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SENATE BILL 5272

State of Washington

67th Legislature

2021 Regular Session

By Senators Rolfes and Frockt

- AN ACT Relating to temporarily waiving certain liquor and cannabis board annual licensing fees; amending RCW 66.24.140, 66.24.146, 66.24.170, 66.24.240, 66.24.244, 66.24.320, 66.24.330, 66.24.350, 66.24.420, 66.24.495, 66.24.540, 66.24.570, 66.24.580, 66.24.590, 66.24.600, 66.24.650, 66.24.655, 66.24.680, and 66.24.690; and declaring an emergency.
- 7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 8 **Sec. 1.** RCW 66.24.140 and 2020 c 238 s 1 are each amended to 9 read as follows:
- 10 (1) There is a license to distillers, including blending, 11 rectifying, and bottling; fee two thousand dollars per annum, unless 12 provided otherwise as follows:
- 13 (a) For distillers producing one hundred fifty thousand gallons 14 or less of spirits with at least half of the raw materials used in 15 the production grown in Washington, the license fee must be reduced 16 to one hundred dollars per annum;
- 17 (b) The board must license stills used and to be used solely and 18 only by a commercial chemist for laboratory purposes, and not for the 19 manufacture of liquor for sale, at a fee of twenty dollars per annum;

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

- (d) The board must license stills that have been duly licensed as fruit and/or wine distilleries by the federal government, used and to be used solely as fruit and/or wine distilleries in the production of fruit brandy and wine spirits, at a fee of two hundred dollars per annum;
- 9 <u>(e) The annual fees in this subsection (1) are waived for a</u>
 10 <u>period beginning on the effective date of this section and expiring</u>
 11 <u>one year after the effective date of this section; and</u>
- 12 <u>(f) The waivers in (e) of this subsection do not apply to any</u> 13 <u>licensee that:</u>
 - (i) Had their license suspended by the board for health and safety violations of state COVID-19 guidelines; or
 - (ii) Received an order of 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.
 - (2) Any distillery licensed under this section may:
 - (a) Sell, for off-premises consumption, spirits of the distillery's own production, spirits produced by another distillery or craft distillery licensed in this state, or vermouth or sparkling wine products produced by a licensee in this state. A distillery selling spirits or other alcohol authorized under this subsection must comply with the applicable laws and rules relating to retailers for those products;
 - (b) Contract distilled spirits for, and sell contract distilled spirits to, holders of distillers' or manufacturers' licenses, including licenses issued under RCW 66.24.520, or for export; and
 - (c) Serve samples of spirits for free or for a charge, and sell servings of spirits, vermouth, and sparkling wine to customers for on-premises consumption, at the premises of the distillery indoors, outdoors, or in any combination thereof, and at the distillery's offsite tasting rooms in accordance with this chapter, subject to the following conditions:
 - (i) A distillery may provide to customers, for free or for a charge, for on-premises consumption, spirits samples that are one-half ounce or less per sample of spirits, and that may be adulterated

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with water, ice, other alcohol entitled to be served or sold on the licensed premises under this section, or nonalcoholic mixers;

- (ii) A distillery may sell, for on-premises consumption, servings of spirits of the distillery's own production or spirits produced by another distillery or craft distillery licensed in this state, which must be adulterated with water, ice, other alcohol entitled to be sold or served on the licensed premises, or nonalcoholic mixers if the revenue derived from the sale of spirits for on-premises consumption under this subsection (2)(c)(ii) does not comprise more than thirty percent of the overall gross revenue earned in the tasting room during the calendar year. Any distiller who sells adulterated products under this subsection, must file an annual report with the board that summarizes the distiller's revenue sources; and
- 15 (iii) A distillery may sell, for on-premises consumption, 16 servings of vermouth or sparkling wine products produced by a 17 licensee in this state.
 - (3) (a) If a distillery provides or sells spirits or other alcohol products authorized to be sold or provided to customers for onpremises or off-premises consumption that are produced by another distillery, craft distillery, or licensee in this state, then at any one time no more than twenty-five percent of the alcohol stock-keeping units offered or sold by the distillery at its distillery premises and at any off-site tasting rooms licensed under RCW 66.24.146 may be vermouth, sparkling wine, or spirits made by another distillery, craft distillery, or licensee in this state. If a distillery sells fewer than twenty alcohol stock-keeping units of products of its own production, it may sell up to five alcohol stock-keeping units of vermouth, sparkling wine, or spirits produced by another distillery, craft distillery, or licensee in this state.
 - (b) A person is limited to receiving or purchasing, for on-premises consumption, no more than two ounces total of spirits that are unadulterated. Any additional spirits purchased for on-premises consumption must be adulterated as authorized in this section.
 - (c)(i) No person under twenty-one years of age may be on the premises of a distillery tasting room, including an off-site tasting room licensed under RCW 66.24.146, unless they are accompanied by their parent or legal guardian.
 - (ii) Every distillery tasting room, including the off-site tasting rooms licensed under RCW 66.24.146, where alcohol is sampled,

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sold, or served, must include a designated area where persons under twenty-one years of age are allowed to enter. Such location may be in a separate room or a designated area within the tasting room separated from the remainder of the tasting room space as authorized by the board.

- (iii) Except for (c)(iv) of this subsection, or an event where a private party has secured a private banquet permit, no person under twenty-one years of age may be on the distillery premises, or the off-site tasting rooms licensed under RCW 66.24.146, past 9:00 p.m.
- (iv) Notwithstanding the limitations of (c)(iii) of this subsection, persons under twenty-one years of age who are children of owners, operators, or managers of a distillery or an off-site tasting room licensed under RCW 66.24.146, may be in any area of a distillery, tasting room, or an off-site tasting room licensed under RCW 66.24.146, provided they must be under the direct supervision of their parent or legal guardian while on the premises.
- 17 (d) Any person serving or selling spirits or other alcohol 18 authorized to be served or sold by a distillery must obtain a class 19 12 alcohol server permit.
 - (e) A distillery may sell nonalcoholic products at retail.
- **Sec. 2.** RCW 66.24.146 and 2020 c 238 s 3 are each amended to 22 read as follows:
 - (1) There is a tasting room license available to distillery and craft distillery licensees. A tasting room license authorizes the operation of an off-site tasting room, in addition to a tasting room attached to the distillery's or craft distillery's production facility, at which the licensee may sample, serve, and sell spirits and alcohol products authorized to be sampled, served, and sold under RCW 66.24.140 and 66.24.145, for on-premises and off-premises consumption, subject to the same limitations as provided in RCW 66.24.140 and 66.24.145.
 - (2) (a) A distillery or craft distillery licensed production facility is eligible for no more than two off-site tasting room licenses located in this state, which may be indoors, or outdoors or a combination thereof, and which shall be administratively tied to a licensed production facility. A separate license is required for the operation of each off-site tasting room. The fee for each off-site tasting room license is two thousand dollars per annum. No additional license is required for a distillery or craft distillery to sample,

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- serve, and sell spirits and alcohol to customers in a tasting room on the distillery or craft distillery premises as authorized under this section, RCW 66.24.1472, 66.24.140, 66.24.145, 66.28.040, 66.24.630, and 66.28.310. Off-site tasting rooms may have a section identified and segregated as federally bonded spaces for the storage of bulk or packaged spirits. Product of the licensee's production may be bottled or packaged in the space.
- 8 <u>(b) The annual fee in (a) of this subsection is waived for a</u>
 9 <u>period beginning on the effective date of this section and expiring</u>
 10 <u>one year after the effective date of this section.</u>
- 11 (c) The waiver in (b) of this subsection does not apply to any 12 licensee that:
- (i) Had their license suspended by the board for health and safety violations of state COVID-19 quidelines; or
- (ii) Received an order of 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.
- 19 **Sec. 3.** RCW 66.24.170 and 2019 c 169 s 1 are each amended to 20 read as follows:

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- (1) (a) There is a license for domestic wineries; fee to be computed only on the liters manufactured: Less than two hundred fifty thousand liters per year, one hundred dollars per year; and two hundred fifty thousand liters or more per year, four hundred dollars per year.
- (b) The annual fees in (a) of this subsection are waived for a period beginning on the effective date of this section and expiring one year after the effective date of this section.
- 29 <u>(c) The waivers in (b) of this subsection do not apply to any</u> 30 <u>licensee that:</u>
- 31 <u>(i) Had their license suspended by the board for health and</u> 32 <u>safety violations of state COVID-19 guidelines; or</u>
 - (ii) Received an order of 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.
- 37 (2) The license allows for the manufacture of wine in Washington 38 state from grapes or other agricultural products.

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

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

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(a) of this subsection, recorked or recapped in its original container, any portion of wine purchased for on-premises consumption.

- (5)(a) A domestic winery licensed under this section may apply to the board for an endorsement to sell wine of its own production at retail for off-premises consumption at a qualifying farmers market. The annual fee for this endorsement is seventy-five dollars. An endorsement issued pursuant to this subsection does not count toward the four additional retail locations limit specified in this section.
- (b) For each month during which a domestic winery will sell wine at a qualifying farmers market, the winery must provide the board or its designee a list of the dates, times, and locations at which bottled wine may be offered for sale. This list must be received by the board before the winery may offer wine for sale at a qualifying farmers market.
- (c) The wine sold at qualifying farmers markets must be made entirely from grapes grown in a recognized Washington appellation or from other agricultural products grown in this state.
- (d) Each approved location in a qualifying farmers market is deemed to be part of the winery license for the purpose of this title. The approved locations under an endorsement granted under this subsection include tasting or sampling privileges subject to the conditions pursuant to RCW 66.24.175. The winery may not store wine at a farmers market beyond the hours that the winery offers bottled wine for sale. The winery may not act as a distributor from a farmers market location.
- (e) Before a winery may sell bottled wine at a qualifying farmers market, the farmers market must apply to the board for authorization for any winery with an endorsement approved under this subsection to sell bottled wine at retail at the farmers market. This application shall include, at a minimum: (i) A map of the farmers market showing all booths, stalls, or other designated locations at which an approved winery may sell bottled wine; and (ii) the name and contact information for the on-site market managers who may be contacted by the board or its designee to verify the locations at which bottled wine may be sold. Before authorizing a qualifying farmers market to allow an approved winery to sell bottled wine at retail at its farmers market location, the board must notify the persons or entities of such application for authorization pursuant to RCW 66.24.010 (8) and (9). An authorization granted under this subsection

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- (5) (e) may be withdrawn by the board for any violation of this title or any rules adopted under this title.
- (f) The board may adopt rules establishing the application and approval process under this section and such additional rules as may be necessary to implement this section.
 - (g) For the purposes of this subsection:

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- (i) "Qualifying farmers market" means an entity that sponsors a regular assembly of vendors at a defined location for the purpose of promoting the sale of agricultural products grown or produced in this state directly to the consumer under conditions that meet the following minimum requirements:
- (A) There are at least five participating vendors who are farmers selling their own agricultural products;
- (B) The total combined gross annual sales of vendors who are farmers exceeds the total combined gross annual sales of vendors who are processors or resellers. However, if a farmers market does not satisfy this subsection (5)(g)(i)(B), a farmers market is still considered a "qualifying farmers market" if the total combined gross annual sales of farmers and processors at the farmers market is one million dollars or more;
- (C) The total combined gross annual sales of vendors who are farmers, processors, or resellers exceeds the total combined gross annual sales of vendors who are not farmers, processors, or resellers;
 - (D) The sale of imported items and secondhand items by any vendor is prohibited; and
 - (E) No vendor is a franchisee.
 - (ii) "Farmer" means a natural person who sells, with or without processing, agricultural products that he or she raises on land he or she owns or leases in this state or in another state's county that borders this state.
- 32 (iii) "Processor" means a natural person who sells processed food 33 that he or she has personally prepared on land he or she owns or 34 leases in this state or in another state's county that borders this 35 state.
- 36 (iv) "Reseller" means a natural person who buys agricultural products from a farmer and resells the products directly to the consumer.
- 39 (6) Wine produced in Washington state by a domestic winery 40 licensee may be shipped out-of-state for the purpose of making it

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- 1 into sparkling wine and then returned to such licensee for resale.
- 2 Such wine is deemed wine manufactured in the state of Washington for
- 3 the purposes of RCW 66.24.206, and shall not require a special
- 4 license.

- 5 (7) During an event held by a nonprofit holding a special
- 6 occasion license issued under RCW 66.24.380, a domestic winery
- 7 licensed under this section may take orders, either in writing or
- 8 electronically, and accept payment for wines of its own production
- 9 under the following conditions:
- 10 (a) Wine produced by the domestic winery may be served for on-11 premises consumption by the special occasion licensee;
- 12 (b) The domestic winery delivers wine to the consumer on a date 13 after the conclusion of the special occasion event;
- 14 (c) The domestic winery delivers wine to the consumer at a 15 location different from the location at which the special occasion 16 event is held;
- 17 (d) The domestic winery complies with all requirements in chapter 18 66.20 RCW for direct sale of wine to consumers;
 - (e) The wine is not sold for resale; and
- 20 (f) The domestic winery is entitled to all proceeds from the sale
- 21 and delivery of its wine to a consumer after the conclusion of the
- 22 special occasion event, but may enter into an agreement to share a
- 23 portion of the proceeds of these sales with the special occasion
- licensee licensed under RCW 66.24.380.
- 25 **Sec. 4.** RCW 66.24.240 and 2020 c 230 s 1 are each amended to 26 read as follows:
- 27 (1) (a) There shall be a license for domestic breweries; fee to be
- 28 two thousand dollars for production of sixty thousand barrels or more
- 29 of malt liquor per year.
- 30 (b) The annual fee in (a) of this subsection is waived for a
- 31 period beginning on the effective date of this section and expiring
- 32 one year after the effective date of this section.
- 33 (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 quidelines; or
- 37 <u>(ii) Received an order of restraint or citation from the</u> 38 <u>department of labor and industries for allowing an employee to</u>

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

- (2) Any domestic brewery, except for a brand owner of malt beverages under RCW 66.04.010(7), licensed under this section may also act as a distributor and/or retailer for beer of its own production. Any domestic brewery operating as a distributor and/or retailer under this subsection shall comply with the applicable laws and rules relating to distributors and/or retailers. A domestic brewery holding a spirits, beer, and wine restaurant license may sell beer of its own production for off-premises consumption from its restaurant premises in kegs or in a sanitary container brought to the premises by the purchaser or furnished by the licensee and filled at the tap by the licensee at the time of sale.
- (3) Any domestic brewery licensed under this section may also sell beer produced by another domestic brewery or a microbrewery for on and off-premises consumption from its premises as long as the other breweries' brands do not exceed twenty-five percent of the domestic brewery's on-tap offering of its own brands.
- (4) A domestic brewery may hold up to four retail licenses to operate an on or off-premises tavern, beer and/or wine restaurant, spirits, beer, and wine restaurant, or any combination thereof. This retail license is separate from the brewery license. A brewery that holds a tavern license, a spirits, beer, and wine restaurant license, or a beer and/or wine restaurant license shall hold the same privileges and endorsements as permitted under RCW 66.24.320, 66.24.330, and 66.24.420.
- (5) Any domestic brewery licensed under this section may contract-produce beer for a brand owner of malt beverages defined under RCW 66.04.010(7), and this contract-production is not a sale for the purposes of RCW 66.28.170 and 66.28.180.
- (6)(a) A domestic brewery licensed under this section and qualified for a reduced rate of taxation pursuant to RCW 66.24.290(3)(b) may apply to the board for an endorsement to sell bottled beer of its own production at retail for off-premises consumption at a qualifying farmers market. The annual fee for this endorsement is seventy-five dollars.
- (b) For each month during which a domestic brewery will sell beer at a qualifying farmers market, the domestic brewery must provide the board or its designee a list of the dates, times, and locations at which bottled beer may be offered for sale. This list must be

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received by the board before the domestic brewery may offer beer for sale at a qualifying farmers market.

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- (c) The beer sold at qualifying farmers markets must be produced in Washington.
- (d) Each approved location in a qualifying farmers market is deemed to be part of the domestic brewery license for the purpose of this title. The approved locations under an endorsement granted under this subsection do not include the tasting or sampling privilege of a domestic brewery. The domestic brewery may not store beer at a farmers market beyond the hours that the domestic brewery offers bottled beer for sale. The domestic brewery may not act as a distributor from a farmers market location.
- (e) Before a domestic brewery may sell bottled beer at a qualifying farmers market, the farmers market must apply to the board for authorization for any domestic brewery with an endorsement approved under this subsection to sell bottled beer at retail at the farmers market. This application shall include, at a minimum: (i) A map of the farmers market showing all booths, stalls, or other designated locations at which an approved domestic brewery may sell bottled beer; and (ii) the name and contact information for the onsite market managers who may be contacted by the board or its designee to verify the locations at which bottled beer may be sold. Before authorizing a qualifying farmers market to allow an approved domestic brewery to sell bottled beer at retail at its farmers market location, the board shall notify the persons or entities of such application for authorization pursuant to RCW 66.24.010 (8) and (9). An authorization granted under this subsection (6)(e) may be withdrawn by the board for any violation of this title or any rules adopted under this title.
 - (f) The board may adopt rules establishing the application and approval process under this section and such additional rules as may be necessary to implement this section.
 - (g) For the purposes of this subsection:
- (i) "Qualifying farmers market" means an entity that sponsors a regular assembly of vendors at a defined location for the purpose of promoting the sale of agricultural products grown or produced in this state directly to the consumer under conditions that meet the following minimum requirements:
- 39 (A) There are at least five participating vendors who are farmers 40 selling their own agricultural products;

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- 1 (B) The total combined gross annual sales of vendors who are 2 farmers exceeds the total combined gross annual sales of vendors who 3 are processors or resellers;
- 4 (C) The total combined gross annual sales of vendors who are 5 farmers, processors, or resellers exceeds the total combined gross 6 annual sales of vendors who are not farmers, processors, or 7 resellers;
- 8 (D) The sale of imported items and secondhand items by any vendor 9 is prohibited; and
 - (E) No vendor is a franchisee.

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- (ii) "Farmer" means a natural person who sells, with or without processing, agricultural products that he or she raises on land he or she owns or leases in this state or in another state's county that borders this state.
- (iii) "Processor" means a natural person who sells processed food that he or she has personally prepared on land he or she owns or leases in this state or in another state's county that borders this state.
- 19 (iv) "Reseller" means a natural person who buys agricultural 20 products from a farmer and resells the products directly to the 21 consumer.
- (7) The state board of health shall adopt rules to allow dogs on the premises of licensed domestic breweries that do not provide food service subject to a food service permit requirement.
- 25 **Sec. 5.** RCW 66.24.244 and 2020 c 230 s 2 are each amended to 26 read as follows:
 - (1) (a) There shall be a license for microbreweries; fee to be one hundred dollars for production of less than sixty thousand barrels of malt liquor, including strong beer, per year.
- 30 <u>(b) The annual fee in (a) of this subsection is waived for a</u> 31 period beginning on the effective date of this section and expiring 32 one year after the effective date of this section.
- 33 <u>(c) The waiver in (b) of this subsection does not apply to any</u> 34 <u>licensee that:</u>
- (i) Had their license suspended by the board for health and safety violations of state COVID-19 quidelines; or
- 37 <u>(ii) Received an order of restraint or citation from the</u> 38 <u>department of labor and industries for allowing an employee to</u>

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

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- (2) (a) Any microbrewery licensed under this section may also act as a distributor and/or retailer for beer and strong beer of its own production.
- (b) Any microbrewery operating as a distributor and/or retailer under this subsection must comply with the applicable laws and rules relating to distributors and/or retailers, except that a microbrewery operating as a distributor may maintain a warehouse off the premises of the microbrewery for the distribution of beer provided that:
- 11 (i) The warehouse has been approved by the board under RCW 12 66.24.010; and
- 13 (ii) The number of warehouses off the premises of the 14 microbrewery does not exceed one.
 - (c) A microbrewery holding a spirits, beer, and wine restaurant license may sell beer of its own production for off-premises consumption from its restaurant premises in kegs or in a sanitary container brought to the premises by the purchaser or furnished by the licensee and filled at the tap by the licensee at the time of sale.
- 21 (3) Any microbrewery licensed under this section may also sell 22 from its premises for on-premises and off-premises consumption:
 - (a) Beer produced by another microbrewery or a domestic brewery as long as the other breweries' brands do not exceed twenty-five percent of the microbrewery's on-tap offerings; or
 - (b) Cider produced by a domestic winery.
 - (4) The board may issue up to four retail licenses allowing a microbrewery to operate an on or off-premises tavern, beer and/or wine restaurant, spirits, beer, and wine restaurant, or any combination thereof.
 - (5) A microbrewery that holds a tavern license, spirits, beer, and wine restaurant license, or a beer and/or wine restaurant license holds the same privileges and endorsements as permitted under RCW 66.24.320, 66.24.330, and 66.24.420.
 - (6) (a) A microbrewery licensed under this section may apply to the board for an endorsement to sell bottled beer of its own production at retail for off-premises consumption at a qualifying farmers market. The annual fee for this endorsement is seventy-five dollars. However, strong beer may not be sold at a farmers market or

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under any endorsement which may authorize microbreweries to sell beer at farmers markets.

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- (b) For each month during which a microbrewery will sell beer at a qualifying farmers market, the microbrewery must provide the board or its designee a list of the dates, times, and locations at which bottled beer may be offered for sale. This list must be received by the board before the microbrewery may offer beer for sale at a qualifying farmers market.
- 9 (c) Any person selling or serving beer must obtain a class 12 or class 13 alcohol server permit.
 - (d) The beer sold at qualifying farmers markets must be produced in Washington.
 - (e) Each approved location in a qualifying farmers market is deemed to be part of the microbrewery license for the purpose of this title. The approved locations under an endorsement granted under this subsection (6) include tasting or sampling privileges subject to the conditions pursuant to RCW 66.24.175. The microbrewery may not store beer at a farmers market beyond the hours that the microbrewery offers bottled beer for sale. The microbrewery may not act as a distributor from a farmers market location.
 - (f) Before a microbrewery may sell bottled beer at a qualifying farmers market, the farmers market must apply to the board for authorization for any microbrewery with an endorsement approved under this subsection (6) to sell bottled beer at retail at the farmers market. This application must include, at a minimum: (i) A map of the farmers market showing all booths, stalls, or other designated locations at which an approved microbrewery may sell bottled beer; and (ii) the name and contact information for the on-site market managers who may be contacted by the board or its designee to verify the locations at which bottled beer may be sold. Before authorizing a qualifying farmers market to allow an approved microbrewery to sell bottled beer at retail at its farmers market location, the board must notify the persons or entities of the application for authorization pursuant to RCW 66.24.010 (8) and (9). An authorization granted under this subsection (6)(f) may be withdrawn by the board for any violation of this title or any rules adopted under this title.
 - (g) The board may adopt rules establishing the application and approval process under this section and any additional rules necessary to implement this section.
 - (h) For the purposes of this subsection (6):

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1 (i) "Qualifying farmers market" has the same meaning as defined 2 in RCW 66.24.170.

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- (ii) "Farmer" means a natural person who sells, with or without processing, agricultural products that he or she raises on land he or she owns or leases in this state or in another state's county that borders this state.
- 7 (iii) "Processor" means a natural person who sells processed food 8 that he or she has personally prepared on land he or she owns or 9 leases in this state or in another state's county that borders this 10 state.
- 11 (iv) "Reseller" means a natural person who buys agricultural 12 products from a farmer and resells the products directly to the 13 consumer.
 - (7) Any microbrewery licensed under this section may contract-produce beer for another microbrewer. This contract-production is not a sale for the purposes of RCW 66.28.170 and 66.28.180.
- 18 (8) The state board of health shall adopt rules to allow dogs on 19 the premises of licensed microbreweries that do not provide food 20 service subject to a food service permit requirement.
- 21 **Sec. 6.** RCW 66.24.320 and 2019 c 169 s 2 are each amended to 22 read as follows:
 - There shall be a beer and/or wine restaurant license to sell beer, including strong beer, or wine, or both, at retail, for consumption on the premises. A patron of the licensee may remove from the premises, recorked or recapped in its original container, any portion of wine or sake that was purchased for consumption with a meal.
- 29 (1) (a) The annual fee shall be two hundred dollars for the beer 30 license, two hundred dollars for the wine license, or four hundred 31 dollars for a combination beer and wine license.
- 32 <u>(b) The annual fees in (a) of this subsection are waived for a</u> 33 <u>period beginning on the effective date of this section and expiring</u> 34 <u>one year after the effective date of this section.</u>
- 35 <u>(c) The waivers in (b) of this subsection do not apply to any</u> 36 <u>licensee that:</u>
- (i) Had their license suspended by the board for health and safety violations of state COVID-19 guidelines; or

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(ii) Received an order of 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.

- (2) (a) The board may issue a caterer's endorsement to this license to allow the licensee to remove from the liquor stocks at the licensed premises, only those types of liquor that are authorized under the on-premises license privileges for sale and service at event locations at a specified date and, except as provided in subsection (3) of this section, place not currently licensed by the board. If the event is open to the public, it must be sponsored by a society or organization as defined by 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 by RCW 66.24.375 is waived. Cost of the endorsement is three hundred fifty dollars.
- (b) The holder of this license with a catering endorsement shall, if requested by the board, notify the board or its designee of the date, time, place, and location of any catered event. Upon request, the licensee shall provide to the board all necessary or requested information concerning the society or organization that will be holding the function at which the endorsed license will be utilized.
- (c) The holder of this license with a caterer's endorsement may, under conditions established by the board, store liquor on the premises of another not licensed by the board so long as there is a written agreement between the licensee and the other party to provide for ongoing catering services, the agreement contains no exclusivity clauses regarding the alcoholic beverages to be served, and the agreement is filed with the board.
- (d) The holder of this license with a caterer's endorsement may, under conditions established by the board, store liquor on other premises operated by the licensee so long as the other premises are owned or controlled by a leasehold interest by that licensee. A duplicate license may be issued for each additional premises. A license fee of twenty dollars shall be required for such duplicate licenses.
- (3) Licensees under this section that hold a caterer's endorsement are allowed to use this endorsement on a domestic winery premises or on the premises of a passenger vessel and may store

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liquor at such premises under conditions established by the board under the following conditions:

- (a) Agreements between the domestic winery or the passenger vessel, as the case may be, and the retail licensee shall be in writing, contain no exclusivity clauses regarding the alcoholic beverages to be served, and be filed with the board; and
- (b) The domestic winery or passenger vessel, as the case may be, and the retail licensee shall be separately contracted and compensated by the persons sponsoring the event for their respective services.
- (4) The holder of this license or its manager may furnish beer or wine to the licensee's employees free of charge as may be required for use in connection with instruction on beer and wine. The instruction may include the history, nature, values, and characteristics of beer or wine, the use of wine lists, and the methods of presenting, serving, storing, and handling beer or wine. The beer and/or wine licensee must use the beer or wine it obtains under its license for the sampling as part of the instruction. The instruction must be given on the premises of the beer and/or wine licensee.
- 21 (5) If the license is issued to a person who contracts with the 22 Washington state ferry system to provide food and alcohol service on 23 a designated ferry route, the license shall cover any vessel assigned 24 to the designated route. A separate license is required for each 25 designated ferry route.
 - Sec. 7. RCW 66.24.330 and 2017 c 252 s 1 are each amended to read as follows:
 - (1) There is a beer and wine retailer's license to be designated as a tavern license to sell beer, including strong beer, or wine, or both, at retail, for consumption on the premises. Such licenses may be issued only to a person operating a tavern that may be frequented only by persons twenty-one years of age and older.
 - (2) (a) The annual fee for the license is two hundred dollars for the beer license, two hundred dollars for the wine license, or four hundred dollars for a combination beer and wine license. Licensees who have a fee increase of more than one hundred dollars as a result of this change shall have their fees increased fifty percent of the amount the first renewal year and the remaining amount beginning with

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the second renewal period. New licensees obtaining a license after July 1, 1998, must pay the full amount of four hundred dollars.

- (b) The annual fees in (a) of this subsection are waived for a period beginning on the effective date of this section and expiring one year after the effective date of this section.
- (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 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.
- (3) (a) The board may issue a caterer's endorsement to this license to allow the licensee to remove from the liquor stocks at the licensed premises, only those types of liquor that are authorized under the on-premises license privileges for sale and service at event locations at a specified date and, except as provided in subsection (4) of this section, place not currently licensed by the board. If the event is open to the public, it must be sponsored by a society or organization as defined by 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 by RCW 66.24.375 is waived. Cost of the endorsement is three hundred fifty dollars.
- (b) The holder of this license with a catering endorsement must, if requested by the board, notify the board or its designee of the date, time, place, and location of any catered event. Upon request, the licensee must provide to the board all necessary or requested information concerning the society or organization that will be holding the function at which the endorsed license will be utilized.
- (c) The holder of this license with a caterer's endorsement may, under conditions established by the board, store liquor on the premises of another not licensed by the board so long as there is a written agreement between the licensee and the other party to provide for ongoing catering services, the agreement contains no exclusivity clauses regarding the alcoholic beverages to be served, and the agreement is filed with the board.
- (d) The holder of this license with a caterer's endorsement may, under conditions established by the board, store liquor on other

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- premises operated by the licensee so long as the other premises are owned or controlled by a leasehold interest by that licensee. A duplicate license may be issued for each additional premises. A
- 4 license fee of twenty dollars is required for such duplicate 5 licenses.
- 6 (4) Licensees under this section that hold a caterer's
 7 endorsement are allowed to use this endorsement on a domestic winery
 8 premises and may store liquor at such premises under conditions
 9 established by the board under the following conditions:
- 10 (a) Agreements between the domestic winery and the retail 11 licensee must be in writing, contain no exclusivity clauses regarding 12 the alcoholic beverages to be served, and be filed with the board; 13 and
- 14 (b) The domestic winery and the retail licensee may be separately 15 contracted and compensated by the persons sponsoring the event for 16 their respective services.

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- (5) The holder of this license or its manager may furnish beer or wine to the licensee's employees free of charge as may be required for use in connection with instruction on beer and wine. The instruction may include the history, nature, values, and characteristics of beer or wine, the use of wine lists, and the methods of presenting, serving, storing, and handling beer or wine. The tavern licensee must use the beer or wine it obtains under its license for the sampling as part of the instruction. The instruction must be given on the premises of the tavern licensee.
- (6) Any person serving liquor at a catered event on behalf of a licensee with a caterer's endorsement under this section must be an employee of the licensee and must possess a class 12 alcohol server permit as required under RCW 66.20.310.
- 30 (7) The board may issue rules as necessary to implement the 31 requirements of this section.
- 32 **Sec. 8.** RCW 66.24.350 and 1997 c 321 s 20 are each amended to 33 read as follows:
- 34 <u>(1)</u> There shall be a beer retailer's license to be designated as 35 a snack bar license to sell beer by the opened bottle or can at 36 retail, for consumption upon the premises only, such license to be 37 issued to places where the sale of beer is not the principal business 38 conducted; fee one hundred twenty-five dollars per year.

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- 1 (2) (a) The annual fee in subsection (1) of this section is waived 2 for a period beginning on the effective date of this section and 3 expiring one year after the effective date of this section.
 - (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
- 8 <u>(ii) Received an order of restraint or citation from the</u>
 9 <u>department of labor and industries for allowing an employee to</u>
 10 <u>perform work where business activity was prohibited in violation of</u>
 11 <u>an emergency proclamation of the governor under RCW 43.06.220.</u>
- 12 **Sec. 9.** RCW 66.24.420 and 2009 c 271 s 7 are each amended to 13 read as follows:
- 14 (1) The spirits, beer, and wine restaurant license shall be 15 issued in accordance with the following schedule of annual fees:
- 16 (a) The annual fee for a spirits, beer, and wine restaurant 17 license shall be graduated according to the dedicated dining area and 18 type of service provided as follows:

Less than 50% dedicated dining area \$2,000
50% or more dedicated dining area \$1,600
Service bar only \$1,000

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- (b) The annual fee for the license when issued to any other spirits, beer, and wine restaurant licensee outside of incorporated cities and towns shall be prorated according to the calendar quarters, or portion thereof, during which the licensee is open for business, except in case of suspension or revocation of the license.
- (c) Where the license shall be issued to any corporation, association or person operating a bona fide restaurant in an airport terminal facility providing service to transient passengers with more than one place where liquor is to be dispensed and sold, such license shall be issued upon the payment of the annual fee, which shall be a master license and shall permit such sale within and from one such place. Such license may be extended to additional places on the premises at the discretion of the board and a duplicate license may be issued for each such additional place. The holder of a master license for a restaurant in an airport terminal facility must maintain in a substantial manner at least one place on the premises

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for preparing, cooking, and serving of complete meals, and such food service shall be available on request in other licensed places on the premises. An additional license fee of twenty-five percent of the annual master license fee shall be required for such duplicate licenses.

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- (d) Where the license shall be issued to any corporation, association, or person operating dining places at a publicly or privately owned civic or convention center with facilities for sports, entertainment, or conventions, or a combination thereof, with more than one place where liquor is to be dispensed and sold, such license shall be issued upon the payment of the annual fee, which shall be a master license and shall permit such sale within and from one such place. Such license may be extended to additional places on the premises at the discretion of the board and a duplicate license may be issued for each such additional place. The holder of a master license for a dining place at such a publicly or privately owned civic or convention center must maintain in a substantial manner at least one place on the premises for preparing, cooking, and serving of complete meals, and food service shall be available on request in other licensed places on the premises. An additional license fee of ten dollars shall be required for such duplicate licenses.
- (e) The annual fees in this subsection (1) are waived for a period beginning on the effective date of this section and expiring one year after the effective date of this section.
 - (f) The waivers in (e) 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 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.
 - (2) The board, so far as in its judgment is reasonably possible, shall confine spirits, beer, and wine restaurant licenses to the business districts of cities and towns and other communities, and not grant such licenses in residential districts, nor within the immediate vicinity of schools, without being limited in the administration of this subsection to any specific distance requirements.

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

- (4) The combined total number of spirits, beer, and wine nightclub licenses, and spirits, beer, and wine restaurant licenses issued in the state of Washington by the board, not including spirits, beer, and wine private club licenses, shall not in the aggregate at any time exceed one license for each one thousand two hundred of population in the state, determined according to the yearly population determination developed by the office of financial management pursuant to RCW 43.62.030.
- (5) Notwithstanding the provisions of subsection (4) of this section, the board shall refuse a spirits, beer, and wine restaurant license to any applicant if in the opinion of the board the spirits, beer, and wine restaurant licenses already granted for the particular locality are adequate for the reasonable needs of the community.
- (6)(a) The board may issue a caterer's endorsement to this license to allow the licensee to remove the liquor stocks at the licensed premises, for use as liquor for sale and service at event locations at a specified date and, except as provided in subsection (7) of this section, place not currently licensed by the board. If the event is open to the public, it must be sponsored by a society or organization as defined by 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 by RCW 66.24.375 is waived. Cost of the endorsement is three hundred fifty dollars.
- (b) The holder of this license with a catering endorsement shall, if requested by the board, notify the board or its designee of the date, time, place, and location of any catered event. Upon request, the licensee shall provide to the board all necessary or requested information concerning the society or organization that will be holding the function at which the endorsed license will be utilized.
- (c) The holder of this license with a caterer's endorsement may, under conditions established by the board, store liquor on the

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premises of another not licensed by the board so long as there is a written agreement between the licensee and the other party to provide for ongoing catering services, the agreement contains no exclusivity clauses regarding the alcoholic beverages to be served, and the agreement is filed with the board.

- (d) The holder of this license with a caterer's endorsement may, under conditions established by the board, store liquor on other premises operated by the licensee so long as the other premises are owned or controlled by a leasehold interest by that licensee. A duplicate license may be issued for each additional premises. A license fee of twenty dollars shall be required for such duplicate licenses.
- (7) Licensees under this section that hold a caterer's endorsement are allowed to use this endorsement on a domestic winery premises or on the premises of a passenger vessel and may store liquor at such premises under conditions established by the board under the following conditions:
- (a) Agreements between the domestic winery or passenger vessel, as the case may be, and the retail licensee shall be in writing, contain no exclusivity clauses regarding the alcoholic beverages to be served, and be filed with the board; and
- 22 (b) The domestic winery or passenger vessel, as the case may be, 23 and the retail licensee shall be separately contracted and 24 compensated by the persons sponsoring the event for their respective 25 services.
- **Sec. 10.** RCW 66.24.495 and 1997 c 321 s 33 are each amended to read as follows:
 - (1) (a) There shall be a license to be designated as a nonprofit arts organization license. This shall be a special license to be issued to any nonprofit arts organization which sponsors and presents productions or performances of an artistic or cultural nature in a specific theater or other appropriate designated indoor premises approved by the board. The license shall permit the licensee to sell liquor to patrons of productions or performances for consumption on the premises at these events. The fee for the license shall be two hundred fifty dollars per annum.
- 37 <u>(b) The annual fee in (a) of this subsection is waived for a</u>
 38 <u>period beginning on the effective date of this section and expiring</u>
 39 one year after the effective date of this section.

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1 (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 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.
- (2) For the purposes of this section, the term "nonprofit arts organization" means an organization which is organized and operated for the purpose of providing artistic or cultural exhibitions, presentations, or performances or cultural or art education programs, as defined in subsection (3) of this section, for viewing or attendance by the general public. The organization must be a not-for-profit corporation under chapter 24.03 RCW and managed by a governing board of not less than eight individuals none of whom is a paid employee of the organization or by a corporation sole under chapter 24.12 RCW. In addition, the corporation must satisfy the following conditions:
- (a) No part of its income may be paid directly or indirectly to its members, stockholders, officers, directors, or trustees except in the form of services rendered by the corporation in accordance with its purposes and bylaws;
- (b) Salary or compensation paid to its officers and executives must be only for actual services rendered, and at levels comparable to the salary or compensation of like positions within the state;
- (c) Assets of the corporation must be irrevocably dedicated to the activities for which the license is granted and, on the liquidation, dissolution, or abandonment by the corporation, may not inure directly or indirectly to the benefit of any member or individual except a nonprofit organization, association, or corporation;
- 33 (d) The corporation must be duly licensed or certified when 34 licensing or certification is required by law or regulation;
- 35 (e) The proceeds derived from sales of liquor, except for 36 reasonable operating costs, must be used in furtherance of the 37 purposes of the organization;
- 38 (f) Services must be available regardless of race, color, 39 national origin, or ancestry; and

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1 (g) The ((liquor control)) board shall have access to its books 2 in order to determine whether the corporation is entitled to a 3 license.

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- (3) The term "artistic or cultural exhibitions, presentations, or performances or cultural or art education programs" includes and is limited to:
- (a) An exhibition or presentation of works of art or objects of cultural or historical significance, such as those commonly displayed in art or history museums;
- 10 (b) A musical or dramatic performance or series of performances; 11 or
- 12 (c) An educational seminar or program, or series of such 13 programs, offered by the organization to the general public on an 14 artistic, cultural, or historical subject.
- 15 **Sec. 11.** RCW 66.24.540 and 2012 c 2 s 114 are each amended to 16 read as follows:
- 17 (1) There is a retailer's license to be designated as a motel
 18 license. The motel license may be issued to a motel regardless of
 19 whether it holds any other class of license under this title. No
 20 license may be issued to a motel offering rooms to its guests on an
 21 hourly basis. The license authorizes the licensee to:
- 22 (a) Sell, at retail, in locked honor bars, spirits in individual 23 bottles not to exceed fifty milliliters, beer in individual cans or 24 bottles not to exceed twelve ounces, and wine in individual bottles 25 not to exceed one hundred eighty-seven milliliters, to registered 26 guests of the motel for consumption in guest rooms.
- 27 (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 years of age has access to the spirits, beer, and wine in the honor bar.
- 37 (b) Provide without additional charge, to overnight guests of the 38 motel, spirits, beer, and wine by the individual serving for on-39 premises consumption at a specified regular date, time, and place as

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- 1 may be fixed by the board. Self-service by attendees is prohibited.
- 2 All spirits, beer, and wine service must be done by an alcohol server
- 3 as defined in RCW 66.20.300 and comply with RCW 66.20.310.
- 4 (2) (a) The annual fee for a motel license is five hundred 5 dollars.
- 6 (b) The annual fee in (a) of this subsection is waived for a
 7 period beginning on the effective date of this section and expiring
 8 one year after the effective date of this section.
- 9 <u>(c) The waiver in (b) of this subsection does not apply to any</u>
 10 <u>licensee that:</u>
- 11 <u>(i) Had their license suspended by the board for health and</u> 12 <u>safety violations of state COVID-19 guidelines; or</u>
- (ii) Received an order of 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.
- 17 (3) For the purposes of this section, "motel" means a transient 18 accommodation licensed under chapter 70.62 RCW.
- 19 **Sec. 12.** RCW 66.24.570 and 2011 c 119 s 205 are each amended to 20 read as follows:

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- (1) (a) There is a license for sports entertainment facilities to be designated as a sports entertainment facility license to sell beer, wine, and spirits at retail, for consumption upon the premises only, the license to be issued to the entity providing food and beverage service at a sports entertainment facility as defined in this section. The cost of the license is two thousand five hundred dollars per annum.
- 28 <u>(b) The annual fee in (a) of this subsection is waived for a</u>
 29 <u>period beginning on the effective date of this section and expiring</u>
 30 <u>one year after the effective date of this section.</u>
- 31 <u>(c) The waiver in (b) of this subsection does not apply to any</u> 32 <u>licensee that:</u>
- (i) Had their license suspended by the board for health and safety violations of state COVID-19 quidelines; or
- (ii) Received an order of 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.

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(2) For purposes of this section, a sports entertainment facility includes a publicly or privately owned arena, coliseum, stadium, or facility where sporting events are presented for a price of admission. The facility does not have to be exclusively used for sporting events.

- (3) The board may impose reasonable requirements upon a licensee under this section, such as requirements for the availability of food and victuals including but not limited to hamburgers, sandwiches, salads, or other snack food. The board may also restrict the type of events at a sports entertainment facility at which beer, wine, and spirits may be served. When imposing conditions for a licensee, the board must consider the seating accommodations, eating facilities, and circulation patterns in such a facility, and other amenities available at a sports entertainment facility.
- (4) (a) The board may issue a caterer's endorsement to the license under this section to allow the licensee to remove from the liquor stocks at the licensed premises, for use as liquor for sale and service at event locations at a specified date and place not currently licensed by the board. If the event is open to the public, it must be sponsored by a society or organization as defined by 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 by RCW 66.24.375 is waived. Cost of the endorsement is three hundred fifty dollars.
- (b) The holder of this license with catering endorsement shall, if requested by the board, notify the board or its designee of the date, time, place, and location of any catered event. Upon request, the licensee shall provide to the board all necessary or requested information concerning the society or organization that will be holding the function at which the endorsed license will be utilized.
- (5) The board may issue an endorsement to the beer, wine, and spirits sports entertainment facility license that allows the holder of a beer, wine, and spirits sports entertainment facility 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.

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

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- (b) The arrangements allowed under this subsection (6) are an exception to arrangements prohibited under RCW 66.28.305. The board shall monitor the impacts of these arrangements. The board may conduct audits of the licensee and the affiliated business to determine compliance with this subsection (6). Audits may include but are not limited to product selection at the facility; purchase patterns of the licensee; contracts with the liquor manufacturer, importer, or distributor; and the amount allocated or used for liquor advertising by the licensee, affiliated business, manufacturer, importer, or distributor under the arrangements.
- (c) The board shall report to the appropriate committees of the legislature by December 30, 2008, and biennially thereafter, on the impacts of arrangements allowed between sports entertainment licensees and liquor manufacturers, importers, and distributors for brand advertising and promotion of events at the facility.
- 25 **Sec. 13.** RCW 66.24.580 and 2011 c 119 s 206 are each amended to 26 read as follows:
 - (1) A public house license allows the licensee:
- 28 (a) To annually manufacture no less than two hundred fifty 29 gallons and no more than two thousand four hundred barrels of beer on 30 the licensed premises;
- 31 (b) To sell product, that is produced on the licensed premises, 32 at retail on the licensed premises for consumption on the licensed 33 premises;
 - (c) To sell beer or wine not of its own manufacture for consumption on the licensed premises if the beer or wine has been purchased from a licensed beer or wine wholesaler;
- 37 (d) To apply for and, if qualified and upon the payment of the 38 appropriate fee, be licensed as a spirits, beer, and wine restaurant

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1 to do business at the same location. This fee is in addition to the 2 fee charged for the basic public house license.

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

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- (3) A public house licensee must pay all applicable taxes on production as are required by law, and all appropriate taxes must be paid for any product sold at retail on the licensed premises.
- (4) The employees of the licensee must comply with the provisions of mandatory server training in RCW 66.20.300 through 66.20.350.
- 9 The holder of a public house license may not hold a wholesaler's or importer's license, act as the agent of another 10 11 manufacturer, wholesaler, or importer, or hold a brewery or winery 12 license.
- 13 (6) (a) The annual license fee for a public house is one thousand 14 dollars.
- (b) The annual fee in (a) of this subsection is waived for a 15 16 period beginning on the effective date of this section and expiring 17 one year after the effective date of this section.
- (c) The waiver in (b) of this subsection does not apply to any licensee that: 19
- 20 (i) Had their license suspended by the board for health and 21 safety violations of state COVID-19 quidelines; or
 - (ii) Received an order of 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.
 - (7) The holder of a public house license may hold other licenses at other locations if the locations are approved by the board.
 - (8) Existing holders of annual retail liquor licenses may apply for and, if qualified, be granted a public house license at one or more of their existing liquor licensed locations without discontinuing business during the application or construction stages.
 - **Sec. 14.** RCW 66.24.590 and 2012 c 2 s 115 are each amended to read as follows:
- (1) There is a retailer's license to be designated as a hotel 34 35 license. No license may be issued to a hotel offering rooms to its guests on an hourly basis. Food service provided for room service, 36 37 banquets or conferences, or restaurant operation under this license must meet the requirements of rules adopted by the board. 38
 - (2) The hotel license authorizes the licensee to:

p. 29 SB 5272 (a) Sell spirituous liquor, beer, and wine, by the individual glass, at retail, for consumption on the premises, including mixed drinks and cocktails compounded and mixed on the premises;

- (b) Sell, at retail, from locked honor bars, in individual units, spirits not to exceed fifty milliliters, beer in individual units not to exceed twelve ounces, and wine in individual bottles not to exceed three hundred eighty-five milliliters, to registered guests of the hotel for consumption in guest rooms. 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 years of age will have access to the spirits, beer, and wine in the honor bar;
- (c) Provide without additional charge, to overnight guests, 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;
- (d) Sell beer, including strong beer, wine, or spirits, in the manufacturer's sealed container or by the individual drink to guests through room service, or through service to occupants of private residential units which are part of the buildings or complex of buildings that include the hotel;
- (e) Sell beer, including strong beer, spirits, or wine, in the manufacturer's sealed container at retail sales locations within the hotel premises;
- (f) Sell beer to a purchaser in a sanitary container brought to the premises by the purchaser or furnished by the licensee and filled at the tap in the restaurant area by the licensee at the time of sale;
- (g) Sell for on or off-premises consumption, including through room service and service to occupants of private residential units managed by the hotel, wine carrying a label exclusive to the hotel license holder;
- (h) Place in guest rooms at check-in, a complimentary bottle of liquor in a manufacturer-sealed container, and make a reference to this service in promotional material.
- (3) If all or any facilities for alcoholic beverage service and the preparation, cooking, and serving of food are operated under contract or joint venture agreement, the operator may hold a license separate from the license held by the operator of the hotel. Food and beverage inventory used in separate licensed operations at the hotel

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1 may not be shared and must be separately owned and stored by the 2 separate licensees.

- (4) All spirits to be sold under this license must be purchased from a spirits retailer or spirits distributor licensee of the board.
- (5) All ((on-premise [on-premises])) on-premises alcoholic beverage service must be done by an alcohol server as defined in RCW 66.20.300 and must comply with RCW 66.20.310.
- (6) (a) The hotel license allows the licensee to remove from the liquor stocks at the licensed premises, liquor for sale and service at event locations at a specified date and place not currently licensed by the board. If the event is open to the public, it must be sponsored by a society or organization as defined by 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 by RCW 66.24.375 is waived.
- (b) The holder of this license must, if requested by the board, notify the board or its designee of the date, time, place, and location of any event. Upon request, the licensee must provide to the board all necessary or requested information concerning the society or organization that will be holding the function at which the endorsed license will be utilized.
- 23 (c) Licensees may cater events on a domestic winery, brewery, or 24 distillery premises.
 - (7) The holder of this license or its manager may furnish spirits, beer, or wine to the licensee's employees who are twenty-one years of age or older free of charge as may be required for use in connection with instruction on spirits, beer, and wine. The instruction may include the history, nature, values, and characteristics of spirits, beer, or wine, the use of wine lists, and the methods of presenting, serving, storing, and handling spirits, beer, or wine. The licensee must use the liquor it obtains under its license for the sampling as part of the instruction. The instruction must be given on the premises of the licensee.
 - (8) Minors may be allowed in all areas of the hotel where liquor may be consumed; however, the consumption must be incidental to the primary use of the area. These areas include, but are not limited to, tennis courts, hotel lobbies, and swimming pool areas. If an area is not a mixed use area, and is primarily used for alcohol service, the

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

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- (9) (a) The annual fee for this license is two thousand dollars.
- (b) The annual fee in (a) of this subsection is waived for a period beginning on the effective date of this section and expiring one year after the effective date of this section.
- 7 (c) The waiver in (b) of this subsection does not apply to any 8 licensee that:
- 9 <u>(i) Had their license suspended by the board for health and</u>
 10 <u>safety violations of state COVID-19 guidelines; or</u>
- (ii) Received an order of 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.
- 15 (10) As used in this section, "hotel," "spirits," "beer," and 16 "wine" have the meanings defined in RCW 66.24.410 and 66.04.010.
- 17 **Sec. 15.** RCW 66.24.600 and 2009 c 271 s 1 are each amended to 18 read as follows:
 - (1) There shall be a spirits, beer, and wine nightclub license to sell spirituous liquor by the drink, beer, and wine at retail, for consumption on the licensed premises.
 - (2) The license may be issued only to a person whose business includes the sale and service of alcohol to the person's customers, has food sales and service incidental to the sale and service of alcohol, and has primary business hours between 9:00 p.m. and 2:00 a.m.
 - (3) Minors may be allowed on the licensed premises but only in areas where alcohol is not served or consumed.
- (4) (a) The annual fee for this license is two thousand dollars.

 The fee for the license shall be reviewed from time to time and set at such a level sufficient to defray the cost of licensing and enforcing this licensing program. The fee shall be fixed by rule adopted by the board in accordance with the provisions of the administrative procedure act, chapter 34.05 RCW.
- 35 <u>(b) The annual fee in (a) of this subsection is waived for a</u> 36 <u>period beginning on the effective date of this section and expiring</u> 37 <u>one year after the effective date of this section.</u>
- 38 <u>(c) The waiver in (b) of this subsection does not apply to any</u> 39 <u>licensee that:</u>

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

- (ii) Received an order of 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.
- (5) Local governments may petition the board to request that further restrictions be imposed on a spirits, beer, and wine nightclub license in the interest of public safety. Examples of further restrictions a local government may request are: No minors allowed on the entire premises, submitting a security plan, or signing a good neighbor agreement with the local government.
- (6) The total number of ((spirts [spirits])) spirits, beer, and wine nightclub licenses are subject to the requirements of RCW 66.24.420(4). However, the board shall refuse a spirits, beer, and wine nightclub license to any applicant if the board determines that the spirits, beer, and wine nightclub licenses already granted for the particular locality are adequate for the reasonable needs of the community.
- (7) The board may adopt rules to implement this section.
- **Sec. 16.** RCW 66.24.650 and 2013 c 219 s 1 are each amended to 22 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 for a beer and wine theater license.
 - (b) The annual fee in (a) of this subsection is waived for a period beginning on the effective date of this section and expiring one year after the effective date of this section.
- 30 <u>(c) The waiver in (b) of this subsection does not apply to any</u>
 31 <u>licensee that:</u>
 - (i) Had their license suspended by the board for health and safety violations of state COVID-19 quidelines; or
 - (ii) Received an order of 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.
- 38 (2) If the theater premises is to be frequented by minors, an 39 alcohol control plan must be submitted to the board at the time of

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application. The alcohol control plan must be approved by the board, and be prominently posted on the premises, prior to minors being allowed.

(3) For the purposes of this section:

- (a) "Alcohol control plan" means a written, dated, and signed plan submitted to the board by an applicant or licensee for the entire theater premises, or rooms or areas therein, that shows where and when alcohol is permitted, where and when minors are permitted, and the control measures used to ensure that minors are not able to obtain alcohol or be exposed to environments where drinking alcohol predominates.
- (b) "Theater" means a place of business where motion pictures or other primarily nonparticipatory entertainment are shown, and includes only theaters with up to four screens.
- (4) The board must adopt rules regarding alcohol control plans and necessary control measures to ensure that minors are not able to obtain alcohol or be exposed to areas where drinking alcohol predominates. All alcohol control plans must include a requirement that any person involved in the serving of beer and/or wine must have completed a mandatory alcohol server training program.
- (5) (a) A licensee that is an entity that is exempt from taxation under Title 26 U.S.C. Sec. 501(c)(3) of the federal internal revenue code of 1986, as amended as of January 1, 2013, may enter into arrangements with a beer or wine manufacturer, importer, or distributor for brand advertising at the theater or promotion of events held at the theater. The financial arrangements providing for the brand advertising or promotion of events may not be used as an inducement to purchase the products of the manufacturer, importer, or distributor entering into the arrangement and such arrangements may 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.

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- 1 (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. 17.** RCW 66.24.655 and 2013 c 237 s 1 are each amended to 6 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 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.
- (b) The annual fee in (a) of this subsection is waived for a period beginning on the effective date of this section and expiring one year after the effective date of this section.
- 21 <u>(c) The waiver in (b) of this subsection does not apply to any</u> 22 <u>licensee that:</u>
 - (i) Had their license suspended by the board for health and safety violations of state COVID-19 quidelines; or
 - (ii) Received an order of 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.
 - (2) If the theater premises is to be frequented by minors, an alcohol control plan must be submitted to the board at the time of application. The alcohol control plan must be approved by the board and be prominently posted on the premises, prior to minors being allowed.
 - (3) For the purposes of this section:
 - (a) "Alcohol control plan" means a written, dated, and signed plan submitted to the board by an applicant or licensee for the entire theater premises, or rooms or areas therein, that shows where and when alcohol is permitted, where and when minors are permitted, and the control measures used to ensure that minors are not able to

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obtain alcohol or be exposed to environments where drinking alcohol predominates.

- (b) "Theater" means a place of business where motion pictures or other primarily nonparticipatory entertainment are shown.
- (4) The board must adopt rules regarding alcohol control plans and necessary control measures to ensure that minors are not able to obtain alcohol or be exposed to areas where drinking alcohol predominates. All alcohol control plans must include a requirement that any person involved in the serving of spirits, beer, and/or wine must have completed a mandatory alcohol server training program.
- (5) (a) A licensee that is an entity that is exempt from taxation under Title 26 U.S.C. Sec. 501(c)(3) of the federal internal revenue code of 1986, as amended as of January 1, 2013, may enter into arrangements with a spirits, beer, or wine manufacturer, importer, or distributor for brand advertising at the theater or promotion of events held at the theater. The financial arrangements providing for the brand advertising or promotion of events may not be used as an inducement to purchase the products of the manufacturer, importer, or distributor entering into the arrangement and such arrangements may 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 spirits, beer, or wine manufacturer, importer, or distributor; and the amount allocated or used for spirits, beer, or wine 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. 18.** RCW 66.24.680 and 2014 c 78 s 1 are each amended to read as follows:
- 38 (1) There shall be a license to be designated as a senior center 39 license. This shall be a license issued to a nonprofit organization

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- 1 whose primary service is providing recreational and social activities
- 2 for seniors on the licensed premises. This license shall permit the
- 3 licensee to sell spirits by the individual glass, including mixed
- 4 drinks and cocktails mixed on the premises only, beer and wine, at
- 5 retail for consumption on the premises.

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- (2) To qualify for this license, the applicant entity must:
 - (a) Be a nonprofit organization under chapter 24.03 RCW;
- 8 (b) Be open at times and durations established by the board; and
 - (c) Provide limited food service as defined by the board.
- 10 (3) All alcohol servers must have a valid mandatory alcohol server training permit.
- 12 (4) The board shall adopt rules to implement this section.
- 13 (5) (a) The annual fee for this license shall be seven hundred twenty dollars.
- 15 <u>(b) The annual fee in (a) of this subsection is waived for a</u>
 16 <u>period beginning on the effective date of this section and expiring</u>
 17 one year after the effective date of this section.
- 18 <u>(c) The waiver in (b) of this subsection does not apply to any</u>
 19 <u>licensee that:</u>
- 20 <u>(i) Had their license suspended by the board for health and</u> 21 <u>safety violations of state COVID-19 guidelines; or</u>
- (ii) Received an order of 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.
- 26 **Sec. 19.** RCW 66.24.690 and 2014 c 29 s 1 are each amended to 27 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.

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1 (2) (a) The annual fee is two hundred dollars for the beer 2 license, two hundred dollars for the wine license, or four hundred 3 dollars for a combination beer and wine license. The annual fee for a 4 combined beer, wine, and spirits license is one thousand dollars.

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- (b) The annual fees in (a) of this subsection are waived for a period beginning on the effective date of this section and expiring one year after the effective date of this section.
- 8 <u>(c) The waivers in (b) of this subsection do not apply to any</u> 9 licensee that:
- 10 <u>(i) Had their license suspended by the board for health and</u>
 11 <u>safety violations of state COVID-19 guidelines; or</u>
 - (ii) Received an order of 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.
 - (3) The holder of this license shall notify the board or its designee of the date, time, place, and location of any catered event at which liquor will be served, sold, or consumed. The board shall create rules detailing notification requirements. Upon request, the licensee shall provide to the board all necessary or requested information concerning the individual, society, or organization that will be holding the catered function at which the caterer's liquor license will be utilized.
- 24 (4) The holder of this license may, under conditions established 25 by the board, store liquor on other premises operated by the licensee 26 so long as the other premises are owned or controlled by a leasehold 27 interest by that licensee.
- 28 (5) The holder of this license is prohibited from catering events 29 at locations that are already licensed to sell liquor under this 30 chapter.
- 31 (6) The holder of this license is responsible for all sales, 32 service, and consumption of alcohol at the location of the catered 33 event.
- NEW SECTION. Sec. 20. This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect immediately.

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