 at a qualifying farmers market, the domestic brewery must provide the
31 board or its designee a list of the dates, times, and locations at
32 which bottled beer may be offered for sale. This list must be
33 received by the board before the domestic brewery may offer beer for
34 sale at a qualifying farmers market.

35 (c) The beer sold at qualifying farmers markets must be produced
36 in Washington.

37 (d) Each approved location in a qualifying farmers market is
38 deemed to be part of the domestic brewery license for the purpose of
39 this title. The approved locations under an endorsement granted under
40 this subsection do not include the tasting or sampling privilege of a

1 domestic brewery. The domestic brewery may not store beer at a
2 farmers market beyond the hours that the domestic brewery offers
3 bottled beer for sale. The domestic brewery may not act as a
4 distributor from a farmers market location.

5 (e) Before a domestic brewery may sell bottled beer at a
6 qualifying farmers market, the farmers market must apply to the board
7 for authorization for any domestic brewery with an endorsement
8 approved under this subsection to sell bottled beer at retail at the
9 farmers market. This application shall include, at a minimum: (i) A
10 map of the farmers market showing all booths, stalls, or other
11 designated locations at which an approved domestic brewery may sell
12 bottled beer; and (ii) the name and contact information for the on-
13 site market managers who may be contacted by the board or its
14 designee to verify the locations at which bottled beer may be sold.
15 Before authorizing a qualifying farmers market to allow an approved
16 domestic brewery to sell bottled beer at retail at its farmers market
17 location, the board shall notify the persons or entities of such
18 application for authorization pursuant to RCW 66.24.010 (8) and (9).
19 An authorization granted under this subsection (6)(e) may be
20 withdrawn by the board for any violation of this title or any rules
21 adopted under this title.

22 (f) The board may adopt rules establishing the application and
23 approval process under this section and such additional rules as may
24 be necessary to implement this section.

25 (g) For the purposes of this subsection:

26 (i) "Qualifying farmers market" means an entity that sponsors a
27 regular assembly of vendors at a defined location for the purpose of
28 promoting the sale of agricultural products grown or produced in this
29 state directly to the consumer under conditions that meet the
30 following minimum requirements:

31 (A) There are at least five participating vendors who are farmers
32 selling their own agricultural products;

33 (B) The total combined gross annual sales of vendors who are
34 farmers exceeds the total combined gross annual sales of vendors who
35 are processors or resellers;

36 (C) The total combined gross annual sales of vendors who are
37 farmers, processors, or resellers exceeds the total combined gross
38 annual sales of vendors who are not farmers, processors, or
39 resellers;

1 (D) The sale of imported items and secondhand items by any vendor
2 is prohibited; and

3 (E) No vendor is a franchisee.

4 (ii) "Farmer" means a natural person who sells, with or without
5 processing, agricultural products that he or she raises on land he or
6 she owns or leases in this state or in another state's county that
7 borders this state.

8 (iii) "Processor" means a natural person who sells processed food
9 that he or she has personally prepared on land he or she owns or
10 leases in this state or in another state's county that borders this
11 state.

12 (iv) "Reseller" means a natural person who buys agricultural
13 products from a farmer and resells the products directly to the
14 consumer.

15 (7) The state board of health shall adopt rules to allow dogs on
16 the premises of licensed domestic breweries that do not provide food
17 service subject to a food service permit requirement.

18 **Sec. 11.** RCW 66.24.244 and 2021 c 6 s 5 are each amended to read
19 as follows:

20 (1)(a) There shall be a license for microbreweries; fee to be
21 (~~one hundred dollars~~) \$50 for production of less than sixty
22 thousand barrels of malt liquor, including strong beer, per year.

23 (b) The annual fee in (a) of this subsection is waived during the
24 12-month period beginning with the second calendar month after
25 February 28, 2021, for:

26 (i) Licenses that expire during the 12-month waiver period under
27 this subsection (1)(b); and

28 (ii) Licenses issued to persons previously licensed under this
29 section at any time during the 12-month period prior to the 12-month
30 waiver period under this subsection (1)(b).

31 (c) The waiver in (b) of this subsection does not apply to any
32 licensee that:

33 (i) Had their license suspended by the board for health and
34 safety violations of state COVID-19 guidelines; or

35 (ii) Received an order of immediate restraint or citation from
36 the department of labor and industries for allowing an employee to
37 perform work where business activity was prohibited in violation of
38 an emergency proclamation of the governor under RCW 43.06.220.

1 (d) Upon request of the department of revenue, the board and the
2 department of labor and industries must both provide a list of
3 persons that they have determined to be ineligible for a fee waiver
4 under (b) of this subsection for the reasons described in (c) of this
5 subsection. Unless otherwise agreed, any list must be received by the
6 department of revenue no later than 15 calendar days after the
7 request is made.

8 (2)(a) Any microbrewery licensed under this section may also act
9 as a distributor and/or retailer for beer and strong beer of its own
10 production.

11 (b) Any microbrewery operating as a distributor and/or retailer
12 under this subsection must comply with the applicable laws and rules
13 relating to distributors and/or retailers, except that a microbrewery
14 operating as a distributor may maintain a warehouse off the premises
15 of the microbrewery for the distribution of beer provided that:

16 (i) The warehouse has been approved by the board under RCW
17 66.24.010; and

18 (ii) The number of warehouses off the premises of the
19 microbrewery does not exceed one.

20 (c) A microbrewery holding a spirits, beer, and wine restaurant
21 license may sell beer of its own production for off-premises
22 consumption from its restaurant premises in kegs or in a sanitary
23 container brought to the premises by the purchaser or furnished by
24 the licensee and filled at the tap by the licensee at the time of
25 sale.

26 (3) Any microbrewery licensed under this section may also sell
27 from its premises for on-premises and off-premises consumption:

28 (a) Beer produced by another microbrewery or a domestic brewery
29 as long as the other breweries' brands do not exceed twenty-five
30 percent of the microbrewery's on-tap offerings; or

31 (b) Cider produced by a domestic winery.

32 (4) The board may issue up to four retail licenses allowing a
33 microbrewery to operate an on or off-premises tavern, beer and/or
34 wine restaurant, spirits, beer, and wine restaurant, or any
35 combination thereof.

36 (5) A microbrewery that holds a tavern license, spirits, beer,
37 and wine restaurant license, or a beer and/or wine restaurant license
38 holds the same privileges and endorsements as permitted under RCW
39 66.24.320, 66.24.330, and 66.24.420.

1 (6) (a) A microbrewery licensed under this section may apply to
2 the board for an endorsement to sell bottled beer of its own
3 production at retail for off-premises consumption at a qualifying
4 farmers market. The annual fee for this endorsement is seventy-five
5 dollars. However, strong beer may not be sold at a farmers market or
6 under any endorsement which may authorize microbreweries to sell beer
7 at farmers markets.

8 (b) For each month during which a microbrewery will sell beer at
9 a qualifying farmers market, the microbrewery must provide the board
10 or its designee a list of the dates, times, and locations at which
11 bottled beer may be offered for sale. This list must be received by
12 the board before the microbrewery may offer beer for sale at a
13 qualifying farmers market.

14 (c) Any person selling or serving beer must obtain a class 12 or
15 class 13 alcohol server permit.

16 (d) The beer sold at qualifying farmers markets must be produced
17 in Washington.

18 (e) Each approved location in a qualifying farmers market is
19 deemed to be part of the microbrewery license for the purpose of this
20 title. The approved locations under an endorsement granted under this
21 subsection (6) include tasting or sampling privileges subject to the
22 conditions pursuant to RCW 66.24.175. The microbrewery may not store
23 beer at a farmers market beyond the hours that the microbrewery
24 offers bottled beer for sale. The microbrewery may not act as a
25 distributor from a farmers market location.

26 (f) Before a microbrewery may sell bottled beer at a qualifying
27 farmers market, the farmers market must apply to the board for
28 authorization for any microbrewery with an endorsement approved under
29 this subsection (6) to sell bottled beer at retail at the farmers
30 market. This application must include, at a minimum: (i) A map of the
31 farmers market showing all booths, stalls, or other designated
32 locations at which an approved microbrewery may sell bottled beer;
33 and (ii) the name and contact information for the on-site market
34 managers who may be contacted by the board or its designee to verify
35 the locations at which bottled beer may be sold. Before authorizing a
36 qualifying farmers market to allow an approved microbrewery to sell
37 bottled beer at retail at its farmers market location, the board must
38 notify the persons or entities of the application for authorization
39 pursuant to RCW 66.24.010 (8) and (9). An authorization granted under

1 this subsection (6)(f) may be withdrawn by the board for any
2 violation of this title or any rules adopted under this title.

3 (g) The board may adopt rules establishing the application and
4 approval process under this section and any additional rules
5 necessary to implement this section.

6 (h) For the purposes of this subsection (6):

7 (i) "Qualifying farmers market" has the same meaning as defined
8 in RCW 66.24.170.

9 (ii) "Farmer" means a natural person who sells, with or without
10 processing, agricultural products that he or she raises on land he or
11 she owns or leases in this state or in another state's county that
12 borders this state.

13 (iii) "Processor" means a natural person who sells processed food
14 that he or she has personally prepared on land he or she owns or
15 leases in this state or in another state's county that borders this
16 state.

17 (iv) "Reseller" means a natural person who buys agricultural
18 products from a farmer and resells the products directly to the
19 consumer.

20 (7) Any microbrewery licensed under this section may
21 contract-produce beer for another microbrewer. This contract-
22 production is not a sale for the purposes of RCW 66.28.170 and
23 66.28.180.

24 (8) The state board of health shall adopt rules to allow dogs on
25 the premises of licensed microbreweries that do not provide food
26 service subject to a food service permit requirement.

27 **Sec. 12.** RCW 66.24.320 and 2021 c 6 s 6 are each amended to read
28 as follows:

29 There shall be a beer and/or wine restaurant license to sell
30 beer, including strong beer, or wine, or both, at retail, for
31 consumption on the premises. A patron of the licensee may remove from
32 the premises, recorked or recapped in its original container, any
33 portion of wine or sake that was purchased for consumption with a
34 meal.

35 (1)(a) The annual fee shall be (~~two hundred dollars~~) \$100 for
36 the beer license, (~~two hundred dollars~~) \$100 for the wine license,
37 or (~~four hundred dollars~~) \$200 for a combination beer and wine
38 license.

1 (b) The annual fees in (a) of this subsection are waived during
2 the 12-month period beginning with the second calendar month after
3 February 28, 2021, for:

4 (i) Licenses that expire during the 12-month waiver period under
5 this subsection (1)(b); and

6 (ii) Licenses issued to persons previously licensed under this
7 section at any time during the 12-month period prior to the 12-month
8 waiver period under this subsection (1)(b).

9 (c) The waivers in (b) of this subsection do not apply to any
10 licensee that:

11 (i) Had their license suspended by the board for health and
12 safety violations of state COVID-19 guidelines; or

13 (ii) Received an order of immediate restraint or citation from
14 the department of labor and industries for allowing an employee to
15 perform work where business activity was prohibited in violation of
16 an emergency proclamation of the governor under RCW 43.06.220.

17 (d) Upon request of the department of revenue, the board and the
18 department of labor and industries must both provide a list of
19 persons that they have determined to be ineligible for a fee waiver
20 under (b) of this subsection for the reasons described in (c) of this
21 subsection. Unless otherwise agreed, any list must be received by the
22 department of revenue no later than 15 calendar days after the
23 request is made.

24 (2)(a) The board may issue a caterer's endorsement to this
25 license to allow the licensee to remove from the liquor stocks at the
26 licensed premises, only those types of liquor that are authorized
27 under the on-premises license privileges for sale and service at
28 event locations at a specified date and, except as provided in
29 subsection (3) of this section, place not currently licensed by the
30 board. If the event is open to the public, it must be sponsored by a
31 society or organization as defined by RCW 66.24.375. If attendance at
32 the event is limited to members or invited guests of the sponsoring
33 individual, society, or organization, the requirement that the
34 sponsor must be a society or organization as defined by RCW 66.24.375
35 is waived. Cost of the endorsement is three hundred fifty dollars.

36 (b) The holder of this license with a catering endorsement shall,
37 if requested by the board, notify the board or its designee of the
38 date, time, place, and location of any catered event. Upon request,
39 the licensee shall provide to the board all necessary or requested

1 information concerning the society or organization that will be
2 holding the function at which the endorsed license will be utilized.

3 (c) The holder of this license with a caterer's endorsement may,
4 under conditions established by the board, store liquor on the
5 premises of another not licensed by the board so long as there is a
6 written agreement between the licensee and the other party to provide
7 for ongoing catering services, the agreement contains no exclusivity
8 clauses regarding the alcoholic beverages to be served, and the
9 agreement is filed with the board.

10 (d) The holder of this license with a caterer's endorsement may,
11 under conditions established by the board, store liquor on other
12 premises operated by the licensee so long as the other premises are
13 owned or controlled by a leasehold interest by that licensee. A
14 duplicate license may be issued for each additional premises. A
15 license fee of twenty dollars shall be required for such duplicate
16 licenses.

17 (3) Licensees under this section that hold a caterer's
18 endorsement are allowed to use this endorsement on a domestic winery
19 premises or on the premises of a passenger vessel and may store
20 liquor at such premises under conditions established by the board
21 under the following conditions:

22 (a) Agreements between the domestic winery or the passenger
23 vessel, as the case may be, and the retail licensee shall be in
24 writing, contain no exclusivity clauses regarding the alcoholic
25 beverages to be served, and be filed with the board; and

26 (b) The domestic winery or passenger vessel, as the case may be,
27 and the retail licensee shall be separately contracted and
28 compensated by the persons sponsoring the event for their respective
29 services.

30 (4) The holder of this license or its manager may furnish beer or
31 wine to the licensee's employees free of charge as may be required
32 for use in connection with instruction on beer and wine. The
33 instruction may include the history, nature, values, and
34 characteristics of beer or wine, the use of wine lists, and the
35 methods of presenting, serving, storing, and handling beer or wine.
36 The beer and/or wine licensee must use the beer or wine it obtains
37 under its license for the sampling as part of the instruction. The
38 instruction must be given on the premises of the beer and/or wine
39 licensee.

1 (5) If the license is issued to a person who contracts with the
2 Washington state ferry system to provide food and alcohol service on
3 a designated ferry route, the license shall cover any vessel assigned
4 to the designated route. A separate license is required for each
5 designated ferry route.

6 **Sec. 13.** RCW 66.24.330 and 2021 c 6 s 7 are each amended to read
7 as follows:

8 (1) There is a beer and wine retailer's license to be designated
9 as a tavern license to sell beer, including strong beer, or wine, or
10 both, at retail, for consumption on the premises. Such licenses may
11 be issued only to a person operating a tavern that may be frequented
12 only by persons twenty-one years of age and older.

13 (2)(a) The annual fee for the license is (~~two hundred dollars~~)
14 \$100 for the beer license, (~~two hundred dollars~~) \$100 for the wine
15 license, or (~~four hundred dollars~~) \$200 for a combination beer and
16 wine license. Licensees who have a fee increase of more than one
17 hundred dollars as a result of this change shall have their fees
18 increased fifty percent of the amount the first renewal year and the
19 remaining amount beginning with the second renewal period. New
20 licensees obtaining a license after July 1, 1998, must pay the full
21 amount of (~~four hundred dollars~~) \$200.

22 (b) The annual fees in (a) of this subsection are waived during
23 the 12-month period beginning with the second calendar month after
24 February 28, 2021, for:

25 (i) Licenses that expire during the 12-month waiver period under
26 this subsection (2)(b); and

27 (ii) Licenses issued to persons previously licensed under this
28 section at any time during the 12-month period prior to the 12-month
29 waiver period under this subsection (2)(b).

30 (c) The waivers in (b) of this subsection do not apply to any
31 licensee that:

32 (i) Had their license suspended by the board for health and
33 safety violations of state COVID-19 guidelines; or

34 (ii) Received an order of immediate restraint or citation from
35 the department of labor and industries for allowing an employee to
36 perform work where business activity was prohibited in violation of
37 an emergency proclamation of the governor under RCW 43.06.220.

38 (d) Upon request of the department of revenue, the board and the
39 department of labor and industries must both provide a list of

1 persons that they have determined to be ineligible for a fee waiver
2 under (b) of this subsection for the reasons described in (c) of this
3 subsection. Unless otherwise agreed, any list must be received by the
4 department of revenue no later than 15 calendar days after the
5 request is made.

6 (3) (a) The board may issue a caterer's endorsement to this
7 license to allow the licensee to remove from the liquor stocks at the
8 licensed premises, only those types of liquor that are authorized
9 under the on-premises license privileges for sale and service at
10 event locations at a specified date and, except as provided in
11 subsection (4) of this section, place not currently licensed by the
12 board. If the event is open to the public, it must be sponsored by a
13 society or organization as defined by RCW 66.24.375. If attendance at
14 the event is limited to members or invited guests of the sponsoring
15 individual, society, or organization, the requirement that the
16 sponsor must be a society or organization as defined by RCW 66.24.375
17 is waived. Cost of the endorsement is three hundred fifty dollars.

18 (b) The holder of this license with a catering endorsement must,
19 if requested by the board, notify the board or its designee of the
20 date, time, place, and location of any catered event. Upon request,
21 the licensee must provide to the board all necessary or requested
22 information concerning the society or organization that will be
23 holding the function at which the endorsed license will be utilized.

24 (c) The holder of this license with a caterer's endorsement may,
25 under conditions established by the board, store liquor on the
26 premises of another not licensed by the board so long as there is a
27 written agreement between the licensee and the other party to provide
28 for ongoing catering services, the agreement contains no exclusivity
29 clauses regarding the alcoholic beverages to be served, and the
30 agreement is filed with the board.

31 (d) The holder of this license with a caterer's endorsement may,
32 under conditions established by the board, store liquor on other
33 premises operated by the licensee so long as the other premises are
34 owned or controlled by a leasehold interest by that licensee. A
35 duplicate license may be issued for each additional premises. A
36 license fee of twenty dollars is required for such duplicate
37 licenses.

38 (4) Licensees under this section that hold a caterer's
39 endorsement are allowed to use this endorsement on a domestic winery

1 premises and may store liquor at such premises under conditions
2 established by the board under the following conditions:

3 (a) Agreements between the domestic winery and the retail
4 licensee must be in writing, contain no exclusivity clauses regarding
5 the alcoholic beverages to be served, and be filed with the board;
6 and

7 (b) The domestic winery and the retail licensee may be separately
8 contracted and compensated by the persons sponsoring the event for
9 their respective services.

10 (5) The holder of this license or its manager may furnish beer or
11 wine to the licensee's employees free of charge as may be required
12 for use in connection with instruction on beer and wine. The
13 instruction may include the history, nature, values, and
14 characteristics of beer or wine, the use of wine lists, and the
15 methods of presenting, serving, storing, and handling beer or wine.
16 The tavern licensee must use the beer or wine it obtains under its
17 license for the sampling as part of the instruction. The instruction
18 must be given on the premises of the tavern licensee.

19 (6) Any person serving liquor at a catered event on behalf of a
20 licensee with a caterer's endorsement under this section must be an
21 employee of the licensee and must possess a class 12 alcohol server
22 permit as required under RCW 66.20.310.

23 (7) The board may issue rules as necessary to implement the
24 requirements of this section.

25 **Sec. 14.** RCW 66.24.350 and 2021 c 6 s 8 are each amended to read
26 as follows:

27 (1) There shall be a beer retailer's license to be designated as
28 a snack bar license to sell beer by the opened bottle or can at
29 retail, for consumption upon the premises only, such license to be
30 issued to places where the sale of beer is not the principal business
31 conducted; fee (~~(one hundred twenty-five dollars)~~) \$62.50 per year.

32 (2)(a) The annual fee in subsection (1) of this section is waived
33 during the 12-month period beginning with the second calendar month
34 after February 28, 2021, for:

35 (i) Licenses that expire during the 12-month waiver period under
36 this subsection (2)(a); and

37 (ii) Licenses issued to persons previously licensed under this
38 section at any time during the 12-month period prior to the 12-month
39 waiver period under this subsection (2)(a).

1 (b) The waiver in (a) of this subsection does not apply to any
2 licensee that:

3 (i) Had their license suspended by the board for health and
4 safety violations of state COVID-19 guidelines; or

5 (ii) Received an order of immediate restraint or citation from
6 the department of labor and industries for allowing an employee to
7 perform work where business activity was prohibited in violation of
8 an emergency proclamation of the governor under RCW 43.06.220.

9 (c) Upon request of the department of revenue, the board and the
10 department of labor and industries must both provide a list of
11 persons that they have determined to be ineligible for a fee waiver
12 under (a) of this subsection for the reasons described in (b) of this
13 subsection. Unless otherwise agreed, any list must be received by the
14 department of revenue no later than 15 calendar days after the
15 request is made.

16 **Sec. 15.** RCW 66.24.495 and 2021 c 176 s 5234 and 2021 c 6 s 10
17 are each reenacted and amended to read as follows:

18 (1)(a) There shall be a license to be designated as a nonprofit
19 arts organization license. This shall be a special license to be
20 issued to any nonprofit arts organization which sponsors and presents
21 productions or performances of an artistic or cultural nature in a
22 specific theater or other appropriate designated indoor premises
23 approved by the board. The license shall permit the licensee to sell
24 liquor to patrons of productions or performances for consumption on
25 the premises at these events. The fee for the license shall be (~~two~~
26 ~~hundred fifty dollars~~) \$125 per annum.

27 (b) The annual fee in (a) of this subsection is waived during the
28 12-month period beginning with the second calendar month after
29 February 28, 2021, for:

30 (i) Licenses that expire during the 12-month waiver period under
31 this subsection (1)(b); and

32 (ii) Licenses issued to persons previously licensed under this
33 section at any time during the 12-month period prior to the 12-month
34 waiver period under this subsection (1)(b).

35 (c) The waiver in (b) of this subsection does not apply to any
36 licensee that:

37 (i) Had their license suspended by the board for health and
38 safety violations of state COVID-19 guidelines; or

1 (ii) Received an order of immediate restraint or citation from
2 the department of labor and industries for allowing an employee to
3 perform work where business activity was prohibited in violation of
4 an emergency proclamation of the governor under RCW 43.06.220.

5 (d) Upon request of the department of revenue, the board and the
6 department of labor and industries must both provide a list of
7 persons that they have determined to be ineligible for a fee waiver
8 under (b) of this subsection for the reasons described in (c) of this
9 subsection. Unless otherwise agreed, any list must be received by the
10 department of revenue no later than 15 calendar days after the
11 request is made.

12 (2) For the purposes of this section, the term "nonprofit arts
13 organization" means an organization which is organized and operated
14 for the purpose of providing artistic or cultural exhibitions,
15 presentations, or performances or cultural or art education programs,
16 as defined in subsection (3) of this section, for viewing or
17 attendance by the general public. The organization must be a not-for-
18 profit corporation under chapter ((24.03)) 24.03A RCW and managed by
19 a governing board of not less than eight individuals none of whom is
20 a paid employee of the organization or by a corporation sole under
21 chapter 24.12 RCW. In addition, the corporation must satisfy the
22 following conditions:

23 (a) No part of its income may be paid directly or indirectly to
24 its members, stockholders, officers, directors, or trustees except in
25 the form of services rendered by the corporation in accordance with
26 its purposes and bylaws;

27 (b) Salary or compensation paid to its officers and executives
28 must be only for actual services rendered, and at levels comparable
29 to the salary or compensation of like positions within the state;

30 (c) Assets of the corporation must be irrevocably dedicated to
31 the activities for which the license is granted and, on the
32 liquidation, dissolution, or abandonment by the corporation, may not
33 inure directly or indirectly to the benefit of any member or
34 individual except a nonprofit organization, association, or
35 corporation;

36 (d) The corporation must be duly licensed or certified when
37 licensing or certification is required by law or regulation;

38 (e) The proceeds derived from sales of liquor, except for
39 reasonable operating costs, must be used in furtherance of the
40 purposes of the organization;

1 (f) Services must be available regardless of race, color,
2 national origin, or ancestry; and

3 (g) The board shall have access to its books in order to
4 determine whether the corporation is entitled to a license.

5 (3) The term "artistic or cultural exhibitions, presentations, or
6 performances or cultural or art education programs" includes and is
7 limited to:

8 (a) An exhibition or presentation of works of art or objects of
9 cultural or historical significance, such as those commonly displayed
10 in art or history museums;

11 (b) A musical or dramatic performance or series of performances;
12 or

13 (c) An educational seminar or program, or series of such
14 programs, offered by the organization to the general public on an
15 artistic, cultural, or historical subject.

16 **Sec. 16.** RCW 66.24.540 and 2021 c 6 s 11 are each amended to
17 read as follows:

18 (1) There is a retailer's license to be designated as a motel
19 license. The motel license may be issued to a motel regardless of
20 whether it holds any other class of license under this title. No
21 license may be issued to a motel offering rooms to its guests on an
22 hourly basis. The license authorizes the licensee to:

23 (a) Sell, at retail, in locked honor bars, spirits in individual
24 bottles not to exceed fifty milliliters, beer in individual cans or
25 bottles not to exceed twelve ounces, and wine in individual bottles
26 not to exceed one hundred eighty-seven milliliters, to registered
27 guests of the motel for consumption in guest rooms.

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

30 (ii) All spirits to be sold under the license must be purchased
31 from a spirits retailer or a spirits distributor licensee of the
32 board.

33 (iii) The licensee must require proof of age from the guest
34 renting a guest room and requesting the use of an honor bar. The
35 guest must also execute an affidavit verifying that no one under
36 twenty-one years of age has access to the spirits, beer, and wine in
37 the honor bar.

38 (b) Provide without additional charge, to overnight guests of the
39 motel, spirits, beer, and wine by the individual serving for on-

1 premises consumption at a specified regular date, time, and place as
2 may be fixed by the board. Self-service by attendees is prohibited.
3 All spirits, beer, and wine service must be done by an alcohol server
4 as defined in RCW 66.20.300 and comply with RCW 66.20.310.

5 (2) (a) The annual fee for a motel license is (~~five hundred~~
6 ~~dollars~~) \$250.

7 (b) The annual fee in (a) of this subsection is waived during the
8 12-month period beginning with the second calendar month after
9 February 28, 2021, for:

10 (i) Licenses that expire during the 12-month waiver period under
11 this subsection (2) (b); and

12 (ii) Licenses issued to persons previously licensed under this
13 section at any time during the 12-month period prior to the 12-month
14 waiver period under this subsection (2) (b).

15 (c) The waiver in (b) of this subsection does not apply to any
16 licensee that:

17 (i) Had their license suspended by the board for health and
18 safety violations of state COVID-19 guidelines; or

19 (ii) Received an order of immediate restraint or citation from
20 the department of labor and industries for allowing an employee to
21 perform work where business activity was prohibited in violation of
22 an emergency proclamation of the governor under RCW 43.06.220.

23 (d) Upon request of the department of revenue, the board and the
24 department of labor and industries must both provide a list of
25 persons that they have determined to be ineligible for a fee waiver
26 under (b) of this subsection for the reasons described in (c) of this
27 subsection. Unless otherwise agreed, any list must be received by the
28 department of revenue no later than 15 calendar days after the
29 request is made.

30 (3) For the purposes of this section, "motel" means a transient
31 accommodation licensed under chapter 70.62 RCW.

32 **Sec. 17.** RCW 66.24.570 and 2021 c 6 s 12 are each amended to
33 read as follows:

34 (1) (a) There is a license for sports entertainment facilities to
35 be designated as a sports entertainment facility license to sell
36 beer, wine, and spirits at retail, for consumption upon the premises
37 only, the license to be issued to the entity providing food and
38 beverage service at a sports entertainment facility as defined in

1 this section. The cost of the license is (~~two thousand five hundred~~
2 ~~dollars~~) \$1,250 per annum.

3 (b) The annual fee in (a) of this subsection is waived during the
4 12-month period beginning with the second calendar month after
5 February 28, 2021, for:

6 (i) Licenses that expire during the 12-month waiver period under
7 this subsection (1)(b); and

8 (ii) Licenses issued to persons previously licensed under this
9 section at any time during the 12-month period prior to the 12-month
10 waiver period under this subsection (1)(b).

11 (c) The waiver in (b) of this subsection does not apply to any
12 licensee that:

13 (i) Had their license suspended by the board for health and
14 safety violations of state COVID-19 guidelines; or

15 (ii) Received an order of immediate restraint or citation from
16 the department of labor and industries for allowing an employee to
17 perform work where business activity was prohibited in violation of
18 an emergency proclamation of the governor under RCW 43.06.220.

19 (d) Upon request of the department of revenue, the board and the
20 department of labor and industries must both provide a list of
21 persons that they have determined to be ineligible for a fee waiver
22 under (b) of this subsection for the reasons described in (c) of this
23 subsection. Unless otherwise agreed, any list must be received by the
24 department of revenue no later than 15 calendar days after the
25 request is made.

26 (2) For purposes of this section, a sports entertainment facility
27 includes a publicly or privately owned arena, coliseum, stadium, or
28 facility where sporting events are presented for a price of
29 admission. The facility does not have to be exclusively used for
30 sporting events.

31 (3) The board may impose reasonable requirements upon a licensee
32 under this section, such as requirements for the availability of food
33 and victuals including but not limited to hamburgers, sandwiches,
34 salads, or other snack food. The board may also restrict the type of
35 events at a sports entertainment facility at which beer, wine, and
36 spirits may be served. When imposing conditions for a licensee, the
37 board must consider the seating accommodations, eating facilities,
38 and circulation patterns in such a facility, and other amenities
39 available at a sports entertainment facility.

1 (4) (a) The board may issue a caterer's endorsement to the license
2 under this section to allow the licensee to remove from the liquor
3 stocks at the licensed premises, for use as liquor for sale and
4 service at event locations at a specified date and place not
5 currently licensed by the board. If the event is open to the public,
6 it must be sponsored by a society or organization as defined by RCW
7 66.24.375. If attendance at the event is limited to members or
8 invited guests of the sponsoring individual, society, or
9 organization, the requirement that the sponsor must be a society or
10 organization as defined by RCW 66.24.375 is waived. Cost of the
11 endorsement is three hundred fifty dollars.

12 (b) The holder of this license with catering endorsement shall,
13 if requested by the board, notify the board or its designee of the
14 date, time, place, and location of any catered event. Upon request,
15 the licensee shall provide to the board all necessary or requested
16 information concerning the society or organization that will be
17 holding the function at which the endorsed license will be utilized.

18 (5) The board may issue an endorsement to the beer, wine, and
19 spirits sports entertainment facility license that allows the holder
20 of a beer, wine, and spirits sports entertainment facility license to
21 sell for off-premises consumption wine vinted and bottled in the
22 state of Washington and carrying a label exclusive to the license
23 holder selling the wine. Spirits and beer may not be sold for off-
24 premises consumption under this section. The annual fee for the
25 endorsement under this section is one hundred twenty dollars.

26 (6) (a) A licensee and an affiliated business may enter into
27 arrangements with a manufacturer, importer, or distributor for brand
28 advertising at the sports entertainment facility or promotion of
29 events held at the sports entertainment facility, with a capacity of
30 five thousand people or more. The financial arrangements providing
31 for the brand advertising or promotion of events shall not be used as
32 an inducement to purchase the products of the manufacturer, importer,
33 or distributor entering into the arrangement nor shall it result in
34 the exclusion of brands or products of other companies.

35 (b) The arrangements allowed under this subsection (6) are an
36 exception to arrangements prohibited under RCW 66.28.305. The board
37 shall monitor the impacts of these arrangements. The board may
38 conduct audits of the licensee and the affiliated business to
39 determine compliance with this subsection (6). Audits may include but
40 are not limited to product selection at the facility; purchase

1 patterns of the licensee; contracts with the liquor manufacturer,
2 importer, or distributor; and the amount allocated or used for liquor
3 advertising by the licensee, affiliated business, manufacturer,
4 importer, or distributor under the arrangements.

5 (c) The board shall report to the appropriate committees of the
6 legislature by December 30, 2008, and biennially thereafter, on the
7 impacts of arrangements allowed between sports entertainment
8 licensees and liquor manufacturers, importers, and distributors for
9 brand advertising and promotion of events at the facility.

10 **Sec. 18.** RCW 66.24.580 and 2021 c 6 s 13 are each amended to
11 read as follows:

12 (1) A public house license allows the licensee:

13 (a) To annually manufacture no less than two hundred fifty
14 gallons and no more than two thousand four hundred barrels of beer on
15 the licensed premises;

16 (b) To sell product, that is produced on the licensed premises,
17 at retail on the licensed premises for consumption on the licensed
18 premises;

19 (c) To sell beer or wine not of its own manufacture for
20 consumption on the licensed premises if the beer or wine has been
21 purchased from a licensed beer or wine wholesaler;

22 (d) To apply for and, if qualified and upon the payment of the
23 appropriate fee, be licensed as a spirits, beer, and wine restaurant
24 to do business at the same location. This fee is in addition to the
25 fee charged for the basic public house license.

26 (2) RCW 66.28.305 applies to a public house license.

27 (3) A public house licensee must pay all applicable taxes on
28 production as are required by law, and all appropriate taxes must be
29 paid for any product sold at retail on the licensed premises.

30 (4) The employees of the licensee must comply with the provisions
31 of mandatory server training in RCW 66.20.300 through 66.20.350.

32 (5) The holder of a public house license may not hold a
33 wholesaler's or importer's license, act as the agent of another
34 manufacturer, wholesaler, or importer, or hold a brewery or winery
35 license.

36 (6) (a) The annual license fee for a public house is (~~one~~
37 ~~thousand dollars~~) \$500.

1 (b) The annual fee in (a) of this subsection is waived during the
2 12-month period beginning with the second calendar month after
3 February 28, 2021, for:

4 (i) Licenses that expire during the 12-month waiver period under
5 this subsection (6)(b); and

6 (ii) Licenses issued to persons previously licensed under this
7 section at any time during the 12-month period prior to the 12-month
8 waiver period under this subsection (6)(b).

9 (c) The waiver in (b) of this subsection does not apply to any
10 licensee that:

11 (i) Had their license suspended by the board for health and
12 safety violations of state COVID-19 guidelines; or

13 (ii) Received an order of immediate restraint or citation from
14 the department of labor and industries for allowing an employee to
15 perform work where business activity was prohibited in violation of
16 an emergency proclamation of the governor under RCW 43.06.220.

17 (d) Upon request of the department of revenue, the board and the
18 department of labor and industries must both provide a list of
19 persons that they have determined to be ineligible for a fee waiver
20 under (b) of this subsection for the reasons described in (c) of this
21 subsection. Unless otherwise agreed, any list must be received by the
22 department of revenue no later than 15 calendar days after the
23 request is made.

24 (7) The holder of a public house license may hold other licenses
25 at other locations if the locations are approved by the board.

26 (8) Existing holders of annual retail liquor licenses may apply
27 for and, if qualified, be granted a public house license at one or
28 more of their existing liquor licensed locations without
29 discontinuing business during the application or construction stages.

30 **Sec. 19.** RCW 66.24.650 and 2021 c 6 s 16 are each amended to
31 read as follows:

32 (1)(a) There is a theater license to sell beer, including strong
33 beer, or wine, or both, at retail, for consumption on theater
34 premises. The annual fee is (~~four hundred dollars~~) \$200 for a beer
35 and wine theater license.

36 (b) The annual fee in (a) of this subsection is waived during the
37 12-month period beginning with the second calendar month after
38 February 28, 2021, for:

1 (i) Licenses that expire during the 12-month waiver period under
2 this subsection (1)(b); and

3 (ii) Licenses issued to persons previously licensed under this
4 section at any time during the 12-month period prior to the 12-month
5 waiver period under this subsection (1)(b).

6 (c) The waiver in (b) of this subsection does not apply to any
7 licensee that:

8 (i) Had their license suspended by the board for health and
9 safety violations of state COVID-19 guidelines; or

10 (ii) Received an order of immediate restraint or citation from
11 the department of labor and industries for allowing an employee to
12 perform work where business activity was prohibited in violation of
13 an emergency proclamation of the governor under RCW 43.06.220.

14 (d) Upon request of the department of revenue, the board and the
15 department of labor and industries must both provide a list of
16 persons that they have determined to be ineligible for a fee waiver
17 under (b) of this subsection for the reasons described in (c) of this
18 subsection. Unless otherwise agreed, any list must be received by the
19 department of revenue no later than 15 calendar days after the
20 request is made.

21 (2) If the theater premises is to be frequented by minors, an
22 alcohol control plan must be submitted to the board at the time of
23 application. The alcohol control plan must be approved by the board,
24 and be prominently posted on the premises, prior to minors being
25 allowed.

26 (3) For the purposes of this section:

27 (a) "Alcohol control plan" means a written, dated, and signed
28 plan submitted to the board by an applicant or licensee for the
29 entire theater premises, or rooms or areas therein, that shows where
30 and when alcohol is permitted, where and when minors are permitted,
31 and the control measures used to ensure that minors are not able to
32 obtain alcohol or be exposed to environments where drinking alcohol
33 predominates.

34 (b) "Theater" means a place of business where motion pictures or
35 other primarily nonparticipatory entertainment are shown, and
36 includes only theaters with up to four screens.

37 (4) The board must adopt rules regarding alcohol control plans
38 and necessary control measures to ensure that minors are not able to
39 obtain alcohol or be exposed to areas where drinking alcohol
40 predominates. All alcohol control plans must include a requirement

1 that any person involved in the serving of beer and/or wine must have
2 completed a mandatory alcohol server training program.

3 (5) (a) A licensee that is an entity that is exempt from taxation
4 under Title 26 U.S.C. Sec. 501(c)(3) of the federal internal revenue
5 code of 1986, as amended as of January 1, 2013, may enter into
6 arrangements with a beer or wine manufacturer, importer, or
7 distributor for brand advertising at the theater or promotion of
8 events held at the theater. The financial arrangements providing for
9 the brand advertising or promotion of events may not be used as an
10 inducement to purchase the products of the manufacturer, importer, or
11 distributor entering into the arrangement and such arrangements may
12 not result in the exclusion of brands or products of other companies.

13 (b) The arrangements allowed under this subsection (5) are an
14 exception to arrangements prohibited under RCW 66.28.305. The board
15 must monitor the impacts of these arrangements. The board may conduct
16 audits of a licensee and the affiliated business to determine
17 compliance with this subsection (5). Audits may include, but are not
18 limited to: Product selection at the facility; purchase patterns of
19 the licensee; contracts with the beer or wine manufacturer, importer,
20 or distributor; and the amount allocated or used for wine or beer
21 advertising by the licensee, affiliated business, manufacturer,
22 importer, or distributor under the arrangements.

23 (6) The maximum penalties prescribed by the board in WAC
24 314-29-020 relating to fines and suspensions are double for
25 violations involving minors or the failure to follow the alcohol
26 control plan with respect to theaters licensed under this section.

27 **Sec. 20.** RCW 66.24.680 and 2021 c 176 s 5235 and 2021 c 6 s 18
28 are each reenacted and amended to read as follows:

29 (1) There shall be a license to be designated as a senior center
30 license. This shall be a license issued to a nonprofit organization
31 whose primary service is providing recreational and social activities
32 for seniors on the licensed premises. This license shall permit the
33 licensee to sell spirits by the individual glass, including mixed
34 drinks and cocktails mixed on the premises only, beer and wine, at
35 retail for consumption on the premises.

36 (2) To qualify for this license, the applicant entity must:

37 (a) Be a nonprofit organization under chapter 24.03A RCW;

38 (b) Be open at times and durations established by the board; and

39 (c) Provide limited food service as defined by the board.

1 (3) All alcohol servers must have a valid mandatory alcohol
2 server training permit.

3 (4) The board shall adopt rules to implement this section.

4 (5) (a) The annual fee for this license shall be (~~seven hundred~~
5 ~~twenty dollars~~) \$360.

6 (b) The annual fee in (a) of this subsection is waived during the
7 12-month period beginning with the second calendar month after
8 February 28, 2021, for:

9 (i) Licenses that expire during the 12-month waiver period under
10 this subsection (5) (b); and

11 (ii) Licenses issued to persons previously licensed under this
12 section at any time during the 12-month period prior to the 12-month
13 waiver period under this subsection (5) (b).

14 (c) The waiver in (b) of this subsection does not apply to any
15 licensee that:

16 (i) Had their license suspended by the board for health and
17 safety violations of state COVID-19 guidelines; or

18 (ii) Received an order of immediate restraint or citation from
19 the department of labor and industries for allowing an employee to
20 perform work where business activity was prohibited in violation of
21 an emergency proclamation of the governor under RCW 43.06.220.

22 (d) Upon request of the department of revenue, the board and the
23 department of labor and industries must both provide a list of
24 persons that they have determined to be ineligible for a fee waiver
25 under (b) of this subsection for the reasons described in (c) of this
26 subsection. Unless otherwise agreed, any list must be received by the
27 department of revenue no later than 15 calendar days after the
28 request is made.

29 NEW SECTION. **Sec. 21.** Sections 2 through 20 of this act expire
30 December 31, 2023.

31 NEW SECTION. **Sec. 22.** This act is necessary for the immediate
32 preservation of the public peace, health, or safety, or support of
33 the state government and its existing public institutions, and takes
34 effect April 1, 2022."

ADOPTED 03/10/2022

1 On page 1, line 1 of the title, after "fees;" strike the
2 remainder of the title and insert "amending RCW 66.24.420, 66.24.590,
3 66.24.600, 66.24.655, 66.24.690, 66.24.140, 66.24.146, 66.24.170,
4 66.24.240, 66.24.244, 66.24.320, 66.24.330, 66.24.350, 66.24.540,
5 66.24.570, 66.24.580, and 66.24.650; reenacting and amending RCW
6 66.24.495 and 66.24.680; creating a new section; providing an
7 effective date; providing an expiration date; and declaring an
8 emergency."

EFFECT: (1) Changes the bill's effective date to April 1, 2022,
from May 1, 2022.

(2) Adds the following licenses to the temporary license fee
reduction: (a) Domestic winery; (b) domestic brewery; (c)
microbrewery; (d) beer and/or wine restaurant; (e) tavern; (f) snack
bar; (g) nonprofit arts organization; (h) motel; (i) sports
entertainment facility; (j) public house; (k) senior center; and (l)
theater.

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