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HOUSE BILL 1432

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State of Washington

67th Legislature

2021 Regular Session

By Representative Vick

1 AN ACT Relating to authorizing direct to consumer sales of  
2 distilled spirits by out-of-state manufacturers; amending RCW  
3 66.28.035; and adding new sections to chapter 66.20 RCW.

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

5 NEW SECTION. **Sec. 1.** A new section is added to chapter 66.20  
6 RCW to read as follows:

7 The holder of a license to manufacture spirits issued by this  
8 state or another state, or the holder of a certificate of approval  
9 license issued by this state for spirits manufactured in another  
10 state or outside of the United States, may ship spirits that it is  
11 allowed to manufacture or import in accordance with such license, to  
12 a person who is a resident of Washington and is 21 years of age or  
13 older for that person's personal use and not for resale.

14 NEW SECTION. **Sec. 2.** A new section is added to chapter 66.20  
15 RCW to read as follows:

16 Before spirits may be shipped to a person who is a resident of  
17 Washington by a domestic distillery, an out-of-state distillery, or a  
18 holder of a certificate of approval issued by this state for spirits,  
19 the distillery or importer must:

1 (1) Obtain a spirits shipper's permit under procedures prescribed  
2 by the board by rule and pay a fee established by the board, if the  
3 distillery is located outside the state; or

4 (2) Be licensed as a domestic distillery or a certificate of  
5 approval holder by the board and have paid the annual license fee.

6 NEW SECTION. **Sec. 3.** A new section is added to chapter 66.20  
7 RCW to read as follows:

8 (1) An applicant for a spirits shipper's permit under section 2  
9 of this act must:

10 (a) Operate a distillery located in the United States or hold a  
11 certificate of approval license issued by this state for spirits  
12 manufactured in another state or outside of the United States;

13 (b) Provide the board a copy of its valid license to manufacture  
14 spirits issued by another state;

15 (c) Certify that it holds all state and federal licenses and  
16 permits necessary to operate a distillery or to import spirits; and

17 (d) Register with the department of revenue under RCW 82.32.030.

18 (2) Holders of a spirits certificate of approval under RCW  
19 66.24.640 are deemed to hold a spirits shipper's permit without  
20 further application or fee, if the holder meets all requirements for  
21 a spirits shipper's permit. A spirits certificate of approval holder  
22 who wants to ship spirits under its spirits shipper's permit  
23 privilege must notify the board in a manner determined by the board  
24 before shipping any spirits to a Washington consumer.

25 (3) Holders of a spirits shipper's permit must:

26 (a) Pay the tax under RCW 66.24.210 for sales of spirits to  
27 Washington state residents; and

28 (b) Collect and remit to the department of revenue all applicable  
29 state and local sales and use taxes imposed by or under the authority  
30 of chapters 82.08, 82.12, and 82.14 RCW on all sales of spirits  
31 delivered to buyers in this state, regardless of whether the permit  
32 holder has a physical presence in this state.

33 NEW SECTION. **Sec. 4.** A new section is added to chapter 66.20  
34 RCW to read as follows:

35 (1) A domestic distillery, certificate of approval license  
36 holder, or spirits shipper's permit holder must clearly label all  
37 spirits cases or outside shipping packages of spirits sent into or  
38 out of this state under sections 1 through 7 of this act to indicate

1 that the package cannot be delivered to a person under 21 years of  
2 age or to an intoxicated person.

3 (2) A domestic distillery, certificate of approval license holder  
4 or spirits shipper's permit holder must ensure that the private  
5 carrier used to deliver spirits: (a) Obtains the signature of the  
6 person who receives the spirits upon delivery; (b) verifies the age  
7 of the recipient; and (c) verifies that the recipient does not appear  
8 intoxicated at the time of delivery.

9 (3) The private carrier used to deliver spirits must: (a) Verify  
10 the age of the person accepting delivery before handing over liquor;  
11 and (b) return the liquor to the domestic distillery, certificate of  
12 approval holder, or spirits shipper's permit holder if no person 21  
13 years of age or older is present to accept a liquor order at the time  
14 of delivery or if the person present to accept the liquor shows signs  
15 of intoxication.

16 NEW SECTION. **Sec. 5.** A new section is added to chapter 66.20  
17 RCW to read as follows:

18 A spirits shipper's permit holder, domestic distillery, and  
19 certificate of approval license holder must report to the board, on  
20 or before the twentieth day of each month, all shipments of spirits  
21 made during the preceding calendar month directly to Washington  
22 consumers under a spirits shipper's permit, domestic distillery  
23 license, or certificate of approval holder license in effect for all  
24 or any portion of the preceding year. All reports will be on forms  
25 prescribed by the board.

26 NEW SECTION. **Sec. 6.** A new section is added to chapter 66.20  
27 RCW to read as follows:

28 A fee for a spirits shipper's permit may be established by the  
29 board.

30 NEW SECTION. **Sec. 7.** A new section is added to chapter 66.20  
31 RCW to read as follows:

32 (1) Holders of a spirits shipper's permit are deemed to have  
33 consented to the jurisdiction of Washington concerning enforcement of  
34 sections 1 through 6 of this act and all laws and rules related to  
35 the shipment of spirits from spirits manufacturers directly to  
36 consumers.

1 (2) (a) A permit issued under section 2 of this act to a spirits  
2 manufacturer located outside this state who fails to comply with the  
3 provisions of sections 1 through 6 of this act must be suspended or  
4 revoked.

5 (b) The privilege to ship spirits directly to Washington  
6 consumers under a domestic distillery license or certificate of  
7 approval holder license must be suspended or revoked if the license  
8 holder fails to comply with the provisions of sections 1 through 6 of  
9 this act.

10 **Sec. 8.** RCW 66.28.035 and 2016 c 235 s 14 are each amended to  
11 read as follows:

12 (1) By the 20th day of each month, and except for direct sales to  
13 consumers reporting under section 5 of this act, all spirits  
14 certificate of approval holders must file with the board, in a form  
15 and manner required by the board, a report of all spirits delivered  
16 to purchasers in this state during the preceding month. Copies of the  
17 invoices for all such purchases or other information required by the  
18 board that would disclose the identity of the purchasers must be made  
19 available upon request.

20 (2) A spirits certificate of approval holder may not ship or  
21 cause to be transported into this state any spirits unless the  
22 purchaser to whom the spirits are to be delivered is:

23 (a) Licensed by the board to sell spirits in this state, and the  
24 license is in good standing; (~~or~~)

25 (b) Otherwise legally authorized to sell spirits in this state;  
26 or

27 (c) A resident of Washington state and the sale is in compliance  
28 with sections 1 through 6 of this act.

29 (3) The liquor and cannabis board must maintain on its website a  
30 list of all purchasers that meet the conditions of subsection (2) (a)  
31 and (b) of this section.

32 (4) A violation of this section is grounds for suspension of a  
33 spirits certificate of approval license in accordance with RCW  
34 66.08.150, in addition to any punishment as may be authorized by RCW  
35 66.28.030.

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