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**HOUSE BILL 1731**

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**State of Washington**

**68th Legislature**

**2023 Regular Session**

**By** Representatives Waters, Stonier, Klicker, Low, Couture, Chambers, Ybarra, Barnard, Schmidt, McClintock, Santos, and Hutchins

Read first time 02/02/23. Referred to Committee on Regulated Substances & Gaming.

1 AN ACT Relating to complimentary liquor by short-term rental  
2 operators; and amending RCW 66.20.010 and 66.24.200.

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

4 **Sec. 1.** RCW 66.20.010 and 2019 c 112 s 1 are each amended to  
5 read as follows:

6 Upon application in the prescribed form being made to any  
7 employee authorized by the board to issue permits, accompanied by  
8 payment of the prescribed fee, and upon the employee being satisfied  
9 that the applicant should be granted a permit under this title, the  
10 employee must issue to the applicant under such regulations and at  
11 such fee as may be prescribed by the board a permit of the class  
12 applied for, as follows:

13 (1) Where the application is for a special permit by a physician  
14 or dentist, or by any person in charge of an institution regularly  
15 conducted as a hospital or sanatorium for the care of persons in ill  
16 health, or as a home devoted exclusively to the care of aged people,  
17 a special liquor purchase permit, except that the governor may waive  
18 the requirement for a special liquor purchase permit under this  
19 subsection pursuant to an order issued under RCW 43.06.220(2);

20 (2) Where the application is for a special permit by a person  
21 engaged within the state in mechanical or manufacturing business or

1 in scientific pursuits requiring alcohol for use therein, or by any  
2 private individual, a special permit to purchase alcohol for the  
3 purpose named in the permit, except that the governor may waive the  
4 requirement for a special liquor purchase permit under this  
5 subsection pursuant to an order issued under RCW 43.06.220(2);

6 (3) Where the application is for a special permit to consume  
7 liquor at a banquet, at a specified date and place, a special permit  
8 to purchase liquor for consumption at such banquet, to such  
9 applicants as may be fixed by the board;

10 (4) Where the application is for a special permit to consume  
11 liquor on the premises of a business not licensed under this title, a  
12 special permit to purchase liquor for consumption thereon for such  
13 periods of time and to such applicants as may be fixed by the board;

14 (5) Where the application is for a special permit by a  
15 manufacturer to import or purchase within the state alcohol, malt,  
16 and other materials containing alcohol to be used in the manufacture  
17 of liquor, or other products, a special permit;

18 (6) Where the application is for a special permit by a person  
19 operating a drug store to purchase liquor at retail prices only, to  
20 be thereafter sold by such person on the prescription of a physician,  
21 a special liquor purchase permit, except that the governor may waive  
22 the requirement for a special liquor purchase permit under this  
23 subsection pursuant to an order issued under RCW 43.06.220(2);

24 (7) Where the application is for a special permit by an  
25 authorized representative of a military installation operated by or  
26 for any of the armed forces within the geographical boundaries of the  
27 state of Washington, a special permit to purchase liquor for use on  
28 such military installation;

29 (8) Where the application is for a special permit by a vendor  
30 that manufactures or sells a product which cannot be effectively  
31 presented to potential buyers without serving it with liquor or by a  
32 manufacturer, importer, or distributor, or representative thereof, to  
33 serve liquor without charge to delegates and guests at a convention  
34 of a trade association composed of licensees of the board, when the  
35 said liquor is served in a hospitality room or from a booth in a  
36 board-approved suppliers' display room at the convention, and when  
37 the liquor so served is for consumption in the said hospitality room  
38 or display room during the convention, anything in this title to the  
39 contrary notwithstanding. Any such spirituous liquor must be  
40 purchased from a spirits retailer or distributor, and any such liquor

1 is subject to the taxes imposed by RCW 82.08.150, 66.24.290, and  
2 66.24.210;

3 (9) Where the application is for a special permit by a  
4 manufacturer, importer, or distributor, or representative thereof, to  
5 donate liquor for a reception, breakfast, luncheon, or dinner for  
6 delegates and guests at a convention of a trade association composed  
7 of licensees of the board, when the liquor so donated is for  
8 consumption at the said reception, breakfast, luncheon, or dinner  
9 during the convention, anything in this title to the contrary  
10 notwithstanding. Any such spirituous liquor must be purchased from a  
11 spirits retailer or distributor, and any such liquor is subject to  
12 the taxes imposed by RCW 82.08.150, 66.24.290, and 66.24.210;

13 (10) Where the application is for a special permit by a  
14 manufacturer, importer, or distributor, or representative thereof, to  
15 donate and/or serve liquor without charge to delegates and guests at  
16 an international trade fair, show, or exposition held under the  
17 auspices of a federal, state, or local governmental entity or  
18 organized and promoted by a nonprofit organization, anything in this  
19 title to the contrary notwithstanding. Any such spirituous liquor  
20 must be purchased from a liquor spirits retailer or distributor, and  
21 any such liquor is subject to the taxes imposed by RCW 82.08.150,  
22 66.24.290, and 66.24.210;

23 (11) Where the application is for an annual special permit by a  
24 person operating a bed and breakfast lodging facility to donate or  
25 serve wine or beer without charge to overnight guests of the facility  
26 if the wine or beer is for consumption on the premises of the  
27 facility. "Bed and breakfast lodging facility," as used in this  
28 subsection, means a facility offering from one to eight lodging units  
29 and breakfast to travelers and guests;

30 (12) Where the application is for a special permit to allow  
31 tasting of alcohol by persons at least (~~eighteen~~) 18 years of age  
32 under the following circumstances:

33 (a) The application is from a community or technical college as  
34 defined in RCW 28B.50.030, a regional university, or a state  
35 university;

36 (b) The person who is permitted to taste under this subsection is  
37 enrolled as a student in a required or elective class that is part of  
38 a culinary, sommelier, wine business, enology, viticulture, wine  
39 technology, beer technology, or spirituous technology-related degree  
40 program;

1 (c) The alcohol served to any person in the degree-related  
2 programs under (b) of this subsection is tasted but not consumed for  
3 the purposes of educational training as part of the class curriculum  
4 with the approval of the educational provider;

5 (d) The service and tasting of alcoholic beverages is supervised  
6 by a faculty or staff member of the educational provider who is  
7 (~~twenty-one~~) 21 years of age or older. The supervising faculty or  
8 staff member shall possess a class 12 or 13 alcohol server permit  
9 under the provisions of RCW 66.20.310;

10 (e) The enrolled student permitted to taste the alcoholic  
11 beverages does not purchase the alcoholic beverages;

12 (f) The enrolled student permitted to taste the alcoholic  
13 beverages conducts the tasting either: (i) On the premises of the  
14 college or university at which the student is enrolled; or (ii) while  
15 on a field trip to a grape-growing area or production facility so  
16 long as the enrolled student is accompanied by a faculty or staff  
17 member with a class 12 or 13 alcohol server permit who supervises as  
18 provided in (d) of this subsection and all other requirements of this  
19 subsection (12) are met; and

20 (g) The permit fee for the special permit provided for in this  
21 subsection (12) must be waived by the board;

22 (13) Where the application is for a special permit by a  
23 distillery or craft distillery for an event not open to the general  
24 public to be held or conducted at a specific place, including at the  
25 licensed premise of the applying distillery or craft distillery, upon  
26 a specific date for the purpose of tasting and selling spirits of its  
27 own production. The distillery or craft distillery must obtain a  
28 permit for a fee of (~~ten dollars~~) \$10 per event. An application for  
29 the permit must be submitted for private banquet permits prior to the  
30 event and, once issued, must be posted in a conspicuous place at the  
31 premises for which the permit was issued during all times the permit  
32 is in use. No licensee may receive more than (~~twelve~~) 12 permits  
33 under this subsection (13) each year;

34 (14) Where the application is for a special permit by a  
35 manufacturer of wine for an event not open to the general public to  
36 be held or conducted at a specific place upon a specific date for the  
37 purpose of tasting and selling wine of its own production. The winery  
38 must obtain a permit for a fee of (~~ten dollars~~) \$10 per event. An  
39 application for the permit must be submitted at least ten days before  
40 the event and once issued, must be posted in a conspicuous place at

1 the premises for which the permit was issued during all times the  
2 permit is in use. No more than (~~twelve~~) 12 events per year may be  
3 held by a single manufacturer under this subsection;

4 (15) Where the application is for a special permit by a  
5 manufacturer of beer for an event not open to the general public to  
6 be held or conducted at a specific place upon a specific date for the  
7 purpose of tasting and selling beer of its own production. The  
8 brewery or microbrewery must obtain a permit for a fee of (~~ten~~  
9 ~~dollars~~) \$10 per event. An application for the permit must be  
10 submitted at least (~~ten~~) 10 days before the event and, once issued,  
11 must be posted in a conspicuous place at the premises for which the  
12 permit was issued during all times the permit is in use. No more than  
13 (~~twelve~~) 12 events per year may be held by a single manufacturer  
14 under this subsection;

15 (16) Where the application is for a special permit by an  
16 individual or business to sell a private collection of wine or  
17 spirits to an individual or business. The seller must obtain a permit  
18 at least five business days before the sale, for a fee of (~~twenty-~~  
19 ~~five-dollars~~) \$25 per sale. The seller must provide an inventory of  
20 products sold and the agreed price on a form provided by the board.  
21 The seller shall submit the report and taxes due to the board no  
22 later than (~~twenty~~) 20 calendar days after the sale. A permit may  
23 be issued under this section to allow the sale of a private  
24 collection to licensees, but may not be issued to a licensee to sell  
25 to a private individual or business which is not otherwise authorized  
26 under the license held by the seller. If the liquor is purchased by a  
27 licensee, all sales are subject to taxes assessed as on liquor  
28 acquired from any other source. The board may adopt rules to  
29 implement this section;

30 (17)(a) A special permit, where the application is for a special  
31 permit by a nonprofit organization to sell wine through an auction,  
32 not open to the public, to be conducted at a specific place, upon a  
33 specific date, and to allow wine tastings at the auction of the wine  
34 to be auctioned.

35 (b) A permit holder under this subsection (17) may at the  
36 specified event:

37 (i) Sell wine by auction for off-premises consumption; and

38 (ii) Allow tastings of samples of the wine to be auctioned at the  
39 event.

1 (c) An application is required for a permit under this subsection  
2 (17). The application must be submitted prior to the event and once  
3 issued must be posted in a conspicuous place at the premises for  
4 which the permit was issued during all times the permit is in use.

5 (d) Wine from more than one winery may be sold at the auction;  
6 however, each winery selling wine at the auction must be listed on  
7 the permit application. Only a single application form may be  
8 required for each auction, regardless of the number of wineries that  
9 are selling wine at the auction. The total fee per event for a permit  
10 issued under this subsection (17) is ~~((twenty-five dollars))~~ \$25  
11 multiplied by the number of wineries that are selling wine at the  
12 auction.

13 (e) For the purposes of this subsection (17), "nonprofit  
14 organization" means an entity incorporated as a nonprofit  
15 organization under Washington state law.

16 (f) The board may adopt rules to implement this section; and

17 (18) An annual special permit to allow a short-term rental  
18 operator to provide a complimentary bottle of wine to rental guests  
19 who are age 21 or over. The annual special permit fee is \$75. A  
20 single permit applies to all rental properties owned or operated by  
21 the short-term rental operator and identified in the permit  
22 application. The complimentary bottle of wine may be consumed on the  
23 premises of the rental property or removed and consumed off the  
24 premises of the rental property. A permit holder may purchase wine  
25 from wine distributors in accordance with RCW 66.24.200, and from  
26 retailers and other suppliers of wine authorized under this title to  
27 sell wine at retail to consumers for off-premises consumption. For  
28 purposes of this subsection, the terms "short-term rental,"  
29 "operator," and "guest" have the same meanings as in RCW 64.37.010.

30 **Sec. 2.** RCW 66.24.200 and 2004 c 160 s 2 are each amended to  
31 read as follows:

32 There shall be a license for wine distributors to sell wine,  
33 purchased from licensed Washington wineries, wine certificate of  
34 approval holders, licensed wine importers, or suppliers of foreign  
35 wine located outside of the United States, to licensed wine retailers  
36 ~~((and)),~~ other wine distributors, and holders of annual special  
37 permits issued under RCW 66.20.010(18), and to export the same from

1 the state; fee ((~~six hundred sixty dollars~~) \$660 per year for each  
2 distributing unit.

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