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**SUBSTITUTE HOUSE BILL 1036**

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**State of Washington                      52nd Legislature                      1991 Regular Session**

**By** House Committee on State Government (originally sponsored by Representatives Valle, McLean, H. Sommers, Vance, Wineberry, Sheldon and Anderson; by request of Governor Gardner).

Read first time March 6, 1991.

1            AN ACT Relating to the organization of the liquor control board;  
2 amending RCW 66.04.010, 66.08.012, 66.08.014, 66.08.020, 66.08.030,  
3 66.08.050, 66.08.150, 10.93.020, 19.02.050, 43.03.028, 43.17.010,  
4 43.17.020, 42.17.2401, and 43.82.010; reenacting and amending RCW  
5 42.17.2401; adding new sections to chapter 66.08 RCW; creating new  
6 sections; repealing RCW 66.08.016; and providing an effective date.

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

8            **Sec. 1.** RCW 66.04.010 and 1987 c 386 s 3 are each amended to read  
9 as follows:

10            In this title, unless the context otherwise requires:

11            (1) "Agency" means the liquor control agency, the state agency  
12 established under section 2 of this act.

13            (2) "Alcohol" is that substance known as ethyl alcohol, hydrated  
14 oxide of ethyl, or spirit of wine, which is commonly produced by the  
15 fermentation or distillation of grain, starch, molasses, or sugar, or

1 other substances including all dilutions and mixtures of this  
2 substance. The term "alcohol" does not include alcohol in the  
3 possession of a manufacturer or distiller of alcohol fuel, as described  
4 in RCW 66.12.130, which is intended to be denatured and used as a fuel  
5 for use in motor vehicles, farm implements, and machines or implements  
6 of husbandry.

7 ~~((+2))~~ (3) "Beer" means any malt beverage or malt liquor as these  
8 terms are defined in this chapter.

9 ~~((+3))~~ (4) "Brewer" means any person engaged in the business of  
10 manufacturing beer and malt liquor.

11 ~~((+4))~~ (5) "Board" means the liquor control board, the rule-making  
12 and quasi-judicial body constituted under this title.

13 ~~((+5))~~ (6) "Club" means an organization of persons, incorporated  
14 or unincorporated, operated solely for fraternal, benevolent,  
15 educational, athletic or social purposes, and not for pecuniary gain.

16 ~~((+6))~~ (7) "Consume" includes the putting of liquor to any use,  
17 whether by drinking or otherwise.

18 ~~((+7))~~ (8) "Dentist" means a practitioner of dentistry duly and  
19 regularly licensed and engaged in the practice of his or her profession  
20 within the state pursuant to chapter 18.32 RCW.

21 ~~((+8))~~ (9) "Director" means the director of the liquor control  
22 agency.

23 (10) "Distiller" means a person engaged in the business of  
24 distilling spirits.

25 ~~((+9))~~ (11) "Druggist" means any person who holds a valid  
26 certificate and is a registered pharmacist and is duly and regularly  
27 engaged in carrying on the business of pharmaceutical chemistry  
28 pursuant to chapter 18.64 RCW.

29 ~~((+10))~~ (12) "Drug store" means a place whose principal business  
30 is, the sale of drugs, medicines and pharmaceutical preparations and

1 maintains a regular prescription department and employs a registered  
2 pharmacist during all hours the drug store is open.

3 ~~((11))~~ (13) "Employee" means any person employed by the ~~((board))~~  
4 director, including a vendor, as hereinafter in this section defined.

5 ~~((12))~~ (14) "Fund" means 'liquor revolving fund.'

6 ~~((13))~~ (15) "Hotel" means every building or other structure kept,  
7 used, maintained, advertised or held out to the public to be a place  
8 where food is served and sleeping accommodations are offered for pay to  
9 transient guests, in which twenty or more rooms are used for the  
10 sleeping accommodation of such transient guests and having one or more  
11 dining rooms where meals are served to such transient guests, such  
12 sleeping accommodations and dining rooms being conducted in the same  
13 building and buildings, in connection therewith, and such structure or  
14 structures being provided, in the judgment of the board, with adequate  
15 and sanitary kitchen and dining room equipment and capacity, for  
16 preparing, cooking and serving suitable food for its guests: PROVIDED  
17 FURTHER, That in cities and towns of less than five thousand  
18 population, the board shall have authority to waive the provisions  
19 requiring twenty or more rooms.

20 ~~((14))~~ (16) "Imprisonment" means confinement in the county jail.

21 ~~((15))~~ (17) "Liquor" includes the four varieties of liquor herein  
22 defined (alcohol, spirits, wine and beer), and all fermented,  
23 spirituous, vinous, or malt liquor, or combinations thereof, and mixed  
24 liquor, a part of which is fermented, spirituous, vinous or malt  
25 liquor, or otherwise intoxicating; and every liquid or solid or  
26 semisolid or other substance, patented or not, containing alcohol,  
27 spirits, wine or beer, and all drinks or drinkable liquids and all  
28 preparations or mixtures capable of human consumption, and any liquid,  
29 semisolid, solid, or other substance, which contains more than one  
30 percent of alcohol by weight shall be conclusively deemed to be

1 intoxicating. Liquor does not include confections or food products  
2 that contain one percent or less of alcohol by weight.

3 ~~((16))~~ (18) "Manufacturer" means a person engaged in the  
4 preparation of liquor for sale, in any form whatsoever.

5 ~~((17))~~ (19) "Malt beverage" or "malt liquor" means any beverage  
6 such as beer, ale, lager beer, stout, and porter obtained by the  
7 alcoholic fermentation of an infusion or decoction of pure hops, or  
8 pure extract of hops and pure barley malt or other wholesome grain or  
9 cereal in pure water containing not more than eight percent of alcohol  
10 by weight, and not less than one-half of one percent of alcohol by  
11 volume. For the purposes of this title, any such beverage containing  
12 more than eight percent of alcohol by weight shall be referred to as  
13 "strong beer."

14 ~~((18))~~ (20) "Package" means any container or receptacle used for  
15 holding liquor.

16 ~~((19))~~ (21) "Permit" means a permit for the purchase of liquor  
17 under this title.

18 ~~((20))~~ (22) "Person" means an individual, copartnership,  
19 association, or corporation.

20 ~~((21))~~ (23) "Physician" means a medical practitioner duly and  
21 regularly licensed and engaged in the practice of his or her profession  
22 within the state pursuant to chapter 18.71 RCW.

23 ~~((22))~~ (24) "Prescription" means a memorandum signed by a  
24 physician and given by him or her to a patient for the obtaining of  
25 liquor pursuant to this title for medicinal purposes.

26 ~~((23))~~ (25) "Public place" includes streets and alleys of  
27 incorporated cities and towns; state or county or township highways or  
28 roads; buildings and grounds used for school purposes; public dance  
29 halls and grounds adjacent thereto; those parts of establishments where  
30 beer may be sold under this title, soft drink establishments, public

1 buildings, public meeting halls, lobbies, halls and dining rooms of  
2 hotels, restaurants, theatres, stores, garages and filling stations  
3 which are open to and are generally used by the public and to which the  
4 public is permitted to have unrestricted access; railroad trains,  
5 stages, and other public conveyances of all kinds and character, and  
6 the depots and waiting rooms used in conjunction therewith which are  
7 open to unrestricted use and access by the public; publicly owned  
8 bathing beaches, parks, and/or playgrounds; and all other places of  
9 like or similar nature to which the general public has unrestricted  
10 right of access, and which are generally used by the public.

11 ~~((24))~~ (26) "Regulations" or "rules" means ~~((regulations made))~~  
12 rules adopted pursuant to chapter 34.05 RCW by the board under the  
13 powers conferred by this title.

14 ~~((25))~~ (27) "Restaurant" means any establishment provided with  
15 special space and accommodations where, in consideration of payment,  
16 food, without lodgings, is habitually furnished to the public, not  
17 including drug stores and soda fountains.

18 ~~((26))~~ (28) "Sale" and "sell" include exchange, barter, and  
19 traffic; and also include the selling or supplying or distributing, by  
20 any means whatsoever, of liquor, or of any liquid known or described as  
21 beer or by any name whatever commonly used to describe malt or brewed  
22 liquor or of wine, by any person to any person; and also include a sale  
23 or selling within the state to a foreign consignee or his or her agent  
24 in the state.

25 ~~((27))~~ (29) "Soda fountain" means a place especially equipped  
26 with apparatus for the purpose of dispensing soft drinks, whether mixed  
27 or otherwise.

28 ~~((28))~~ (30) "Spirits" means any beverage which contains alcohol  
29 obtained by distillation, including wines exceeding twenty-four percent  
30 of alcohol by volume.

1       (~~(29)~~) (31) "Store" means a state liquor store established under  
2 this title.

3       (~~(30)~~) (32) "Tavern" means any establishment with special space  
4 and accommodation for sale by the glass and for consumption on the  
5 premises, of beer, as herein defined.

6       (~~(31)~~) (33) "Vendor" means a person employed by the (~~board~~)  
7 liquor control agency as a store manager under this title.

8       (~~(32)~~) (34) "Winery" means a business conducted by any person for  
9 the manufacture of wine for sale, other than a domestic winery.

10       (~~(33)~~) (35) "Domestic winery" means a place where wines are  
11 manufactured or produced within the state of Washington.

12       (~~(34)~~) (36) "Wine" means any alcoholic beverage obtained by  
13 fermentation of fruits (grapes, berries, apples, et cetera) or other  
14 agricultural product containing sugar, to which any saccharine  
15 substances may have been added before, during or after fermentation,  
16 and containing not more than twenty-four percent of alcohol by volume,  
17 including sweet wines fortified with wine spirits, such as port,  
18 sherry, muscatel and angelica, not exceeding twenty-four percent of  
19 alcohol by volume and not less than one-half of one percent of alcohol  
20 by volume. For purposes of this title, any beverage containing less  
21 than fourteen percent of alcohol by volume when bottled or packaged by  
22 the manufacturer shall be referred to as "table wine," and any beverage  
23 containing alcohol in an amount equal to or more than fourteen percent  
24 by volume when bottled or packaged by the manufacturer shall be  
25 referred to as "fortified wine." However, "fortified wine" shall not  
26 include: (a) Wines that are both sealed or capped by cork closure and  
27 aged two years or more; and (b) wines that contain fourteen percent or  
28 more alcohol by volume solely as a result of the natural fermentation  
29 process and that have not been produced with the addition of wine  
30 spirits, brandy, or alcohol.

1        This subsection shall not be interpreted to require that any wine  
2 be labeled with the designation "table wine" or "fortified wine."

3        (~~(35)~~) (37) "Beer wholesaler" means a person who buys beer from  
4 a brewer or brewery located either within or beyond the boundaries of  
5 the state for the purpose of selling the same pursuant to this title,  
6 or who represents such brewer or brewery as agent.

7        (~~(36)~~) (38) "Wine wholesaler" means a person who buys wine from  
8 a vintner or winery located either within or beyond the boundaries of  
9 the state for the purpose of selling the same not in violation of this  
10 title, or who represents such vintner or winery as agent.

11        NEW SECTION.    **Sec. 2.**    A new section is added to chapter 66.08 RCW  
12 to read as follows:

13        There is an agency of state government known as the "Washington  
14 state liquor control agency."

15        The executive head of the liquor control agency is the director.  
16 The director is appointed by, and serves at the pleasure of, the  
17 governor. The appointment of the director is subject to confirmation  
18 by the senate. The director is paid a salary to be fixed by the  
19 governor in accordance with RCW 43.03.040. The director shall have  
20 management experience in a public agency and a business enterprise.

21        NEW SECTION.    **Sec. 3.**        All powers, duties, and functions vested  
22 by law in the liquor control board are transferred to the director of  
23 the liquor control agency, except those powers, duties, and functions  
24 which are expressly directed to remain with the board. This transfer  
25 shall take place January 1, 1992. This act does not create a new  
26 agency, but renames the Washington State liquor control board and  
27 provides for a new administrative structure within the renamed agency.

1       **Sec. 4.** RCW 66.08.012 and 1961 c 307 s 7 are each amended to read  
2 as follows:

3       There shall be a board, known as the "Washington state liquor  
4 control board," consisting of three members, to be appointed by the  
5 governor, with the consent of the senate, who shall each be (~~paid an~~  
6 ~~annual salary to be fixed by the governor in accordance with the~~  
7 ~~provisions of RCW 43.03.040~~) compensated in accordance with RCW  
8 43.03.250 and shall be reimbursed for subsistence and mileage in  
9 accordance with RCW 43.03.050 and 43.03.060. The governor may, in his  
10 or her discretion, appoint one of the members as (~~chairman~~) chair of  
11 the board, and a majority of the members shall constitute a quorum of  
12 the board. The board shall meet once a month or at such times as the  
13 chair may designate.

14       **Sec. 5.** RCW 66.08.014 and 1986 c 105 s 1 are each amended to read  
15 as follows:

16       (1) The members of the board to be appointed after December 2,  
17 1948, shall be appointed for terms beginning January 15, 1949, and  
18 expiring as follows: One member of the board for a term of three years  
19 from January 15, 1949; one member of the board for a term of six years  
20 from January 15, 1949; and one member of the board for a term of nine  
21 years from January 15, 1949. Each of the members of the board  
22 appointed hereunder shall hold office until his or her successor is  
23 appointed and qualified. After June 11, 1986, the term that began on  
24 January 15, 1985, will end on January 15, 1989, the term beginning on  
25 January 15, 1988, will end on January 15, 1993, and the term beginning  
26 on January 15, 1991, will end on January 15, 1997. Thereafter, upon  
27 the expiration of the term of any member appointed after June 11, 1986,  
28 each succeeding member of the board shall be appointed and hold office  
29 for the term of six years. The unexpired terms of board members

1 serving on the effective date of this act shall be completed by members  
2 appointed to serve part time after the effective date of this act. In  
3 case of a vacancy, it shall be filled by appointment by the governor  
4 for the unexpired portion of the term in which said vacancy occurs. No  
5 vacancy in the membership of the board shall impair the right of the  
6 remaining member or members to act, except as herein otherwise  
7 provided.

8 (2) The principal office of the (~~board~~) liquor control agency  
9 shall be at the state capitol, and it may establish such other offices  
10 as it may deem necessary.

11 (3) Any member of the board may be removed for inefficiency,  
12 malfeasance or misfeasance in office, upon specific written charges  
13 filed by the governor, who shall transmit such written charges to the  
14 member accused and to the chief justice of the supreme court. The  
15 chief justice shall thereupon designate a tribunal composed of three  
16 judges of the superior court to hear and adjudicate the charges. Such  
17 tribunal shall fix the time of the hearing, which shall be public, and  
18 the procedure for the hearing, and the decision of such tribunal shall  
19 be final and not subject to review by the supreme court. Removal of  
20 any member of the board by the tribunal shall disqualify such member  
21 for reappointment.

22 (4) Each member of the board shall (~~devote his entire time to the~~  
23 ~~duties of his office~~) serve part time and no member of the board shall  
24 hold any other public office. Before entering upon the duties of his  
25 or her office, each of (~~said~~) the members of the board shall enter  
26 into a surety bond executed by a surety company authorized to do  
27 business in this state, payable to the state of Washington, to be  
28 approved by the governor in the penal sum of fifty thousand dollars  
29 conditioned upon the faithful performance of his or her duties, and  
30 shall take and subscribe to the oath of office prescribed for elective

1 state officers, which oath and bond shall be filed with the secretary  
2 of state. The premium for (~~said~~) the bond shall be paid by the  
3 (~~board~~) liquor control agency.

4 **Sec. 6.** RCW 66.08.020 and 1933 ex.s. c 62 s 5 are each amended to  
5 read as follows:

6 The administration of this title, including the general control,  
7 management, and supervision of all liquor stores, shall be vested in  
8 the (~~liquor control board, constituted under this title.~~) director,  
9 who shall carry out this administrative function in accordance with the  
10 rules adopted by the board.

11 In addition to any other powers granted or transferred to the  
12 director, the director shall have the following powers and duties as  
13 may be necessary to carry out the purposes of this title:

14 (1) Supervise and administer the operations of the liquor control  
15 agency in accordance with the provisions of this title;

16 (2) Appoint personnel and prescribe their duties;

17 (3) Enter into contracts on behalf of the agency;

18 (4) Accept and expend donations, grants, or other funds;

19 (5) Delegate powers, duties, and functions of the liquor control  
20 agency to employees of the agency as the director deems necessary to  
21 ensure efficient administration;

22 (6) Appoint advisory committees and undertake studies, research,  
23 and analysis necessary to support activities of the agency; and

24 (7) Perform such other duties as are consistent with this title.

25 **Sec. 7.** RCW 66.08.030 and 1977 ex.s. c 115 s 1 are each amended to  
26 read as follows:

27 (1) For the purpose of carrying into effect the provisions of this  
28 title according to their true intent or of supplying any deficiency

1 therein, the board may make such (~~regulations~~) rules not inconsistent  
2 with the spirit of this title as are deemed necessary or advisable.  
3 All (~~regulations~~) rules so made shall be a public record and shall be  
4 filed in the office of the code reviser, and thereupon shall have the  
5 same force and effect as if incorporated in this title. Such  
6 (~~regulations~~) rules, together with a copy of this title, shall be  
7 published in pamphlets and shall be distributed as directed by the  
8 board.

9 (2) Without thereby limiting the generality of the provisions  
10 contained in subsection (1) of this section, it is declared that the  
11 power of the board to make (~~regulations~~) rules in the manner set out  
12 in that subsection shall extend to:

13 (~~(a) (~~regulating the equipment and management of stores and~~~~  
14 ~~warehouses in which state liquor is sold or kept, and prescribing the~~  
15 ~~books and records to be kept therein and the reports to be made thereon~~  
16 ~~to the board;~~

17 (~~(b) prescribing the duties of the employees of the board, and~~  
18 ~~regulating their conduct in the discharge of their duties;~~

19 (~~(c) Governing the purchase of liquor by the state and the~~  
20 ~~furnishing of liquor to stores established under this title;~~

21 (~~(d) (b) Determining the classes, varieties, and brands of~~  
22 ~~liquor to be kept for sale at any store;~~

23 (~~(e) (c) Prescribing, subject to RCW 66.16.080, the hours during~~  
24 ~~which the state liquor stores shall be kept open for the sale of~~  
25 ~~liquor;~~

26 (~~(f) (d) Providing for the issuing and distributing of price~~  
27 ~~lists showing the price to be paid by purchasers for each variety of~~  
28 ~~liquor kept for sale under this title;~~

29 (~~(g) (e) Prescribing an official seal and official labels and~~  
30 ~~stamps and determining the manner in which they shall be attached to~~

1 every package of liquor sold or sealed under this title, including the  
2 prescribing of different official seals or different official labels  
3 for different classes of liquor;

4 ~~((h))~~ (f) Providing for the payment by the ~~((board))~~ liquor  
5 control agency in whole or in part of the carrying charges on liquor  
6 shipped by freight or express;

7 ~~((i))~~ (g) Prescribing forms to be used for purposes of this title  
8 or the ~~((regulations))~~ rules, and the terms and conditions to be  
9 contained in permits and licenses issued under this title;

10 ~~((j))~~ (h) Prescribing the fees payable in respect of permits and  
11 licenses issued under this title for which no fees are prescribed in  
12 this title, and prescribing the fees for anything done or permitted to  
13 be done under the ~~((regulations))~~ rules;

14 ~~((k))~~ (i) Prescribing the kinds and quantities of liquor which  
15 may be kept on hand by the holder of a special permit for the purposes  
16 named in the permit, regulating the manner in which the same shall be  
17 kept and disposed of, and providing for the inspection of the same at  
18 any time at the instance of the board;

19 ~~((l))~~ (j) Regulating the sale of liquor kept by the holders of  
20 licenses which entitle the holder to purchase and keep liquor for sale;

21 ~~((m))~~ (k) Prescribing the records of purchases or sales of liquor  
22 kept by the holders of licenses, and the reports to be made thereon to  
23 the board, and providing for inspection of the records so kept;

24 ~~((n))~~ (l) Prescribing the kinds and quantities of liquor for  
25 which a prescription may be given, and the number of prescriptions  
26 which may be given to the same patient within a stated period;

27 ~~((o))~~ (m) Prescribing the manner of giving and serving notices  
28 required by this title or the ~~((regulations))~~ rules, where not  
29 otherwise provided for in this title;

1       (~~(p)~~) (n) Regulating premises in which liquor is kept for export  
2 from the state, or from which liquor is exported, prescribing the books  
3 and records to be kept therein and the reports to be made thereon to  
4 the board, and providing for the inspection of the premises and the  
5 books, records and the liquor so kept;

6       (~~(q)~~) (o) Prescribing the conditions and qualifications requisite  
7 for the obtaining of club licenses and the books and records to be kept  
8 and the returns to be made by clubs, prescribing the manner of  
9 licensing clubs in any municipality or other locality, and providing  
10 for the inspection of clubs;

11       (~~(r)~~) (p) Prescribing the conditions, accommodations, and  
12 qualifications requisite for the obtaining of licenses to sell beer and  
13 wines, and regulating the sale of beer and wines thereunder;

14       (~~(s)~~) (q) Specifying and regulating the time and periods when,  
15 and the manner, methods, and means by which manufacturers shall deliver  
16 liquor within the state; and the time and periods when, and the manner,  
17 methods, and means by which liquor may lawfully be conveyed or carried  
18 within the state;

19       (~~(t)~~) (r) Providing for the making of returns by brewers of their  
20 sales of beer shipped within the state, or from the state, showing the  
21 gross amount of such sales and providing for the inspection of brewers'  
22 books and records, and for the checking of the accuracy of any such  
23 returns;

24       (~~(u)~~) (s) Providing for the making of returns by the wholesalers  
25 of beer whose breweries are located beyond the boundaries of the state;

26       (~~(v)~~) (t) Providing for the making of returns by any other liquor  
27 manufacturers, showing the gross amount of liquor produced or  
28 purchased, the amount sold within and exported from the state, and to  
29 whom so sold or exported, and providing for the inspection of the

1 premises of any such liquor manufacturers, their books and records, and  
2 for the checking of any such return;

3 ~~((w))~~ (u) Providing for the giving of fidelity bonds by any or  
4 all of the employees of the ~~((board))~~ liquor control agency: PROVIDED,  
5 That the premiums therefor shall be paid by the ~~((board))~~ agency;

6 ~~((x))~~ (v) Providing for the shipment by mail or common carrier of  
7 liquor to any person holding a permit and residing in any unit which  
8 has, by election pursuant to this title, prohibited the sale of liquor  
9 therein;

10 ~~((y))~~ (w) Prescribing methods of manufacture, conditions of  
11 sanitation, standards of ingredients, quality, and identity of  
12 alcoholic beverages manufactured, sold, bottled, or handled by  
13 licensees and the ~~((board))~~ liquor control agency; and conducting from  
14 time to time, in the interest of the public health and general welfare,  
15 scientific studies and research relating to alcoholic beverages and the  
16 use and effect thereof; and

17 ~~((z))~~ (x) Seizing, confiscating, and destroying all alcoholic  
18 beverages manufactured, sold, or offered for sale within this state  
19 which do not conform in all respects to the standards prescribed by  
20 this title or the ~~((regulations))~~ rules of the board: PROVIDED,  
21 Nothing ~~((herein contained))~~ in this section shall be construed as  
22 authorizing the liquor board to prescribe, alter, limit, or in any way  
23 change the present law as to the quantity or percentage of alcohol used  
24 in the manufacturing of wine or other alcoholic beverages.

25 **Sec. 8.** RCW 66.08.050 and 1986 c 214 s 2 are each amended to read  
26 as follows:

27 The board, subject to the provisions of this title and the  
28 regulations, shall:

1 (1) Determine the localities within which state liquor stores shall  
2 be established throughout the state, and the number and situation of  
3 the stores within each locality;

4 (2) Appoint in cities and towns and other communities, in which no  
5 state liquor store is located, liquor vendors. Such liquor vendors  
6 shall be agents of the ((board)) liquor control agency and be  
7 authorized to sell liquor to such persons, firms, or corporations as  
8 provided for the sale of liquor from a state liquor store, and such  
9 vendors shall be subject to such additional rules and regulations  
10 consistent with this title as the board may require; and

11 ~~(3) ((establish all necessary warehouses for the storing and  
12 bottling, diluting and rectifying of stocks of liquors for the purposes  
13 of this title;~~

14 ~~(4) provide for the leasing for periods not to exceed ten years of  
15 all premises required for the conduct of the business; and for  
16 remodeling the same, and the procuring of their furnishings, fixtures,  
17 and supplies; and for obtaining options of renewal of such leases by  
18 the lessee. The terms of such leases in all other respects shall be  
19 subject to the direction of the board;~~

20 ~~(5))~~ Determine the nature, form and capacity of all packages to be  
21 used for containing liquor kept for sale under this title((;

22 ~~(6) execute or cause to be executed, all contracts, papers, and  
23 documents in the name of the board, under such regulations as the board  
24 may fix;~~

25 ~~(7) pay all customs, duties, excises, charges and obligations  
26 whatsoever relating to the business of the board;~~

27 ~~(8) require bonds from all employees in the discretion of the  
28 board, and to determine the amount of fidelity bond of each such  
29 employee;~~

1       ~~(9) perform services for the state lottery commission to such~~  
2 ~~extent, and for such compensation, as may be mutually agreed upon~~  
3 ~~between the board and the commission;~~

4       ~~(10) perform all other matters and things, whether similar to the~~  
5 ~~foregoing or not, to carry out the provisions of this title, and shall~~  
6 ~~have full power to do each and every act necessary to the conduct of~~  
7 ~~its business, including all buying, selling, preparation and approval~~  
8 ~~of forms, and every other function of the business whatsoever, subject~~  
9 ~~only to audit by the state auditor: PROVIDED, That the board shall~~  
10 ~~have no authority to regulate the content of spoken language on~~  
11 ~~licensed premises where wine and other liquors are served and where~~  
12 ~~there is not a clear and present danger of disorderly conduct being~~  
13 ~~provoked by such language)).~~ In addition to these responsibilities,  
14 the final decision in any adjudicative proceeding commenced under RCW  
15 66.08.150 or chapter 34.05 RCW shall be made by the board.

16       NEW SECTION. Sec. 9. A new section is added to chapter 66.08 RCW  
17 to read as follows:

18       The director, subject to the provisions of this title and the rules  
19 of the board, shall:

20       (1) Establish all necessary warehouses for the storing and  
21 bottling, diluting and rectifying of stocks of liquors for the purposes  
22 of this title;

23       (2) Provide for the leasing for periods not to exceed ten years of  
24 all premises required for the conduct of the business; and for  
25 remodeling the same, and the procuring of their furnishings, fixtures,  
26 and supplies; and for obtaining options of renewal of such leases by  
27 the lessee. The terms of such leases in all other respects shall be  
28 subject to the direction of the director;

1 (3) Execute or cause to be executed, all contracts, papers, and  
2 documents in the name of the agency, under such rules as the board may  
3 fix;

4 (4) Pay all customs, duties, excises, charges and obligations  
5 whatsoever relating to the business of the agency;

6 (5) Require bonds from all employees in the discretion of the  
7 director, and to determine the amount of fidelity bond of each such  
8 employee;

9 (6) Perform services for the state lottery commission to such  
10 extent, and for such compensation, as may be mutually agreed upon  
11 between the director and the commission; and

12 (7) Perform all other matters and things, whether similar to the  
13 foregoing or not, to carry out the provisions of this title, and shall  
14 have full power to do each and every act necessary to the conduct of  
15 its business, including all buying, selling, preparation and approval  
16 of forms, and every other function of the business whatsoever, subject  
17 only to audit by the state auditor: PROVIDED, That the director shall  
18 have no authority to regulate the content of spoken language on  
19 licensed premises where wine and other liquors are served and where  
20 there is not a clear and present danger of disorderly conduct being  
21 provoked by such language.

22 NEW SECTION. **Sec. 10.** A new section is added to chapter 66.08 RCW  
23 to read as follows:

24 The director shall prepare, update, and execute an integrated  
25 liquor plan that is not in conflict with the rules adopted by the board  
26 and that includes, but is not limited to, the following elements:

27 (1) A program to achieve efficiencies and ensure operational  
28 integration of regulatory, merchandising, and administrative services;

1 (2) A program of public and consumer information and coordination  
2 with other public agencies and private organizations that emphasizes  
3 alcohol abuse prevention and responsible consumption; and

4 (3) A strategy for implementation of the plan.

5 **Sec. 11.** RCW 66.08.150 and 1989 c 175 s 122 are each amended to  
6 read as follows:

7 The action, order, or decision of the ((board)) director as to any  
8 denial of an application for the reissuance of a permit or license or  
9 as to any revocation, suspension, or modification of any permit or  
10 license shall be an adjudicative proceeding and subject to the  
11 applicable provisions of chapter 34.05 RCW. The final decision in any  
12 adjudicative proceeding commenced under this section or chapter 34.05  
13 RCW shall be made by the board.

14 (1) An opportunity for a hearing may be provided an applicant for  
15 the reissuance of a permit or license prior to the disposition of the  
16 application, and if no such opportunity for a prior hearing is provided  
17 then an opportunity for a hearing to reconsider the application must be  
18 provided the applicant.

19 (2) An opportunity for a hearing must be provided a permittee or  
20 licensee prior to a revocation or modification of any permit or license  
21 and, except as provided in subsection (4) of this section, prior to the  
22 suspension of any permit or license.

23 (3) No hearing shall be required until demanded by the applicant,  
24 permittee, or licensee.

25 (4) The ((board)) director may summarily suspend a license or  
26 permit for a period of up to thirty days without a prior hearing if it  
27 finds that public health, safety, or welfare imperatively require  
28 emergency action, and incorporates a finding to that effect in its

1 order; and proceedings for revocation or other action must be promptly  
2 instituted and determined.

3 **Sec. 12.** RCW 10.93.020 and 1988 c 36 s 5 are each amended to read  
4 as follows:

5 As used in this chapter, the following terms have the meanings  
6 indicated unless the context clearly requires otherwise.

7 (1) "General authority Washington law enforcement agency" means any  
8 agency, department, or division of a municipal corporation, political  
9 subdivision, or other unit of local government of this state, and any  
10 agency, department, or division of state government, having as its  
11 primary function the detection and apprehension of persons committing  
12 infractions or violating the traffic or criminal laws in general, as  
13 distinguished from a limited authority Washington law enforcement  
14 agency, and any other unit of government expressly designated by  
15 statute as a general authority Washington law enforcement agency. The  
16 Washington state patrol is a general authority Washington law  
17 enforcement agency.

18 (2) "Limited authority Washington law enforcement agency" means any  
19 agency, political subdivision, or unit of local government of this  
20 state, and any agency, department, or division of state government,  
21 having as one of its functions the apprehension or detection of persons  
22 committing infractions or violating the traffic or criminal laws  
23 relating to limited subject areas, including but not limited to, the  
24 state departments of natural resources, fisheries, wildlife, and social  
25 and health services, the state gambling commission, the state lottery  
26 commission, the state parks and recreation commission, the state  
27 utilities and transportation commission, the state liquor control  
28 (~~board~~) agency, and the state department of corrections.

1           (3) "General authority Washington peace officer" means any full-  
2 time, fully compensated and elected, appointed, or employed officer of  
3 a general authority Washington law enforcement agency who is  
4 commissioned to enforce the criminal laws of the state of Washington  
5 generally.

6           (4) "Limited authority Washington peace officer" means any full-  
7 time, fully compensated officer of a limited authority Washington law  
8 enforcement agency empowered by that agency to detect or apprehend  
9 violators of the laws in some or all of the limited subject areas for  
10 which that agency is responsible. A limited authority Washington peace  
11 officer may be a specially commissioned Washington peace officer if  
12 otherwise qualified for such status under this chapter.

13           (5) "Specially commissioned Washington peace officer", for the  
14 purposes of this chapter, means any officer, whether part-time or full-  
15 time, compensated or not, commissioned by a general authority  
16 Washington law enforcement agency to enforce some or all of the  
17 criminal laws of the state of Washington, who does not qualify under  
18 this chapter as a general authority Washington peace officer for that  
19 commissioning agency, specifically including reserve peace officers,  
20 and specially commissioned full-time, fully compensated peace officers  
21 duly commissioned by the states of Oregon or Idaho or any such peace  
22 officer commissioned by a unit of local government of Oregon or Idaho.  
23 A reserve peace officer is an individual who is an officer of a  
24 Washington law enforcement agency who does not serve such agency on a  
25 full-time basis but who, when called by the agency into active service,  
26 is fully commissioned on the same basis as full-time peace officers to  
27 enforce the criminal laws of the state.

28           (6) "Federal peace officer" means any employee or agent of the  
29 United States government who has the authority to carry firearms and

1 make warrantless arrests and whose duties involve the enforcement of  
2 criminal laws of the United States.

3 (7) "Agency with primary territorial jurisdiction" means a city or  
4 town police agency which has responsibility for police activity within  
5 its boundaries; or a county police or sheriff's department which has  
6 responsibility with regard to police activity in the unincorporated  
7 areas within the county boundaries; or a statutorily authorized port  
8 district police agency or four-year state college or university police  
9 agency which has responsibility for police activity within the  
10 statutorily authorized enforcement boundaries of the port district,  
11 state college, or university.

12 (8) "Primary commissioning agency" means (a) the employing agency  
13 in the case of a general authority Washington peace officer, a limited  
14 authority Washington peace officer, an Indian tribal peace officer, or  
15 a federal peace officer, and (b) the commissioning agency in the case  
16 of a specially commissioned Washington peace officer (i) who is  
17 performing functions within the course and scope of the special  
18 commission and (ii) who is not also a general authority Washington  
19 peace officer, a limited authority Washington peace officer, an Indian  
20 tribal peace officer, or a federal peace officer.

21 (9) "Primary function of an agency" means that function to which  
22 greater than fifty percent of the agency's resources are allocated.

23 (10) "Mutual law enforcement assistance" includes, but is not  
24 limited to, one or more law enforcement agencies aiding or assisting  
25 one or more other such agencies through loans or exchanges of personnel  
26 or of material resources, for law enforcement purposes.

27 **Sec. 13.** RCW 19.02.050 and 1989 1st ex.s. c 9 s 317 are each  
28 amended to read as follows:

1 (1) The legislature hereby directs the full participation by the  
2 following agencies in the implementation of this chapter:

3 (a) Department of agriculture;

4 (b) Secretary of state;

5 (c) Department of social and health services;

6 (d) Department of revenue;

7 (e) Department of fisheries;

8 (f) Department of employment security;

9 (g) Department of labor and industries;

10 (h) Department of trade and economic development;

11 (i) Liquor control (~~board~~) agency;

12 (j) Department of health;

13 (k) Department of licensing;

14 (l) Utilities and transportation commission; and

15 (m) Other agencies as determined by the governor.

16 **Sec. 14.** RCW 43.03.028 and 1988 c 167 s 9 are each amended to read  
17 as follows:

18 (1) There is hereby created a state committee on agency officials'  
19 salaries to consist of seven members, or their designees, as follows:  
20 The president of the University of Puget Sound; the chairperson of the  
21 council of presidents of the state's four-year institutions of higher  
22 education; the chairperson of the State Personnel Board; the president  
23 of the Association of Washington Business; the president of the Pacific  
24 Northwest Personnel Managers' Association; the president of the  
25 Washington State Bar Association; and the president of the Washington  
26 State Labor Council. If any of the titles or positions mentioned in  
27 this subsection are changed or abolished, any person occupying an  
28 equivalent or like position shall be qualified for appointment by the  
29 governor to membership upon the committee.

1 (2) The committee shall study the duties and salaries of the  
2 directors of the several departments and the members of the several  
3 boards and commissions of state government, who are subject to  
4 appointment by the governor or whose salaries are fixed by the  
5 governor, and of the chief executive officers of the following agencies  
6 of state government:

7 The arts commission; the human rights commission; the board of  
8 accountancy; the board of pharmacy; the capitol historical association  
9 and museum; the eastern Washington historical society; the Washington  
10 state historical society; the interagency committee for outdoor  
11 recreation; the criminal justice training commission; the department of  
12 personnel; the state finance committee; the state library; the traffic  
13 safety commission; the horse racing commission; the advisory council on  
14 vocational education; the public disclosure commission; the hospital  
15 commission; the state conservation commission; the commission on  
16 Hispanic affairs; the commission on Asian-American affairs; the state  
17 board for volunteer ~~((firemen))~~ fire fighters; the transportation  
18 improvement board; the public ~~((employees))~~ employment relations  
19 commission; the forest practices appeals board; ~~((and))~~ the energy  
20 facilities site evaluation council; and the liquor control board.

21 The committee shall report to the governor or the chairperson of  
22 the appropriate salary fixing authority at least once in each fiscal  
23 biennium on such date as the governor may designate, but not later than  
24 seventy-five days prior to the convening of each regular session of the  
25 legislature during an odd-numbered year, its recommendations for the  
26 salaries to be fixed for each position.

27 (3) Committee members shall be reimbursed by the department of  
28 personnel for travel expenses under RCW 43.03.050 and 43.03.060.

1       **Sec. 15.** RCW 43.17.010 and 1989 1st ex.s. c 9 s 810 are each  
2 amended to read as follows:

3       There shall be departments of the state government which shall be  
4 known as (1) the department of social and health services, (2) the  
5 department of ecology, (3) the department of labor and industries, (4)  
6 the department of agriculture, (5) the department of fisheries, (6) the  
7 department of wildlife, (7) the department of transportation, (8) the  
8 department of licensing, (9) the department of general administration,  
9 (10) the department of trade and economic development, (11) the  
10 department of veterans affairs, (12) the department of revenue, (13)  
11 the department of retirement systems, (14) the department of  
12 corrections, (15) the department of community development, (~~(and)~~) (16)  
13 the department of health, and (17) the liquor control agency, which  
14 shall be charged with the execution, enforcement, and administration of  
15 such laws, and invested with such powers and required to perform such  
16 duties, as the legislature may provide.

17       **Sec. 16.** RCW 43.17.020 and 1989 1st ex.s. c 9 s 811 are each  
18 amended to read as follows:

19       There shall be a chief executive officer of each department to be  
20 known as: (1) The secretary of social and health services, (2) the  
21 director of ecology, (3) the director of labor and industries, (4) the  
22 director of agriculture, (5) the director of fisheries, (6) the  
23 director of wildlife, (7) the secretary of transportation, (8) the  
24 director of licensing, (9) the director of general administration, (10)  
25 the director of trade and economic development, (11) the director of  
26 veterans affairs, (12) the director of revenue, (13) the director of  
27 retirement systems, (14) the secretary of corrections, (15) the  
28 director of community development, (~~(and)~~) (16) the secretary of  
29 health, and the director of the liquor control agency.

1       Such officers, except the secretary of transportation, shall be  
2 appointed by the governor, with the consent of the senate, and hold  
3 office at the pleasure of the governor. The director of wildlife,  
4 however, shall be appointed according to the provisions of RCW  
5 77.04.080. If a vacancy occurs while the senate is not in session, the  
6 governor shall make a temporary appointment until the next meeting of  
7 the senate. A temporary director of wildlife shall not serve more than  
8 one year. The secretary of transportation shall be appointed by the  
9 transportation commission as prescribed by RCW 47.01.041.

10       **Sec. 17.** RCW 42.17.2401 and 1989 1st ex.s. c 9 s 812, 1989 c 279  
11 s 22, and 1989 c 158 s 2 are each reenacted and amended to read as  
12 follows:

13       For the purposes of RCW 42.17.240, the term "executive state  
14 officer" includes:

15       (1) The chief administrative law judge, the director of  
16 agriculture, the administrator of the Washington basic health plan, the  
17 director of the department of services for the blind, the director of  
18 the state system of community colleges, the director of community  
19 development, the secretary of corrections, the director of ecology, the  
20 commissioner of employment security, the chairman of the energy  
21 facility site evaluation council, the director of the energy office,  
22 the secretary of the state finance committee, the director of financial  
23 management, the director of fisheries, the executive secretary of the  
24 forest practices appeals board, the director of the gambling  
25 commission, the director of general administration, the secretary of  
26 health, the administrator of the Washington state health care  
27 authority, the executive secretary of the health care facilities  
28 authority, the executive secretary of the higher education facilities  
29 authority, the director of the higher education personnel board, the

1 executive secretary of the horse racing commission, the executive  
2 secretary of the human rights commission, the executive secretary of  
3 the indeterminate sentence review board, the director of the department  
4 of information services, the director of the interagency committee for  
5 outdoor recreation, the executive director of the state investment  
6 board, the director of labor and industries, the director of licensing,  
7 the director of the liquor control agency, the director of the lottery  
8 commission, the director of the office of minority and women's business  
9 enterprises, the director of parks and recreation, the director of  
10 personnel, the executive director of the public disclosure commission,  
11 the director of retirement systems, the director of revenue, the  
12 secretary of social and health services, the chief of the Washington  
13 state patrol, the executive secretary of the board of tax appeals, the  
14 director of trade and economic development, the secretary of  
15 transportation, the secretary of the utilities and transportation  
16 commission, the director of veterans affairs, the director of wildlife,  
17 the president of each of the regional and state universities and the  
18 president of The Evergreen State College, each district and each campus  
19 president of each state community college;

20 (2) Each professional staff member of the office of the governor;

21 (3) Each professional staff member of the legislature; and

22 (4) Central Washington University board of trustees, board of  
23 trustees of each community college, each member of the state board for  
24 community college education, state convention and trade center board of  
25 directors, committee for deferred compensation, Eastern Washington  
26 University board of trustees, Washington economic development finance  
27 authority, The Evergreen State College board of trustees, forest  
28 practices appeals board, forest practices board, gambling commission,  
29 Washington health care facilities authority, state health coordinating  
30 council, higher education coordinating board, higher education

1 facilities authority, higher education personnel board, horse racing  
2 commission, (~~hospital commission,~~) state housing finance commission,  
3 human rights commission, indeterminate sentence review board, board of  
4 industrial insurance appeals, information services board, interagency  
5 committee for outdoor recreation, state investment board, liquor  
6 control board, lottery commission, oil and gas conservation committee,  
7 Pacific Northwest electric power and conservation planning council,  
8 parks and recreation commission, personnel appeals board, personnel  
9 board, pollution control hearings board, public disclosure commission,  
10 public pension commission, shorelines hearing board, state employees'  
11 benefits board, board of tax appeals, transportation commission,  
12 University of Washington board of regents, utilities and transportation  
13 commission, Washington public power supply system executive board,  
14 Washington State University board of regents, Western Washington  
15 University board of trustees, and wildlife commission.

16       **Sec. 18.** RCW 43.82.010 and 1990 c 47 s 1 are each amended to read  
17 as follows:

18       (1) The director of the department of general administration, on  
19 behalf of the agency involved, shall purchase, lease, rent, or  
20 otherwise acquire all real estate, improved or unimproved, as may be  
21 required by elected state officials, institutions, departments,  
22 commissions, boards, and other state agencies, or federal agencies  
23 where joint state and federal activities are undertaken and may grant  
24 easements and transfer, exchange, sell, lease, or sublease all or part  
25 of any surplus real estate for those state agencies which do not  
26 otherwise have the specific authority to dispose of real estate. This  
27 section does not transfer financial liability for the acquired property  
28 to the department of general administration.

1 (2) Except for real estate occupied by federal agencies, the  
2 director shall determine the location, size, and design of any real  
3 estate or improvements thereon acquired or held pursuant to subsection  
4 (1) of this section.

5 (3) The director is authorized to purchase, lease, rent, or  
6 otherwise acquire improved or unimproved real estate as owner or lessee  
7 and to lease or sublet all or a part of such real estate to state or  
8 federal agencies. The director shall charge each using agency its  
9 proportionate rental which shall include an amount sufficient to pay  
10 all costs, including, but not limited to, those for utilities,  
11 janitorial and accounting services, and sufficient to provide for  
12 contingencies; which shall not exceed five percent of the average  
13 annual rental, to meet unforeseen expenses incident to management of  
14 the real estate.

15 (4) If the director determines that it is necessary or advisable to  
16 undertake any work, construction, alteration, repair, or improvement on  
17 any real estate acquired pursuant to subsections (1) or (3) of this  
18 section, the director shall cause plans and specifications thereof and  
19 an estimate of the cost of such work to be made and filed in his office  
20 and the state agency benefiting thereby is hereby authorized to pay for  
21 such work out of any available funds: PROVIDED, That the cost of  
22 executing such work shall not exceed the sum of twenty-five thousand  
23 dollars. Work, construction, alteration, repair, or improvement in  
24 excess of twenty-five thousand dollars, other than that done by the  
25 owner of the property if other than the state, shall be performed in  
26 accordance with the public works law of this state.

27 (5) In order to obtain maximum utilization of space, the director  
28 shall make space utilization studies, and shall establish standards for  
29 use of space by state agencies.

1 (6) The director may construct new buildings on, or improve  
2 existing facilities, and furnish and equip, all real estate under his  
3 management.

4 (7) All conveyances and contracts to purchase, lease, rent,  
5 transfer, exchange, or sell real estate and to grant and accept  
6 easements shall be approved as to form by the attorney general, signed  
7 by the director or the director's designee, and recorded with the  
8 county auditor of the county in which the property is located.

9 (8) The director may delegate any or all of the functions specified  
10 in this section to any agency upon such terms and conditions as the  
11 director deems advisable.

12 (9) This section does not apply to the acquisition of real estate  
13 by:

14 (a) The state college and universities for research or experimental  
15 purposes;

16 (b) The state liquor control (~~board~~) agency for liquor stores and  
17 warehouses; and

18 (c) The department of natural resources, the department of  
19 fisheries, the department of wildlife, the department of  
20 transportation, and the state parks and recreation commission for  
21 purposes other than the leasing of offices, warehouses, and real estate  
22 for similar purposes.

23 (10) Notwithstanding any provision in this chapter to the contrary,  
24 the department of general administration may negotiate ground leases  
25 for public lands on which property is to be acquired under a financing  
26 contract pursuant to chapter 39.94 RCW under terms approved by the  
27 state finance committee.

28 NEW SECTION. **Sec. 19.** RCW 66.08.016 and 1961 c 1 s 30, 1947 c  
29 113 s 2, & 1933 ex.s. c 62 s 65 are each repealed.

1        NEW SECTION.    **Sec. 20.**        Nothing in this act requires the liquor  
2 control agency to discard stationery or signs, rename its facilities or  
3 stores, or incur similar expenses attributable to the renaming of the  
4 agency.

5        NEW SECTION.    **Sec. 21.**        The code reviser shall prepare and  
6 present to the 1992 legislature a bill which corrects references to the  
7 liquor control board that are rendered inaccurate by this act.

8        NEW SECTION.    **Sec. 22.**        Sections 1 through 20 of this act shall  
9 take effect January 1, 1992.