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**HOUSE BILL 1359**

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**State of Washington**

**67th Legislature**

**2021 Regular Session**

**By** Representatives Stonier, MacEwen, Robertson, Shewmake, Ormsby, and Macri

Read first time 01/25/21. Referred to Committee on Commerce & Gaming.

1 AN ACT Relating to temporarily reducing liquor license fees;  
2 amending RCW 66.24.420, 66.24.590, 66.24.600, 66.24.655, and  
3 66.24.690; creating a new section; providing an effective date;  
4 providing an expiration date; and declaring an emergency.

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

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

19 **Sec. 2.** RCW 66.24.420 and 2009 c 271 s 7 are each amended to  
20 read as follows:

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

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

6	Less than 50% dedicated dining area	<del>(\$2,000)</del>
7		<u>\$1,000</u>
8	50% or more dedicated dining area	<del>(\$1,600)</del>
9		<u>\$800</u>
10	Service bar only	<del>(\$1,000)</del>
11		<u>\$500</u>

12 (b) The annual fee for the license when issued to any other  
13 spirits, beer, and wine restaurant licensee outside of incorporated  
14 cities and towns shall be prorated according to the calendar  
15 quarters, or portion thereof, during which the licensee is open for  
16 business, except in case of suspension or revocation of the license.

17 (c) Where the license shall be issued to any corporation,  
18 association or person operating a bona fide restaurant in an airport  
19 terminal facility providing service to transient passengers with more  
20 than one place where liquor is to be dispensed and sold, such license  
21 shall be issued upon the payment of the annual fee, which shall be a  
22 master license and shall permit such sale within and from one such  
23 place. Such license may be extended to additional places on the  
24 premises at the discretion of the board and a duplicate license may  
25 be issued for each such additional place. The holder of a master  
26 license for a restaurant in an airport terminal facility must  
27 maintain in a substantial manner at least one place on the premises  
28 for preparing, cooking, and serving of complete meals, and such food  
29 service shall be available on request in other licensed places on the  
30 premises. An additional license fee of twenty-five percent of the  
31 annual master license fee shall be required for such duplicate  
32 licenses.

33 (d) Where the license shall be issued to any corporation,  
34 association, or person operating dining places at a publicly or  
35 privately owned civic or convention center with facilities for  
36 sports, entertainment, or conventions, or a combination thereof, with  
37 more than one place where liquor is to be dispensed and sold, such  
38 license shall be issued upon the payment of the annual fee, which

1 shall be a master license and shall permit such sale within and from  
2 one such place. Such license may be extended to additional places on  
3 the premises at the discretion of the board and a duplicate license  
4 may be issued for each such additional place. The holder of a master  
5 license for a dining place at such a publicly or privately owned  
6 civic or convention center must maintain in a substantial manner at  
7 least one place on the premises for preparing, cooking, and serving  
8 of complete meals, and food service shall be available on request in  
9 other licensed places on the premises. An additional license fee of  
10 ten dollars shall be required for such duplicate licenses.

11 (2) The board, so far as in its judgment is reasonably possible,  
12 shall confine spirits, beer, and wine restaurant licenses to the  
13 business districts of cities and towns and other communities, and not  
14 grant such licenses in residential districts, nor within the  
15 immediate vicinity of schools, without being limited in the  
16 administration of this subsection to any specific distance  
17 requirements.

18 (3) The board shall have discretion to issue spirits, beer, and  
19 wine restaurant licenses outside of cities and towns in the state of  
20 Washington. The purpose of this subsection is to enable the board, in  
21 its discretion, to license in areas outside of cities and towns and  
22 other communities, establishments which are operated and maintained  
23 primarily for the benefit of tourists, vacationers and travelers, and  
24 also golf and country clubs, and common carriers operating dining,  
25 club and buffet cars, or boats.

26 (4) The combined total number of spirits, beer, and wine  
27 nightclub licenses, and spirits, beer, and wine restaurant licenses  
28 issued in the state of Washington by the board, not including  
29 spirits, beer, and wine private club licenses, shall not in the  
30 aggregate at any time exceed one license for each one thousand two  
31 hundred of population in the state, determined according to the  
32 yearly population determination developed by the office of financial  
33 management pursuant to RCW 43.62.030.

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

39 (6) (a) The board may issue a caterer's endorsement to this  
40 license to allow the licensee to remove the liquor stocks at the

1 licensed premises, for use as liquor for sale and service at event  
2 locations at a specified date and, except as provided in subsection  
3 (7) of this section, place not currently licensed by the board. If  
4 the event is open to the public, it must be sponsored by a society or  
5 organization as defined by RCW 66.24.375. If attendance at the event  
6 is limited to members or invited guests of the sponsoring individual,  
7 society, or organization, the requirement that the sponsor must be a  
8 society or organization as defined by RCW 66.24.375 is waived. Cost  
9 of the endorsement is three hundred fifty dollars.

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

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

23 (d) The holder of this license with a caterer's endorsement may,  
24 under conditions established by the board, store liquor on other  
25 premises operated by the licensee so long as the other premises are  
26 owned or controlled by a leasehold interest by that licensee. A  
27 duplicate license may be issued for each additional premises. A  
28 license fee of twenty dollars shall be required for such duplicate  
29 licenses.

30 (7) Licensees under this section that hold a caterer's  
31 endorsement are allowed to use this endorsement on a domestic winery  
32 premises or on the premises of a passenger vessel and may store  
33 liquor at such premises under conditions established by the board  
34 under the following conditions:

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

39 (b) The domestic winery or passenger vessel, as the case may be,  
40 and the retail licensee shall be separately contracted and

1 compensated by the persons sponsoring the event for their respective  
2 services.

3 **Sec. 3.** RCW 66.24.590 and 2012 c 2 s 115 are each amended to  
4 read as follows:

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

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

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

14 (b) Sell, at retail, from locked honor bars, in individual units,  
15 spirits not to exceed fifty milliliters, beer in individual units not  
16 to exceed twelve ounces, and wine in individual bottles not to exceed  
17 three hundred eighty-five milliliters, to registered guests of the  
18 hotel for consumption in guest rooms. The licensee must require proof  
19 of age from the guest renting a guest room and requesting the use of  
20 an honor bar. The guest must also execute an affidavit verifying that  
21 no one under twenty-one years of age will have access to the spirits,  
22 beer, and wine in the honor bar;

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

27 (d) Sell beer, including strong beer, wine, or spirits, in the  
28 manufacturer's sealed container or by the individual drink to guests  
29 through room service, or through service to occupants of private  
30 residential units which are part of the buildings or complex of  
31 buildings that include the hotel;

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

35 (f) Sell beer to a purchaser in a sanitary container brought to  
36 the premises by the purchaser or furnished by the licensee and filled  
37 at the tap in the restaurant area by the licensee at the time of  
38 sale;

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

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

8 (3) If all or any facilities for alcoholic beverage service and  
9 the preparation, cooking, and serving of food are operated under  
10 contract or joint venture agreement, the operator may hold a license  
11 separate from the license held by the operator of the hotel. Food and  
12 beverage inventory used in separate licensed operations at the hotel  
13 may not be shared and must be separately owned and stored by the  
14 separate licensees.

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

17 (5) All (~~on-premise~~—~~[on-premises]~~)) on-premises alcoholic  
18 beverage service must be done by an alcohol server as defined in RCW  
19 66.20.300 and must comply with RCW 66.20.310.

20 (6)(a) The hotel license allows the licensee to remove from the  
21 liquor stocks at the licensed premises, liquor for sale and service  
22 at event locations at a specified date and place not currently  
23 licensed by the board. If the event is open to the public, it must be  
24 sponsored by a society or organization as defined by RCW 66.24.375.  
25 If attendance at the event is limited to members or invited guests of  
26 the sponsoring individual, society, or organization, the requirement  
27 that the sponsor must be a society or organization as defined by RCW  
28 66.24.375 is waived.

29 (b) The holder of this license must, if requested by the board,  
30 notify the board or its designee of the date, time, place, and  
31 location of any event. Upon request, the licensee must provide to the  
32 board all necessary or requested information concerning the society  
33 or organization that will be holding the function at which the  
34 endorsed license will be utilized.

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

37 (7) The holder of this license or its manager may furnish  
38 spirits, beer, or wine to the licensee's employees who are twenty-one  
39 years of age or older free of charge as may be required for use in  
40 connection with instruction on spirits, beer, and wine. The

1 instruction may include the history, nature, values, and  
2 characteristics of spirits, beer, or wine, the use of wine lists, and  
3 the methods of presenting, serving, storing, and handling spirits,  
4 beer, or wine. The licensee must use the liquor it obtains under its  
5 license for the sampling as part of the instruction. The instruction  
6 must be given on the premises of the licensee.

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

14 (9) The annual fee for this license is (~~two thousand dollars~~)  
15 \$1,000.

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

18 **Sec. 4.** RCW 66.24.600 and 2009 c 271 s 1 are each amended to  
19 read as follows:

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

23 (2) The license may be issued only to a person whose business  
24 includes the sale and service of alcohol to the person's customers,  
25 has food sales and service incidental to the sale and service of  
26 alcohol, and has primary business hours between 9:00 p.m. and 2:00  
27 a.m.

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

30 (4) The annual fee for this license is (~~two thousand dollars~~)  
31 \$1,000. The fee for the license shall be reviewed from time to time  
32 and set at such a level sufficient to defray the cost of licensing  
33 and enforcing this licensing program. The fee shall be fixed by rule  
34 adopted by the board in accordance with the provisions of the  
35 administrative procedure act, chapter 34.05 RCW.

36 (5) Local governments may petition the board to request that  
37 further restrictions be imposed on a spirits, beer, and wine  
38 nightclub license in the interest of public safety. Examples of  
39 further restrictions a local government may request are: No minors

1 allowed on the entire premises, submitting a security plan, or  
2 signing a good neighbor agreement with the local government.

3 (6) The total number of (~~spirits~~ [~~spirits~~]) spirits, beer, and  
4 wine nightclub licenses are subject to the requirements of RCW  
5 66.24.420(4). However, the board shall refuse a spirits, beer, and  
6 wine nightclub license to any applicant if the board determines that  
7 the spirits, beer, and wine nightclub licenses already granted for  
8 the particular locality are adequate for the reasonable needs of the  
9 community.

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

11 **Sec. 5.** RCW 66.24.655 and 2013 c 237 s 1 are each amended to  
12 read as follows:

13 (1) There is a theater license to sell spirits, beer, including  
14 strong beer, or wine, or all, at retail, for consumption on theater  
15 premises. A spirits, beer, and wine theater license may be issued  
16 only to theaters that have no more than one hundred twenty seats per  
17 screen and that are maintained in a substantial manner as a place for  
18 preparing, cooking, and serving complete meals and providing tabletop  
19 accommodations for in-theater dining. Requirements for complete meals  
20 are the same as those adopted by the board in rules pursuant to  
21 chapter 34.05 RCW for a spirits, beer, and wine restaurant license  
22 authorized by RCW 66.24.400. The annual fee for a spirits, beer, and  
23 wine theater license is (~~two thousand dollars~~) \$1,000.

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.



1 (4) The board must adopt rules regarding alcohol control plans  
2 and necessary control measures to ensure that minors are not able to  
3 obtain alcohol or be exposed to areas where drinking alcohol  
4 predominates. All alcohol control plans must include a requirement  
5 that any person involved in the serving of spirits, beer, and/or wine  
6 must have completed a mandatory alcohol server training program.

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

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

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

32 **Sec. 6.** RCW 66.24.690 and 2014 c 29 s 1 are each amended to read  
33 as follows:

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

1 in RCW 66.24.375. If attendance at the event is limited to members or  
2 invited guests of the sponsoring individual, society, or  
3 organization, the requirement that the sponsor must be a society or  
4 organization as defined in RCW 66.24.375 is waived. The licensee must  
5 serve food as required by rules of the board.

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

10 (3) The holder of this license shall notify the board or its  
11 designee of the date, time, place, and location of any catered event  
12 at which liquor will be served, sold, or consumed. The board shall  
13 create rules detailing notification requirements. Upon request, the  
14 licensee shall provide to the board all necessary or requested  
15 information concerning the individual, society, or organization that  
16 will be holding the catered function at which the caterer's liquor  
17 license will be utilized.

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

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

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

28 NEW SECTION. **Sec. 7.** Sections 2 through 6 of this act expire  
29 December 31, 2022.

30 NEW SECTION. **Sec. 8.** This act is necessary for the immediate  
31 preservation of the public peace, health, or safety, or support of  
32 the state government and its existing public institutions, and takes  
33 effect May 1, 2021.

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