

CERTIFICATION OF ENROLLMENT

SECOND SUBSTITUTE SENATE BILL 5786

Chapter 343, Laws of 2025

69th Legislature
2025 Regular Session

LIQUOR LICENSES, PERMITS, AND ENDORSEMENTS—FEES

EFFECTIVE DATE: July 27, 2025

Passed by the Senate April 25, 2025
Yeas 25 Nays 23

DENNY HECK

President of the Senate

Passed by the House April 24, 2025
Yeas 51 Nays 47

LAURIE JINKINS

**Speaker of the House of
Representatives**

Approved May 17, 2025 3:22 PM

BOB FERGUSON

Governor of the State of Washington

CERTIFICATE

I, Sarah Bannister, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **SECOND SUBSTITUTE SENATE BILL 5786** as passed by the Senate and the House of Representatives on the dates hereon set forth.

SARAH BANNISTER

Secretary

FILED

May 19, 2025

**Secretary of State
State of Washington**

SECOND SUBSTITUTE SENATE BILL 5786

AS AMENDED BY THE HOUSE

Passed Legislature - 2025 Regular Session

State of Washington 69th Legislature 2025 Regular Session

By Senate Ways & Means (originally sponsored by Senator Stanford)

READ FIRST TIME 04/08/25.

1 AN ACT Relating to increasing license, permit, and endorsement
2 fees; amending RCW 66.20.010, 66.20.400, 66.24.015, 66.24.035,
3 66.24.055, 66.24.140, 66.24.146, 66.24.150, 66.24.160, 66.24.165,
4 66.24.170, 66.24.179, 66.24.185, 66.24.200, 66.24.203, 66.24.240,
5 66.24.244, 66.24.246, 66.24.248, 66.24.250, 66.24.261, 66.24.310,
6 66.24.320, 66.24.330, 66.24.350, 66.24.354, 66.24.360, 66.24.363,
7 66.24.371, 66.24.380, 66.24.395, 66.24.420, 66.24.425, 66.24.450,
8 66.24.452, 66.24.495, 66.24.520, 66.24.530, 66.24.540, 66.24.550,
9 66.24.570, 66.24.580, 66.24.590, 66.24.600, 66.24.610, 66.24.630,
10 66.24.650, 66.24.655, 66.24.690, and 66.24.695; reenacting and
11 amending RCW 66.24.400 and 66.24.680; and adding a new section to
12 chapter 66.08 RCW.

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

14 **Sec. 1.** RCW 66.20.010 and 2024 c 91 s 1 are each amended to read
15 as follows:

16 Upon application in the prescribed form being made to any
17 employee authorized by the board to issue permits, accompanied by
18 payment of the prescribed fee, and upon the employee being satisfied
19 that the applicant should be granted a permit under this title, the
20 employee must issue to the applicant under such regulations and at

1 such fee as may be prescribed by the board a permit of the class
2 applied for, as follows:

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

10 (2) Where the application is for a special permit by a person
11 engaged within the state in mechanical or manufacturing business or
12 in scientific pursuits requiring alcohol for use therein, or by any
13 private individual, a special permit to purchase alcohol for the
14 purpose named in the permit, except that the governor may waive the
15 requirement for a special liquor purchase permit under this
16 subsection pursuant to an order issued under RCW 43.06.220(2);

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

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

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

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

35 (7) Where the application is for a special permit by an
36 authorized representative of a military installation operated by or
37 for any of the armed forces within the geographical boundaries of the
38 state of Washington, a special permit to purchase liquor for use on
39 such military installation;

1 (8) Where the application is for a special permit by a vendor
2 that manufactures or sells a product which cannot be effectively
3 presented to potential buyers without serving it with liquor or by a
4 manufacturer, importer, or distributor, or representative thereof, to
5 serve liquor without charge to delegates and guests at a convention
6 of a trade association composed of licensees of the board, when the
7 said liquor is served in a hospitality room or from a booth in a
8 board-approved suppliers' display room at the convention, and when
9 the liquor so served is for consumption in the said hospitality room
10 or display room during the convention, anything in this title to the
11 contrary notwithstanding. Any such spirituous liquor must be
12 purchased from a spirits retailer or distributor, and any such liquor
13 is subject to the taxes imposed by RCW 82.08.150, 66.24.290, and
14 66.24.210;

15 (9) Where the application is for a special permit by a
16 manufacturer, importer, or distributor, or representative thereof, to
17 donate liquor for a reception, breakfast, luncheon, or dinner for
18 delegates and guests at a convention of a trade association composed
19 of licensees of the board, when the liquor so donated is for
20 consumption at the said reception, breakfast, luncheon, or dinner
21 during the convention, anything in this title to the contrary
22 notwithstanding. Any such spirituous liquor must be purchased from a
23 spirits retailer or distributor, and any such liquor is subject to
24 the taxes imposed by RCW 82.08.150, 66.24.290, and 66.24.210;

25 (10) Where the application is for a special permit by a
26 manufacturer, importer, or distributor, or representative thereof, to
27 donate and/or serve liquor without charge to delegates and guests at
28 an international trade fair, show, or exposition held under the
29 auspices of a federal, state, or local governmental entity or
30 organized and promoted by a nonprofit organization, anything in this
31 title to the contrary notwithstanding. Any such spirituous liquor
32 must be purchased from a liquor spirits retailer or distributor, and
33 any such liquor is subject to the taxes imposed by RCW 82.08.150,
34 66.24.290, and 66.24.210;

35 (11) Where the application is for an annual special permit by a
36 person operating a bed and breakfast lodging facility to donate or
37 serve wine or beer without charge to overnight guests of the facility
38 if the wine or beer is for consumption on the premises of the
39 facility. "Bed and breakfast lodging facility," as used in this

subsection, means a facility offering from one to eight lodging units and breakfast to travelers and guests;

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

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

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

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

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

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

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

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

(13) Where the application is for a special permit by a distillery or craft distillery for an event not open to the general public to be held or conducted at a specific place, including at the licensed premise of the applying distillery or craft distillery, upon a specific date for the purpose of tasting and selling spirits of its own production. The distillery or craft distillery must obtain a

1 permit for a fee of (~~\$10~~) \$15 per event. An application for the
2 permit must be submitted for private banquet permits prior to the
3 event and, once issued, must be posted in a conspicuous place at the
4 premises for which the permit was issued during all times the permit
5 is in use. No licensee may receive more than 12 permits under this
6 subsection (13) each year;

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

17 (15) Where the application is for a special permit by a
18 manufacturer of beer for an event not open to the general public to
19 be held or conducted at a specific place upon a specific date for the
20 purpose of tasting and selling beer of its own production. The
21 brewery or microbrewery must obtain a permit for a fee of (~~\$10~~) \$15
22 per event. An application for the permit must be submitted at least
23 10 days before the event and, once issued, must be posted in a
24 conspicuous place at the premises for which the permit was issued
25 during all times the permit is in use. No more than 12 events per
26 year may be held by a single manufacturer under this subsection;

27 (16) Where the application is for a special permit by an
28 individual or business to sell a private collection of wine or
29 spirits to an individual or business. The seller must obtain a permit
30 at least five business days before the sale, for a fee of (~~\$25~~)
31 \$37.50 per sale. The seller must provide an inventory of products
32 sold and the agreed price on a form provided by the board. The seller
33 shall submit the report and taxes due to the board no later than 20
34 calendar days after the sale. A permit may be issued under this
35 section to allow the sale of a private collection to licensees, but
36 may not be issued to a licensee to sell to a private individual or
37 business which is not otherwise authorized under the license held by
38 the seller. If the liquor is purchased by a licensee, all sales are
39 subject to taxes assessed as on liquor acquired from any other
40 source. The board may adopt rules to implement this section;

1 (17)(a) A special permit, where the application is for a special
2 permit by a nonprofit organization to sell wine through an auction,
3 not open to the public, to be conducted at a specific place, upon a
4 specific date, and to allow wine tastings at the auction of the wine
5 to be auctioned.

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

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

9 (ii) Allow tastings of samples of the wine to be auctioned at the
10 event.

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

15 (d) Wine from more than one winery may be sold at the auction;
16 however, each winery selling wine at the auction must be listed on
17 the permit application. Only a single application form may be
18 required for each auction, regardless of the number of wineries that
19 are selling wine at the auction. The total fee per event for a permit
20 issued under this subsection (17) is (~~(\$25)~~) \$37.50 multiplied by the
21 number of wineries that are selling wine at the auction.

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

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

26 (18) An annual special permit to allow a short-term rental
27 operator to provide one complimentary bottle of wine to rental guests
28 who are age 21 or over. The annual special permit fee is (~~(\$75)~~)
29 \$112.50. A single permit applies to all rental properties owned or
30 operated by the short-term rental operator and identified in the
31 permit application. One complimentary bottle of wine per booking may
32 be provided, regardless of the total number of rental guests. The
33 provision of the complimentary bottle of wine may occur only after an
34 operator or staff person of the short-term rental, who is present at
35 the short-term rental property, verifies that each rental guest who
36 will consume the complimentary bottle of wine is age 21 or over by
37 checking a valid form of identification of each such rental guest at
38 the time rental guests arrive. The rental guests must be informed the
39 rental guests are being offered one complimentary bottle of wine and
40 that opening or consuming the bottle of wine in a public place is

1 illegal pursuant to RCW 66.44.100. The rental guests must not have
2 notified the operator that the rental guests decline the
3 complimentary bottle of wine. The complimentary bottle of wine may be
4 consumed on the premises of the rental property or removed and
5 consumed off the premises of the rental property. A permit holder may
6 purchase wine from wine distributors in accordance with RCW
7 66.24.200, and from retailers and other suppliers of wine authorized
8 under this title to sell wine at retail to consumers for off-premises
9 consumption. For purposes of this subsection, the terms "short-term
10 rental," "operator," and "guest" have the same meanings as in RCW
11 64.37.010; and

12 (19) Where the application is for an emergency liquor permit by a
13 licensed manufacturer to authorize the sale, service, and consumption
14 of liquor on the premises of another liquor licensee with retail
15 sales privileges when an emergency or disaster as defined in RCW
16 38.52.010 has made the premises of the applicant inaccessible and
17 unable to operate due to an emergency or road closure, except that
18 the fee must be waived if there is a proclamation of a state of
19 emergency issued by the governor or by the city, town, or county
20 where the applicant is located. The permit shall be valid for 30 days
21 and may be continually renewed for periods of 30 days if the
22 emergency or disaster continues. Employees or agents of the emergency
23 permit holder or the licensed premises may serve liquor provided by
24 the permit holder. The permit holder may store no more than a 30-day
25 supply of liquor at the licensed premises in segregated storage. No
26 more than a total of three emergency permit holders may sell at the
27 same licensed premises under an emergency permit.

28 **Sec. 2.** RCW 66.20.400 and 2014 c 199 s 1 are each amended to
29 read as follows:

30 (1) There shall be a permit known as a day spa permit to allow
31 the holder to offer or supply, without charge, wine or beer by the
32 individual glass to a customer for consumption on the premises. The
33 customer must be at least (~~(twenty-one)~~) 21 years of age and may only
34 be offered wine or beer if the services he or she will be receiving
35 will last more than one hour. Wine or beer served or consumed shall
36 be purchased from a Washington state licensed retailer. A customer
37 may consume no more than one six ounce glass of wine or one
38 (~~(twelve)~~) 12 ounce glass of beer per day under this permit. Day spas
39 with a day spa permit may not advertise the service of complimentary

wine or beer and may not sell wine or beer in any manner. Any employee involved in the service of wine or beer must complete a board-approved limited alcohol server training program.

(2) For the purposes of this section, "day spa" means a business that offers at least three of the following four service categories:

(a) Hair care;

(b) Skin care;

(c) Nail care; and

(d) Body care, such as massages, wraps, and waxing.

Day spas must provide separate service areas of the day spa for at least three of the service categories offered.

(3) The annual fee for this permit is (~~one hundred twenty-five dollars~~) \$187.50.

Sec. 3. RCW 66.24.015 and 1988 c 200 s 4 are each amended to read as follows:

An application for a new annual retail license under this title shall be accompanied by payment of a nonrefundable (~~seventy-five dollar~~) \$112.50 fee to cover expenses incurred in processing the application. If the application is approved, the application fee shall be applied toward the fee charged for the license.

Sec. 4. RCW 66.24.035 and 2017 c 96 s 1 are each amended to read as follows:

(1) There is a license called a combination spirits, beer, and wine license, to sell wine and beer, including without limitation strong beer, at retail in bottles, cans, and original containers, not to be consumed upon the premises where sold, and to:

(a) Sell spirits in original containers to consumers for consumption off the licensed premises and to permit holders;

(b) Sell spirits in original containers to retailers licensed to sell spirits for consumption on the premises, for resale at their licensed premises according to the terms of their licenses, although no single sale may exceed (~~twenty-four~~) 24 liters; and

(c) Export spirits.

(2) The annual fee for the combination spirits, beer, and wine license is (~~three hundred sixteen dollars~~) \$2,000 for each store.

(3) For the purposes of this title, a combination spirits, beer, and wine license is a retail license, and a sale by a combination spirits, beer, and wine licensee is a retail sale only if not for

1 resale. Nothing in this title authorizes sales by on-premise
2 licensees to other retail licensees.

3 (4)(a) The board may issue a combination spirits, beer, and wine
4 license:

5 (i) For premises comprising at least (~~(ten—thousand)~~) 10,000
6 square feet of fully enclosed retail space within a single structure,
7 including storerooms and other interior auxiliary areas but excluding
8 covered or fenced exterior areas, whether or not attached to the
9 structure, and only to applicants that the board determines will
10 maintain appropriate systems for inventory management, employee
11 training, employee supervision, and physical security of the product;

12 (ii) For premises of a former contract liquor store; or

13 (iii) To a holder of former state liquor store operating rights
14 sold at auction under RCW 66.24.620.

15 (b) License issuances and renewals are subject to RCW 66.24.010
16 and the regulations adopted thereunder including, without limitation,
17 rights of cities, towns, county legislative authorities, the public,
18 churches, schools, and public institutions to object to or prevent
19 issuance of local liquor licenses. However, existing grocery and
20 other retail premises over (~~(ten—thousand)~~) 10,000 square feet
21 licensed to sell beer and/or wine are deemed to be premises "now
22 licensed" under RCW 66.24.010(9)(a) for the purpose of processing
23 applications for combination spirits, beer, and wine licenses.

24 (c) A retailer authorized to sell spirits for consumption on or
25 off the licensed premises may accept delivery of spirits and deliver
26 spirits in the same manner as is provided in RCW 66.24.630(3)(d).

27 (d) For purposes of negotiating volume discounts of spirits, a
28 group of individual retailers authorized to sell spirits for
29 consumption off the licensed premises may accept delivery of spirits
30 as provided in RCW 66.24.630(3)(e).

31 (5) Each combination spirits, beer, and wine licensee must pay to
32 the board, for deposit into the liquor revolving fund, a license
33 issuance fee equivalent to the license issuance fee imposed on
34 licensees selling spirits pursuant to RCW 66.24.630(4)(a).

35 (6) The board may not issue a combined spirits, beer, and wine
36 license to an applicant if the applicant would qualify for a
37 restricted license as provided in RCW 66.24.371(4) or 66.24.360(7) if
38 the applicant had applied for a license under RCW 66.24.371 or
39 66.24.360 instead of pursuant to this section.

1 (7) As a condition to receiving and renewing a combination
2 spirits, beer, and wine license the licensee must comply with RCW
3 66.24.630(6).

4 (8) The maximum penalties prescribed by the board in WAC
5 314-29-020 through 314-29-040 relating to fines and suspensions are
6 doubled for violations relating to the sale of spirits by combination
7 spirits, beer, and wine licensees.

8 (9)(a) A combination spirits, beer, and wine licensee that joins
9 the responsible vendor program developed by the board pursuant to RCW
10 66.24.630(8) and maintains all of the program's requirements is not
11 subject to the doubling of penalties provided in this section for a
12 single violation in any period of (~~twelve~~) 12 calendar months.

13 (b) To participate in the responsible vendor program, a
14 combination spirits, beer, and wine licensee must submit an
15 application form to the board. If the application establishes that
16 the combination spirits, beer, and wine licensee meets the
17 qualifications to join the program, the board must send the licensee
18 a membership certificate.

19 (c) A combination spirits, beer, and wine licensee participating
20 in the responsible vendor program must meet the requirements in RCW
21 66.24.630(8)(e) and comply with board rules adopted to implement RCW
22 66.24.630(8).

23 (10)(a) Any endorsement available to the holder of a license
24 issued pursuant to RCW 66.24.360 or 66.24.371 is available, upon
25 board approval and pursuant to board rules, to a combination spirits,
26 beer, and wine licensee, provided that the combination spirits, beer,
27 and wine licensee would qualify for a license and the endorsement
28 under RCW 66.24.360 or 66.24.371, as applicable, had the licensee
29 applied for a license and endorsement pursuant to RCW 66.24.360,
30 66.24.363, or 66.24.371, as applicable, instead of the combination
31 spirits, beer, and wine license pursuant to this section. A
32 combination spirits, beer, and wine licensee with an endorsement
33 issued pursuant to this subsection must comply with the requirements
34 of the endorsement to the same extent as if the endorsement was
35 issued pursuant to RCW 66.24.360, 66.24.363, or 66.24.371, as
36 applicable.

37 (b) A combination spirits, beer, and wine licensee may conduct
38 sampling in accordance with:

39 (i) RCW 66.24.371(2) if the combination spirits, beer, and wine
40 licensee would qualify for a license under RCW 66.24.371; or

1 (ii) RCW 66.24.363 if the combination spirits, beer, and wine
2 licensee would qualify for a license under RCW 66.24.360.

3 (11) Licensees holding a combination spirits, beer, and wine
4 license must maintain either:

5 (a) A minimum (~~three thousand dollar~~) \$3,000 inventory of food
6 products for human consumption, not including pop, beer, strong beer,
7 wine, or spirits; or

8 (b) A minimum (~~three thousand dollar~~) \$3,000 wholesale
9 inventory of beer, strong beer, and/or wine.

10 (12) A combination spirits, beer, and wine licensee holding a
11 snack bar license under RCW 66.24.350 may receive an endorsement to
12 allow the sale of confections containing more than one percent but
13 not more than (~~ten~~) 10 percent alcohol by weight to persons
14 (~~twenty-one~~) 21 years of age or older.

15 (13) The board may adopt rules to implement this section.

16 **Sec. 5.** RCW 66.24.055 and 2013 2nd sp.s. c 12 s 1 are each
17 amended to read as follows:

18 (1) There is a license for spirits distributors to (a) sell
19 spirits purchased from manufacturers, distillers, or suppliers
20 including, without limitation, licensed Washington distilleries,
21 licensed spirits importers, other Washington spirits distributors, or
22 suppliers of foreign spirits located outside of the United States, to
23 spirits retailers including, without limitation, spirits retail
24 licensees, special occasion license holders, interstate common
25 carrier license holders, restaurant spirits retailer license holders,
26 spirits, beer, and wine private club license holders, hotel license
27 holders, sports entertainment facility license holders, and spirits,
28 beer, and wine nightclub license holders, and to other spirits
29 distributors; and (b) export the same from the state.

30 (2) (~~By January 1, 2012, the board must issue spirits~~
31 ~~distributor licenses to all applicants who, upon December 8, 2011,~~
32 ~~have the right to purchase spirits from a spirits manufacturer,~~
33 ~~spirits distiller, or other spirits supplier for resale in the state,~~
34 ~~or are agents of such supplier authorized to sell to licensees in the~~
35 ~~state, unless the board determines that issuance of a license to such~~
36 ~~applicant is not in the public interest.~~

37 (~~3~~)) (a) As limited by (b) of this subsection (~~and subject to~~
38 ~~(c) of this subsection~~)), each spirits distributor licensee must pay

1 to the board, for deposit into the liquor revolving fund, a license
2 issuance fee calculated as follows:

3 (i) In each of the first (~~((twenty-seven))~~) 27 months of licensure,
4 (~~((ten))~~) 10 percent of the total revenue from all the licensee's sales
5 of spirits made during the month for which the fee is due,
6 respectively; and

7 (ii) In the (~~((twenty-eighth))~~) 28th month of licensure and each
8 month thereafter, five percent of the total revenue from all the
9 licensee's sales of spirits made during the month for which the fee
10 is due, respectively.

11 (b) The fee required under this subsection (~~((+3))~~) (2) is
12 calculated only on sales of items which the licensee was the first
13 spirits distributor in the state to have received:

14 (i) In the case of spirits manufactured in the state, from the
15 distiller; or

16 (ii) In the case of spirits manufactured outside the state, from
17 an authorized out-of-state supplier.

18 (c) (~~((By March 31, 2013, all persons holding spirits distributor~~
19 ~~licenses on or before March 31, 2013, must have paid collectively one~~
20 ~~hundred fifty million dollars or more in spirits distributor license~~
21 ~~fees. If the collective payment through March 31, 2013, totals less~~
22 ~~than one hundred fifty million dollars, the board must, according to~~
23 ~~rules adopted by the board for the purpose, collect by May 31, 2013,~~
24 ~~as additional spirits distributor license fees the difference between~~
25 ~~one hundred fifty million dollars and the actual receipts, allocated~~
26 ~~among persons holding spirits distributor licenses at any time on or~~
27 ~~before March 31, 2013, ratably according to their spirits sales made~~
28 ~~during calendar year 2012. Any amount by which such payments exceed~~
29 ~~one hundred fifty million dollars by March 31, 2013, must be credited~~
30 ~~to future license issuance fee obligations of spirits distributor~~
31 ~~licensees according to rules adopted by the board.~~

32 (~~((d))~~) A retail licensee selling for resale must pay a distributor
33 license fee under the terms and conditions in this section on resales
34 of spirits the licensee has purchased on which no other distributor
35 license fee has been paid. The board must establish rules setting
36 forth the frequency and timing of such payments and reporting of
37 sales dollar volume by the licensee, with payments due quarterly in
38 arrears.

39 (~~((+e))~~) (d) No spirits inventory may be subject to calculation of
40 more than a single spirits distributor license issuance fee.

1 (~~((4))~~) (3) In addition to the payment set forth in subsection
2 (~~((3))~~) (2) of this section, each spirits distributor licensee
3 renewing its annual license must pay an annual license renewal fee of
4 (~~((one thousand three hundred twenty dollars))~~) \$1,980 for each
5 licensed location.

6 (~~((5))~~) (4) There is no minimum facility size or capacity for
7 spirits distributor licenses, and no limit on the number of such
8 licenses issued to qualified applicants. License applicants must
9 provide physical security of the product that is substantially as
10 effective as the physical security of the distribution facilities
11 currently operated by the board with respect to preventing pilferage.
12 License issuances and renewals are subject to RCW 66.24.010 and the
13 regulations promulgated thereunder, including without limitation
14 rights of cities, towns, county legislative authorities, the public,
15 churches, schools, and public institutions to object to or prevent
16 issuance of local liquor licenses. However, existing distributor
17 premises licensed to sell beer and/or wine are deemed to be premises
18 "now licensed" under RCW 66.24.010(9)(a) for the purpose of
19 processing applications for spirits distributor licenses.

20 **Sec. 6.** RCW 66.24.140 and 2021 c 6 s 1 are each amended to read
21 as follows:

22 (1) There is a license to distillers, including blending,
23 rectifying, and bottling; fee (~~((two thousand dollars))~~) \$2,100 per
24 annum, unless provided otherwise as follows:

25 (a) For distillers producing (~~((one hundred fifty thousand))~~)
26 150,000 gallons or less of spirits with at least half of the raw
27 materials used in the production grown in Washington, the license fee
28 must be reduced to (~~((one hundred dollars))~~) \$150 per annum;

29 (b) The board must license stills used and to be used solely and
30 only by a commercial chemist for laboratory purposes, and not for the
31 manufacture of liquor for sale, at a fee of (~~((twenty dollars))~~) \$30
32 per annum;

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

36 (d) The board must license stills that have been duly licensed as
37 fruit and/or wine distilleries by the federal government, used and to
38 be used solely as fruit and/or wine distilleries in the production of

1 fruit brandy and wine spirits, at a fee of ~~((two hundred dollars))~~
2 \$300 per annum(~~;~~

3 ~~(e) The annual fees in this subsection (1) are 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)(e); 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)(e);~~

11 ~~(f) The waivers in (e) of this subsection do 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; and~~

19 ~~(g) 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 (e) of this subsection for the reasons described in (f) 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) Any distillery licensed under this section may:

27 (a) Sell, for off-premises consumption, spirits of the
28 distillery's own production, spirits produced by another distillery
29 or craft distillery licensed in this state, or vermouth or sparkling
30 wine products produced by a licensee in this state. A distillery
31 selling spirits or other alcohol authorized under this subsection
32 must comply with the applicable laws and rules relating to retailers
33 for those products;

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

37 (c) Serve samples of spirits for free or for a charge, and sell
38 servings of spirits, vermouth, and sparkling wine to customers for
39 on-premises consumption, at the premises of the distillery indoors,
40 outdoors, or in any combination thereof, and at the distillery's off-

1 site tasting rooms in accordance with this chapter, subject to the
2 following conditions:

3 (i) A distillery may provide to customers, for free or for a
4 charge, for on-premises consumption, spirits samples that are (~~one-~~
5 ~~half~~) .5 ounce or less per sample of spirits, and that may be
6 adulterated with water, ice, other alcohol entitled to be served or
7 sold on the licensed premises under this section, or nonalcoholic
8 mixers;

9 (ii) A distillery may sell, for on-premises consumption, servings
10 of spirits of the distillery's own production or spirits produced by
11 another distillery or craft distillery licensed in this state, which
12 must be adulterated with water, ice, other alcohol entitled to be
13 sold or served on the licensed premises, or nonalcoholic mixers if
14 the revenue derived from the sale of spirits for on-premises
15 consumption under this subsection (2)(c)(ii) does not comprise more
16 than (~~thirty~~) 30 percent of the overall gross revenue earned in the
17 tasting room during the calendar year. Any distiller who sells
18 adulterated products under this subsection, must file an annual
19 report with the board that summarizes the distiller's revenue
20 sources; and

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

24 (3)(a) If a distillery provides or sells spirits or other alcohol
25 products authorized to be sold or provided to customers for on-
26 premises or off-premises consumption that are produced by another
27 distillery, craft distillery, or licensee in this state, then at any
28 one time no more than (~~twenty-five~~) 25 percent of the alcohol
29 stock-keeping units offered or sold by the distillery at its
30 distillery premises and at any off-site tasting rooms licensed under
31 RCW 66.24.146 may be vermouth, sparkling wine, or spirits made by
32 another distillery, craft distillery, or licensee in this state. If a
33 distillery sells fewer than (~~twenty~~) 20 alcohol stock-keeping units
34 of products of its own production, it may sell up to five alcohol
35 stock-keeping units of vermouth, sparkling wine, or spirits produced
36 by another distillery, craft distillery, or licensee in this state.

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

1 (c)(i) No person under (~~(twenty-one)~~) 21 years of age may be on
2 the premises of a distillery tasting room, including an off-site
3 tasting room licensed under RCW 66.24.146, unless they are
4 accompanied by their parent or legal guardian.

5 (ii) Every distillery tasting room, including the off-site
6 tasting rooms licensed under RCW 66.24.146, where alcohol is sampled,
7 sold, or served, must include a designated area where persons under
8 (~~(twenty-one)~~) 21 years of age are allowed to enter. Such location
9 may be in a separate room or a designated area within the tasting
10 room separated from the remainder of the tasting room space as
11 authorized by the board.

12 (iii) Except for (c)(iv) of this subsection, or an event where a
13 private party has secured a private banquet permit, no person under
14 (~~(twenty-one)~~) 21 years of age may be on the distillery premises, or
15 the off-site tasting rooms licensed under RCW 66.24.146, past 9:00
16 p.m.

17 (iv) Notwithstanding the limitations of (c)(iii) of this
18 subsection, persons under (~~(twenty-one)~~) 21 years of age who are
19 children of owners, operators, or managers of a distillery or an off-
20 site tasting room licensed under RCW 66.24.146, may be in any area of
21 a distillery, tasting room, or an off-site tasting room licensed
22 under RCW 66.24.146, provided they must be under the direct
23 supervision of their parent or legal guardian while on the premises.

24 (d) Any person serving or selling spirits or other alcohol
25 authorized to be served or sold by a distillery must obtain a class
26 12 alcohol server permit.

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

28 **Sec. 7.** RCW 66.24.146 and 2021 c 6 s 2 are each amended to read
29 as follows:

30 (1) There is a tasting room license available to distillery and
31 craft distillery licensees. A tasting room license authorizes the
32 operation of an off-site tasting room, in addition to a tasting room
33 attached to the distillery's or craft distillery's production
34 facility, at which the licensee may sample, serve, and sell spirits
35 and alcohol products authorized to be sampled, served, and sold under
36 RCW 66.24.140 and 66.24.145, for on-premises and off-premises
37 consumption, subject to the same limitations as provided in RCW
38 66.24.140 and 66.24.145.

1 (2)((~~(a)~~)) A distillery or craft distillery licensed production
2 facility is eligible for no more than two off-site tasting room
3 licenses located in this state, which may be indoors, or outdoors or
4 a combination thereof, and which shall be administratively tied to a
5 licensed production facility. A separate license is required for the
6 operation of each off-site tasting room. The fee for each off-site
7 tasting room license is (~~(two thousand dollars)~~) \$2,100 per annum. No
8 additional license is required for a distillery or craft distillery
9 to sample, serve, and sell spirits and alcohol to customers in a
10 tasting room on the distillery or craft distillery premises as
11 authorized under this section, RCW 66.24.1472, 66.24.140, 66.24.145,
12 66.28.040, 66.24.630, and 66.28.310. Off-site tasting rooms may have
13 a section identified and segregated as federally bonded spaces for
14 the storage of bulk or packaged spirits. Product of the licensee's
15 production may be bottled or packaged in the space.

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

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

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

24 ~~(c) The waiver in (b) of this subsection does not apply to any~~
25 ~~licensee that:~~

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

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

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

1 **Sec. 8.** RCW 66.24.150 and 2019 c 156 s 1 are each amended to
2 read as follows:

3 (1) There shall be a license to manufacturers of liquor,
4 including all kinds of manufacturers except those licensed as
5 distillers, domestic brewers, microbreweries, wineries, and domestic
6 wineries, authorizing such licensees to manufacture, import, sell,
7 and export liquor from the state; fee (~~((five hundred dollars))~~) \$750
8 per annum.

9 (2) Manufacturers licensed under this section may contract with
10 licensed liquor distillers, craft distillers, domestic brewers,
11 microbreweries, wineries, and domestic wineries to provide packaging
12 services that include, but are not limited to:

13 (a) Canning, bottling, and bagging of alcoholic beverages;

14 (b) Mixing products before packaging; and

15 (c) Receiving and returning products to the originating liquor
16 licensed businesses as part of a contract.

17 (3) Holders of a manufacturer's license:

18 (a) May contract with other nonliquor licensed businesses if the
19 contract does not include alcohol products;

20 (b) May not contract directly or indirectly with any retail
21 liquor licensee for the sale of alcohol products, unless they are
22 medicinal, culinary, or toilet preparations not usable as beverages,
23 as described in RCW 66.12.070;

24 (c) May not engage in direct liquor sales to retail liquor
25 licensees, except for the sale of alcohol products described in RCW
26 66.12.070; and

27 (d) May not mix or infuse THC, CBD, or any other cannabinoid into
28 any products containing alcohol.

29 **Sec. 9.** RCW 66.24.160 and 2012 c 2 s 207 are each amended to
30 read as follows:

31 A spirits importer's license may be issued to any qualified
32 person, firm or corporation, entitling the holder thereof to import
33 into the state any liquor other than beer or wine; to store the same
34 within the state, and to sell and export the same from the state; fee
35 (~~((six hundred dollars))~~) \$2,100 per annum. Such spirits importer's
36 license is subject to all conditions and restrictions imposed by this
37 title or by the rules and regulations of the board, and is issued
38 only upon such terms and conditions as may be imposed by the board.

Sec. 10. RCW 66.24.165 and 2020 c 210 s 1 are each amended to read as follows:

(1) There is a retail license to be designated as the local wine industry association license to be issued to a nonprofit society or organization specifically created with the express purpose of encouraging consumer education of and promoting the economic development for a designated area of the Washington state wine industry.

(2) The local wine industry association licensee may purchase or receive donations of wine from domestic winery licensees and certificate of approval holders and use such wine for promotional or marketing purposes. Events or marketing programs conducted by the local wine industry association licensee may be held on domestic winery premises, including the premises of additional locations authorized under RCW 66.24.170(4), as long as the domestic winery and the local wine industry association licensee each separately account for the sales of its wine. Domestic wineries and additional locations authorized under RCW 66.24.170(4) are not subject to the restrictions of RCW 66.28.305, but only while participating in an event or marketing program conducted by the holder of this license.

(3) The holder of the local wine industry association license must notify the board of any event or marketing program conducted under the license at least (~~(forty-five))~~ 45 days before the event or start of the marketing program.

(4) The annual fee for the local wine industry association license is (~~(seven hundred dollars))~~ \$700 per calendar year.

(5) Nothing in this section prohibits the holder of the local wine industry association license access to the special occasion license under RCW 66.24.380 or special permits under RCW 66.20.010.

(6) Wine furnished to a nonprofit society under this section is subject to the taxes imposed under RCW 66.24.210.

(7) A licensee under this section may conduct no more than (~~(twelve))~~ 12 events per year.

(8) All licensees participating in an event or marketing program conducted under a license issued under this section are jointly responsible for any violation or enforcement issues arising out of the event or marketing program unless it can be demonstrated that the violation or enforcement issue was due to one or more licensee's specific conduct or action, in which case the violation or enforcement issue applies only to those identified licensees.

Sec. 11. RCW 66.24.170 and 2021 c 6 s 3 are each amended to read as follows:

(1) ~~((a))~~ There is a license for domestic wineries; fee to be computed only on the liters manufactured: Less than ~~((two hundred fifty thousand))~~ 250,000 liters per year, ~~((one hundred dollars))~~ \$150 per year; and ~~((two hundred fifty thousand))~~ 250,000 liters or more per year, ~~((four hundred dollars))~~ \$600 per year.

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

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

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

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

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

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

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

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

(3) Any domestic winery licensed under this section may also act as a retailer of wine of its own production. Any domestic winery licensed under this section may act as a distributor of its own production. Notwithstanding any language in this title to the contrary, a domestic winery may use a common carrier to deliver up to ~~((one hundred))~~ 100 cases of its own production, in the aggregate, per month to licensed Washington retailers. A domestic winery may not arrange for any such common carrier shipments to licensed retailers

1 of wine not of its own production. Except as provided in this
2 section, any winery operating as a distributor and/or retailer under
3 this subsection must comply with the applicable laws and rules
4 relating to distributors and/or retailers, except that a winery
5 operating as a distributor may maintain a warehouse off the premises
6 of the winery for the distribution of wine of its own production
7 provided that: (a) The warehouse has been approved by the board under
8 RCW 66.24.010; and (b) the number of warehouses off the premises of
9 the winery does not exceed one.

10 (4)(a) A domestic winery licensed under this section, at
11 locations separate from any of its production or manufacturing sites,
12 may serve samples of its own products, with or without charge, may
13 sell wine of its own production at retail, and may sell for off-
14 premises consumption wines of its own production in kegs or sanitary
15 containers meeting the applicable requirements of federal law brought
16 to the premises by the purchaser or furnished by the licensee and
17 filled at the tap at the time of sale, provided that: (i) Each
18 additional location has been approved by the board under RCW
19 66.24.010; (ii) the total number of additional locations does not
20 exceed four; (iii) a winery may not act as a distributor at any such
21 additional location; and (iv) any person selling or serving wine at
22 an additional location for on-premises consumption must obtain a
23 class 12 or class 13 alcohol server permit. Each additional location
24 is deemed to be part of the winery license for the purpose of this
25 title. At additional locations operated by multiple wineries under
26 this section, if the board cannot connect a violation of RCW
27 66.44.200 or 66.44.270 to a single licensee, the board may hold all
28 licensees operating the additional location jointly liable. Nothing
29 in this subsection may be construed to prevent a domestic winery from
30 holding multiple domestic winery licenses.

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

35 (5)(a) A domestic winery licensed under this section may apply to
36 the board for an endorsement to sell wine of its own production at
37 retail for off-premises consumption at a qualifying farmers market.
38 The annual fee for this endorsement is (~~seventy-five dollars~~)
39 \$112.50. An endorsement issued pursuant to this subsection does not

1 count toward the four additional retail locations limit specified in
2 this section.

3 (b) For each month during which a domestic winery will sell wine
4 at a qualifying farmers market, the winery must provide the board or
5 its designee a list of the dates, times, and locations at which
6 bottled wine may be offered for sale. This list must be received by
7 the board before the winery may offer wine for sale at a qualifying
8 farmers market.

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

12 (d) Each approved location in a qualifying farmers market is
13 deemed to be part of the winery license for the purpose of this
14 title. The approved locations under an endorsement granted under this
15 subsection include tasting or sampling privileges subject to the
16 conditions pursuant to RCW 66.24.175. The winery may not store wine
17 at a farmers market beyond the hours that the winery offers bottled
18 wine for sale. The winery may not act as a distributor from a farmers
19 market location.

20 (e) Before a winery may sell bottled wine at a qualifying farmers
21 market, the farmers market must apply to the board for authorization
22 for any winery with an endorsement approved under this subsection to
23 sell bottled wine at retail at the farmers market. This application
24 shall include, at a minimum: (i) A map of the farmers market showing
25 all booths, stalls, or other designated locations at which an
26 approved winery may sell bottled wine; and (ii) the name and contact
27 information for the on-site market managers who may be contacted by
28 the board or its designee to verify the locations at which bottled
29 wine may be sold. Before authorizing a qualifying farmers market to
30 allow an approved winery to sell bottled wine at retail at its
31 farmers market location, the board must notify the persons or
32 entities of such application for authorization pursuant to RCW
33 66.24.010 (8) and (9). An authorization granted under this subsection
34 (5)(e) may be withdrawn by the board for any violation of this title
35 or any rules adopted under this title.

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

39 (g) For the purposes of this subsection:

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

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

8 (B) The total combined gross annual sales of vendors who are
9 farmers exceeds the total combined gross annual sales of vendors who
10 are processors or resellers. However, if a farmers market does not
11 satisfy this subsection (5)(g)(i)(B), a farmers market is still
12 considered a "qualifying farmers market" if the total combined gross
13 annual sales of farmers and processors at the farmers market is (~~one~~
14 ~~million dollars~~) \$1,000,000 or more;

15 (C) The total combined gross annual sales of vendors who are
16 farmers, processors, or resellers exceeds the total combined gross
17 annual sales of vendors who are not farmers, processors, or
18 resellers;

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

21 (E) No vendor is a franchisee.

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

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

30 (iv) "Reseller" means a natural person who buys agricultural
31 products from a farmer and resells the products directly to the
32 consumer.

33 (6) Wine produced in Washington state by a domestic winery
34 licensee may be shipped out-of-state for the purpose of making it
35 into sparkling wine and then returned to such licensee for resale.
36 Such wine is deemed wine manufactured in the state of Washington for
37 the purposes of RCW 66.24.206, and shall not require a special
38 license.

39 (7) During an event held by a nonprofit holding a special
40 occasion license issued under RCW 66.24.380, a domestic winery

1 licensed under this section may take orders, either in writing or
2 electronically, and accept payment for wines of its own production
3 under the following conditions:

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

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

8 (c) The domestic winery delivers wine to the consumer at a
9 location different from the location at which the special occasion
10 event is held;

11 (d) The domestic winery complies with all requirements in chapter
12 66.20 RCW for direct sale of wine to consumers;

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

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

19 **Sec. 12.** RCW 66.24.179 and 2016 c 190 s 1 are each amended to
20 read as follows:

21 (1) There is a wine retailer reseller endorsement to a beer
22 and/or wine specialty shop license issued under RCW 66.24.371, to
23 sell wine at retail in original containers to retailers licensed to
24 sell wine for consumption on the premises, for resale at their
25 licensed premises according to the terms of the license. However, no
26 single sale may exceed (~~((twenty-four))~~) 24 liters, unless the sale is
27 made by a licensee that was a former state liquor store or contract
28 liquor store at the location from which such sales are made. For the
29 purposes of this title, a beer and/or wine specialty shop license is
30 a retail license, and a sale by a beer and/or wine specialty shop
31 license with a reseller endorsement is a retail sale only if not for
32 resale. The annual fee for the wine retailer reseller endorsement is
33 (~~((one hundred ten dollars))~~) \$165 for each store.

34 (2) A beer and/or wine specialty shop licensee with a wine
35 retailer reseller endorsement issued under this section may accept
36 delivery of wine at its licensed premises or at one or more warehouse
37 facilities registered with the board, which facilities may also
38 warehouse and distribute nonliquor items, and from which it may
39 deliver to its own licensed premises and, pursuant to sales permitted

1 by this title, to other licensed premises, to other registered
2 facilities, or to lawful purchasers outside the state. Facilities may
3 be registered and utilized by associations, cooperatives, or
4 comparable groups of beer and/or wine specialty shop licensees.

5 (3) A beer and/or wine specialty shop licensee, selling wine
6 under the endorsement created in this section, may sell a maximum of
7 (~~(five thousand)~~) 5,000 liters of wine per day for resale to
8 retailers licensed to sell wine for consumption on the premises.

9 **Sec. 13.** RCW 66.24.185 and 2008 c 41 s 4 are each amended to
10 read as follows:

11 (1) There shall be a license for bonded wine warehouses which
12 shall authorize the storage and handling of bottled wine. Under this
13 license a licensee may maintain a warehouse for the storage of wine
14 off the premises of a winery.

15 (2) The board shall adopt similar qualifications for a bonded
16 wine warehouse license as required for obtaining a domestic winery
17 license as specified in RCW 66.24.010 and 66.24.170. A licensee must
18 be a sole proprietor, a partnership, a limited liability company, or
19 a corporation. One or more domestic wineries may operate as a
20 partnership, corporation, business co-op, or agricultural co-op for
21 the purposes of obtaining a bonded wine warehouse license.

22 (3) All bottled wine shipped to a bonded wine warehouse from a
23 winery or another bonded wine warehouse shall remain under bond and
24 no tax imposed under RCW 66.24.210 shall be due, unless the wine is
25 removed from bond and shipped to a licensed Washington wine
26 distributor. Wine may be removed from a bonded wine warehouse only
27 for the purpose of being (a) exported from the state, (b) shipped to
28 a licensed Washington wine distributor, (c) returned to a winery or
29 bonded wine warehouse, or (~~((d))~~) (d) shipped to a consumer
30 pursuant to RCW 66.20.360 through 66.20.390.

31 (4) Warehousing of wine by any person other than (a) a licensed
32 domestic winery or a bonded wine warehouse licensed under the
33 provisions of this section, (b) a licensed Washington wine
34 distributor, (c) a licensed Washington wine importer, (d) a wine
35 certificate of approval holder (W7), or (e) the (~~(liquor control)~~)
36 board, is prohibited.

37 (5) A license applicant shall hold a federal permit for a bonded
38 wine cellar and may be required to post a continuing wine tax bond of
39 such an amount and in such a form as may be required by the board

1 prior to the issuance of a bonded wine warehouse license. The fee for
2 this license shall be (~~one hundred dollars~~) \$150 per annum.

3 (6) The board shall adopt rules requiring a bonded wine warehouse
4 to be physically secure, zoned for the intended use and physically
5 separated from any other use.

6 (7) Every licensee shall submit to the board a monthly report of
7 movement of bottled wines to and from a bonded wine warehouse in a
8 form prescribed by the board. The board may adopt other necessary
9 procedures by which bonded wine warehouses are licensed and
10 regulated.

11 (8) Handling of bottled wine, as provided for in this section,
12 includes packaging and repackaging services; bottle labeling
13 services; creating baskets or variety packs that may or may not
14 include nonwine products; and picking, packing, and shipping wine
15 orders direct to consumer. A winery contracting with a bonded wine
16 warehouse for handling bottled wine must comply with all applicable
17 state and federal laws and shall be responsible for financial
18 transactions in direct to consumer shipping activities.

19 **Sec. 14.** RCW 66.24.200 and 2023 c 257 s 2 are each amended to
20 read as follows:

21 There shall be a license for wine distributors to sell wine,
22 purchased from licensed Washington wineries, wine certificate of
23 approval holders, licensed wine importers, or suppliers of foreign
24 wine located outside of the United States, to licensed wine
25 retailers, other wine distributors, and holders of annual special
26 permits issued under RCW 66.20.010(18), and to export the same from
27 the state; fee (~~(\$660)~~) \$990 per year for each distributing unit.

28 **Sec. 15.** RCW 66.24.203 and 2004 c 160 s 3 are each amended to
29 read as follows:

30 There shall be a license for wine importers that authorizes the
31 licensee to import wine purchased from certificate of approval
32 holders into the state of Washington. The licensee may also import,
33 from suppliers located outside of the United States, wine
34 manufactured outside the United States.

35 (1) Wine so imported may be sold to licensed wine distributors or
36 exported from the state.

37 (2) Every person, firm, or corporation licensed as a wine
38 importer shall establish and maintain a principal office within the

state at which shall be kept proper records of all wine imported into the state under this license.

(3) No wine importer's license shall be granted to a nonresident of the state nor to a corporation whose principal place of business is outside the state until such applicant has established a principal office and agent within the state upon which service can be made.

(4) As a requirement for license approval, a wine importer shall enter into a written agreement with the board to furnish on or before the ~~((twentieth))~~ 20th day of each month, a report under oath, detailing the quantity of wine sold or delivered to each licensed wine distributor. Failure to file such reports may result in the suspension or cancellation of this license.

(5) Wine imported under this license must conform to the provisions of RCW 66.28.110 and have received label approval from the board. The board shall not certify wines labeled with names that may be confused with other nonalcoholic beverages whether manufactured or produced from a domestic winery or imported nor wines that fail to meet quality standards established by the board.

(6) The license fee shall be ~~((one hundred sixty dollars))~~ \$240 per year.

Sec. 16. RCW 66.24.240 and 2021 c 6 s 4 are each amended to read as follows:

(1) ~~((a))~~ There shall be a license for domestic breweries; fee to be ~~((two thousand dollars))~~ \$2,100 for production of ~~((sixty thousand))~~ 60,000 barrels or more of malt liquor per year.

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

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

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

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

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

~~(ii) Received an order of immediate restraint or citation from the department of labor and industries for allowing an employee to~~

1 ~~perform work where business activity was prohibited in violation of~~
2 ~~an emergency proclamation of the governor under RCW 43.06.220.~~

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

10 (2) Any domestic brewery, except for a brand owner of malt
11 beverages under RCW 66.04.010(7), licensed under this section may
12 also act as a distributor and/or retailer for beer of its own
13 production. Any domestic brewery operating as a distributor and/or
14 retailer under this subsection shall comply with the applicable laws
15 and rules relating to distributors and/or retailers. A domestic
16 brewery holding a spirits, beer, and wine restaurant license may sell
17 beer of its own production for off-premises consumption from its
18 restaurant premises in kegs or in a sanitary container brought to the
19 premises by the purchaser or furnished by the licensee and filled at
20 the tap by the licensee at the time of sale.

21 (3) Any domestic brewery licensed under this section may also
22 sell beer produced by another domestic brewery or a microbrewery for
23 on and off-premises consumption from its premises as long as the
24 other breweries' brands do not exceed ((~~twenty-five~~)) 25 percent of
25 the domestic brewery's on-tap offering of its own brands.

26 (4) A domestic brewery may hold up to four retail licenses to
27 operate an on or off-premises tavern, beer and/or wine restaurant,
28 spirits, beer, and wine restaurant, or any combination thereof. This
29 retail license is separate from the brewery license. A brewery that
30 holds a tavern license, a spirits, beer, and wine restaurant license,
31 or a beer and/or wine restaurant license shall hold the same
32 privileges and endorsements as permitted under RCW 66.24.320,
33 66.24.330, and 66.24.420.

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

38 (6)(a) A domestic brewery licensed under this section and
39 qualified for a reduced rate of taxation pursuant to RCW
40 66.24.290(3)(b) may apply to the board for an endorsement to sell

1 bottled beer of its own production at retail for off-premises
2 consumption at a qualifying farmers market. The annual fee for this
3 endorsement is (~~seventy-five dollars~~) \$112.50.

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

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

12 (d) Each approved location in a qualifying farmers market is
13 deemed to be part of the domestic brewery license for the purpose of
14 this title. The approved locations under an endorsement granted under
15 this subsection do not include the tasting or sampling privilege of a
16 domestic brewery. The domestic brewery may not store beer at a
17 farmers market beyond the hours that the domestic brewery offers
18 bottled beer for sale. The domestic brewery may not act as a
19 distributor from a farmers market location.

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

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

40 (g) For the purposes of this subsection:

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

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

8 (B) The total combined gross annual sales of vendors who are
9 farmers exceeds the total combined gross annual sales of vendors who
10 are processors or resellers;

11 (C) The total combined gross annual sales of vendors who are
12 farmers, processors, or resellers exceeds the total combined gross
13 annual sales of vendors who are not farmers, processors, or
14 resellers;

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

17 (E) No vendor is a franchisee.

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

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

26 (iv) "Reseller" means a natural person who buys agricultural
27 products from a farmer and resells the products directly to the
28 consumer.

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

32 **Sec. 17.** RCW 66.24.244 and 2021 c 6 s 5 are each amended to read
33 as follows:

34 (1) ~~((a))~~ There shall be a license for microbreweries; fee to be
35 ~~((one hundred dollars))~~ \$150 for production of less than ~~((sixty~~
36 ~~thousand))~~ 60,000 barrels of malt liquor, including strong beer, per
37 year.

1 ~~((b) The annual fee in (a) of this subsection is 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 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)(a) Any microbrewery licensed under this section may also act
25 as a distributor and/or retailer for beer and strong beer of its own
26 production.

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

32 (i) The warehouse has been approved by the board under RCW
33 66.24.010; and

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

36 (c) A microbrewery holding a spirits, beer, and wine restaurant
37 license may sell beer of its own production for off-premises
38 consumption from its restaurant premises in kegs or in a sanitary
39 container brought to the premises by the purchaser or furnished by

1 the licensee and filled at the tap by the licensee at the time of
2 sale.

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

5 (a) Beer produced by another microbrewery or a domestic brewery
6 as long as the other breweries' brands do not exceed (~~((twenty-five))~~)
7 25 percent of the microbrewery's on-tap offerings; or

8 (b) Cider produced by a domestic winery.

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

13 (5) A microbrewery that holds a tavern license, spirits, beer,
14 and wine restaurant license, or a beer and/or wine restaurant license
15 holds the same privileges and endorsements as permitted under RCW
16 66.24.320, 66.24.330, and 66.24.420.

17 (6)(a) A microbrewery licensed under this section may apply to
18 the board for an endorsement to sell bottled beer of its own
19 production at retail for off-premises consumption at a qualifying
20 farmers market. The annual fee for this endorsement is (~~((seventy-five~~
21 ~~dollars))~~) \$112.50. However, strong beer may not be sold at a farmers
22 market or under any endorsement which may authorize microbreweries to
23 sell beer at farmers markets.

24 (b) For each month during which a microbrewery will sell beer at
25 a qualifying farmers market, the microbrewery must provide the board
26 or its designee a list of the dates, times, and locations at which
27 bottled beer may be offered for sale. This list must be received by
28 the board before the microbrewery may offer beer for sale at a
29 qualifying farmers market.

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

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

34 (e) Each approved location in a qualifying farmers market is
35 deemed to be part of the microbrewery license for the purpose of this
36 title. The approved locations under an endorsement granted under this
37 subsection (6) include tasting or sampling privileges subject to the
38 conditions pursuant to RCW 66.24.175. The microbrewery may not store
39 beer at a farmers market beyond the hours that the microbrewery

1 offers bottled beer for sale. The microbrewery may not act as a
2 distributor from a farmers market location.

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

19 (g) The board may adopt rules establishing the application and
20 approval process under this section and any additional rules
21 necessary to implement this section.

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

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

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

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

33 (iv) "Reseller" means a natural person who buys agricultural
34 products from a farmer and resells the products directly to the
35 consumer.

36 (7) Any microbrewery licensed under this section may
37 contract-produce beer for another microbrewer. This contract-
38 production is not a sale for the purposes of RCW 66.28.170 and
39 66.28.180.

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

Sec. 18. RCW 66.24.246 and 2020 c 186 s 1 are each amended to read as follows:

(1) There is an on-premises endorsement available to any:

(a) Licensed domestic winery to sell beer, produced in Washington, by the single serving for on-premises consumption; and

(b) Licensed domestic brewery or microbrewery to sell wine, produced in Washington, by the single serving for on-premises consumption.

(2) The holder of the endorsement is limited to three offerings of beer for a domestic winery and three offerings of wine for a domestic brewery or microbrewery.

(3) The annual fee for the endorsement is (~~two hundred dollars~~) \$300 for each retail location.

Sec. 19. RCW 66.24.248 and 2022 c 64 s 1 are each amended to read as follows:

(1) There is an endorsement available to any liquor manufacturer licensed in this state under RCW 66.24.140, 66.24.145, 66.24.170, 66.24.240, or 66.24.244 whereby the licensee may contract with licensed liquor distillers, craft distillers, domestic brewers, microbreweries, wineries, and domestic wineries licensed in this state to provide packaging services that include, but are not limited to:

(a) Canning, bottling, and bagging of alcoholic beverages;

(b) Mixing products before packaging;

(c) Repacking of finished products into mixed consumer packs or multipacks; and

(d) Receiving and returning products to the originating liquor licensed businesses as part of a contract in which the contracting liquor licensed party for which the services are being provided retains title and ownership of the products at all times.

(2) Holders of the endorsement authorized under this section:

(a) May contract with other nonliquor licensed businesses if the contract does not include alcohol products;

(b) May not contract directly or indirectly with any retail liquor licensee for the sale of the alcohol products being packaged

1 under this section, unless they are medicinal, culinary, or toilet
2 preparations not usable as beverages, as described in RCW 66.12.070;

3 (c) May not engage in direct liquor sales to retail liquor
4 licensees on behalf of the contracted party or the contracted party's
5 products, except for the sale of alcohol products described in RCW
6 66.12.070; and

7 (d) May not mix or infuse THC, CBD, or any other cannabinoid into
8 any products containing alcohol.

9 (3) The board shall approve a written request for an endorsement
10 under this section for any authorized licensee in good standing at
11 the time of the request without further requirement for additional
12 licensing or administrative review.

13 (4) The annual fee for this endorsement is ((~~\$100~~)) \$150.

14 **Sec. 20.** RCW 66.24.250 and 2004 c 160 s 6 are each amended to
15 read as follows:

16 There shall be a license for beer distributors to sell beer and
17 strong beer, purchased from licensed Washington breweries, beer
18 certificate of approval holders, licensed beer importers, or
19 suppliers of foreign beer located outside of the United States, to
20 licensed beer retailers and other beer distributors and to export
21 same from the state of Washington; fee ((~~six hundred sixty dollars~~))
22 \$990 per year for each distributing unit.

23 **Sec. 21.** RCW 66.24.261 and 2004 c 160 s 7 are each amended to
24 read as follows:

25 There shall be a license for beer importers that authorizes the
26 licensee to import beer and strong beer purchased from beer
27 certificate of approval holders into the state of Washington. The
28 licensee may also import, from suppliers located outside of the
29 United States, beer and strong beer manufactured outside the United
30 States.

31 (1) Beer and strong beer so imported may be sold to licensed beer
32 distributors or exported from the state.

33 (2) Every person, firm, or corporation licensed as a beer
34 importer shall establish and maintain a principal office within the
35 state at which shall be kept proper records of all beer and strong
36 beer imported into the state under this license.

37 (3) No beer importer's license shall be granted to a nonresident
38 of the state nor to a corporation whose principal place of business

1 is outside the state until such applicant has established a principal
2 office and agent within the state upon which service can be made.

3 (4) As a requirement for license approval, a beer importer shall
4 enter into a written agreement with the board to furnish on or before
5 the (~~(twentieth)~~) 20th day of each month, a report under oath,
6 detailing the quantity of beer and strong beer sold or delivered to
7 each licensed beer distributor. Failure to file such reports may
8 result in the suspension or cancellation of this license.

9 (5) Beer and strong beer imported under this license must conform
10 to the provisions of RCW 66.28.120 and have received label approval
11 from the board. The board shall not certify beer or strong beer
12 labeled with names which may be confused with other nonalcoholic
13 beverages whether manufactured or produced from a domestic brewery or
14 imported nor shall it certify beer or strong beer which fails to meet
15 quality standards established by the board.

16 (6) The license fee shall be (~~(one hundred sixty dollars)~~) \$240
17 per year.

18 **Sec. 22.** RCW 66.24.310 and 2012 c 2 s 111 are each amended to
19 read as follows:

20 (1)(a) Except as provided in (b) of this subsection, no person
21 may canvass for, solicit, receive, or take orders for the purchase or
22 sale of liquor, nor contact any licensees of the board in goodwill
23 activities, unless the person is the representative of a licensee or
24 certificate holder authorized by this title to sell liquor for resale
25 in the state and has applied for and received a representative's
26 license.

27 (b) (a) of this subsection does not apply to: (i) Drivers who
28 deliver spirits, beer, or wine; or (ii) domestic wineries or their
29 employees.

30 (2) Every representative's license issued under this title is
31 subject to all conditions and restrictions imposed by this title or
32 by the rules and regulations of the board; the board, for the purpose
33 of maintaining an orderly market, may limit the number of
34 representative's licenses issued for representation of specific
35 classes of eligible employers.

36 (3) Every application for a representative's license must be
37 approved by a holder of a certificate of approval, a licensed beer
38 distributor, a licensed domestic brewer, a licensed beer importer, a
39 licensed microbrewer, a licensed domestic winery, a licensed wine

1 importer, a licensed wine distributor, or by a distiller,
2 manufacturer, importer, or distributor of spirits, or of foreign-
3 produced beer or wine, as required by the rules and regulations of
4 the board.

5 (4) The fee for a representative's license is ~~((twenty-five~~
6 ~~dollars))~~ \$50 per year.

7 **Sec. 23.** RCW 66.24.320 and 2021 c 6 s 6 are each amended to read
8 as follows:

9 There shall be a beer and/or wine restaurant license to sell
10 beer, including strong beer, or wine, or both, at retail, for
11 consumption on the premises. A patron of the licensee may remove from
12 the premises, recorked or recapped in its original container, any
13 portion of wine or sake that was purchased for consumption with a
14 meal.

15 (1) ~~((a))~~ The annual fee shall be ~~((two hundred dollars))~~ \$300
16 for the beer license, ~~((two hundred dollars))~~ \$300 for the wine
17 license, or ~~((four hundred dollars))~~ \$600 for a combination beer and
18 wine license.

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

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

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

27 ~~(c) The waivers in (b) of this subsection do not apply to any~~
28 ~~licensee that:~~

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

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

35 ~~(d) Upon request of the department of revenue, the board and the~~
36 ~~department of labor and industries must both provide a list of~~
37 ~~persons that they have determined to be ineligible for a fee waiver~~
38 ~~under (b) of this subsection for the reasons described in (c) of this~~
39 ~~subsection. Unless otherwise agreed, any list must be received by the~~

1 ~~department of revenue no later than 15 calendar days after the~~
2 ~~request is made.))~~

3 (2) (a) The board may issue a caterer's endorsement to this
4 license to allow the licensee to remove from the liquor stocks at the
5 licensed premises, only those types of liquor that are authorized
6 under the on-premises license privileges for sale and service at
7 event locations at a specified date and, except as provided in
8 subsection (3) of this section, place not currently licensed by the
9 board. If the event is open to the public, it must be sponsored by a
10 society or organization as defined by RCW 66.24.375. If attendance at
11 the event is limited to members or invited guests of the sponsoring
12 individual, society, or organization, the requirement that the
13 sponsor must be a society or organization as defined by RCW 66.24.375
14 is waived. Cost of the endorsement is (~~three hundred fifty dollars~~)
15 \$525.

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

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

29 (d) The holder of this license with a caterer's endorsement may,
30 under conditions established by the board, store liquor on other
31 premises operated by the licensee so long as the other premises are
32 owned or controlled by a leasehold interest by that licensee. A
33 duplicate license may be issued for each additional premises. A
34 license fee of (~~twenty dollars~~) \$30 shall be required for such
35 duplicate licenses.

36 (3) Licensees under this section that hold a caterer's
37 endorsement are allowed to use this endorsement on a domestic winery
38 premises or on the premises of a passenger vessel and may store
39 liquor at such premises under conditions established by the board
40 under the following conditions:

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

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

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

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

24 **Sec. 24.** RCW 66.24.330 and 2021 c 6 s 7 are each amended to read
25 as follows:

26 (1) There is a beer and wine retailer's license to be designated
27 as a tavern license to sell beer, including strong beer, or wine, or
28 both, at retail, for consumption on the premises. Such licenses may
29 be issued only to a person operating a tavern that may be frequented
30 only by persons (~~((twenty-one))~~) 21 years of age and older.

31 (2) (~~((a))~~) The annual fee for the license is (~~((two hundred~~
32 ~~dollars))~~) \$300 for the beer license, (~~((two hundred dollars))~~) \$300 for
33 the wine license, or (~~((four hundred dollars))~~) \$600 for a combination
34 beer and wine license. (~~((Licensees who have a fee increase of more~~
35 ~~than one hundred dollars as a result of this change shall have their~~
36 ~~fees increased fifty percent of the amount the first renewal year and~~
37 ~~the remaining amount beginning with the second renewal period. New~~
38 ~~licensees obtaining a license after July 1, 1998, must pay the full~~
39 ~~amount of four hundred dollars.~~

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 (2) (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 (2) (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 (3) (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 (4) 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 \$525.

37 (b) The holder of this license with a catering endorsement must,
38 if requested by the board, notify the board or its designee of the
39 date, time, place, and location of any catered event. Upon request,
40 the licensee must 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~~) \$30 is required for such duplicate
16 licenses.

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

21 (a) Agreements between the domestic winery and the retail
22 licensee must be in writing, contain no exclusivity clauses regarding
23 the alcoholic beverages to be served, and be filed with the board;
24 and

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

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

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

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

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

~~((1))~~ There shall be a beer retailer's license to be designated as a snack bar license to sell beer by the opened bottle or can at retail, for consumption upon the premises only, such license to be issued to places where the sale of beer is not the principal business conducted; fee ~~((one hundred twenty-five dollars))~~ \$187.50 per year.

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

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

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

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

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

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

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

Sec. 26. RCW 66.24.354 and 1997 c 321 s 21 are each amended to read as follows:

There shall be a beer and wine retailer's license that may be combined only with the on-premises licenses described in either RCW 66.24.320 or 66.24.330. The combined license permits the sale of beer and wine for consumption off the premises.

(1) Beer and wine sold for consumption off the premises must be in original sealed packages of the manufacturer or bottler.

(2) Beer may be sold to a purchaser in a sanitary container brought to the premises by the purchaser and filled at the tap by the retailer at the time of sale.

(3) Licensees holding this type of license also may sell malt liquor in kegs or other containers that are capable of holding four gallons or more of liquid and are registered in accordance with RCW 66.28.200.

(4) The board may impose conditions upon the issuance of this license to best protect and preserve the health, safety, and welfare of the public.

(5) The annual fee for this license shall be (~~((one hundred twenty dollars))~~) \$180.

Sec. 27. RCW 66.24.360 and 2017 c 96 s 2 are each amended to read as follows:

(1) There is a grocery store license to sell wine and/or beer, including without limitation strong beer at retail in original containers, not to be consumed upon the premises where sold.

(2) There is a wine retailer reseller endorsement of a grocery store license, to sell wine at retail in original containers to retailers licensed to sell wine for consumption on the premises, for resale at their licensed premises according to the terms of the license. However, no single sale may exceed (~~((twenty-four))~~) 24 liters, unless the sale is made by a licensee that was a contract liquor store manager of a contract-operated liquor store at the location from which such sales are made. For the purposes of this title, a grocery store license is a retail license, and a sale by a grocery store licensee with a reseller endorsement is a retail sale only if not for resale.

(3) Licensees obtaining a written endorsement from the board may also sell malt liquor in kegs or other containers capable of holding less than (~~((five and one-half))~~) 5.5 gallons of liquid.

(4) The annual fee for the grocery store license is (~~((one hundred fifty dollars))~~) \$550 for each store.

(5) The annual fee for the wine retailer reseller endorsement is (~~((one hundred sixty-six dollars))~~) \$249 for each store.

(6)(a) Upon approval by the board, a grocery store licensee with revenues derived from beer and/or wine sales exceeding (~~((fifty))~~) 50

1 percent of total revenues or that maintains an alcohol inventory of
2 not less than (~~fifteen thousand dollars~~) \$15,000 may also receive
3 an endorsement to permit the sale of beer and cider, as defined in
4 RCW 66.24.210(6), in a sanitary container brought to the premises by
5 the purchaser, or provided by the licensee or manufacturer, and
6 filled at the tap by the licensee at the time of sale by an employee
7 of the licensee holding a class 12 alcohol server permit.

8 (b) Pursuant to RCW 74.08.580(1)(f), a person may not use an
9 electronic benefit transfer card for the purchase of any product
10 authorized for sale under this section.

11 (c) The board may, by rule, establish fees to be paid by
12 licensees receiving the endorsement authorized under this subsection
13 (6), as necessary to cover the costs of implementing and enforcing
14 the provisions of this subsection (6).

15 (7) The board must issue a restricted grocery store license
16 authorizing the licensee to sell beer and only table wine, if the
17 board finds upon issuance or renewal of the license that the sale of
18 strong beer or fortified wine would be against the public interest.
19 In determining the public interest, the board must consider at least
20 the following factors:

21 (a) The likelihood that the applicant will sell strong beer or
22 fortified wine to persons who are intoxicated;

23 (b) Law enforcement problems in the vicinity of the applicant's
24 establishment that may arise from persons purchasing strong beer or
25 fortified wine at the establishment; and

26 (c) Whether the sale of strong beer or fortified wine would be
27 detrimental to or inconsistent with a government-operated or funded
28 alcohol treatment or detoxification program in the area.

29 If the board receives no evidence or objection that the sale of
30 strong beer or fortified wine would be against the public interest,
31 it must issue or renew the license without restriction, as
32 applicable. The burden of establishing that the sale of strong beer
33 or fortified wine by the licensee would be against the public
34 interest is on those persons objecting.

35 (8) Licensees holding a grocery store license must maintain a
36 minimum (~~three thousand dollar~~) \$3,000 inventory of food products
37 for human consumption, not including pop, beer, strong beer, or wine.

38 (9) A grocery store licensee with a wine retailer reseller
39 endorsement may accept delivery of wine at its licensed premises or
40 at one or more warehouse facilities registered with the board, which

1 facilities may also warehouse and distribute nonliquor items, and
2 from which it may deliver to its own licensed premises and, pursuant
3 to sales permitted by this title, to other licensed premises, to
4 other registered facilities, or to lawful purchasers outside the
5 state. Facilities may be registered and utilized by associations,
6 cooperatives, or comparable groups of grocery store licensees.

7 (10) Upon approval by the board, the grocery store licensee may
8 also receive an endorsement to permit the international export of
9 beer, strong beer, and wine.

10 (a) Any beer, strong beer, or wine sold under this endorsement
11 must have been purchased from a licensed beer or wine distributor
12 licensed to do business within the state of Washington.

13 (b) Any beer, strong beer, and wine sold under this endorsement
14 must be intended for consumption outside the state of Washington and
15 the United States and appropriate records must be maintained by the
16 licensee.

17 (c) Any beer, strong beer, or wine sold under this endorsement
18 must be sold at a price no less than the acquisition price paid by
19 the holder of the license.

20 (d) The annual cost of this endorsement is (~~((five hundred~~
21 ~~dollars))~~) \$750 and is in addition to the license fees paid by the
22 licensee for a grocery store license.

23 (11) A grocery store licensee holding a snack bar license under
24 RCW 66.24.350 may receive an endorsement to allow the sale of
25 confections containing more than one percent but not more than
26 (~~((ten))~~) 10 percent alcohol by weight to persons (~~((twenty-one))~~) 21
27 years of age or older.

28 (12) The board may adopt rules to implement this section.

29 (13) Nothing in this section limits the authority of the board to
30 regulate the sale of beer or cider or container sizes under rules
31 adopted pursuant to RCW 66.08.030.

32 (14) Any endorsement issued pursuant to this section or RCW
33 66.24.363 may be issued to a qualified combination spirits, beer, and
34 wine licensee in accordance with RCW 66.24.035(10).

35 (15)(a) A grocery store licensee that also holds a spirits retail
36 license under RCW 66.24.630 may, upon board approval and pursuant to
37 board rules, transition to a combination spirits, beer, and wine
38 license pursuant to RCW 66.24.035.

39 (b) An applicant that would qualify for a grocery store license
40 under this section and a spirits retail license under RCW 66.24.630

1 may apply for a single license pursuant to RCW 66.24.035 instead of
2 applying for a grocery store license under this section in addition
3 to a spirits retail license under ((~~to~~)) RCW 66.24.630.

4 **Sec. 28.** RCW 66.24.363 and 2017 c 96 s 5 are each amended to
5 read as follows:

6 (1) A grocery store licensed under RCW 66.24.360 may apply for an
7 endorsement to offer beer and wine tasting under this section.

8 (2) To be issued an endorsement, a licensee must meet the
9 following criteria:

10 (a) The licensee operates a fully enclosed retail area
11 encompassing at least ((~~ten thousand~~)) 10,000 square feet of fully
12 enclosed retail space within a single structure, including storerooms
13 and other interior auxiliary areas but excluding covered or fenced
14 exterior areas, whether or not attached to the structure, except that
15 the board may issue an endorsement to a licensee with a retail area
16 encompassing less than ((~~ten thousand~~)) 10,000 square feet if the
17 board determines that no licensee in the community the licensee
18 serves meets the square footage requirement and the licensee meets
19 operational requirements established by the board by rule; and

20 (b) The licensee has not had more than one public safety
21 violation within the past two years.

22 (3) A tasting must be conducted under the following conditions:

23 (a) Each sample must be two ounces or less, up to a total of four
24 ounces, per customer during any one visit to the premises;

25 (b) No more than one sample of the same product offering of beer
26 or wine may be provided to a customer during any one visit to the
27 premises;

28 (c) The licensee must have food available for the tasting
29 participants;

30 (d) Customers must remain in the service area while consuming
31 samples; and

32 (e) The service area and facilities must be located within the
33 licensee's fully enclosed retail area and must be of a size and
34 design such that the licensee can observe and control persons in the
35 area to ensure that persons under ((~~twenty-one~~)) 21 years of age and
36 apparently intoxicated persons cannot possess or consume alcohol.

37 (4) Employees of licensees whose duties include serving during
38 tasting activities under this section must hold a class 12 alcohol
39 server permit.

1 (5) Tasting activities under this section are subject to RCW
2 66.28.305 and 66.28.040 and the cost of sampling may not be borne,
3 directly or indirectly, by any liquor manufacturer, importer, or
4 distributor.

5 (6) A licensee may advertise a tasting event only within the
6 store, on a store website, in store newsletters and flyers, and via
7 email and mail to customers who have requested notice of events.
8 Advertising under this subsection may not be targeted to or appeal
9 principally to youth.

10 (7)(a) If a licensee is found to have committed a public safety
11 violation in conjunction with tasting activities, the board may
12 suspend the licensee's tasting endorsement and not reissue the
13 endorsement for up to two years from the date of the violation. If
14 mitigating circumstances exist, the board may offer a monetary
15 penalty in lieu of suspension during a settlement conference.

16 (b) The board may revoke an endorsement granted to a licensee
17 that is located within the boundaries of an alcohol impact area
18 recognized by resolution of the board if the board finds that the
19 tasting activities by the licensee are having an adverse effect on
20 the reduction of chronic public inebriation in the area.

21 (c) RCW 66.08.150 applies to the suspension or revocation of an
22 endorsement.

23 (8) The board may establish additional requirements under this
24 section to assure that persons under (~~((twenty-one))~~) 21 years of age
25 and apparently intoxicated persons cannot possess or consume alcohol.

26 (9) The annual fee for the endorsement is (~~((two-hundred-dollars))~~)
27 \$300. The board shall review the fee annually and may increase the
28 fee by rule to a level sufficient to defray the cost of
29 administration and enforcement of the endorsement, except that the
30 board may not increase the fee by more than ten percent annually.

31 (10) The board must adopt rules to implement this section.

32 (11) An endorsement issued pursuant to this section may be issued
33 to a qualified combination spirits, beer, and wine licensee in
34 accordance with RCW 66.24.035.

35 **Sec. 29.** RCW 66.24.371 and 2017 c 96 s 3 are each amended to
36 read as follows:

37 (1) There shall be a beer and/or wine retailer's license to be
38 designated as a beer and/or wine specialty shop license to sell beer,
39 strong beer, and/or wine at retail in bottles, cans, and original

1 containers, not to be consumed upon the premises where sold, at any
2 store other than the state liquor stores. Licensees obtaining a
3 written endorsement from the board may also sell malt liquor in kegs
4 or other containers capable of holding four gallons or more of
5 liquid. The annual fee for the beer and/or wine specialty shop
6 license is (~~((one hundred dollars))~~) \$150 for each store. The sale of
7 any container holding four gallons or more must comply with RCW
8 66.28.200 and 66.28.220.

9 (2) Licensees under this section may provide, free or for a
10 charge, single-serving samples of two ounces or less to customers for
11 the purpose of sales promotion. Sampling activities of licensees
12 under this section are subject to RCW 66.28.305 and 66.28.040 and the
13 cost of sampling under this section may not be borne, directly or
14 indirectly, by any manufacturer, importer, or distributor of liquor.

15 (3) Upon approval by the board, the beer and/or wine specialty
16 shop licensee that exceeds (~~((fifty))~~) 50 percent beer and/or wine
17 sales may also receive an endorsement to permit the sale of beer to a
18 purchaser in a sanitary container brought to the premises by the
19 purchaser, or provided by the licensee or manufacturer, and fill at
20 the tap by the licensee at the time of sale. If the beer and/or wine
21 specialty shop licensee does not exceed (~~((fifty))~~) 50 percent beer
22 and/or wine sales, the board may waive the (~~((fifty))~~) 50 percent beer
23 and/or wine sale criteria if the beer and/or wine specialty shop
24 maintains alcohol inventory that exceeds (~~((fifteen thousand dollars))~~)
25 \$15,000.

26 (4) The board shall issue a restricted beer and/or wine specialty
27 shop license, authorizing the licensee to sell beer and only table
28 wine, if the board finds upon issuance or renewal of the license that
29 the sale of strong beer or fortified wine would be against the public
30 interest. In determining the public interest, the board shall
31 consider at least the following factors:

32 (a) The likelihood that the applicant will sell strong beer or
33 fortified wine to persons who are intoxicated;

34 (b) Law enforcement problems in the vicinity of the applicant's
35 establishment that may arise from persons purchasing strong beer or
36 fortified wine at the establishment; and

37 (c) Whether the sale of strong beer or fortified wine would be
38 detrimental to or inconsistent with a government-operated or funded
39 alcohol treatment or detoxification program in the area.

1 If the board receives no evidence or objection that the sale of
2 strong beer or fortified wine would be against the public interest,
3 it shall issue or renew the license without restriction, as
4 applicable. The burden of establishing that the sale of strong beer
5 or fortified wine by the licensee would be against the public
6 interest is on those persons objecting.

7 (5) Licensees holding a beer and/or wine specialty shop license
8 must maintain a minimum (~~((three thousand dollar))~~) \$3,000 wholesale
9 inventory of beer, strong beer, and/or wine.

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

11 (7) Any endorsement issued pursuant to this section may be issued
12 to a qualified combination spirits, beer, and wine licensee in
13 accordance with RCW 66.24.035.

14 (8)(a) A beer and/or wine specialty shop licensee that also holds
15 a spirits retail license under RCW 66.24.630 may, upon board approval
16 and pursuant to board rules, transition to a combination spirits,
17 beer, and wine license pursuant to RCW 66.24.035.

18 (b) An applicant that would qualify for a beer and/or wine
19 specialty shop license under this section and a spirits retail
20 license under RCW 66.24.630 may apply for a single license pursuant
21 to RCW 66.24.035 instead of applying for a beer and/or wine specialty
22 shop license under this section in addition to a spirits retail
23 license under RCW 66.24.630.

24 **Sec. 30.** RCW 66.24.380 and 2016 c 235 s 2 are each amended to
25 read as follows:

26 There is a retailer's license to be designated as a special
27 occasion license to be issued to a not-for-profit society or
28 organization to sell spirits, beer, and wine by the individual
29 serving for on-premises consumption at a specified event, such as at
30 picnics or other special occasions, at a specified date and place;
31 fee (~~((sixty dollars))~~) \$90 per day.

32 (1) The not-for-profit society or organization is limited to
33 sales of no more than (~~((twelve))~~) 12 calendar days per year. For the
34 purposes of this subsection, special occasion licensees that are
35 "agricultural area fairs" or "agricultural county, district, and area
36 fairs," as defined by RCW 15.76.120, that receive a special occasion
37 license may, once per calendar year, count as one event fairs that
38 last multiple days, so long as alcohol sales are at set dates, times,
39 and locations, and the board receives prior notification of the

1 dates, times, and locations. The special occasion license applicant
2 will pay the (~~sixty dollars~~) \$90 per day for this event.

3 (2) The licensee may sell spirits, beer, and/or wine in original,
4 unopened containers for off-premises consumption if permission is
5 obtained from the board prior to the event.

6 (3) In addition to offering the sale of wine by the individual
7 serving for on-premises consumption, the licensee may sell wine in
8 original, unopened containers for on-premises consumption if
9 permission is obtained from the board prior to the event.

10 (4) Sale, service, and consumption of spirits, beer, and wine is
11 to be confined to specified premises or designated areas only.

12 (5) Liquor sold under this special occasion license must be
13 purchased from a licensee of the board.

14 (6) Any violation of this section is a class 1 civil infraction
15 having a maximum penalty of (~~two hundred fifty dollars~~) \$250 as
16 provided for in chapter 7.80 RCW.

17 **Sec. 31.** RCW 66.24.395 and 2020 c 200 s 2 are each amended to
18 read as follows:

19 (1)(a) There shall be a license that may be issued to
20 corporations, associations, or persons operating as federally
21 licensed commercial common passenger carriers engaged in interstate
22 commerce, in or over territorial limits of the state of Washington on
23 passenger trains, vessels, or airplanes. Such license shall permit
24 the sale of spirituous liquor, wine, and beer at retail for passenger
25 consumption within the state upon one such train passenger car,
26 vessel, or airplane, while in or over the territorial limits of the
27 state. Such license shall include the privilege of transporting into
28 and storing within the state such liquor for subsequent retail sale
29 to passengers in passenger train cars, vessels or airplanes. The fees
30 for such master license shall be (~~seven hundred fifty dollars~~)
31 \$1,125 per annum (class CCI-1) (~~(: PROVIDED, That upon)~~). Upon payment
32 of an additional sum of (~~five dollars~~) \$7.50 per annum per car, or
33 vessel, or airplane, the privileges authorized by such license
34 classes shall extend to additional cars, or vessels, or airplanes
35 operated by the same licensee within the state, and a duplicate
36 license for each additional car, or vessel, or airplane shall be
37 issued (~~(: PROVIDED, FURTHER, That such)~~). Such licensee may make such
38 sales and/or service upon cars, or vessels, or airplanes in emergency
39 for not more than five consecutive days without such license (~~(: AND~~

1 ~~PROVIDED, FURTHER, That such~~)). Such license shall be valid only
2 while such cars, or vessels, or airplanes are actively operated as
3 common carriers for hire in interstate commerce and not while they
4 are out of such common carrier service.

5 (b) Alcoholic beverages sold and/or served for consumption by
6 such interstate common carriers while within or over the territorial
7 limits of this state shall be subject to such board markup and state
8 liquor taxes in an amount to approximate the revenue that would have
9 been realized from such markup and taxes had the alcoholic beverages
10 been purchased in Washington(~~PROVIDED, That~~)). However, the
11 board's markup shall be applied on spirituous liquor only. Such
12 common carriers shall report such sales and/or service and pay such
13 markup and taxes in accordance with procedures prescribed by the
14 board.

15 (2) Alcoholic beverages sold and delivered in this state to
16 interstate common carriers for use under the provisions of this
17 section shall be considered exported from the state, subject to the
18 conditions provided in subsection (1)(b) of this section. Interstate
19 common carriers licensed under this section may purchase alcoholic
20 beverages outside the territorial limits of the state of Washington
21 and import such alcoholic beverages into the state of Washington for
22 sales and service aboard passenger trains, vessels, or airplanes. The
23 storage facilities for liquor within the state by common carriers
24 licensed under this section shall be subject to written approval by
25 the board.

26 (3) Interstate common carriers licensed under this section may
27 provide complimentary alcoholic beverages to passengers aboard
28 passenger trains, vessels, or airplanes.

29 **Sec. 32.** RCW 66.24.400 and 2019 c 169 s 3 and 2019 c 61 s 2 are
30 each reenacted and amended to read as follows:

31 (1) There shall be a retailer's license, to be known and
32 designated as a spirits, beer, and wine restaurant license, to sell
33 spirituous liquor by the individual glass, beer, and wine, at retail,
34 for consumption on the premises, including mixed drinks and cocktails
35 compounded or mixed on the premises only. A club licensed under
36 chapter 70.62 RCW with overnight sleeping accommodations, that is
37 licensed under this section may sell liquor by the bottle to
38 registered guests of the club for consumption in guest rooms,
39 hospitality rooms, or at banquets in the club. A patron of a bona

1 fide restaurant or club licensed under this section may remove from
2 the premises recorked or recapped in its original container any
3 portion of wine or sake which was purchased for consumption with a
4 meal, and registered guests who have purchased liquor from the club
5 by the bottle may remove from the premises any unused portion of such
6 liquor in its original container. Such license may be issued only to
7 bona fide restaurants and clubs, and to dining, club and buffet cars
8 on passenger trains, and to dining places on passenger boats and
9 airplanes, and to dining places at civic centers with facilities for
10 sports, entertainment, and conventions, and to such other
11 establishments operated and maintained primarily for the benefit of
12 tourists, vacationers and travelers as the board shall determine are
13 qualified to have, and in the discretion of the board should have, a
14 spirits, beer, and wine restaurant license under the provisions and
15 limitations of this title.

16 (2) The board may issue an endorsement to the spirits, beer, and
17 wine restaurant license that allows the holder of a spirits, beer,
18 and wine restaurant license to sell bottled wine for off-premises
19 consumption. Spirits and beer may not be sold for off-premises
20 consumption under this section except as provided in subsection (4)
21 of this section. The annual fee for the endorsement under this
22 subsection is (~~(one hundred twenty dollars)~~) \$180.

23 (3) The holder of a spirits, beer, and wine license or its
24 manager may furnish beer, wine, or spirituous liquor to the
25 licensee's employees free of charge as may be required for use in
26 connection with instruction on beer, wine, or spirituous liquor. The
27 instruction may include the history, nature, values, and
28 characteristics of beer, wine, or spirituous liquor, the use of wine
29 lists, and the methods of presenting, serving, storing, and handling
30 beer, wine, and spirituous liquor. The spirits, beer, and wine
31 restaurant licensee must use the beer, wine, or spirituous liquor it
32 obtains under its license for the sampling as part of the
33 instruction. The instruction must be given on the premises of the
34 spirits, beer, and wine restaurant licensee.

35 (4) The board may issue an endorsement to the spirits, beer, and
36 wine restaurant license that allows the holder of a spirits, beer,
37 and wine restaurant license to sell for off-premises consumption malt
38 liquor in kegs or other containers that are capable of holding four
39 gallons or more of liquid and are registered in accordance with RCW
40 66.28.200. Beer may also be sold under the endorsement to a purchaser

1 in a sanitary container brought to the premises by the purchaser or
2 furnished by the licensee and filled at the tap by the retailer at
3 the time of sale. The annual fee for the endorsement under this
4 subsection is (~~((one hundred twenty dollars))~~) \$180.

5 (5) (a) The board shall create a soju endorsement to the spirits,
6 beer, and wine restaurant license that allows the holder of a
7 spirits, beer, and wine restaurant license to serve soju for on-
8 premises consumption by the bottle to tables of two or more patrons
9 (~~((twenty-one))~~) 21 years of age or older. Cost of the endorsement is
10 (~~((fifty dollars))~~) \$75.

11 (b) The holder of a soju endorsement may serve soju in bottles
12 that are (~~((three hundred seventy-five))~~) 375 milliliters or less.
13 Empty bottles of soju must remain on the patron's table until the
14 patron has left the premises of the licensee.

15 (c) The patron of a holder of a soju endorsement may remove from
16 the premises recapped in its original container any unused portion of
17 soju that was purchased for consumption with a meal.

18 (d) The board must develop additional responsible sale and
19 service of soju training curriculum related to the provisions of the
20 soju endorsement under this subsection (5) that includes but is not
21 limited to certification procedures and enforcement policies. This
22 information must be provided in both Korean and English languages to
23 licensees holding the soju endorsement. Soju endorsement holders must
24 ensure servers providing soju to patrons are trained in the soju
25 curriculum developed under this subsection (5).

26 **Sec. 33.** RCW 66.24.420 and 2021 c 6 s 9 are each amended to read
27 as follows:

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

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

33	Less than 50% dedicated dining area	(((\$2,000)))
34		<u>\$2,700</u>
35	50% or more dedicated dining area	(((\$1,600)))
36		<u>\$2,200</u>
37	Service bar only	(((\$1,000)))
38		<u>\$1,400</u>

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

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

22 (d) Where the license shall be issued to any corporation,
23 association, or person operating dining places at a publicly or
24 privately owned civic or convention center with facilities for
25 sports, entertainment, or conventions, or a combination thereof, with
26 more than one place where liquor is to be dispensed and sold, such
27 license shall be issued upon the payment of the annual fee, which
28 shall be a master license and shall permit such sale within and from
29 one such place. Such license may be extended to additional places on
30 the premises at the discretion of the board and a duplicate license
31 may be issued for each such additional place. The holder of a master
32 license for a dining place at such a publicly or privately owned
33 civic or convention center must maintain in a substantial manner at
34 least one place on the premises for preparing, cooking, and serving
35 of complete meals, and food service shall be available on request in
36 other licensed places on the premises. An additional license fee of
37 (~~ten dollars~~) \$15 shall be required for such duplicate licenses.

1 ~~((e) The annual fees in this subsection (1) 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)(e); 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)(e).~~

9 ~~(f) The waivers in (e) 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 ~~(g) 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 (e) of this subsection for the reasons described in (f) 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) The board, so far as in its judgment is reasonably possible,
25 shall confine spirits, beer, and wine restaurant licenses to the
26 business districts of cities and towns and other communities, and not
27 grant such licenses in residential districts, nor within the
28 immediate vicinity of schools, without being limited in the
29 administration of this subsection to any specific distance
30 requirements.

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

39 (4) The combined total number of spirits, beer, and wine
40 nightclub licenses, and spirits, beer, and wine restaurant licenses

1 issued in the state of Washington by the board, not including
2 spirits, beer, and wine private club licenses, shall not in the
3 aggregate at any time exceed one license for each (~~(one thousand two~~
4 ~~hundred)~~) 1,200 of population in the state, determined according to
5 the yearly population determination developed by the office of
6 financial management pursuant to RCW 43.62.030.

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

12 (6)(a) The board may issue a caterer's endorsement to this
13 license to allow the licensee to remove the liquor stocks at the
14 licensed premises, for use as liquor for sale and service at event
15 locations at a specified date and, except as provided in subsection
16 (7) of this section, place not currently licensed by the board. If
17 the event is open to the public, it must be sponsored by a society or
18 organization as defined by RCW 66.24.375. If attendance at the event
19 is limited to members or invited guests of the sponsoring individual,
20 society, or organization, the requirement that the sponsor must be a
21 society or organization as defined by RCW 66.24.375 is waived. Cost
22 of the endorsement is (~~(three hundred fifty dollars)~~) \$525.

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

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

36 (d) The holder of this license with a caterer's endorsement may,
37 under conditions established by the board, store liquor on other
38 premises operated by the licensee so long as the other premises are
39 owned or controlled by a leasehold interest by that licensee. A
40 duplicate license may be issued for each additional premises. A

1 license fee of (~~twenty dollars~~) \$30 shall be required for such
2 duplicate licenses.

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

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

12 (b) The domestic winery or passenger vessel, as the case may be,
13 and the retail licensee shall be separately contracted and
14 compensated by the persons sponsoring the event for their respective
15 services.

16 **Sec. 34.** RCW 66.24.425 and 2020 c 274 s 45 are each amended to
17 read as follows:

18 (1) The board may, in its discretion, issue a spirits, beer, and
19 wine restaurant license to a business which qualifies as a
20 "restaurant" as that term is defined in RCW 66.24.410 in all respects
21 except that the business does not serve the general public but,
22 through membership qualification, selectively restricts admission to
23 the business. For purposes of RCW 66.24.400 and 66.24.420, all
24 licenses issued under this section shall be considered spirits, beer,
25 and wine restaurant licenses and shall be subject to all
26 requirements, fees, and qualifications in this title, or in rules
27 adopted by the board, as are applicable to spirits, beer, and wine
28 restaurant licenses generally except that no service to the general
29 public may be required.

30 (2) No license shall be issued under this section to a business:

31 (a) Which shall not have been in continuous operation for at
32 least one year immediately prior to the date of its application; or

33 (b) Which denies membership or admission to any person because of
34 race, creed, color, national origin, sex, or the presence of any
35 disability.

36 (3) The board may issue an endorsement to the spirits, beer, and
37 wine restaurant license issued under this section that allows up to
38 (~~forty~~) 40 nonclub, member-sponsored events using club liquor.
39 Visitors and guests may attend these events only by invitation of the

sponsoring member or members. These events may not be open to the general public. The fee for the endorsement is an annual fee of ~~((nine hundred dollars))~~ \$1,350. Upon the board's request, the holder of the endorsement must provide the board or the board's designee with the following information at least ~~((seventy-two))~~ 72 hours before the event: The date, time, and location of the event; the name of the sponsor of the event; and a brief description of the purpose of the event.

(4) The board may issue an endorsement to the spirits, beer, and wine restaurant license that allows the holder of a spirits, beer, and wine restaurant license to sell for off-premises consumption wine vinted and bottled in the state of Washington and carrying a label exclusive to the license holder selling the wine. Spirits and beer may not be sold for off-premises consumption under this section. The annual fee for the endorsement under this section is ~~((one hundred twenty dollars))~~ \$180.

Sec. 35. RCW 66.24.450 and 2011 c 119 s 402 are each amended to read as follows:

(1) No club shall be entitled to a spirits, beer, and wine private club license:

(a) Unless such private club has been in continuous operation for at least one year immediately prior to the date of its application for such license;

(b) Unless the private club premises be constructed and equipped, conducted, managed, and operated to the satisfaction of the board and in accordance with this title and the regulations made thereunder;

(c) Unless the board shall have determined pursuant to any regulations made by it with respect to private clubs, that such private club is a bona fide private club; it being the intent of this section that license shall not be granted to a club which is, or has been, primarily formed or activated to obtain a license to sell liquor, but solely to a bona fide private club, where the sale of liquor is incidental to the main purposes of the spirits, beer, and wine private club, as defined in RCW 66.04.010(8).

(2) The annual fee for a spirits, beer, and wine private club license, whether inside or outside of an incorporated city or town, is ~~((seven hundred twenty dollars))~~ \$1,080 per year.

(3) The board may issue an endorsement to the spirits, beer, and wine private club license that allows nonclub, member-sponsored

1 events using club liquor. Visitors and guests may attend these events
2 only by invitation of the sponsoring member or members. These events
3 may not be open to the general public. The fee for the endorsement
4 shall be an annual fee of (~~((nine hundred dollars))~~) \$1,350. Upon the
5 board's request, the holder of the endorsement must provide the board
6 or the board's designee with the following information at least
7 (~~((seventy-two))~~) 72 hours prior to the event: The date, time, and
8 location of the event; the name of the sponsor of the event; and a
9 brief description of the purpose of the event.

10 (4) The board may issue an endorsement to the spirits, beer, and
11 wine private club license that allows the holder of a spirits, beer,
12 and wine private club license to sell bottled wine for off-premises
13 consumption. Spirits and beer may not be sold for off-premises
14 consumption under this section. The annual fee for the endorsement
15 under this section is (~~((one hundred twenty dollars))~~) \$180.

16 **Sec. 36.** RCW 66.24.452 and 2009 c 373 s 3 are each amended to
17 read as follows:

18 (1) There shall be a beer and wine license to be issued to a
19 private club for sale of beer, strong beer, and wine for on-premises
20 consumption.

21 (2) Beer, strong beer, and wine sold by the licensee may be on
22 tap or by open bottles or cans.

23 (3) The fee for the private club beer and wine license is (~~((one
24 hundred eighty dollars))~~) \$270 per year.

25 (4) The board may issue an endorsement to the private club beer
26 and wine license that allows the holder of a private club beer and
27 wine license to sell bottled wine for off-premises consumption.
28 Spirits, strong beer, and beer may not be sold for off-premises
29 consumption under this section. The annual fee for the endorsement
30 under this section is (~~((one hundred twenty dollars))~~) \$180.

31 **Sec. 37.** RCW 66.24.495 and 2023 c 470 s 1013 are each amended to
32 read as follows:

33 (1)(~~((a))~~) There shall be a license to be designated as a
34 nonprofit arts organization license. This shall be a special license
35 to be issued to any nonprofit arts organization which sponsors and
36 presents productions or performances of an artistic or cultural
37 nature in a specific theater or other appropriate designated indoor
38 premises approved by the board. The license shall permit the licensee

1 to sell liquor to patrons of productions or performances for
2 consumption on the premises at these events. The fee for the license
3 shall be ~~((two hundred fifty dollars))~~ \$250 per annum.

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

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

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

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

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

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

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

27 (2) For the purposes of this section, the term "nonprofit arts
28 organization" means an organization which is organized and operated
29 for the purpose of providing artistic or cultural exhibitions,
30 presentations, or performances or cultural or art education programs,
31 as defined in subsection (3) of this section, for viewing or
32 attendance by the general public. The organization must be a not-for-
33 profit corporation under chapter 24.03A RCW and managed by a
34 governing board of not less than eight individuals none of whom is a
35 paid employee of the organization or by a corporation sole under
36 chapter 24.12 RCW. In addition, the corporation must satisfy the
37 following conditions:

38 (a) No part of its income may be paid directly or indirectly to
39 its members, stockholders, officers, directors, or trustees except in

1 the form of services rendered by the corporation in accordance with
2 its purposes and bylaws;

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

6 (c) Assets of the corporation must be irrevocably dedicated to
7 the activities for which the license is granted and, on the
8 liquidation, dissolution, or abandonment by the corporation, may not
9 inure directly or indirectly to the benefit of any member or
10 individual except a nonprofit organization, association, or
11 corporation;

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

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

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

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

21 (3) The term "artistic or cultural exhibitions, presentations, or
22 performances or cultural or art education programs" includes and is
23 limited to:

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

27 (b) A musical or dramatic performance or series of performances;
28 or

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

32 **Sec. 38.** RCW 66.24.520 and 2010 c 290 s 4 are each amended to
33 read as follows:

34 There shall be a grower's license to sell wine or spirits made
35 from grapes or other agricultural products owned at the time of
36 vinification or distillation by the licensee in bulk to holders of
37 domestic wineries', distillers', or manufacturers' licenses or for
38 export. The wine or spirits shall be made upon the premises of a
39 domestic winery or craft distillery licensee and is referred to in

1 this section as grower's wine or grower's spirits. A grower's license
2 authorizes the agricultural product grower to contract for the
3 manufacturing of wine or spirits from the grower's own agricultural
4 product, store wine or spirits in bulk made from agricultural
5 products produced by the holder of this license, and to sell wine or
6 spirits in bulk made from the grower's own agricultural products to a
7 winery or distillery in the state of Washington or to export in bulk
8 for sale out-of-state. The annual fee for a grower's license shall be
9 (~~seventy-five dollars~~) \$75. For the purpose of chapter 66.28 RCW, a
10 grower licensee shall be deemed a manufacturer.

11 **Sec. 39.** RCW 66.24.530 and 1987 c 386 s 1 are each amended to
12 read as follows:

13 (1) There shall be a license to be designated as a class S
14 license to qualified duty free exporters authorizing such exporters
15 to sell beer and wine to vessels for consumption outside the state of
16 Washington.

17 (2) To qualify for a license under subsection (1) of this
18 section, the exporter shall have:

19 (a) An importer's basic permit issued by the United States bureau
20 of alcohol, tobacco, and firearms and a customs house license in
21 conjunction with a common carriers bond;

22 (b) A customs bonded warehouse, or be able to operate from a
23 foreign trade zone; and

24 (c) A notarized signed statement from the purchaser stating that
25 the product is for consumption outside the state of Washington.

26 (3) The license for qualified duty free exporters shall authorize
27 the duty free exporter to purchase from a brewery, winery, beer
28 wholesaler, wine wholesaler, beer importer, or wine importer licensed
29 by the state of Washington.

30 (4) Beer and/or wine sold and delivered in this state to duty
31 free exporters for use under this section shall be considered
32 exported from the state.

33 (5) The fee for this license shall be (~~one hundred dollars~~)
34 \$150 per annum.

35 **Sec. 40.** RCW 66.24.540 and 2021 c 6 s 11 are each amended to
36 read as follows:

37 (1) There is a retailer's license to be designated as a motel
38 license. The motel license may be issued to a motel regardless of

whether it holds any other class of license under this title. No license may be issued to a motel offering rooms to its guests on an hourly basis. The license authorizes the licensee to:

(a) Sell, at retail, in locked honor bars, spirits in individual bottles not to exceed ~~((fifty))~~ 50 milliliters, beer in individual cans or bottles not to exceed ~~((twelve))~~ 12 ounces, and wine in individual bottles not to exceed ~~((one hundred eighty-seven))~~ 187 milliliters, to registered guests of the motel for consumption in guest rooms.

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

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

(iii) The licensee must require proof of age from the guest renting a guest room and requesting the use of an honor bar. The guest must also execute an affidavit verifying that no one under ~~((twenty-one))~~ 21 years of age has access to the spirits, beer, and wine in the honor bar.

(b) Provide without additional charge, to overnight guests of the motel, spirits, beer, and wine by the individual serving for on-premises consumption at a specified regular date, time, and place as may be fixed by the board. Self-service by attendees is prohibited. All spirits, beer, and wine service must be done by an alcohol server as defined in RCW 66.20.300 and comply with RCW 66.20.310.

(2) ~~((a))~~ The annual fee for a motel license is ~~((five hundred dollars))~~ \$750.

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

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

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

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

~~(i) Had their license suspended by the board for health and 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 (3) For the purposes of this section, "motel" means a transient
13 accommodation licensed under chapter 70.62 RCW.

14 **Sec. 41.** RCW 66.24.550 and 1997 c 321 s 35 are each amended to
15 read as follows:

16 There shall be a beer and wine retailer's license to be
17 designated as a beer and wine gift delivery license to solicit, take
18 orders for, sell, and deliver beer and/or wine in bottles and
19 original packages to persons other than the person placing the order.
20 A beer and wine gift delivery license may be issued only to a
21 business solely engaged in the sale or sale and delivery of gifts at
22 retail which holds no other class of license under this title or to a
23 person in the business of selling flowers or floral arrangements at
24 retail. No minimum beer and/or wine inventory requirement shall apply
25 to holders of beer and wine gift delivery licenses. The fee for this
26 license is ~~((seventy-five dollars))~~ \$112.50 per year. Delivery of
27 beer and/or wine under a beer and wine gift delivery license shall be
28 made in accordance with all applicable provisions of this title and
29 the rules of the board, and no beer and/or wine so delivered shall be
30 opened on any premises licensed under this title. A beer and wine
31 gift delivery license does not authorize door-to-door solicitation of
32 gift wine delivery orders. Deliveries of beer and/or wine under a
33 beer and wine gift delivery license shall be made only in conjunction
34 with gifts or flowers.

35 **Sec. 42.** RCW 66.24.570 and 2021 c 6 s 12 are each amended to
36 read as follows:

37 (1)~~((a))~~ There is a license for sports entertainment facilities
38 to be designated as a sports entertainment facility license to sell

1 beer, wine, and spirits at retail, for consumption upon the premises
2 only, the license to be issued to the entity providing food and
3 beverage service at a sports entertainment facility as defined in
4 this section. The cost of the license is ~~((two thousand five hundred~~
5 ~~dollars))~~ \$3,750 per annum.

6 ~~((b) The annual fee in (a) of this subsection is waived during~~
7 ~~the 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 (1)(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 (1)(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 (2) For purposes of this section, a sports entertainment facility
30 includes a publicly or privately owned arena, coliseum, stadium, or
31 facility where sporting events are presented for a price of
32 admission. The facility does not have to be exclusively used for
33 sporting events.

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

1 and circulation patterns in such a facility, and other amenities
2 available at a sports entertainment facility.

3 (4) (a) The board may issue a caterer's endorsement to the license
4 under this section to allow the licensee to remove from the liquor
5 stocks at the licensed premises, for use as liquor for sale and
6 service at event locations at a specified date and place not
7 currently licensed by the board. If the event is open to the public,
8 it must be sponsored by a society or organization as defined by RCW
9 66.24.375. If attendance at the event is limited to members or
10 invited guests of the sponsoring individual, society, or
11 organization, the requirement that the sponsor must be a society or
12 organization as defined by RCW 66.24.375 is waived. Cost of the
13 endorsement is (~~((three hundred fifty dollars))~~) \$525.

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

20 (5) The board may issue an endorsement to the beer, wine, and
21 spirits sports entertainment facility license that allows the holder
22 of a beer, wine, and spirits sports entertainment facility license to
23 sell for off-premises consumption wine vinted and bottled in the
24 state of Washington and carrying a label exclusive to the license
25 holder selling the wine. Spirits and beer may not be sold for off-
26 premises consumption under this section. The annual fee for the
27 endorsement under this section is (~~((one hundred twenty dollars))~~)
28 \$180.

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

38 (b) The arrangements allowed under this subsection (6) are an
39 exception to arrangements prohibited under RCW 66.28.305. The board
40 shall monitor the impacts of these arrangements. The board may

1 conduct audits of the licensee and the affiliated business to
2 determine compliance with this subsection (6). Audits may include but
3 are not limited to product selection at the facility; purchase
4 patterns of the licensee; contracts with the liquor manufacturer,
5 importer, or distributor; and the amount allocated or used for liquor
6 advertising by the licensee, affiliated business, manufacturer,
7 importer, or distributor under the arrangements.

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

13 **Sec. 43.** RCW 66.24.580 and 2021 c 6 s 13 are each amended to
14 read as follows:

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

16 (a) To annually manufacture no less than (~~((two hundred fifty))~~)
17 250 gallons and no more than (~~((two thousand four hundred))~~) 2,400
18 barrels of beer on the licensed premises;

19 (b) To sell product, that is produced on the licensed premises,
20 at retail on the licensed premises for consumption on the licensed
21 premises;

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

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

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

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

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

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

1 (6) ~~((a))~~ The annual license fee for a public house is ~~((one~~
2 ~~thousand dollars))~~ \$1,500.

3 ~~((b) The annual fee in (a) of this subsection is waived during~~
4 ~~the 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 (6) (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 (6) (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 (7) The holder of a public house license may hold other licenses
27 at other locations if the locations are approved by the board.

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

32 **Sec. 44.** RCW 66.24.590 and 2021 c 6 s 14 are each amended to
33 read as follows:

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

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

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

4 (b) Sell, at retail, from locked honor bars, in individual units,
5 spirits not to exceed ((~~fifty~~)) 50 milliliters, beer in individual
6 units not to exceed ((~~twelve~~)) 12 ounces, and wine in individual
7 bottles not to exceed ((~~three hundred eighty-five~~)) 385 milliliters,
8 to registered guests of the hotel for consumption in guest rooms. The
9 licensee must require proof of age from the guest renting a guest
10 room and requesting the use of an honor bar. The guest must also
11 execute an affidavit verifying that no one under ((~~twenty-one~~)) 21
12 years of age will have access to the spirits, beer, and wine in the
13 honor bar;

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

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

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

26 (f) Sell beer to a purchaser in a sanitary container brought to
27 the premises by the purchaser or furnished by the licensee and filled
28 at the tap in the restaurant area by the licensee at the time of
29 sale;

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

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

37 (3) If all or any facilities for alcoholic beverage service and
38 the preparation, cooking, and serving of food are operated under
39 contract or joint venture agreement, the operator may hold a license
40 separate from the license held by the operator of the hotel. Food and

1 beverage inventory used in separate licensed operations at the hotel
2 may not be shared and must be separately owned and stored by the
3 separate licensees.

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

6 (5) All on-premises alcoholic beverage service must be done by an
7 alcohol server as defined in RCW 66.20.300 and must comply with RCW
8 66.20.310.

9 (6)(a) The hotel license allows the licensee to remove from the
10 liquor stocks at the licensed premises, liquor for sale and service
11 at event locations at a specified date and place not currently
12 licensed by the board. If the event is open to the public, it must be
13 sponsored by a society or organization as defined by RCW 66.24.375.
14 If attendance at the event is limited to members or invited guests of
15 the sponsoring individual, society, or organization, the requirement
16 that the sponsor must be a society or organization as defined by RCW
17 66.24.375 is waived.

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

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

26 (7) The holder of this license or its manager may furnish
27 spirits, beer, or wine to the licensee's employees who are (~~twenty-~~
28 ~~one~~) 21 years of age or older free of charge as may be required for
29 use in connection with instruction on spirits, beer, and wine. The
30 instruction may include the history, nature, values, and
31 characteristics of spirits, beer, or wine, the use of wine lists, and
32 the methods of presenting, serving, storing, and handling spirits,
33 beer, or wine. The licensee must use the liquor it obtains under its
34 license for the sampling as part of the instruction. The instruction
35 must be given on the premises of the licensee.

36 (8) Minors may be allowed in all areas of the hotel where liquor
37 may be consumed; however, the consumption must be incidental to the
38 primary use of the area. These areas include, but are not limited to,
39 tennis courts, hotel lobbies, and swimming pool areas. If an area is
40 not a mixed-use area, and is primarily used for alcohol service, the

1 area must be designated and restricted to access by persons of lawful
2 age to purchase liquor.

3 (9) ~~((a))~~ The annual fee for this license is ~~((two thousand~~
4 ~~dollars))~~ \$2,500.

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

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

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

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

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

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

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

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

30 **Sec. 45.** RCW 66.24.600 and 2021 c 6 s 15 are each amended to
31 read as follows:

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

35 (2) The license may be issued only to a person whose business
36 includes the sale and service of alcohol to the person's customers,
37 has food sales and service incidental to the sale and service of
38 alcohol, and has primary business hours between 9:00 p.m. and 2:00
39 a.m.

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

3 (4) ~~((a))~~ The annual fee for this license is ~~((two thousand~~
4 ~~dollars))~~ \$2,500. The fee for the license shall be reviewed from time
5 to time and set at such a level sufficient to defray the cost of
6 licensing and enforcing this licensing program. The fee shall be
7 fixed by rule adopted by the board in accordance with the provisions
8 of the administrative procedure act, chapter 34.05 RCW.

9 ~~((b) The annual fee in (a) of this subsection is 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 (4) (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 (4) (b).~~

17 ~~(c) The waiver in (b) of this subsection does 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 (5) Local governments may petition the board to request that
33 further restrictions be imposed on a spirits, beer, and wine
34 nightclub license in the interest of public safety. Examples of
35 further restrictions a local government may request are: No minors
36 allowed on the entire premises, submitting a security plan, or
37 signing a good neighbor agreement with the local government.

38 (6) The total number of spirits, beer, and wine nightclub
39 licenses are subject to the requirements of RCW 66.24.420(4).
40 However, the board shall refuse a spirits, beer, and wine nightclub

1 license to any applicant if the board determines that the spirits,
2 beer, and wine nightclub licenses already granted for the particular
3 locality are adequate for the reasonable needs of the community.

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

5 **Sec. 46.** RCW 66.24.610 and 2011 c 325 s 1 are each amended to
6 read as follows:

7 There shall be a license to allow a VIP airport lounge operator
8 to sell or otherwise provide spirits, wine, and beer solely for
9 consumption on the premises of a VIP airport lounge. The license
10 described in this section allows the VIP airport lounge operator to
11 purchase spirits from the board, and to purchase beer and wine at
12 retail outlets, or from the manufacturer or a distributor. No
13 licensee may serve liquor from a bar where patrons may sit to be
14 served, but may only serve liquor from a service bar, as approved by
15 the board. The annual fee for this license shall be (~~((two thousand~~
16 ~~dollars))~~) \$2,500.

17 **Sec. 47.** RCW 66.24.630 and 2021 c 48 s 5 are each amended to
18 read as follows:

19 (1) There is a spirits retail license to: Sell spirits in
20 original containers to consumers for consumption off the licensed
21 premises and to permit holders; sell spirits in original containers
22 to retailers licensed to sell spirits for consumption on the
23 premises, for resale at their licensed premises according to the
24 terms of their licenses, although no single sale may exceed (~~((twenty-~~
25 ~~four))~~) 24 liters, unless the sale is by a licensee that was a
26 contract liquor store manager of a contract liquor store at the
27 location of its spirits retail licensed premises from which it makes
28 such sales; and export spirits.

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

34 (a) Maintain a schedule by stock-keeping unit of all their
35 purchases of spirits from spirits retail licensees, including
36 combination spirits, beer, and wine licensees holding a license
37 issued pursuant to RCW 66.24.035, indicating the identity of the
38 seller and the quantities purchased; and

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

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

7 (ii) A distiller acting as distributor of the scheduled item in
8 the area.

9 (3)(a) Except as otherwise provided in (c) of this subsection,
10 the board may issue spirits retail licenses only for premises
11 comprising at least (~~ten thousand~~) 10,000 square feet of fully
12 enclosed retail space within a single structure, including storerooms
13 and other interior auxiliary areas but excluding covered or fenced
14 exterior areas, whether or not attached to the structure, and only to
15 applicants that the board determines will maintain systems for
16 inventory management, employee training, employee supervision, and
17 physical security of the product substantially as effective as those
18 of stores currently operated by the board with respect to preventing
19 sales to or pilferage by underage or inebriated persons.

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

28 (c) The board may not deny a spirits retail license to an
29 otherwise qualified contract liquor store at its contract location or
30 to the holder of former state liquor store operating rights sold at
31 auction under RCW 66.24.620 on the grounds of location, nature, or
32 size of the premises to be licensed. The board may not deny a spirits
33 retail license to applicants that are not contract liquor stores or
34 operating rights holders on the grounds of the size of the premises
35 to be licensed, if such applicant is otherwise qualified and the
36 board determines that:

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

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

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

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

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

13 (ii) To other registered facilities; or

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

18 (e) For purposes of negotiating volume discounts, a group of
19 individual retailers authorized to sell spirits for consumption off
20 the licensed premises may accept delivery of spirits at their
21 individual licensed premises or at any one of the individual
22 licensee's premises, or at a warehouse facility registered with the
23 board.

24 (4)(a) Except as otherwise provided in RCW 66.24.632, section 2,
25 chapter 48, Laws of 2021, or in (b) of this subsection, each spirits
26 retail licensee must pay to the board, for deposit into the liquor
27 revolving fund, a license issuance fee equivalent to (~~(seventeen)~~) 17
28 percent of all spirits sales revenues under the license, exclusive of
29 taxes collected by the licensee and of sales of items on which a
30 license fee payable under this section has otherwise been incurred.
31 The board must establish rules setting forth the timing of such
32 payments and reporting of sales dollar volume by the licensee, with
33 payments required quarterly in arrears. The first payment is due
34 October 1, 2012.

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

37 (5) In addition to the payment required under subsection (4) of
38 this section, each licensee must pay an annual license renewal fee of
39 (~~(one hundred sixty-six dollars)~~) \$550. The board must periodically
40 review and adjust the renewal fee as may be required to maintain it

1 as comparable to annual license renewal fees for licenses to sell
2 beer and wine not for consumption on the licensed premises. If
3 required by law at the time, any increase of the annual renewal fee
4 becomes effective only upon ratification by the legislature.

5 (6) As a condition to receiving and renewing a spirits retail
6 license the licensee must provide training as prescribed by the board
7 by rule for individuals who sell spirits or who manage others who
8 sell spirits regarding compliance with laws and regulations regarding
9 sale of spirits, including without limitation the prohibitions
10 against sale of spirits to individuals who are underage or visibly
11 intoxicated. The training must be provided before the individual
12 first engages in the sale of spirits and must be renewed at least
13 every five years. The licensee must maintain records documenting the
14 nature and frequency of the training provided. An employee training
15 program is presumptively sufficient if it incorporates a "responsible
16 vendor program" adopted by the board.

17 (7) The maximum penalties prescribed by the board in WAC
18 314-29-020 through 314-29-040 relating to fines and suspensions are
19 doubled for violations relating to the sale of spirits by spirits
20 retail licensees.

21 (8)(a) The board must adopt regulations concerning the adoption
22 and administration of a compliance training program for spirits
23 retail licensees, to be known as a "responsible vendor program," to
24 reduce underage drinking, encourage licensees to adopt specific best
25 practices to prevent sales to minors, and provide licensees with an
26 incentive to give their employees ongoing training in responsible
27 alcohol sales and service.

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

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

34 (d) To participate in the responsible vendor program, licensees
35 must submit an application form to the board. If the application
36 establishes that the licensee meets the qualifications to join the
37 program, the board must send the licensee a membership certificate.

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

40 (i) Provide ongoing training to employees;

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

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

(iv) Post specific signs in the business; and

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

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

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

Sec. 48. RCW 66.24.650 and 2021 c 6 s 16 are each amended to read as follows:

(1)((a)) There is a theater license to sell beer, including strong beer, or wine, or both, at retail, for consumption on theater premises. The annual fee is ((four hundred dollars)) \$600 for a beer and wine theater license.

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

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

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

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

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

~~(ii) Received an order of immediate restraint or citation from the department of labor and industries for allowing an employee to perform work where business activity was prohibited in violation of 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) If the theater premises is to be frequented by minors, an
9 alcohol control plan must be submitted to the board at the time of
10 application. The alcohol control plan must be approved by the board,
11 and be prominently posted on the premises, prior to minors being
12 allowed.

13 (3) For the purposes of this section:

14 (a) "Alcohol control plan" means a written, dated, and signed
15 plan submitted to the board by an applicant or licensee for the
16 entire theater premises, or rooms or areas therein, that shows where
17 and when alcohol is permitted, where and when minors are permitted,
18 and the control measures used to ensure that minors are not able to
19 obtain alcohol or be exposed to environments where drinking alcohol
20 predominates.

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

24 (4) The board must adopt rules regarding alcohol control plans
25 and necessary control measures to ensure that minors are not able to
26 obtain alcohol or be exposed to areas where drinking alcohol
27 predominates. All alcohol control plans must include a requirement
28 that any person involved in the serving of beer and/or wine must have
29 completed a mandatory alcohol server training program.

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

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

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

Sec. 49. RCW 66.24.655 and 2021 c 6 s 17 are each amended to read as follows:

(1)~~((a))~~ There is a theater license to sell spirits, beer, including strong beer, or wine, or all, at retail, for consumption on theater premises. A spirits, beer, and wine theater license may be issued only to theaters that have no more than ~~((one hundred twenty))~~ 120 seats per screen and that are maintained in a substantial manner as a place for preparing, cooking, and serving complete meals and providing tabletop accommodations for in-theater dining. Requirements for complete meals are the same as those adopted by the board in rules pursuant to chapter 34.05 RCW for a spirits, beer, and wine restaurant license authorized by RCW 66.24.400. The annual fee for a spirits, beer, and wine theater license is ~~((two thousand dollars))~~ \$2,500.

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

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

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

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

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

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

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

14 (2) If the theater premises is to be frequented by minors, an
15 alcohol control plan must be submitted to the board at the time of
16 application. The alcohol control plan must be approved by the board
17 and be prominently posted on the premises, prior to minors being
18 allowed.

19 (3) For the purposes of this section:

20 (a) "Alcohol control plan" means a written, dated, and signed
21 plan submitted to the board by an applicant or licensee for the
22 entire theater premises, or rooms or areas therein, that shows where
23 and when alcohol is permitted, where and when minors are permitted,
24 and the control measures used to ensure that minors are not able to
25 obtain alcohol or be exposed to environments where drinking alcohol
26 predominates.

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

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

35 (5)(a) A licensee that is an entity that is exempt from taxation
36 under Title 26 U.S.C. Sec. 501(c)(3) of the federal internal revenue
37 code of 1986, as amended as of January 1, 2013, may enter into
38 arrangements with a spirits, beer, or wine manufacturer, importer, or
39 distributor for brand advertising at the theater or promotion of
40 events held at the theater. The financial arrangements providing for

1 the brand advertising or promotion of events may not be used as an
2 inducement to purchase the products of the manufacturer, importer, or
3 distributor entering into the arrangement and such arrangements may
4 not result in the exclusion of brands or products of other companies.

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

16 (6) The maximum penalties prescribed by the board in WAC
17 314-29-020 relating to fines and suspensions are double for
18 violations involving minors or the failure to follow the alcohol
19 control plan with respect to theaters licensed under this section.

20 **Sec. 50.** RCW 66.24.680 and 2021 c 176 s 5235 and 2021 c 6 s 18
21 are each reenacted and amended to read as follows:

22 (1) There shall be a license to be designated as a senior center
23 license. This shall be a license issued to a nonprofit organization
24 whose primary service is providing recreational and social activities
25 for seniors on the licensed premises. This license shall permit the
26 licensee to sell spirits by the individual glass, including mixed
27 drinks and cocktails mixed on the premises only, beer and wine, at
28 retail for consumption on the premises.

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

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

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

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

33 (3) All alcohol servers must have a valid mandatory alcohol
34 server training permit.

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

36 (5) ~~((a))~~ The annual fee for this license shall be ~~((seven~~
37 ~~hundred twenty dollars))~~ \$720.

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

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

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

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

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

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

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

Sec. 51. RCW 66.24.690 and 2021 c 6 s 19 are each amended to read as follows:

(1) There shall be a caterer's license to sell spirits, beer, and wine, by the individual serving, at retail, for consumption on the premises at an event location that is either owned, leased, or operated either by the caterer or the sponsor of the event for which catering services are being provided. If the event is open to the public, it must be sponsored by a society or organization as defined in RCW 66.24.375. If attendance at the event is limited to members or invited guests of the sponsoring individual, society, or organization, the requirement that the sponsor must be a society or organization as defined in RCW 66.24.375 is waived. The licensee must serve food as required by rules of the board.

(2) ~~((a))~~ The annual fee is ~~((two hundred dollars))~~ \$300 for the beer license, ~~((two hundred dollars))~~ \$300 for the wine license, or ~~((four hundred dollars))~~ \$600 for a combination beer and wine

1 license. The annual fee for a combined beer, wine, and spirits
2 license is ~~((one thousand dollars))~~ \$1,500.

3 ~~((b) The annual fees in (a) of this subsection are waived during~~
4 ~~the 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 waivers in (b) of this subsection do 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 (3) The holder of this license shall notify the board or its
27 designee of the date, time, place, and location of any catered event
28 at which liquor will be served, sold, or consumed. The board shall
29 create rules detailing notification requirements. Upon request, the
30 licensee shall provide to the board all necessary or requested
31 information concerning the individual, society, or organization that
32 will be holding the catered function at which the caterer's liquor
33 license will be utilized.

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

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

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

4 **Sec. 52.** RCW 66.24.695 and 2017 c 229 s 1 are each amended to
5 read as follows:

6 (1) There shall be a bonded and nonbonded spirits warehouse
7 license for spirits warehouses that authorizes the storage and
8 handling of bonded bulk spirits and, to the extent allowed under
9 federal law and under rules adopted by the board, bottled spirits and
10 the storage of tax-paid spirits not in bond. Under this license a
11 licensee may maintain a warehouse for the storage of federally
12 authorized spirits off the premises of a distillery for distillers
13 qualified under RCW 66.24.140, 66.24.145, or 66.24.150, or entities
14 otherwise licensed and permitted in this state, or bulk spirits
15 transferred in bond from out-of-state distilleries and, to the extent
16 allowed by federal law and under rules adopted by the board, bottled
17 spirits, if the storage of the federally authorized spirits
18 transferred into the state is for storage only and not for processing
19 or bottling in the bonded spirits warehouse. A licensee must
20 designate clearly in its license application to the board the
21 sections of the warehouse that are bonded and nonbonded with a
22 physical separation between such spaces. Only spirits in bond may be
23 stored in the bonded sections of the warehouse and only spirits that
24 have been removed from bond tax-paid may be stored in nonbonded areas
25 of the warehouse. The proprietor of the warehouse must maintain a
26 plan for tracking spirits being stored in the warehouse to ensure
27 compliance with relevant bonding and tax obligations.

28 (2) The board must adopt similar qualifications for a spirits
29 warehouse licensed under this section as required for obtaining a
30 distillery license as specified in RCW 66.24.140, 66.24.145, and
31 66.24.150. A licensee must be a sole proprietor, a partnership, a
32 limited liability company, a corporation, a port authority, a city, a
33 county, or any other public entity or subdivision of the state that
34 elects to license a bonded spirits warehouse as an agricultural or
35 economic development activity. One or more domestic distilleries or
36 manufacturers may operate as a partnership, corporation, business co-
37 op, cotenant, or agricultural co-op for the purpose of obtaining a
38 bonded and nonbonded spirits warehouse license or storing spirits in

1 the facility under a common management and oversight agreement free
2 of charge or for a fee.

3 (3) Spirits in bond may be removed from a bonded spirits
4 warehouse for the purpose of being:

5 (a) Exported from the state;

6 (b) Returned to a distillery or spirits warehouse licensed under
7 this section; or

8 (c) Transferred to a distillery, spirits warehouse licensed under
9 this section, or a licensed bottling or packaging facility.

10 (4) Bottled spirits that are being removed from a spirits
11 warehouse licensed under this section tax-paid may be:

12 (a) Transferred back to the distillery that produced them;

13 (b) Shipped to a licensed Washington spirits distributor;

14 (c) Shipped to a licensed Washington spirits retailer;

15 (d) Exported from the state; or

16 (e) Removed for direct shipping to a consumer pursuant to RCW
17 66.20.410.

18 (5) The ownership and operation of a spirits warehouse facility
19 licensed under this section may be by a person or entity other than
20 those described in this section acting in a commercial warehouse
21 management position under contract for such licensed persons or
22 entities on their behalf.

23 (6) A license applicant must demonstrate the right to have
24 warehoused spirits under a valid federal permit held by a licensee
25 who maintains ownership and title to the spirits while they are in
26 storage in the spirits warehouse licensed under this section. The fee
27 for this license is (~~(one hundred dollars)~~) \$150 per year.

28 (7) The board must adopt rules requiring a spirits warehouse
29 licensed under this section to be physically secure, zoned for the
30 intended use, and physically separated from any other use.

31 (8) The operator or licensee operating a spirits warehouse
32 licensed under this section must submit to the board a monthly report
33 of movement of spirits to and from a warehouse licensed under this
34 section in a form prescribed by the board. The board may adopt other
35 necessary procedures by which such warehouses are licensed and
36 regulated.

37 (9) The board may require a single annual permit valid for a full
38 calendar year issued to each licensee or entity warehousing spirits
39 under this section that allows for unlimited transfers to and from

1 such warehouse within that year. The fee for this permit is ((~~one~~
2 ~~hundred dollars~~)) \$150 per year.

3 (10) Handling of bottled spirits that have been removed from bond
4 tax-paid and that reside in the spirits warehouse licensed under this
5 section includes packaging and repackaging services; bottle labeling
6 services; creating baskets or variety packs that may or may not
7 include nonspirits products; and picking, packing, and shipping
8 spirits orders on behalf of a licensed distillery direct to consumers
9 in accordance with RCW 66.20.410. A distillery contracting with the
10 operator of a spirits warehouse licensed under this section for
11 handling bottled spirits must comply with all applicable state and
12 federal laws and is responsible for financial transactions in direct
13 to consumer shipping activities.

14 NEW SECTION. **Sec. 53.** A new section is added to chapter 66.08
15 RCW to read as follows:

16 (1) Except as provided in subsection (2) of this section, the
17 board must increase by 50 percent the license, permit, or endorsement
18 fee for any liquor license, permit, or endorsement in which the
19 amount of such fee is determined by the board in rule.

20 (2) The board must increase the fee set pursuant to RCW
21 66.20.010(3) to \$25.

Passed by the Senate April 25, 2025.

Passed by the House April 24, 2025.

Approved by the Governor May 17, 2025.

Filed in Office of Secretary of State May 19, 2025.

--- END ---