
HOUSE BILL 2112

State of Washington

67th Legislature

2022 Regular Session

By Representatives Vick, Robertson, and Sutherland

Read first time 02/01/22. Referred to Committee on Commerce & Gaming.

1 AN ACT Relating to reducing liquor license fees for preventing
2 sales to minors; and amending RCW 66.24.630.

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

4 **Sec. 1.** RCW 66.24.630 and 2021 c 48 s 5 are each amended to read
5 as follows:

6 (1) There is a spirits retail license to: Sell spirits in
7 original containers to consumers for consumption off the licensed
8 premises and to permit holders; sell spirits in original containers
9 to retailers licensed to sell spirits for consumption on the
10 premises, for resale at their licensed premises according to the
11 terms of their licenses, although no single sale may exceed twenty-
12 four liters, unless the sale is by a licensee that was a contract
13 liquor store manager of a contract liquor store at the location of
14 its spirits retail licensed premises from which it makes such sales;
15 and export spirits.

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

1 (a) Maintain a schedule by stock-keeping unit of all their
2 purchases of spirits from spirits retail licensees, including
3 combination spirits, beer, and wine licensees holding a license
4 issued pursuant to RCW 66.24.035, indicating the identity of the
5 seller and the quantities purchased; and

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

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

12 (ii) A distiller acting as distributor of the scheduled item in
13 the area.

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

25 (b) License issuances and renewals are subject to RCW 66.24.010
26 and the regulations adopted thereunder, including without limitation
27 rights of cities, towns, county legislative authorities, the public,
28 churches, schools, and public institutions to object to or prevent
29 issuance of local liquor licenses. However, existing grocery premises
30 licensed to sell beer and/or wine are deemed to be premises "now
31 licensed" under RCW 66.24.010(9)(a) for the purpose of processing
32 applications for spirits retail licenses.

33 (c) The board may not deny a spirits retail license to an
34 otherwise qualified contract liquor store at its contract location or
35 to the holder of former state liquor store operating rights sold at
36 auction under RCW 66.24.620 on the grounds of location, nature, or
37 size of the premises to be licensed. The board may not deny a spirits
38 retail license to applicants that are not contract liquor stores or
39 operating rights holders on the grounds of the size of the premises

1 to be licensed, if such applicant is otherwise qualified and the
2 board determines that:

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

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

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

9 (d) A retailer authorized to sell spirits for consumption on or
10 off the licensed premises may accept delivery of spirits at its
11 licensed premises, at another licensed premises as designated by the
12 retailer, or at one or more warehouse facilities registered with the
13 board, which facilities may also warehouse and distribute nonliquor
14 items, and from which the retailer may deliver to its own licensed
15 premises and, pursuant to sales permitted under subsection (1) of
16 this section:

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

19 (ii) To other registered facilities; or

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

24 (e) For purposes of negotiating volume discounts, a group of
25 individual retailers authorized to sell spirits for consumption off
26 the licensed premises may accept delivery of spirits at their
27 individual licensed premises or at any one of the individual
28 licensee's premises, or at a warehouse facility registered with the
29 board.

30 (4) (a) Except as otherwise provided in RCW 66.24.632, section 2,
31 chapter 48, Laws of 2021, or in (b) or (c) of this subsection, each
32 spirits retail licensee must pay to the board, for deposit into the
33 liquor revolving fund, a license issuance fee equivalent to seventeen
34 percent of all spirits sales revenues under the license, exclusive of
35 taxes collected by the licensee and of sales of items on which a
36 license fee payable under this section has otherwise been incurred.
37 The board must establish rules setting forth the timing of such
38 payments and reporting of sales dollar volume by the licensee, with
39 payments required quarterly in arrears. The first payment is due
40 October 1, 2012.

1 (b) This subsection (4) does not apply to craft distilleries for
2 sales of spirits of the craft distillery's own production.

3 (c) A licensee who achieves at least 90 percent compliance for
4 all liquor compliance checks within the preceding 12-month evaluation
5 period of October 1st through September 30th shall receive the
6 following reduction in the license issuance fee for the next calendar
7 year based on how long the licensee has achieved such compliance:

8 (i) A five percent fee reduction for the first year;

9 (ii) A 10 percent fee reduction for two consecutive years;

10 (iii) A 15 percent fee reduction for three consecutive years;

11 (iv) A 20 percent fee reduction for four consecutive years; and

12 (v) A 25 percent fee reduction for five or more consecutive
13 years.

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

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

34 (7) The maximum penalties prescribed by the board in WAC
35 314-29-020 through 314-29-040 relating to fines and suspensions are
36 doubled for violations relating to the sale of spirits by spirits
37 retail licensees.

38 (8) (a) The board must adopt regulations concerning the adoption
39 and administration of a compliance training program for spirits
40 retail licensees, to be known as a "responsible vendor program," to

1 reduce underage drinking, encourage licensees to adopt specific best
2 practices to prevent sales to minors, and provide licensees with an
3 incentive to give their employees ongoing training in responsible
4 alcohol sales and service.

5 (b) Licensees who join the responsible vendor program under this
6 section and maintain all of the program's requirements are not
7 subject to the doubling of penalties provided in this section for a
8 single violation in any period of twelve calendar months.

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

11 (d) To participate in the responsible vendor program, licensees
12 must submit an application form to the board. If the application
13 establishes that the licensee meets the qualifications to join the
14 program, the board must send the licensee a membership certificate.

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

17 (i) Provide ongoing training to employees;

18 (ii) Accept only certain forms of identification for alcohol
19 sales;

20 (iii) Adopt policies on alcohol sales and checking
21 identification;

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

23 (v) Keep records verifying compliance with the program's
24 requirements.

25 (f)(i) A spirits retail licensee that also holds a grocery store
26 license under RCW 66.24.360 or a beer and/or wine specialty shop
27 license under RCW 66.24.371 may, upon board approval and pursuant to
28 board rules, transition to a combination spirits, beer, and wine
29 license pursuant to RCW 66.24.035.

30 (ii) An applicant that would qualify for a spirits retail license
31 under this section and that qualifies for a combination spirits,
32 beer, and wine license pursuant to RCW 66.24.035 may apply for a
33 license pursuant to RCW 66.24.035 instead of applying for a spirits
34 retail license under this section.

--- END ---