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SENATE BILL 5194

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State of Washington

65th Legislature

2017 Regular Session

By Senators King, Conway, and Wilson

1 AN ACT Relating to authorizing, under one license, the sale of  
2 spirits, beer, and wine at retail for off-premises consumption;  
3 amending RCW 66.24.360, 66.24.630, and 66.24.363; reenacting and  
4 amending RCW 66.24.371; and adding a new section to chapter 66.24  
5 RCW.

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

7 NEW SECTION. **Sec. 1.** A new section is added to chapter 66.24  
8 RCW to read as follows:

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

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

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

19 (c) Export spirits.

20 (2) The annual fee for the combination spirits, beer, and wine  
21 license is two hundred fifty dollars for each store.

1 (3) For the purposes of this title, a combination spirits, beer,  
2 and wine license is a retail license, and a sale by a combination  
3 spirits, beer, and wine licensee is a retail sale only if not for  
4 resale. Nothing in this title authorizes sales by on sale licensees  
5 to other retail licensees.

6 (4)(a) The board may issue a combination spirits, beer, and wine  
7 license only for premises comprising at least ten thousand square  
8 feet of fully enclosed retail space within a single structure,  
9 including storerooms and other interior auxiliary areas but excluding  
10 covered or fenced exterior areas, whether or not attached to the  
11 structure, and only to applicants that the board determines will  
12 maintain appropriate systems for inventory management, employee  
13 training, employee supervision, and physical security of the product.

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

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

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

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

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

38 (7) As a condition to receiving and renewing a combination  
39 spirits, beer, and wine license the licensee must comply with RCW  
40 66.24.630(6).

1 (8) The maximum penalties prescribed by the board in WAC  
2 314-29-020 through 314-29-040 relating to fines and suspensions are  
3 doubled for violations relating to the sale of spirits by combination  
4 spirits, beer, and wine licensees.

5 (9)(a) A combination spirits, beer, and wine licensee that joins  
6 the responsible vendor program developed by the board pursuant to RCW  
7 66.24.630(8) and maintains all of the program's requirements is not  
8 subject to the doubling of penalties provided in this section for a  
9 single violation in any period of twelve calendar months.

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

16 (c) A combination spirits, beer, and wine licensee participating  
17 in the responsible vendor program must meet the requirements in RCW  
18 66.24.630(8)(e) and comply with board rules adopted to implement RCW  
19 66.24.630(8).

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

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

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

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

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

3 (a) A minimum three thousand dollar inventory of food products  
4 for human consumption, not including pop, beer, strong beer, wine, or  
5 spirits; or

6 (b) A minimum three thousand dollar wholesale inventory of beer,  
7 strong beer, and/or wine.

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

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

14 **Sec. 2.** RCW 66.24.360 and 2015 c 192 s 1 are each amended to  
15 read as follows:

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

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

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

33 (4) The annual fee for the grocery store license is one hundred  
34 fifty dollars for each store.

35 (5) The annual fee for the wine retailer reseller endorsement is  
36 one hundred sixty-six dollars for each store.

37 (6)(a) Upon approval by the board, a grocery store licensee with  
38 revenues derived from beer and/or wine sales exceeding fifty percent  
39 of total revenues or that maintains an alcohol inventory of not less

1 than fifteen thousand dollars may also receive an endorsement to  
2 permit the sale of beer and cider, as defined in RCW 66.24.210(6), in  
3 a sanitary container brought to the premises by the purchaser, or  
4 provided by the licensee or manufacturer, and filled at the tap by  
5 the licensee at the time of sale by an employee of the licensee  
6 holding a class 12 alcohol server permit.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

31 (14) Any endorsement issued pursuant to this section or RCW  
32 66.24.363 may be issued to a qualified combination spirits, beer, and  
33 wine licensee in accordance with section 1(10) of this act.

34 (15) A grocery store licensee that also holds a spirits retail  
35 license under RCW 66.24.630 may, upon board approval and pursuant to  
36 board rules, transition to a combination spirits, beer, and wine  
37 license pursuant to section 1 of this act.

38 **Sec. 3.** RCW 66.24.371 and 2011 c 195 s 4 and 2011 c 119 s 204  
39 are each reenacted and amended to read as follows:

1 (1) There shall be a beer and/or wine retailer's license to be  
2 designated as a beer and/or wine specialty shop license to sell beer,  
3 strong beer, and/or wine at retail in bottles, cans, and original  
4 containers, not to be consumed upon the premises where sold, at any  
5 store other than the state liquor stores. Licensees obtaining a  
6 written endorsement from the board may also sell malt liquor in kegs  
7 or other containers capable of holding four gallons or more of  
8 liquid. The annual fee for the beer and/or wine specialty shop  
9 license is one hundred dollars for each store. The sale of any  
10 container holding four gallons or more must comply with RCW 66.28.200  
11 and 66.28.220.

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

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

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

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

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

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

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

10 (5) Licensees holding a beer and/or wine specialty shop license  
11 must maintain a minimum three thousand dollar wholesale inventory of  
12 beer, strong beer, and/or wine.

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

14 (7) Any endorsement issued pursuant to this section may be issued  
15 to a qualified combination spirits, beer, and wine licensee in  
16 accordance with section 1 of this act.

17 (8) A beer and/or wine specialty shop licensee that also holds a  
18 spirits retail license under RCW 66.24.630 may, upon board approval  
19 and pursuant to board rules, transition to a combination spirits,  
20 beer, and wine license pursuant to section 1 of this act.

21 **Sec. 4.** RCW 66.24.630 and 2015 c 186 s 1 are each amended to  
22 read as follows:

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

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

38 (a) Maintain a schedule by stock-keeping unit of all their  
39 purchases of spirits from spirits retail licensees, including



1 combination spirits, beer, and wine licensees holding a license  
2 issued pursuant to section 1 of this act, indicating the identity of  
3 the seller and the quantities purchased; and

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

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

10 (ii) A distiller acting as distributor of the scheduled item in  
11 the area.

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

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

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

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

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

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

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

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

17 (ii) To other registered facilities; or

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

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

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

38 (b) This subsection (4) does not apply to craft distilleries.

39 (5) In addition to the payment required under subsection (4) of  
40 this section, each licensee must pay an annual license renewal fee of

1 one hundred sixty-six dollars. The board must periodically review and  
2 adjust the renewal fee as may be required to maintain it as  
3 comparable to annual license renewal fees for licenses to sell beer  
4 and wine not for consumption on the licensed premises. If required by  
5 law at the time, any increase of the annual renewal fee becomes  
6 effective only upon ratification by the legislature.

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

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

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

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

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

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

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

3 (i) Provide ongoing training to employees;

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

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

8 (iv) Post specific signs in the business; and

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

11 (f) A spirits retail licensee that also holds a grocery store  
12 license under RCW 66.24.360 or a beer and/or wine specialty shop  
13 license under RCW 66.24.371 may, upon board approval and pursuant to  
14 board rules, transition to a combination spirits, beer, and wine  
15 license pursuant to section 1 of this act.

16 **Sec. 5.** RCW 66.24.363 and 2013 c 52 s 1 are each amended to read  
17 as follows:

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

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

22 (a) The licensee operates a fully enclosed retail area  
23 encompassing at least ten thousand square feet of fully enclosed  
24 retail space within a single structure, including storerooms and  
25 other interior auxiliary areas but excluding covered or fenced  
26 exterior areas, whether or not attached to the structure, except that  
27 the board may issue an endorsement to a licensee with a retail area  
28 encompassing less than ten thousand square feet if the board  
29 determines that no licensee in the community the licensee serves  
30 meets the square footage requirement and the licensee meets  
31 operational requirements established by the board by rule; and

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

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

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

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

1 (c) The licensee must have food available for the tasting  
2 participants;

3 (d) Customers must remain in the service area while consuming  
4 samples; and

5 (e) The service area and facilities must be located within the  
6 licensee's fully enclosed retail area and must be of a size and  
7 design such that the licensee can observe and control persons in the  
8 area to ensure that persons under twenty-one years of age and  
9 apparently intoxicated persons cannot possess or consume alcohol.

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

13 (5) Tasting activities under this section are subject to RCW  
14 66.28.305 and 66.28.040 and the cost of sampling may not be borne,  
15 directly or indirectly, by any liquor manufacturer, importer, or  
16 distributor.

17 (6) A licensee may advertise a tasting event only within the  
18 store, on a store web site, in store newsletters and flyers, and via  
19 email and mail to customers who have requested notice of events.  
20 Advertising under this subsection may not be targeted to or appeal  
21 principally to youth.

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

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

33 (c) RCW 66.08.150 applies to the suspension or revocation of an  
34 endorsement.

35 (8) The board may establish additional requirements under this  
36 section to assure that persons under twenty-one years of age and  
37 apparently intoxicated persons cannot possess or consume alcohol.

38 (9) The annual fee for the endorsement is two hundred dollars.  
39 The board shall review the fee annually and may increase the fee by  
40 rule to a level sufficient to defray the cost of administration and

1 enforcement of the endorsement, except that the board may not  
2 increase the fee by more than ten percent annually.

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

4 (11) An endorsement issued pursuant to this section may be issued  
5 to a qualified combination spirits, beer, and wine licensee in  
6 accordance with section 1 of this act.

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