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**SUBSTITUTE HOUSE BILL 1701**

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**State of Washington**

**69th Legislature**

**2025 Regular Session**

**By** House Consumer Protection & Business (originally sponsored by Representative Steele)

READ FIRST TIME 02/21/25.

1 AN ACT Relating to authorizing multiple liquor licensees to have  
2 licensed premises within a facility owned and leased out by another  
3 liquor licensee or person; and amending RCW 66.24.010 and 66.28.295.

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

5 **Sec. 1.** RCW 66.24.010 and 2019 c 370 s 1 are each amended to  
6 read as follows:

7 (1) Every license must be issued in the name of the applicant,  
8 and the holder thereof may not allow any other person to use the  
9 license.

10 (2) For the purpose of considering any application for a license,  
11 or the renewal of a license, the board may cause an inspection of the  
12 premises to be made, and may inquire into all matters in connection  
13 with the construction and operation of the premises. For the purpose  
14 of reviewing any application for a license and for considering the  
15 denial, suspension, revocation, or renewal or denial thereof, of any  
16 license, the board may consider any prior criminal conduct of the  
17 applicant including an administrative violation history record with  
18 the board and a criminal history record information check. The board  
19 may submit the criminal history record information check to the  
20 Washington state patrol and to the identification division of the  
21 federal bureau of investigation in order that these agencies may

1 search their records for prior arrests and convictions of the  
2 individual or individuals who filled out the forms. The board must  
3 require fingerprinting of any applicant whose criminal history record  
4 information check is submitted to the federal bureau of  
5 investigation. The provisions of RCW 9.95.240 and of chapter 9.96A  
6 RCW do not apply to such cases. Subject to the provisions of this  
7 section, the board may, in its discretion, grant or deny the renewal  
8 or license applied for. Denial may be based on, without limitation,  
9 the existence of chronic illegal activity documented in objections  
10 submitted pursuant to subsections (8)(d) and (12) of this section.  
11 Authority to approve an uncontested or unopposed license may be  
12 granted by the board to any staff member the board designates in  
13 writing. Conditions for granting such authority must be adopted by  
14 rule. No retail license of any kind may be issued to:

15 (a) A person doing business as a sole proprietor who has not  
16 resided in the state for at least one month prior to receiving a  
17 license, except in cases of licenses issued to dining places on  
18 railroads, boats, or aircraft;

19 (b) A copartnership, unless all of the members thereof are  
20 qualified to obtain a license, as provided in this section;

21 (c) A person whose place of business is conducted by a manager or  
22 agent, unless such manager or agent possesses the same qualifications  
23 required of the licensee;

24 (d) A corporation or a limited liability company, unless it was  
25 created under the laws of the state of Washington or holds a  
26 certificate of authority to transact business in the state of  
27 Washington.

28 (3)(a) The board may, in its discretion, subject to the  
29 provisions of RCW 66.08.150, suspend or cancel any license; and all  
30 rights of the licensee to keep or sell liquor thereunder must be  
31 suspended or terminated, as the case may be.

32 (b) The board must immediately suspend the license or certificate  
33 of a person who has been certified pursuant to RCW 74.20A.320 by the  
34 department of social and health services as a person who is not in  
35 compliance with a support order. If the person has continued to meet  
36 all other requirements for reinstatement during the suspension,  
37 reissuance of the license or certificate is automatic upon the  
38 board's receipt of a release issued by the department of social and  
39 health services stating that the licensee is in compliance with the  
40 order.

1 (c) Upon written notification by the department of revenue in  
2 accordance with RCW 82.08.155 that a person is more than thirty days  
3 delinquent in reporting or remitting spirits taxes to the department,  
4 the board must suspend all spirits licenses held by that person. The  
5 board must also refuse to renew any existing spirits license of, or  
6 issue any new spirits license to, the person or any other applicant  
7 controlled directly or indirectly by that person. The board may not  
8 reinstate a person's spirits license or renew or issue a new spirits  
9 license to that person, or an applicant controlled directly or  
10 indirectly by that person, until such time as the department of  
11 revenue notifies the board that the person is current in reporting  
12 and remitting spirits taxes or that the department consents to the  
13 reinstatement or renewal of the person's spirits license or the  
14 issuance of a new spirits license to the person. For purposes of this  
15 section: (i) "Spirits license" means any license issued by the board  
16 under the authority of this chapter that authorizes the licensee to  
17 sell spirits; and (ii) "spirits taxes" has the same meaning as in RCW  
18 82.08.155.

19 (d) The board may request the appointment of administrative law  
20 judges under chapter 34.12 RCW who must have power to administer  
21 oaths, issue subpoenas for the attendance of witnesses and the  
22 production of papers, books, accounts, documents, and testimony,  
23 examine witnesses, and to receive testimony in any inquiry,  
24 investigation, hearing, or proceeding in any part of the state, under  
25 such rules and regulations as the board may adopt.

26 (e) Witnesses are allowed fees and mileage each way to and from  
27 any such inquiry, investigation, hearing, or proceeding at the rate  
28 authorized by RCW 34.05.446. Fees need not be paid in advance of  
29 appearance of witnesses to testify or to produce books, records, or  
30 other legal evidence.

31 (f) In case of disobedience of any person to comply with the  
32 order of the board or a subpoena issued by the board, or any of its  
33 members, or administrative law judges, or on the refusal of a witness  
34 to testify to any matter regarding which he or she may be lawfully  
35 interrogated, the judge of the superior court of the county in which  
36 the person resides, on application of any member of the board or  
37 administrative law judge, must compel obedience by contempt  
38 proceedings, as in the case of disobedience of the requirements of a  
39 subpoena issued from said court or a refusal to testify therein.

1 (4) Upon receipt of notice of the suspension or cancellation of a  
2 license, the licensee must forthwith deliver up the license to the  
3 board. Where the license has been suspended only, the board must  
4 return the license to the licensee at the expiration or termination  
5 of the period of suspension. The board must notify all vendors in the  
6 city or place where the licensee has its premises of the suspension  
7 or cancellation of the license; and no employee may allow or cause  
8 any liquor to be delivered to or for any person at the premises of  
9 that licensee.

10 (5) (a) For the original issuance of a liquor license, including  
11 the approval of a conditional license as provided in (b) of this  
12 subsection, the board must set the expiration date of the license to  
13 the last day of the calendar month that is twelve months from the  
14 calendar month in which final approval of the license is granted.  
15 Upon renewal, the expiration date of the license, including licenses  
16 approved under (b) of this subsection, may subsequently be prorated  
17 as necessary in accordance with chapter 19.02 RCW.

18 (b) (i) When an applicant for a liquor license is qualified for  
19 approval of the license in every way except having executed a lease  
20 or purchase agreement for the proposed licensed premises, the board  
21 must grant conditional approval to the applicant.

22 (ii) Upon notification to the board of execution of the lease or  
23 purchase agreement putting the applicant in control of the premises,  
24 the board must immediately grant final approval of the license  
25 issuance, and the licensee may immediately begin exercising all  
26 privileges provided under the license, except as otherwise provided  
27 under this title.

28 (iii) For the purposes of this title, the term "license" includes  
29 "conditional license."

30 (6) Every license issued under this section is subject to all  
31 conditions and restrictions imposed by this title or by rules adopted  
32 by the board. All conditions and restrictions imposed by the board in  
33 the issuance of an individual license may be listed on the face of  
34 the individual license along with the trade name, address, and  
35 expiration date. Conditions and restrictions imposed by the board may  
36 also be included in official correspondence separate from the  
37 license. All spirits licenses are subject to the condition that the  
38 spirits license holder must report and remit to the department of  
39 revenue all spirits taxes by the date due.

1 (7) Every licensee must post and keep posted its license, or  
2 licenses, and any additional correspondence containing conditions and  
3 restrictions imposed by the board in a conspicuous place on the  
4 premises.

5 (8) (a) Unless (b) of this subsection applies, before the board  
6 issues a new or renewal license to an applicant it must give notice  
7 of such application to the chief executive officer of the  
8 incorporated city or town, if the application is for a license within  
9 an incorporated city or town, or to the county legislative authority,  
10 if the application is for a license outside the boundaries of  
11 incorporated cities or towns.

12 (b) If the application for a special occasion license is for an  
13 event held during a county, district, or area fair as defined by RCW  
14 15.76.120, and the county, district, or area fair is located on  
15 property owned by the county but located within an incorporated city  
16 or town, the county legislative authority must be the entity notified  
17 by the board under (a) of this subsection. The board must send a  
18 duplicate notice to the incorporated city or town within which the  
19 fair is located.

20 (c) The incorporated city or town through the official or  
21 employee selected by it, or the county legislative authority or the  
22 official or employee selected by it, has the right to file with the  
23 board within twenty days after the date of transmittal of such notice  
24 for applications, or at least thirty days prior to the expiration  
25 date for renewals, written objections against the applicant or  
26 against the premises for which the new or renewal license is asked.  
27 The board may extend the time period for submitting written  
28 objections.

29 (d) The written objections must include a statement of all facts  
30 upon which such objections are based, and in case written objections  
31 are filed, the city or town or county legislative authority may  
32 request and the board may in its discretion hold a hearing subject to  
33 the applicable provisions of Title 34 RCW. If the board makes an  
34 initial decision to deny a license or renewal based on the written  
35 objections of an incorporated city or town or county legislative  
36 authority, the applicant may request a hearing subject to the  
37 applicable provisions of Title 34 RCW. If such a hearing is held at  
38 the request of the applicant, board representatives must present and  
39 defend the board's initial decision to deny a license or renewal.

1 (e) Upon the granting of a license under this title the board  
2 must send written notification to the chief executive officer of the  
3 incorporated city or town in which the license is granted, or to the  
4 county legislative authority if the license is granted outside the  
5 boundaries of incorporated cities or towns. When the license is for a  
6 special occasion license for an event held during a county, district,  
7 or area fair as defined by RCW 15.76.120, and the county, district,  
8 or area fair is located on county-owned property but located within  
9 an incorporated city or town, the written notification must be sent  
10 to both the incorporated city or town and the county legislative  
11 authority.

12 (9)(a) Before the board issues any license to any applicant, it  
13 shall give (i) due consideration to the location of the business to  
14 be conducted under such license with respect to the proximity of  
15 churches, schools, and public institutions and (ii) written notice,  
16 with receipt verification, of the application to public institutions  
17 identified by the board as appropriate to receive such notice,  
18 churches, and schools within five hundred feet of the premises to be  
19 licensed. The board may not issue a liquor license for either on-  
20 premises or off-premises consumption covering any premises not now  
21 licensed, if such premises are within five hundred feet of the  
22 premises of any tax-supported public elementary or secondary school  
23 measured along the most direct route over or across established  
24 public walks, streets, or other public passageway from the main  
25 entrance of the school to the nearest public entrance of the premises  
26 proposed for license, and if, after receipt by the school of the  
27 notice as provided in this subsection, the board receives written  
28 objection, within twenty days after receiving such notice, from an  
29 official representative or representatives of the school within five  
30 hundred feet of said proposed licensed premises, indicating to the  
31 board that there is an objection to the issuance of such license  
32 because of proximity to a school. The board may extend the time  
33 period for submitting objections. For the purpose of this section,  
34 "church" means a building erected for and used exclusively for  
35 religious worship and schooling or other activity in connection  
36 therewith. For the purpose of this section, "public institution"  
37 means institutions of higher education, parks, community centers,  
38 libraries, and transit centers.

39 (b) No liquor license may be issued or reissued by the board to  
40 any motor sports facility or licensee operating within the motor

1 sports facility unless the motor sports facility enforces a program  
2 reasonably calculated to prevent alcohol or alcoholic beverages not  
3 purchased within the facility from entering the facility and such  
4 program is approved by local law enforcement agencies.

5 (c) It is the intent under this subsection (9) that a retail  
6 license may not be issued by the board where doing so would, in the  
7 judgment of the board, adversely affect a private school meeting the  
8 requirements for private schools under Title 28A RCW, which school is  
9 within five hundred feet of the proposed licensee. The board must  
10 fully consider and give substantial weight to objections filed by  
11 private schools. If a license is issued despite the proximity of a  
12 private school, the board must state in a letter addressed to the  
13 private school the board's reasons for issuing the license.

14 (10) The restrictions set forth in subsection (9) of this section  
15 do not prohibit the board from authorizing the assumption of existing  
16 licenses now located within the restricted area by other persons or  
17 licenses or relocations of existing licensed premises within the  
18 restricted area. In no case may the licensed premises be moved closer  
19 to a church or school than it was before the assumption or  
20 relocation.

21 (11)(a) Nothing in this section prohibits the board, in its  
22 discretion, from issuing a temporary retail or distributor license to  
23 an applicant to operate the retail or distributor premises during the  
24 period the application for the license is pending. The board may  
25 establish a fee for a temporary license by rule.

26 (b) A temporary license issued by the board under this section  
27 must be for a period not to exceed sixty days. A temporary license  
28 may be extended at the discretion of the board for additional periods  
29 of sixty days upon payment of an additional fee and upon compliance  
30 with all conditions required in this section.

31 (c) Refusal by the board to issue or extend a temporary license  
32 shall not entitle the applicant to request a hearing. A temporary  
33 license may be canceled or suspended summarily at any time if the  
34 board determines that good cause for cancellation or suspension  
35 exists. RCW 66.08.130 applies to temporary licenses.

36 (d) Application for a temporary license must be on such form as  
37 the board shall prescribe. If an application for a temporary license  
38 is withdrawn before issuance or is refused by the board, the fee  
39 which accompanied such application must be refunded in full.

1 (12) In determining whether to grant or deny a license or renewal  
2 of any license, the board must give substantial weight to objections  
3 from an incorporated city or town or county legislative authority  
4 based upon chronic illegal activity associated with the applicant's  
5 operations of the premises proposed to be licensed or the applicant's  
6 operation of any other licensed premises, or the conduct of the  
7 applicant's patrons inside or outside the licensed premises. "Chronic  
8 illegal activity" means (a) a pervasive pattern of activity that  
9 threatens the public health, safety, and welfare of the city, town,  
10 or county including, but not limited to, open container violations,  
11 assaults, disturbances, disorderly conduct, or other criminal law  
12 violations, or as documented in crime statistics, police reports,  
13 emergency medical response data, calls for service, field data, or  
14 similar records of a law enforcement agency for the city, town,  
15 county, or any other municipal corporation or any state agency; or  
16 (b) an unreasonably high number of citations for violations of RCW  
17 46.61.502 associated with the applicant's or licensee's operation of  
18 any licensed premises as indicated by the reported statements given  
19 to law enforcement upon arrest.

20 (13)(a) Nothing in this title prohibits an applicant for a liquor  
21 license from becoming licensed to operate out of a premises located  
22 on the property of a facility that includes the separate premises of  
23 other liquor licensees.

24 (b) The owner of a facility described in this subsection may be,  
25 but is not required to be, one of the licensees operating out of a  
26 premises at the facility. Nothing in this title prohibits a licensee  
27 who owns real property, or real and personal property, from leasing  
28 such property to another licensee or licensees identified in this  
29 subsection and multiple licensees operating their own premises at the  
30 facility. The board shall not consider the existence of such an  
31 arrangement alone to impact the licensee's ownership and control of  
32 their premises or otherwise prevent licensure.

33 (c) The board may require submission of any lease agreement,  
34 operating agreement, and other contract in existence between  
35 licensees and the owner of the facility, and between the different  
36 licensees at the facility, to ensure each licensee retains ownership  
37 and control over their licensed premises on the facility property.

38 (d) Each licensee must operate out of their own premises on the  
39 facility property, except as authorized under RCW 66.24.1472 or  
40 66.24.710(7).



1 (e) Nothing in this subsection:

2 (i) Authorizes a licensee to engage in privileges not authorized  
3 under the terms of their license;

4 (ii) Requires a licensee to obtain a liquor license for a type of  
5 activity conducted by another licensee from that other licensee's  
6 separate premises on the facility property; or

7 (iii) Shall be construed to violate RCW 66.28.305 or other  
8 provisions of this title.

9 **Sec. 2.** RCW 66.28.295 and 2011 c 66 s 2 are each amended to read  
10 as follows:

11 Nothing in RCW 66.28.290 shall prohibit:

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

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

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

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

29 (5) A licensed distiller, domestic brewery, microbrewery,  
30 domestic winery, or a lessee of a licensed domestic brewer,  
31 microbrewery, or domestic winery, from being licensed as a spirits,  
32 beer, and wine restaurant pursuant to chapter 66.24 RCW for the  
33 purpose of selling liquor at a spirits, beer, and wine restaurant  
34 premises on the property on which the primary manufacturing facility  
35 of the licensed distiller, domestic brewer, microbrewery, or domestic  
36 winery is located or on contiguous property owned or leased by the  
37 licensed distiller, domestic brewer, microbrewery, or domestic winery  
38 as prescribed by rules adopted by the board pursuant to chapter 34.05  
39 RCW.

1 (6) A microbrewery holding a spirits, beer, and wine restaurant  
2 license under RCW 66.24.420 from holding the same privileges and  
3 endorsements attached to the spirits, beer, and wine restaurant  
4 license.

5 (7) A brewery or microbrewery holding a spirits, beer, and wine  
6 restaurant license or a beer and/or wine license under chapter 66.24  
7 RCW operated on the premises of the brewery or microbrewery from  
8 holding a second retail only license at a location separate from the  
9 premises of the brewery or microbrewery.

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

13 (9) An organization qualifying under RCW 66.24.375 formed for the  
14 purpose of constructing and operating a facility to promote  
15 Washington wines from holding retail licenses on the facility  
16 property or leasing all or any portion of such facility property to a  
17 retail licensee on the facility property if the members of the board  
18 of directors or officers of the board for the organization include  
19 officers, directors, owners, or employees of a licensed domestic  
20 winery. Financing for the construction of the facility must include  
21 both public and private money.

22 (10) A bona fide charitable nonprofit society or association  
23 registered under Title 26 U.S.C. Sec. 501(c)(3) of the federal  
24 internal revenue code, or a local wine industry association  
25 registered under Title 26 U.S.C. Sec. 501(c)(6) of the federal  
26 internal revenue code as it existed on July 22, 2007, and having an  
27 officer, director, owner, or employee of a licensed domestic winery  
28 or a wine certificate of approval holder on its board of directors  
29 from holding a special occasion license under RCW 66.24.380.

30 (11) A person licensed pursuant to RCW 66.24.170, 66.24.240, or  
31 66.24.244 from exercising the privileges of distributing and selling  
32 at retail such person's own production or from exercising any other  
33 right or privilege that attaches to such license.

34 (12) A person holding a certificate of approval pursuant to RCW  
35 66.24.206 from obtaining an endorsement to act as a distributor of  
36 their own product or from shipping their own product directly to  
37 consumers as authorized by RCW 66.20.360.

38 (13) A person holding a wine shipper's permit pursuant to RCW  
39 66.20.375 from shipping their own product directly to consumers.

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

4 (15) A domestic winery and a restaurant licensed under RCW  
5 66.24.320 or 66.24.400 from entering an arrangement to waive a  
6 corkage fee.

7 (16) A person holding a domestic brewery license, microbrewery  
8 license, domestic winery license, distiller license, craft distillery  
9 license, or manufacturer's license, from operating a premises in a  
10 facility at which a person holding a retail liquor license also  
11 operates in a separate space, which facility may be owned by any such  
12 licensee and space leased to other such licensees consistent with RCW  
13 66.24.010(13).

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