## SENATE BILL 5867

State of Washington

68th Legislature

2024 Regular Session

By Senator Fortunato Prefiled 12/18/23.

- AN ACT Relating to banquet provisions for charitable or nonprofit 1 2 organizations; amending RCW 66.20.010; and adding a new section to
- 3 chapter 66.28 RCW.

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- BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON: 4
- RCW 66.20.010 and 2023 c 257 s 1 are each amended to 5 Sec. 1. 6 read as follows:
  - Upon application in the prescribed form being made to any employee authorized by the board to issue permits, accompanied by payment of the prescribed fee, and upon the employee being satisfied that the applicant should be granted a permit under this title, the employee must issue to the applicant under such regulations and at such fee as may be prescribed by the board a permit of the class applied for, as follows:
  - (1) Where the application is for a special permit by a physician or dentist, or by any person in charge of an institution regularly conducted as a hospital or sanatorium for the care of persons in ill health, or as a home devoted exclusively to the care of aged people, a special liquor purchase permit, except that the governor may waive the requirement for a special liquor purchase permit under this subsection pursuant to an order issued under RCW 43.06.220(2);

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- (2) Where the application is for a special permit by a person engaged within the state in mechanical or manufacturing business or in scientific pursuits requiring alcohol for use therein, or by any private individual, a special permit to purchase alcohol for the purpose named in the permit, except that the governor may waive the requirement for a special liquor purchase permit under this subsection pursuant to an order issued under RCW 43.06.220(2);
- (3) Where the application is for a special permit to consume liquor at a banquet, at a specified date and place, a special permit to purchase liquor for consumption at such banquet, to ((such)):
  - (a) Such applicants as may be fixed by the board; and

- (b) A not-for-profit society or charitable organization as authorized under section 2 of this act;
- (4) Where the application is for a special permit to consume liquor on the premises of a business not licensed under this title, a special permit to purchase liquor for consumption thereon for such periods of time and to such applicants as may be fixed by the board;
- (5) Where the application is for a special permit by a manufacturer to import or purchase within the state alcohol, malt, and other materials containing alcohol to be used in the manufacture of liquor, or other products, a special permit;
- (6) Where the application is for a special permit by a person operating a drug store to purchase liquor at retail prices only, to be thereafter sold by such person on the prescription of a physician, a special liquor purchase permit, except that the governor may waive the requirement for a special liquor purchase permit under this subsection pursuant to an order issued under RCW 43.06.220(2);
- (7) Where the application is for a special permit by an authorized representative of a military installation operated by or for any of the armed forces within the geographical boundaries of the state of Washington, a special permit to purchase liquor for use on such military installation;
- (8) Where the application is for a special permit by a vendor that manufactures or sells a product which cannot be effectively presented to potential buyers without serving it with liquor or by a manufacturer, importer, or distributor, or representative thereof, to serve liquor without charge to delegates and guests at a convention of a trade association composed of licensees of the board, when the said liquor is served in a hospitality room or from a booth in a board-approved suppliers' display room at the convention, and when

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the liquor so served is for consumption in the said hospitality room or display room during the convention, anything in this title to the contrary notwithstanding. Any such spirituous liquor must be purchased from a spirits retailer or distributor, and any such liquor is subject to the taxes imposed by RCW 82.08.150, 66.24.290, and 66.24.210;

- (9) Where the application is for a special permit by a manufacturer, importer, or distributor, or representative thereof, to donate liquor for a reception, breakfast, luncheon, or dinner for delegates and guests at a convention of a trade association composed of licensees of the board, when the liquor so donated is for consumption at the said reception, breakfast, luncheon, or dinner during the convention, anything in this title to the contrary notwithstanding. Any such spirituous liquor must be purchased from a spirits retailer or distributor, and any such liquor is subject to the taxes imposed by RCW 82.08.150, 66.24.290, and 66.24.210;
- (10) Where the application is for a special permit by a manufacturer, importer, or distributor, or representative thereof, to donate and/or serve liquor without charge to delegates and guests at an international trade fair, show, or exposition held under the auspices of a federal, state, or local governmental entity or organized and promoted by a nonprofit organization, anything in this title to the contrary notwithstanding. Any such spirituous liquor must be purchased from a liquor spirits retailer or distributor, and any such liquor is subject to the taxes imposed by RCW 82.08.150, 66.24.290, and 66.24.210;
- (11) Where the application is for an annual special permit by a person operating a bed and breakfast lodging facility to donate or serve wine or beer without charge to overnight guests of the facility if the wine or beer is for consumption on the premises of the facility. "Bed and breakfast lodging facility," as used in this subsection, means a facility offering from one to eight lodging units and breakfast to travelers and guests;
- (12) Where the application is for a special permit to allow tasting of alcohol by persons at least 18 years of age under the following circumstances:
- 37 (a) The application is from a community or technical college as 38 defined in RCW 28B.50.030, a regional university, or a state 39 university;

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

- (c) The alcohol served to any person in the degree-related programs under (b) of this subsection is tasted but not consumed for the purposes of educational training as part of the class curriculum with the approval of the educational provider;
- (d) The service and tasting of alcoholic beverages is supervised by a faculty or staff member of the educational provider who is 21 years of age or older. The supervising faculty or staff member ((shall)) must possess a class 12 or 13 alcohol server permit under the provisions of RCW 66.20.310;
- 15 (e) The enrolled student permitted to taste the alcoholic 16 beverages does not purchase the alcoholic beverages;
  - (f) The enrolled student permitted to taste the alcoholic beverages conducts the tasting either: (i) On the premises of the college or university at which the student is enrolled; or (ii) while on a field trip to a grape-growing area or production facility so long as the enrolled student is accompanied by a faculty or staff member with a class 12 or 13 alcohol server permit who supervises as provided in (d) of this subsection and all other requirements of this subsection (12) are met; and
  - (g) The permit fee for the special permit provided for in this subsection (12) must be waived by the board;
  - (13) Where the application is for a special permit by a distillery or craft distillery for an event not open to the general public to be held or conducted at a specific place, including at the licensed premise of the applying distillery or craft distillery, upon a specific date for the purpose of tasting and selling spirits of its own production. The distillery or craft distillery must obtain a permit for a fee of \$10 per event. An application for the permit must be submitted for private banquet permits prior to the event and, once issued, must be posted in a conspicuous place at the premises for which the permit was issued during all times the permit is in use. No licensee may receive more than 12 permits under this subsection (13) each year;
  - (14) Where the application is for a special permit by a manufacturer of wine for an event not open to the general public to

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be held or conducted at a specific place upon a specific date for the purpose of tasting and selling wine of its own production. The winery must obtain a permit for a fee of \$10 per event. An application for the permit must be submitted at least ten days before the event and once issued, must be posted in a conspicuous place at the premises for which the permit was issued during all times the permit is in use. No more than 12 events per year may be held by a single manufacturer under this subsection;

- manufacturer of beer for an event not open to the general public to be held or conducted at a specific place upon a specific date for the purpose of tasting and selling beer of its own production. The brewery or microbrewery must obtain a permit for a fee of \$10 per event. An application for the permit must be submitted at least 10 days before the event and, once issued, must be posted in a conspicuous place at the premises for which the permit was issued during all times the permit is in use. No more than 12 events per year may be held by a single manufacturer under this subsection;
- (16) Where the application is for a special permit by an individual or business to sell a private collection of wine or spirits to an individual or business. The seller must obtain a permit at least five business days before the sale, for a fee of \$25 per sale. The seller must provide an inventory of products sold and the agreed price on a form provided by the board. The seller shall submit the report and taxes due to the board no later than 20 calendar days after the sale. A permit may be issued under this section to allow the sale of a private collection to licensees, but may not be issued to a licensee to sell to a private individual or business which is not otherwise authorized under the license held by the seller. If the liquor is purchased by a licensee, all sales are subject to taxes assessed as on liquor acquired from any other source. The board may adopt rules to implement this section;
- (17)(a) A special permit, where the application is for a special permit by a nonprofit organization to sell wine through an auction, not open to the public, to be conducted at a specific place, upon a specific date, and to allow wine tastings at the auction of the wine to be auctioned.
- 38 (b) A permit holder under this subsection (17) may at the 39 specified event:
  - (i) Sell wine by auction for off-premises consumption; and

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

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- (c) An application is required for a permit under this subsection (17). The application must be submitted prior to the event and once issued must be posted in a conspicuous place at the premises for which the permit was issued during all times the permit is in use.
- (d) Wine from more than one winery may be sold at the auction; however, each winery selling wine at the auction must be listed on the permit application. Only a single application form may be required for each auction, regardless of the number of wineries that are selling wine at the auction. The total fee per event for a permit issued under this subsection (17) is \$25 multiplied by the number of wineries that are selling wine at the auction.
- (e) For the purposes of this subsection (17), "nonprofit organization" means an entity incorporated as a nonprofit organization under Washington state law.
  - (f) The board may adopt rules to implement this section; and
- (18) An annual special permit to allow a short-term rental operator to provide one complimentary bottle of wine to rental guests who are age 21 or over. The annual special permit fee is \$75. A single permit applies to all rental properties owned or operated by short-term rental operator and identified in application. One complimentary bottle of wine per booking may be provided, regardless of the total number of rental guests. The provision of the complimentary bottle of wine may occur only after an operator or staff person of the short-term rental, who is present at the short-term rental property, verifies that each rental quest who will consume the complimentary bottle of wine is age 21 or over by checking a valid form of identification of each such rental guest at the time rental guests arrive. The rental guests must be informed the rental guests are being offered one complimentary bottle of wine and that opening or consuming the bottle of wine in a public place is illegal pursuant to RCW 66.44.100. The rental guests must not have notified the operator that the rental guests decline the complimentary bottle of wine. The complimentary bottle of wine may be consumed on the premises of the rental property or removed and consumed off the premises of the rental property. A permit holder may purchase wine from wine distributors in accordance with 66.24.200, and from retailers and other suppliers of wine authorized under this title to sell wine at retail to consumers for off-premises

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- 1 consumption. For purposes of this subsection, the terms "short-term
- 2 rental," "operator," and "guest" have the same meanings as in RCW
- 3 64.37.010.

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- 4 <u>NEW SECTION.</u> **Sec. 2.** A new section is added to chapter 66.28 5 RCW to read as follows:
  - (1) There is a special permit to be designated as a banquet permit to be issued to a not-for-profit society or charitable organization, which has annual gross income of less than \$250,000, to provide free of charge, spirits, beer, and wine by the individual serving for on-premises consumption at a specified date and place.
- 11 (2) The banquet permit is available for an unlimited number of 12 the organization's business or social events that are held solely for 13 the organization's members and guests. The events may not be open to 14 the general public.
  - (3) Liquor served at the event may be:
- 16 (a) Provided by individuals attending the event for their own consumption or with the intent to share, at no cost, with other attendees;
- 19 (b) Included in the total price for an event when participants 20 receive an equal share by distribution of exchangeable tickets as 21 part of the package;
  - (c) Donated to the organization by any person, industry member, or entity so long as the donor or the organization pays any fees established by RCW 66.24.630(4), taxes imposed on a retail sale under RCW 82.08.150, or other sales taxes that would be paid, if the sale were made to a consumer; or
- 27 (d) Purchased by the event organizers at an authorized retail source.
- 29 (4) The organization may accept cash donations at an event so 30 long as there is no expectation or implied obligation to give a 31 donation in exchange for a beverage containing liquor.
  - (5) The fee for the banquet permit is \$10 per day.
- 33 (6) For events occurring under this section, the board must 34 provide for an online permit to be issued on the day the event 35 occurs.

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