HOUSE BILL 2192

State of Washington 66th Legislature 2020 Regular Session

By Representative Santos

Prefiled 12/03/19.

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

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

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

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

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

20 (2) Where the application is for a special permit by a person 21 engaged within the state in mechanical or manufacturing business or 1 in scientific pursuits requiring alcohol for use therein, or by any 2 private individual, a special permit to purchase alcohol for the 3 purpose named in the permit, except that the governor may waive the 4 requirement for a special liquor purchase permit under this 5 subsection pursuant to an order issued under RCW 43.06.220(2);

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

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

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

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

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

(8) Where the application is for a special permit by a vendor 29 that manufactures or sells a product which cannot be effectively 30 31 presented to potential buyers without serving it with liquor or by a 32 manufacturer, importer, or distributor, or representative thereof, to 33 serve liquor without charge to delegates and guests at a convention of a trade association composed of licensees of the board, when the 34 said liquor is served in a hospitality room or from a booth in a 35 board-approved suppliers' display room at the convention, and when 36 the liquor so served is for consumption in the said hospitality room 37 or display room during the convention, anything in this title to the 38 39 contrary notwithstanding. Any such spirituous liquor must be 40 purchased from a spirits retailer or distributor, and any such liquor 1 is subject to the taxes imposed by RCW 82.08.150, 66.24.290, and 66.24.210;

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

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

(11) Where the application is for an annual special permit by a person operating a bed and breakfast lodging facility to donate or serve wine or beer without charge to overnight guests of the facility if the wine or beer is for consumption on the premises of the 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;

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

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

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

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

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

10 (e) The enrolled student permitted to taste the alcoholic11 beverages does not purchase the alcoholic beverages;

12 The enrolled student permitted to taste the alcoholic (f) beverages conducts the tasting either: (i) On the premises of the 13 14 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 15 16 long as the enrolled student is accompanied by a faculty or staff 17 member with a class 12 or 13 alcohol server permit who supervises as 18 provided in (d) of this subsection and all other requirements of this 19 subsection (12) are met; and

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

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

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

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

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

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

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

33 (b) A permit holder under this subsection (17) may at the 34 specified event:

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

36 (ii) Allow tastings of samples of the wine to be auctioned at the 37 event.

38 (c) An application is required for a permit under this subsection39 (17). The application must be submitted prior to the event and once

1 issued must be posted in a conspicuous place at the premises for 2 which the permit was issued during all times the permit is in use.

3 (d) Wine from more than one winery may be sold at the auction; 4 however, each winery selling wine at the auction must be listed on 5 the permit application. Only a single application form may be 6 required for each auction, regardless of the number of wineries that 7 are selling wine at the auction. The total fee per event for a permit 8 issued under this subsection (17) is twenty-five dollars multiplied 9 by the number of wineries that are selling wine at the auction.

10 (e) For the purposes of this subsection (17), "nonprofit 11 organization" means an entity incorporated as a nonprofit 12 organization under Washington state law.

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

14 (18) An annual special permit to allow a short-term rental 15 operator to provide a complimentary bottle of wine to rental quests who are age twenty-one or over. The annual special permit fee is 16 17 seventy-five dollars. A single permit applies to all rental properties owned or operated by the short-term rental operator and 18 identified in the permit application. The complimentary bottle of 19 wine may be consumed on the premises of the rental property or 20 removed and consumed off the premises of the rental property. A 21 permit holder may purchase wine from wine distributors in accordance 22 23 with RCW 66.24.200, and from retailers and other suppliers of wine authorized pursuant to this title to sell wine at retail to consumers 24 for off-premises consumption. For purposes of this subsection, the 25 terms "short-term rental," "operator," and "quest" have the same 26 27 meanings as in RCW 64.37.010.

28 Sec. 2. RCW 66.24.200 and 2004 c 160 s 2 are each amended to 29 read as follows:

There shall be a license for wine distributors to sell wine, 30 31 purchased from licensed Washington wineries, wine certificate of approval holders, licensed wine importers, or suppliers of foreign 32 wine located outside of the United States, to licensed wine retailers 33 ((and)), other wine distributors, and holders of annual special 34 permits issued under RCW 66.20.010(18), and to export the same from 35 the state; fee six hundred sixty dollars per year for each 36 37 distributing unit.