
HOUSE BILL 1942

State of Washington 52nd Legislature 1991 Regular Session

By Representatives Bowman, Hargrove, McLean, Broback, Holland, Paris, Beck, Wilson and Miller.

Read first time February 15, 1991. Referred to Committee on State Government.

1 AN ACT Relating to organization of the liquor control board;
2 amending RCW 66.04.010, 66.08.012, 66.08.014, 66.08.020, 66.08.028,
3 66.08.030, 66.08.050, 66.08.070, 66.08.130, 66.08.140, 66.08.150,
4 66.08.170, 66.08.180, 66.08.220, 66.12.140, 66.16.010, 66.20.070,
5 66.20.080, 66.24.010, 66.44.010, 43.03.028, 43.17.010, and 43.17.020;
6 reenacting and amending RCW 66.20.010 and 42.17.2401; adding new
7 sections to chapter 66.08 RCW; creating new sections; repealing RCW
8 66.08.016; providing an expiration date; and declaring an emergency.

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

10 NEW SECTION. **Sec. 1.** The legislature finds that using the liquor
11 control board to regulate and enforce all aspects of the licensing,
12 enforcement, and retailing of liquor in the state creates potential
13 ethical and professional conflicts of interest and limits the
14 opportunity for some officers and employees of the state to do their
15 jobs in a complete and professional manner.

1 The legislature declares that it is in the best interest of the
2 people of the state for the duties and related powers of the liquor
3 control board to be tailored to those needed for licensing,
4 enforcement, education, and rehabilitation.

5 The legislature further declares that the people will be better
6 served when the sale and marketing of liquor are left to private sector
7 investors and entrepreneurs operating in a competitive market system.

8 **Sec. 2.** 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) "Alcohol" is that substance known as ethyl alcohol, hydrated
12 oxide of ethyl, or spirit of wine, which is commonly produced by the
13 fermentation or distillation of grain, starch, molasses, or sugar, or
14 other substances including all dilutions and mixtures of this
15 substance. The term "alcohol" does not include alcohol in the
16 possession of a manufacturer or distiller of alcohol fuel, as described
17 in RCW 66.12.130, which is intended to be denatured and used as a fuel
18 for use in motor vehicles, farm implements, and machines or implements
19 of husbandry.

20 (2) "Beer" means any malt beverage or malt liquor as these terms
21 are defined in this chapter.

22 (3) "Brewer" means any person engaged in the business of
23 manufacturing beer and malt liquor.

24 (4) "Board" means the Washington state liquor control board,
25 ((constituted under)) which is the agency responsible for administering
26 this title or the director.

27 (5) "Club" means an organization of persons, incorporated or
28 unincorporated, operated solely for fraternal, benevolent, educational,
29 athletic or social purposes, and not for pecuniary gain.

1 (6) "Consume" includes the putting of liquor to any use, whether by
2 drinking or otherwise.

3 (7) "Dentist" means a practitioner of dentistry duly and regularly
4 licensed and engaged in the practice of his or her profession within
5 the state pursuant to chapter 18.32 RCW.

6 (8) "Director" means the director of the Washington state liquor
7 control board.

8 (9) "Distiller" means a person engaged in the business of
9 distilling spirits.

10 (~~(9)~~) (10) "Druggist" means any person who holds a valid
11 certificate and is a registered pharmacist and is duly and regularly
12 engaged in carrying on the business of pharmaceutical chemistry
13 pursuant to chapter 18.64 RCW.

14 (~~(10)~~) (11) "Drug store" means a place whose principal business
15 is(~~(7)~~) the sale of drugs, medicines, and pharmaceutical preparations
16 and maintains a regular prescription department and employs a
17 registered pharmacist during all hours the drug store is open.

18 (~~(11)~~) (12) "Employee" means any person employed by the board,
19 including a vendor, as hereinafter in this section defined.

20 (~~(12)~~) (13) "Fund" means 'liquor revolving fund.'

21 (~~(13)~~) (14) "Hotel" means every building or other structure kept,
22 used, maintained, advertised or held out to the public to be a place
23 where food is served and sleeping accommodations are offered for pay to
24 transient guests, in which twenty or more rooms are used for the
25 sleeping accommodation of such transient guests and having one or more
26 dining rooms where meals are served to such transient guests, such
27 sleeping accommodations and dining rooms being conducted in the same
28 building and buildings, in connection therewith, and such structure or
29 structures being provided, in the judgment of the board, with adequate
30 and sanitary kitchen and dining room equipment and capacity, for

1 preparing, cooking and serving suitable food for its guests: PROVIDED
2 FURTHER, That in cities and towns of less than five thousand
3 population, the board shall have authority to waive the provisions
4 requiring twenty or more rooms.

5 ~~((14))~~ (15) "Imprisonment" means confinement in the county jail.

6 ~~((15))~~ (16) "Liquor" includes the four varieties of liquor herein
7 defined (alcohol, spirits, wine and beer), and all fermented,
8 spirituous, vinous, or malt liquor, or combinations thereof, and mixed
9 liquor, a part of which is fermented, spirituous, vinous or malt
10 liquor, or otherwise intoxicating; and every liquid or solid or
11 semisolid or other substance, patented or not, containing alcohol,
12 spirits, wine or beer, and all drinks or drinkable liquids and all
13 preparations or mixtures capable of human consumption, and any liquid,
14 semisolid, solid, or other substance, which contains more than one
15 percent of alcohol by weight shall be conclusively deemed to be
16 intoxicating. Liquor does not include confections or food products that
17 contain one percent or less of alcohol by weight.

18 ~~((16))~~ (17) "Liquor control board" means the Washington state
19 liquor control board.

20 (18) "Manufacturer" means a person engaged in the preparation of
21 liquor for sale, in any form whatsoever.

22 ~~((17))~~ (19) "Malt beverage" or "malt liquor" means any beverage
23 such as beer, ale, lager beer, stout, and porter obtained by the
24 alcoholic fermentation of an infusion or decoction of pure hops, or
25 pure extract of hops and pure barley malt or other wholesome grain or
26 cereal in pure water containing not more than eight percent of alcohol
27 by weight, and not less than one-half of one percent of alcohol by
28 volume. For the purposes of this title, any such beverage containing
29 more than eight percent of alcohol by weight shall be referred to as
30 "strong beer."

1 (~~(18)~~) (20) "Members of the liquor control board" or "members of
2 the board" means the entity established by RCW 66.08.012 to adopt rules
3 and carry out other duties specified in this title.

4 (21) "Package" means any container or receptacle used for holding
5 liquor.

6 (~~(19)~~) (22) "Permit" means a permit for the purchase of liquor
7 under this title.

8 (~~(20)~~) (23) "Person" means an individual, copartnership,
9 association, or corporation.

10 (~~(21)~~) (24) "Physician" means a medical practitioner duly and
11 regularly licensed and engaged in the practice of his or her profession
12 within the state pursuant to chapter 18.71 RCW.

13 (~~(22)~~) (25) "Prescription" means a memorandum signed by a
14 physician and given by him or her to a patient for the obtaining of
15 liquor pursuant to this title for medicinal purposes.

16 (~~(23)~~) (26) "Public place" includes streets and alleys of
17 incorporated cities and towns; state or county or township highways or
18 roads; buildings and grounds used for school purposes; public dance
19 halls and grounds adjacent thereto; those parts of establishments where
20 beer may be sold under this title, soft drink establishments, public
21 buildings, public meeting halls, lobbies, halls and dining rooms of
22 hotels, restaurants, theatres, stores, garages and filling stations
23 which are open to and are generally used by the public and to which the
24 public is permitted to have unrestricted access; railroad trains,
25 stages, and other public conveyances of all kinds and character, and
26 the depots and waiting rooms used in conjunction therewith which are
27 open to unrestricted use and access by the public; publicly owned
28 bathing beaches, parks, and/or playgrounds; and all other places of
29 like or similar nature to which the general public has unrestricted
30 right of access, and which are generally used by the public.

1 (~~(24)~~) (27) "Regulations" or "rules" means (~~(regulations made)~~)
2 rules adopted pursuant to chapter 34.05 RCW by the members of the board
3 under the powers conferred by this title.

4 (~~(25)~~) (28) "Restaurant" means any establishment provided with
5 special space and accommodations where, in consideration of payment,
6 food, without lodgings, is habitually furnished to the public, not
7 including drug stores and soda fountains.

8 (~~(26)~~) (29) "Sale" and "sell" include exchange, barter, and
9 traffic; and also include the selling or supplying or distributing, by
10 any means whatsoever, of liquor, or of any liquid known or described as
11 beer or by any name whatever commonly used to describe malt or brewed
12 liquor or of wine, by any person to any person; and also include a sale
13 or selling within the state to a foreign consignee or his or her agent
14 in the state.

15 (~~(27)~~) (30) "Soda fountain" means a place especially equipped
16 with apparatus for the purpose of dispensing soft drinks, whether mixed
17 or otherwise.

18 (~~(28)~~) (31) "Spirits" means any beverage which contains alcohol
19 obtained by distillation, including wines exceeding twenty-four percent
20 of alcohol by volume.

21 (~~(29)~~) (32) "Store" means a state liquor store established under
22 this title.

23 (~~(30)~~) (33) "Tavern" means any establishment with special space
24 and accommodation for sale by the glass and for consumption on the
25 premises, of beer, as herein defined.

26 (~~(31)~~) (34) "Vendor" means a person employed by the board as a
27 store manager under this title.

28 (~~(32)~~) (35) "Winery" means a business conducted by any person for
29 the manufacture of wine for sale, other than a domestic winery.

1 (~~(33)~~) (36) "Domestic winery" means a place where wines are
2 manufactured or produced within the state of Washington.

3 (~~(34)~~) (37) "Wine" means any alcoholic beverage obtained by
4 fermentation of fruits (grapes, berries, apples, et cetera) or other
5 agricultural product containing sugar, to which any saccharine
6 substances may have been added before, during or after fermentation,
7 and containing not more than twenty-four percent of alcohol by volume,
8 including sweet wines fortified with wine spirits, such as port,
9 sherry, muscatel and angelica, not exceeding twenty-four percent of
10 alcohol by volume and not less than one-half of one percent of alcohol
11 by volume. For purposes of this title, any beverage containing less
12 than fourteen percent of alcohol by volume when bottled or packaged by
13 the manufacturer shall be referred to as "table wine," and any beverage
14 containing alcohol in an amount equal to or more than fourteen percent
15 by volume when bottled or packaged by the manufacturer shall be
16 referred to as "fortified wine." However, "fortified wine" shall not
17 include: (a) Wines that are both sealed or capped by cork closure and
18 aged two years or more; and (b) wines that contain fourteen percent or
19 more alcohol by volume solely as a result of the natural fermentation
20 process and that have not been produced with the addition of wine
21 spirits, brandy, or alcohol.

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

24 (~~(35)~~) (38) "Beer wholesaler" means a person who buys beer from
25 a brewer or brewery located either within or beyond the boundaries of
26 the state for the purpose of selling the same pursuant to this title,
27 or who represents such brewer or brewery as agent.

28 (~~(36)~~) (39) "Wine wholesaler" means a person who buys wine from
29 a vintner or winery located either within or beyond the boundaries of

1 the state for the purpose of selling the same not in violation of this
2 title, or who represents such vintner or winery as agent.

3 NEW SECTION. **Sec. 3.** A new section is added to chapter 66.08 RCW
4 to read as follows:

5 There shall be an agency of state government known as the
6 "Washington state liquor control board."

7 NEW SECTION. **Sec. 4.** All employees of the liquor control board
8 are transferred to the jurisdiction of the Washington state liquor
9 control board. All employees classified under chapter 41.06 RCW, the
10 state civil service law, are assigned to the Washington state liquor
11 control board to perform their usual duties upon the same terms as
12 formerly, without any loss of rights, subject to any action that may be
13 appropriate thereafter in accordance with the laws and rules governing
14 state civil service.

15 NEW SECTION. **Sec. 5.** Nothing contained in section 4 of this act
16 may be construed to alter any existing collective bargaining unit or
17 the provisions of any existing collective bargaining agreement until
18 the agreement has expired or until the bargaining unit has been
19 modified by action of the personnel board as provided by law.

20 **Sec. 6.** RCW 66.08.012 and 1961 c 307 s 7 are each amended to read
21 as follows:

22 (~~(There shall be a board, known as the "Washington state liquor~~
23 ~~control board," consisting))~~ The members of the liquor control board is
24 established to adopt rules and carry out other duties specified in this
25 title. The members of the liquor control board shall consist of
26 ~~((three))~~ five members, to be appointed by the governor, with the

1 consent of the senate, who shall each be (~~paid an annual salary to be~~
2 ~~fixed by the governor in accordance with the provisions of RCW~~
3 ~~43.03.040. The governor may, in his discretion, appoint one of the~~
4 ~~members as chairman~~) compensated in accordance with RCW 43.03.250 and
5 shall be reimbursed for travel expenses in accordance with RCW
6 43.03.050 and 43.03.060. The members shall elect from among themselves
7 the chair of the board, and a majority of the members shall constitute
8 a quorum of the board. The board shall meet once a month or at such
9 times as the chair may designate.

10 **Sec. 7.** RCW 66.08.014 and 1986 c 105 s 1 are each amended to read
11 as follows:

12 (1) The members of the board to be appointed after December 2,
13 1948, shall be appointed for terms beginning January 15, 1949, and
14 expiring as follows: One member of the board for a term of three years
15 from January 15, 1949; one member of the board for a term of six years
16 from January 15, 1949; and one member of the board for a term of nine
17 years from January 15, 1949. Each of the members of the board
18 appointed hereunder shall hold office until his or her successor is
19 appointed and qualified. After June 11, 1986, the term that began on
20 January 15, 1985, will end on January 15, 1989, the term beginning on
21 January 15, 1988, will end on January 15, 1993, and the term beginning
22 on January 15, 1991, will end on January 15, 1997. Thereafter, upon
23 the expiration of the term of any member appointed after June 11, 1986,
24 each succeeding member of the board shall be appointed and hold office
25 for the term of (~~six~~) four years. The unexpired terms of board
26 members serving on the effective date of this act shall be completed by
27 members appointed to serve part time after the effective date of this
28 act. In case of a vacancy, it shall be filled by appointment by the
29 governor for the unexpired portion of the term in which said vacancy

1 occurs. No vacancy in the membership of the board shall impair the
2 right of the remaining member or members to act, except as herein
3 otherwise provided.

4 (2) The principal office of the board shall be at the state
5 capitol, and it may establish such other offices as it may deem
6 necessary.

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

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

1 **Sec. 8.** RCW 66.08.020 and 1933 ex.s. c 62 s 5 are each amended to
2 read as follows:

3 The executive head and appointing authority of the board shall be
4 the director. The director shall be appointed by, and serve at the
5 pleasure of, the members of the liquor control board. The appointment
6 of the director shall be subject to confirmation by the senate. The
7 director shall be paid a salary to be fixed by the governor in
8 accordance with RCW 43.03.040. The director shall have management
9 experience in a public agency and a business enterprise.

10 The administration of this title, including the general control,
11 management, and supervision of all liquor stores, shall be vested in
12 the (~~liquor control board, constituted under this title~~) director.

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

16 (1) Supervise and administer the operations of the board in
17 accordance with the provisions of this title and the rules adopted by
18 the members of the board;

19 (2) Appoint personnel and prescribe their duties;

20 (3) Enter into contracts on behalf of the board;

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

22 (5) Delegate powers, duties, and functions of the board to
23 employees of the board as the director deems necessary to ensure
24 efficient administration;

25 (6) Appoint advisory committees and undertake studies, research,
26 and analysis necessary to support activities of the board; and

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

28 **Sec. 9.** RCW 66.08.028 and 1987 c 505 s 56 are each amended to read
29 as follows:

1 The (~~board~~) director shall, from time to time, make reports to
2 the (~~governor~~) members of the liquor control board covering such
3 matters in connection with the administration and enforcement of this
4 title as the (~~governor~~) members of the board may require, and,
5 subject to RCW 40.07.040, the (~~board~~) director shall prepare and
6 forward to the (~~governor~~) members of the board biennially, to be laid
7 before the legislature, a report for the fiscal period containing:

8 (1) A financial statement and balance sheet showing in general the
9 condition of the business and its operation during the year;

10 (2) A summary of all prosecutions for infractions and the results
11 thereof;

12 (3) General information and remarks; and

13 (4) Any further information requested by the (~~governor~~) members
14 of the board.

15 **Sec. 10.** RCW 66.08.030 and 1977 ex.s. c 115 s 1 are each amended
16 to read as follows:

17 (1) For the purpose of carrying into effect the provisions of this
18 title according to their true intent or of supplying any deficiency
19 therein, the members of the board may make such (~~regulations~~) rules
20 not inconsistent with the spirit of this title as are deemed necessary
21 or advisable. All (~~regulations~~) rules so made shall be a public
22 record and shall be filed in the office of the code reviser, and
23 thereupon shall have the same force and effect as if incorporated in
24 this title. Such (~~regulations~~) rules, together with a copy of this
25 title, shall be published in pamphlets and shall be distributed as
26 directed by the board.

27 (2) Without thereby limiting the generality of the provisions
28 contained in subsection (1) of this section, it is declared that the

1 power of the members of the board to make ~~((regulations))~~ rules in the
2 manner set out in that subsection shall extend to:

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

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

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

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

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

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

19 ~~((g))~~ (e) Prescribing an official seal and official labels and
20 stamps and determining the manner in which they shall be attached to
21 every package of liquor sold or sealed under this title, including the
22 prescribing of different official seals or different official labels
23 for different classes of liquor;

24 ~~((h))~~ (f) Providing for the payment by the board in whole or in
25 part of the carrying charges on liquor shipped by freight or express;

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

29 ~~((j))~~ (h) Prescribing the fees payable in respect of permits and
30 licenses issued under this title for which no fees are prescribed in

1 this title, and prescribing the fees for anything done or permitted to
2 be done under the (~~regulations~~) rules;

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

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

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

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

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

19 (~~(p)~~) (n) Regulating premises in which liquor is kept for export
20 from the state, or from which liquor is exported, prescribing the books
21 and records to be kept therein and the reports to be made thereon to
22 the board, and providing for the inspection of the premises and the
23 books, records, and the liquor so kept;

24 (~~(q)~~) (o) Prescribing the conditions and qualifications requisite
25 for the obtaining of club licenses and the books and records to be kept
26 and the returns to be made by clubs, prescribing the manner of
27 licensing clubs in any municipality or other locality, and providing
28 for the inspection of clubs;

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

4 (~~(s)~~) (q) Specifying and regulating the time and periods when,
5 and the manner, methods, and means by which manufacturers shall deliver
6 liquor within the state; and the time and periods when, and the manner,
7 methods, and means by which liquor may lawfully be conveyed or carried
8 within the state;

9 (~~(t)~~) (r) Providing for the making of returns by brewers of their
10 sales of beer shipped within the state, or from the state, showing the
11 gross amount of such sales and providing for the inspection of brewers'
12 books and records, and for the checking of the accuracy of any such
13 returns;

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

16 (~~(v)~~) (t) Providing for the making of returns by any other liquor
17 manufacturers, showing the gross amount of liquor produced or
18 purchased, the amount sold within and exported from the state, and to
19 whom so sold or exported, and providing for the inspection of the
20 premises of any such liquor manufacturers, their books and records, and
21 for the checking of any such return;

22 (~~(w)~~) (u) Providing for the giving of fidelity bonds by any or
23 all of the employees of the board: PROVIDED, That the premiums
24 therefor shall be paid by the board;

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

29 (~~(y)~~) (w) Prescribing methods of manufacture, conditions of
30 sanitation, standards of ingredients, quality, and identity of

1 alcoholic beverages manufactured, sold, bottled, or handled by
2 licensees and the board; and conducting from time to time, in the
3 interest of the public health and general welfare, scientific studies
4 and research relating to alcoholic beverages and the use and effect
5 thereof;

6 ~~((z))~~ (x) Seizing, confiscating, and destroying all alcoholic
7 beverages manufactured, sold, or offered for sale within this state
8 which do not conform in all respects to the standards prescribed by
9 this title or the ~~((regulations))~~ rules of the board: PROVIDED,
10 Nothing herein contained shall be construed as authorizing the liquor
11 board to prescribe, alter, limit, or in any way change the present law
12 as to the quantity or percentage of alcohol used in the manufacturing
13 of wine or other alcoholic beverages.

14 **Sec. 11.** RCW 66.08.050 and 1986 c 214 s 2 are each amended to read
15 as follows:

16 (1) The members of the board, subject to the provisions of this
17 title and the ~~((regulations))~~ rules, shall:

18 ~~((1))~~ (a) Determine the localities within which state liquor
19 stores shall be established throughout the state, and the number and
20 situation of the stores within each locality;

21 ~~((2))~~ (b) Appoint in cities and towns and other communities, in
22 which no state liquor store is located, liquor vendors. Such liquor
23 vendors shall be agents of the board and be authorized to sell liquor
24 to such persons, firms, or corporations as provided for the sale of
25 liquor from a state liquor store, and such vendors shall be subject to
26 such additional rules ~~((and regulations))~~ consistent with this title as
27 the board may require; and

28 (c) Determine the nature, form, and capacity of all packages to be
29 used for containing liquor kept for sale under this title.

1 (2) The director, subject to the provisions of this title and the
2 rules, shall:

3 ~~((3))~~ (a) Establish all necessary warehouses for the storing and
4 bottling, diluting, and rectifying of stocks of liquors for the
5 purposes of this title;

6 ~~((4))~~ (b) Provide for the leasing for periods not to exceed ten
7 years of all premises required for the conduct of the business; and for
8 remodeling the same, and the procuring of their furnishings, fixtures,
9 and supplies; and for obtaining options of renewal of such leases by
10 the lessee. The terms of such leases in all other respects shall be
11 ~~((subject to the direction of the board;~~

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

14 ~~(6))~~ determined by the director;

15 (c) Grant or deny licenses and permits;

16 (d) Execute or cause to be executed, all contracts, papers, and
17 documents in the name of the board, under such ~~((regulations))~~ rules as
18 the members of the board may fix;

19 ~~((7))~~ (e) Pay all customs, duties, excises, charges, and
20 obligations whatsoever relating to the business of the board;

21 ~~((8))~~ (f) Require bonds from all employees in the discretion of
22 the board, and to determine the amount of fidelity bond of each such
23 employee;

24 ~~((9))~~ (g) Perform services for the state lottery commission to
25 such extent, and for such compensation, as may be mutually agreed upon
26 between the ~~((board))~~ director and the commission;

27 ~~((10))~~ (h) Perform all other matters and things, whether similar
28 to the foregoing or not, to carry out the provisions of this title, and
29 shall have full power to do each and every act necessary to the conduct
30 of ~~((its))~~ the board's business, including all buying, selling,

1 preparation and approval of forms, and every other function of the
2 business whatsoever, subject only to audit by the state auditor:
3 PROVIDED, That the board shall have no authority to regulate the
4 content of spoken language on licensed premises where wine and other
5 liquors are served and where there is not a clear and present danger of
6 disorderly conduct being provoked by such language;

7 (i) Prepare, update, and execute an integrated liquor control plan
8 that includes, but is not limited to, the following elements:

9 (i) A program to achieve efficiencies and ensure operational
10 integration of regulatory, merchandising, and administrative services;

11 (ii) A program of public and consumer information and coordination
12 with other public agencies and private organizations that emphasizes
13 alcohol abuse prevention and responsible consumption; and

14 (iii) A strategy for implementation of the plan; and

15 (j) Regulate the equipment and management of stores and warehouses
16 in which state liquor is sold or kept, and prescribe the books and
17 records to be kept and the reports to be made.

18 **Sec. 12.** RCW 66.08.070 and 1985 c 226 s 2 are each amended to read
19 as follows:

20 (1) Every order for the purchase of liquor shall be authorized by
21 the ~~((board))~~ director, and no order for liquor shall be valid or
22 binding unless it is so authorized and signed by the ~~((board or its))~~
23 director or the director's authorized designee.

24 (2) A duplicate of every such order shall be kept on file in the
25 office of the ~~((board))~~ director.

26 (3) All cancellations of such orders made by the ~~((board))~~ director
27 shall be signed in the same manner and duplicates thereof kept on file
28 in the office of the ~~((board))~~ director. Nothing in this title shall

1 be construed as preventing the ((board)) director from accepting liquor
2 on consignment.

3 (4) In the purchase of wine or malt beverages the ((board))
4 director shall not require, as a term or condition of purchase, any
5 warranty or affirmation with respect to the relationship of the price
6 charged the board to any price charged any other buyer.

7 **Sec. 13.** RCW 66.08.130 and 1981 1st ex.s. c 5 s 4 are each amended
8 to read as follows:

9 For the purpose of obtaining information concerning any matter
10 relating to the administration or enforcement of this title, the
11 ((board)) director, or any person appointed by ((it)) the director in
12 writing for the purpose, may inspect the books and records of

13 (1) any manufacturer;

14 (2) any license holder;

15 (3) any drug store holding a permit to sell on prescriptions;

16 (4) the freight and express books and records and all waybills,
17 bills of lading, receipts and documents in the possession of any common
18 carrier doing business within the state, containing any information or
19 record relating to any goods shipped or carried, or consigned or
20 received for shipment or carriage within the state. Every
21 manufacturer, license holder, drug store holding a permit to sell on
22 prescriptions, and common carrier, and every owner or officer or
23 employee of the foregoing, who neglects or refuses to produce and
24 submit for inspection any book, record or document referred to in this
25 section when requested to do so by the ((board)) director or by a
26 person so appointed by ((it)) the director shall be guilty of a
27 violation of this title.

1 **Sec. 14.** RCW 66.08.140 and 1945 c 48 s 1 are each amended to read
2 as follows:

3 For the purpose of obtaining information concerning any matter
4 relating to the administration or enforcement of this title, the
5 (~~board~~) director, or any person appointed by (~~it~~) the director in
6 writing for the purpose, may inspect the books, documents and records
7 of any person lending money to or in any manner financing any license,
8 holder or applicant for license insofar as such books, documents and/or
9 records pertain to the financial transaction involved. Every person
10 who neglects or refuses to produce and submit for inspection any book,
11 record or document as required by this section when requested to do so
12 by the (~~board~~) director or by a person duly appointed by (~~it~~) the
13 director shall be guilty of a violation of this title.

14 **Sec. 15.** RCW 66.08.150 and 1989 c 175 s 122 are each amended to
15 read as follows:

16 The action, order, or decision of the (~~board~~) director as to any
17 denial of an application for the reissuance of a permit or license or
18 as to any revocation, suspension, or modification of any permit or
19 license shall be an adjudicative proceeding and subject to the
20 applicable provisions of chapter 34.05 RCW. The final decision in any
21 adjudicative proceeding commenced pursuant to this section or chapter
22 34.05 RCW shall be made by the members of the board.

23 (1) An opportunity for a hearing may be provided an applicant for
24 the reissuance of a permit or license prior to the disposition of the
25 application, and if no such opportunity for a prior hearing is provided
26 then an opportunity for a hearing to reconsider the application must be
27 provided the applicant.

28 (2) An opportunity for a hearing must be provided a permittee or
29 licensee prior to a revocation or modification of any permit or license

1 and, except as provided in subsection (4) of this section, prior to the
2 suspension of any permit or license.

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

5 (4) The ((board)) director may summarily suspend a license or
6 permit for a period of up to thirty days without a prior hearing if
7 ((it)) the director finds that public health, safety, or welfare
8 imperatively require emergency action, and incorporates a finding to
9 that effect in its order; and proceedings for revocation or other
10 action must be promptly instituted and determined.

11 **Sec. 16.** RCW 66.08.170 and 1961 ex.s. c 6 s 1 are each amended to
12 read as follows:

13 There shall be a fund, known as the "liquor revolving fund", which
14 shall consist of all license fees, permit fees, penalties, forfeitures,
15 and all other moneys, income, or revenue received by the board. The
16 state treasurer shall be custodian of the fund. All moneys received by
17 the board or any employee thereof, except for change funds and an
18 amount of petty cash as fixed by the board within the authority of law
19 shall be deposited each day in a depository approved by the state
20 treasurer and transferred to the state treasurer to be credited to the
21 liquor revolving fund. Disbursements from the revolving fund shall be
22 on authorization of the ((board)) director or a duly authorized
23 representative thereof. In order to maintain an effective expenditure
24 and revenue control the liquor revolving fund shall be subject in all
25 respects to chapter 43.88 RCW but no appropriation shall be required to
26 permit expenditures and payment of obligations from such fund.

27 **Sec. 17.** RCW 66.08.180 and 1987 c 458 s 10 are each amended to
28 read as follows:

1 Moneys in the liquor revolving fund shall be distributed by the
2 ((board)) director at least once every three months in accordance with
3 RCW 66.08.190, 66.08.200, and 66.08.210: PROVIDED, That the ((board))
4 director shall reserve from distribution such amount not exceeding five
5 hundred thousand dollars as may be necessary for the proper
6 administration of this title: AND PROVIDED FURTHER, That all license
7 fees, penalties, and forfeitures derived under this act from class H
8 licenses or class H licensees shall every three months be disbursed by
9 the ((board)) director as follows:

10 (1) 5.95 percent to the University of Washington and 3.97 percent
11 to Washington State University for alcoholism and drug abuse research
12 and for the dissemination of such research;

13 (2) 1.75 percent, but in no event less than one hundred fifty
14 thousand dollars per biennium, to the University of Washington to
15 conduct the state toxicological laboratory pursuant to RCW
16 ((68.08.107)) 68.50.107;

17 (3) 88.33 percent to the general fund to be used by the department
18 of social and health services solely to carry out the purposes of RCW
19 70.96.085, as now or hereafter amended;

20 (4) The first fifty-five dollars per license fee provided in RCW
21 66.24.320 and 66.24.330 up to a maximum of one hundred fifty thousand
22 dollars annually shall be disbursed every three months by the ((board))
23 director to the general fund to be used for juvenile alcohol and drug
24 prevention programs for kindergarten through third grade to be
25 administered by the superintendent of public instruction;

26 (5) Twenty percent of the remaining total amount derived from
27 license fees pursuant to RCW 66.24.320, 66.24.330, 66.24.340,
28 66.24.350, 66.24.360, and 66.24.370, shall be transferred to the
29 general fund to be used by the department of social and health services
30 solely to carry out the purposes of RCW 70.96.085; and

1 (6) One-fourth cent per liter of the tax imposed by RCW 66.24.210
2 shall every three months be disbursed by the ((board)) director to
3 Washington State University solely for wine and wine grape research,
4 extension programs related to wine and wine grape research, and
5 resident instruction in both wine grape production and the processing
6 aspects of the wine industry in accordance with RCW 28B.30.068. The
7 director of financial management shall prescribe suitable accounting
8 procedures to ensure that the funds transferred to the general fund to
9 be used by the department of social and health services and
10 appropriated are separately accounted for.

11 **Sec. 18.** RCW 66.08.220 and 1949 c 5 s 11 are each amended to read
12 as follows:

13 The ((board)) director shall set aside in a separate account in the
14 liquor revolving fund an amount equal to ten percent of its gross sales
15 of liquor to class H licensees; and the moneys in said separate account
16 shall be distributed in accordance with the provisions of RCW
17 66.08.190, 66.08.200, and 66.08.210: PROVIDED, HOWEVER, That no
18 election unit in which the sale of liquor under class H licenses is
19 unlawful shall be entitled to share in the distribution of moneys from
20 such separate account.

21 **Sec. 19.** RCW 66.12.140 and 1982 c 85 s 8 are each amended to read
22 as follows:

23 (1) Nothing in this title shall prevent the use of beer, wine,
24 and/or spirituous liquor, for cooking purposes only, in conjunction
25 with a culinary or restaurant course offered by a college, university,
26 community college, area vocational technical institute, or private
27 vocational school. Further, nothing in this title shall prohibit the
28 making of beer or wine in food fermentation courses offered by a

1 college, university, community college, area vocational technical
2 institute, or private vocational school.

3 (2) "Culinary or restaurant course" as used in this section means
4 a course of instruction which includes practical experience in food
5 preparation under the supervision of an instructor who is twenty-one
6 years of age or older.

7 (3) Persons under twenty-one years of age participating in culinary
8 or restaurant courses may handle beer, wine, or spirituous liquor for
9 purposes of participating in the courses, but nothing in this section
10 shall be construed to authorize consumption of liquor by persons under
11 twenty-one years of age or to authorize possession of liquor by persons
12 under twenty-one years of age at any time or place other than while
13 preparing food under the supervision of the course instructor.

14 (4) Beer, wine, and/or spirituous liquor to be used in culinary or
15 restaurant courses shall be purchased at retail from the board or a
16 retailer licensed under this title. All such liquor shall be securely
17 stored in the food preparation area and shall not be displayed in an
18 area open to the general public.

19 (5) Colleges, universities, community colleges, area vocational
20 technical institutes, and private vocational schools shall obtain the
21 prior written approval of the (~~board~~) director for use of beer, wine,
22 and/or spirituous liquor for cooking purposes in their culinary or
23 restaurant courses.

24 **Sec. 20.** RCW 66.16.010 and 1939 c 172 s 10 are each amended to
25 read as follows:

26 (1) There shall be established at such places throughout the state
27 as the (~~liquor control~~) board(~~(, constituted under this title,)~~)
28 shall deem advisable, stores to be known as "state liquor stores," for
29 the sale of liquor in accordance with the provisions of this title and

1 the (~~regulations~~) rules: PROVIDED, That the prices of all liquor
2 shall be fixed by the (~~board~~) director from time to time so that the
3 net annual revenue received (~~by the board~~) therefrom shall not exceed
4 thirty-five percent.

5 (2) The (~~liquor control board~~) director may, from time to time,
6 fix the special price at which pure ethyl alcohol may be sold to
7 physicians and dentists and institutions regularly conducted as
8 hospitals, for use or consumption only in such hospitals; and may also
9 fix the special price at which pure ethyl alcohol may be sold to
10 schools, colleges, and universities within the state for use for
11 scientific purposes. Regularly conducted hospitals may have right to
12 purchase pure ethyl alcohol on a federal permit.

13 (3) The (~~liquor control board~~) director may also fix the special
14 price at which pure ethyl alcohol may be sold to any department,
15 branch, or institution of the state of Washington, federal government,
16 or to any person engaged in a manufacturing or industrial business or
17 in scientific pursuits requiring alcohol for use therein.

18 (4) The (~~liquor control board~~) director may also fix a special
19 price at which pure ethyl alcohol may be sold to any private
20 individual, and the board shall make (~~regulations~~) rules governing
21 such sale of alcohol to private individuals as shall promote, as nearly
22 as may be, the minimum purchase of such alcohol by such persons.

23 **Sec. 21.** RCW 66.20.010 and 1984 c 78 s 6 and 1984 c 45 s 1 are
24 each reenacted and amended to read as follows:

25 Upon application in the prescribed form being made to any employee
26 authorized by the (~~board~~) director to issue permits, accompanied by
27 payment of the prescribed fee, and upon the employee being satisfied
28 that the applicant should be granted a permit under this title, the
29 employee shall issue to the applicant under such (~~regulations~~) rules

1 and at such fee as may be prescribed by the board a permit of the class
2 applied for, as follows:

3 (1) Where the application is for a special permit by a physician or
4 dentist, or by any person in charge of an institution regularly
5 conducted as a hospital or sanitorium for the care of persons in ill
6 health, or as a home devoted exclusively to the care of aged people, a
7 special liquor purchase permit;

8 (2) Where the application is for a special permit by a person
9 engaged within the state in mechanical or manufacturing business or in
10 scientific pursuits requiring alcohol for use therein, or by any
11 private individual, a special permit to purchase alcohol for the
12 purpose named in the permit;

13 (3) Where the application is for a special permit to consume liquor
14 at a banquet, at a specified date and place, a special permit to
15 purchase liquor for consumption at such banquet, to such applicants as
16 may be fixed by the ((board)) director;

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

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

25 (6) Where the application is for a special permit by a person
26 operating a drug store to purchase liquor at retail prices only, to be
27 thereafter sold by such person on the prescription of a physician, a
28 special liquor purchase permit;

29 (7) Where the application is for a special permit by an authorized
30 representative of a military installation operated by or for any of the

1 armed forces within the geographical boundaries of the state of
2 Washington, a special permit to purchase liquor for use on such
3 military installation at prices to be fixed by the (~~board~~) director;

4 (8) Where the application is for a special permit by a
5 manufacturer, importer, wholesaler, or agent thereof, to serve liquor
6 without charge to delegates and guests at a convention of a trade
7 association composed of licensees of the board, when the said liquor is
8 served in a hospitality room or from a booth in a board-approved
9 suppliers' display room at the convention, and when the liquor so
10 served is for consumption in the said hospitality room or display room
11 during the convention, anything in Title 66 RCW to the contrary
12 notwithstanding. Any such spirituous liquor shall be purchased from
13 the board or a class H licensee and any such beer and wine shall be
14 subject to the taxes imposed by RCW 66.24.290 and 66.24.210;

15 (9) Where the application is for a special permit by a
16 manufacturer, importer, wholesaler, or agent thereof, to donate liquor
17 for a reception, breakfast, luncheon, or dinner for delegates and
18 guests at a convention of a trade association composed of licensees of
19 the board, when the liquor so donated is for consumption at the said
20 reception, breakfast, luncheon, or dinner during the convention,
21 anything in Title 66 RCW to the contrary notwithstanding. Any such
22 spirituous liquor shall be purchased from the board or a class H
23 licensee and any such beer and wine shall be subject to the taxes
24 imposed by RCW 66.24.290 and 66.24.210;

25 (10) Where the application is for a special permit by a
26 manufacturer, importer, wholesaler, or agent thereof, to donate and/or
27 serve liquor without charge to delegates and guests at an international
28 trade fair, show, or exposition held under the auspices of a federal,
29 state, or local governmental entity or organized and promoted by a
30 nonprofit organization, anything in Title 66 RCW to the contrary

1 notwithstanding. Any such spirituous liquor shall be purchased from
2 the board and any such beer or wine shall be subject to the taxes
3 imposed by RCW 66.24.290 and 66.24.210;

4 (11) Where the application is for an annual special permit by a
5 person operating a bed and breakfast lodging facility to donate or
6 serve wine or beer without charge to overnight guests of the facility
7 if the wine or beer is for consumption on the premises of the facility.
8 "Bed and breakfast lodging facility," as used in this subsection, means
9 a hotel or similar facility offering from one to eight lodging units
10 and breakfast to travelers and guests.

11 **Sec. 22.** RCW 66.20.070 and 1933 ex.s. c 62 s 17 are each amended
12 to read as follows:

13 Where the holder of any permit issued under this title violates any
14 provision of this title or of the ((regulations)) rules, or is an
15 interdicted person, or is otherwise disqualified from holding a permit,
16 the ((board)) director, upon proof to ((its)) his or her satisfaction
17 of the fact or existence of such violation, interdiction, or
18 disqualification, and in ((its)) his or her discretion, may with or
19 without any hearing, suspend the permit and all rights of the holder
20 thereunder for such period as the ((board)) director sees fit, or may
21 cancel the permit.

22 **Sec. 23.** RCW 66.20.080 and 1933 ex.s. c 62 s 18 are each amended
23 to read as follows:

24 Upon receipt of notice of the suspension or cancellation of his or
25 her permit, the holder of the permit shall forthwith deliver up the
26 permit to the ((board)) director. Where the permit has been suspended
27 only, the ((board)) director shall return the permit to the holder at
28 the expiration or termination of the period of suspension. Where the

1 permit has been suspended or canceled, no employee shall knowingly
2 issue to the person whose permit is suspended or canceled a permit
3 under this title until the end of the period of suspension or within
4 the period of one year from the date of cancellation.

5 **Sec. 24.** RCW 66.24.010 and 1988 c 200 s 1 are each amended to read
6 as follows:

7 (1) Every license shall be issued in the name of the applicant, and
8 the holder thereof shall not allow any other person to use the license.

9 (2) For the purpose of considering any application for a license,
10 the ((board)) director may cause an inspection of the premises to be
11 made, and may inquire into all matters in connection with the
12 construction and operation of the premises. For the purpose of
13 reviewing any application for a license and for considering the denial,
14 suspension, or revocation of any license, the ((liquor control board))
15 director may consider any prior criminal conduct of the applicant and
16 the provisions of RCW 9.95.240 and of chapter 9.96A RCW shall not apply
17 to such cases. The ((board)) director may, in ((its)) his or her
18 discretion, grant or refuse the license applied for. No retail license
19 of any kind may be issued to:

20 (a) A person who has not resided in the state for at least one
21 month prior to making application, except in cases of licenses issued
22 to dining places on railroads, boats, or aircraft;

23 (b) A copartnership, unless all of the members thereof are
24 qualified to obtain a license, as provided in this section;

25 (c) A person whose place of business is conducted by a manager or
26 agent, unless such manager or agent possesses the same qualifications
27 required of the licensee;

1 (d) A corporation, unless it was created under the laws of the
2 state of Washington or holds a certificate of authority to transact
3 business in the state of Washington.

4 (3) The (~~board~~) director may, in (~~its~~) his or her discretion,
5 subject to the provisions of RCW 66.08.150, suspend or cancel any
6 license; and all rights of the licensee to keep or sell liquor
7 thereunder shall be suspended or terminated, as the case may be. The
8 board may request the appointment of administrative law judges under
9 chapter 34.12 RCW who shall have power to administer oaths, issue
10 subpoenas for the attendance of witnesses and the production of papers,
11 books, accounts, documents, and testimony, examine witnesses, and to
12 receive testimony in any inquiry, investigation, hearing, or proceeding
13 in any part of the state, under such rules (~~and regulations~~) as the
14 board may adopt.

15 Witnesses shall be allowed fees and mileage each way to and from
16 any such inquiry, investigation, hearing, or proceeding at the rate
17 authorized by RCW 34.05.446, as now or hereafter amended. Fees need
18 not be paid in advance of appearance of witnesses to testify or to
19 produce books, records, or other legal evidence.

20 In case of disobedience of any person to comply with the order of
21 the board or a subpoena issued by the board, or any of its members, or
22 administrative law judges, or on the refusal of a witness to testify to
23 any matter regarding which (~~he~~) the witness may be lawfully
24 interrogated, the judge of the superior court of the county in which
25 the person resides, on application of any member of the board or
26 administrative law judge, shall compel obedience by contempt
27 proceedings, as in the case of disobedience of the requirements of a
28 subpoena issued from said court or a refusal to testify therein.

29 (4) Upon receipt of notice of the suspension or cancellation of a
30 license, the licensee shall forthwith deliver up the license to the

1 ((board)) director. Where the license has been suspended only, the
2 ((board)) director shall return the license to the licensee at the
3 expiration or termination of the period of suspension. The ((board))
4 director shall notify all vendors in the city or place where the
5 licensee has its premises of the suspension or cancellation of the
6 license; and no employee may allow or cause any liquor to be delivered
7 to or for any person at the premises of that licensee.

8 (5) (a) At the time of the original issuance of a class H license,
9 the ((board)) director shall prorate the license fee charged to the new
10 licensee according to the number of calendar quarters, or portion
11 thereof, remaining until the first renewal of that license is required.

12 (b) Unless sooner canceled, every license issued by the ((board))
13 director shall expire at midnight of the thirtieth day of June of the
14 fiscal year for which it was issued. However, if the board deems it
15 feasible and desirable to do so, it may establish, by rule pursuant to
16 chapter 34.05 RCW, a system for staggering the annual renewal dates for
17 any and all licenses authorized by this chapter. If such a system of
18 staggered annual renewal dates is established by the board, the license
19 fees provided by this chapter shall be appropriately prorated during
20 the first year that the system is in effect.

21 (6) Every license issued under this section shall be subject to all
22 conditions and restrictions imposed by this title or by the
23 ((regulations)) rules in force from time to time. All conditions and
24 restrictions imposed by the ((board)) director in the issuance of an
25 individual license shall be listed on the face of the individual
26 license along with the trade name, address, and expiration date.

27 (7) Every licensee shall post and keep posted its license, or
28 licenses, in a conspicuous place on the premises.

29 (8) Before the ((board)) director shall issue a license to an
30 applicant ((it)) the director shall give notice of such application to

1 the chief executive officer of the incorporated city or town, if the
2 application be for a license within an incorporated city or town, or to
3 the county legislative authority, if the application be for a license
4 outside the boundaries of incorporated cities or towns; and such
5 incorporated city or town, through the official or employee selected by
6 it, or the county legislative authority or the official or employee
7 selected by it, shall have the right to file with the ((board))
8 director within twenty days after date of transmittal of such notice,
9 written objections against the applicant or against the premises for
10 which the license is asked, and shall include with such objections a
11 statement of all facts upon which such objections are based, and in
12 case written objections are filed, may request and the liquor control
13 board may in its discretion hold a formal hearing subject to the
14 applicable provisions of Title 34 RCW, as now or hereafter amended.
15 Upon the granting of a license under this title the ((board)) director
16 shall send a duplicate of the license or written notification to the
17 chief executive officer of the incorporated city or town in which the
18 license is granted, or to the county legislative authority if the
19 license is granted outside the boundaries of incorporated cities or
20 towns.

21 (9) Before the ((board)) director issues any license to any
22 applicant, ((it)) the director shall give (a) due consideration to the
23 location of the business to be conducted under such license with
24 respect to the proximity of churches, schools, and public institutions
25 and (b) written notice by certified mail of the application to
26 churches, schools, and public institutions within five hundred feet of
27 the premises to be licensed. The ((board)) director shall issue no
28 beer retailer license class A, B, D, or E or wine retailer license
29 class C or F or class H license covering any premises not now licensed,
30 if such premises are within five hundred feet of the premises of any

1 tax-supported public elementary or secondary school measured along the
2 most direct route over or across established public walks, streets, or
3 other public passageway from the outer property line of the school
4 grounds to the nearest public entrance of the premises proposed for
5 license, and if, after receipt by the school or public institution of
6 the notice as provided in this subsection, the ((board)) director
7 receives written notice, within twenty days after posting such notice,
8 from an official representative or representatives of the school within
9 five hundred feet of said proposed licensed premises, indicating to the
10 ((board)) director that there is an objection to the issuance of such
11 license because of proximity to a school. For the purpose of this
12 section, church shall mean a building erected for and used exclusively
13 for religious worship and schooling or other activity in connection
14 therewith. No liquor license may be issued or reissued by the ((board))
15 director to any motor sports facility or licensee operating within the
16 motor sports facility unless the motor sports facility enforces a
17 program reasonably calculated to prevent alcohol or alcoholic beverages
18 not purchased within the facility from entering the facility and such
19 program is approved by local law enforcement agencies. It is the
20 intent under this subsection that a retail license shall not be issued
21 by the ((board)) director where doing so would, in the judgment of the
22 ((board)) director, adversely affect a private school meeting the
23 requirements for private schools under Title 28A RCW, which school is
24 within five hundred feet of the proposed licensee. The ((board))
25 director shall fully consider and give substantial weight to objections
26 filed by private schools. If a license is issued despite the proximity
27 of a private school, the ((board)) director shall state in a letter
28 addressed to the private school the board's reasons for issuing the
29 license.

1 (10) The restrictions set forth in the preceding subsection shall
2 not prohibit the ((board)) director from authorizing the transfer of
3 existing licenses now located within the restricted area to other
4 persons or locations within the restricted area: PROVIDED, Such
5 transfer shall in no case result in establishing the licensed premises
6 closer to a church or school than it was before the transfer.

7 (11) Nothing in this section prohibits the ((board)) director, in
8 ((its)) his or her discretion, from issuing a temporary retail or
9 wholesaler license to a transferee of a retail or wholesaler license to
10 continue the operation of the retail or wholesaler premises during the
11 period a transfer application for the license from person to person at
12 the same premises is pending and when the following conditions exist:

13 (a) The licensed premises has been operated under a retail or
14 wholesaler license within ninety days of the date of filing the
15 application for a temporary license;

16 (b) The retail or wholesaler license for the premises has been
17 surrendered pursuant to issuance of a temporary operating license;

18 (c) The applicant for the temporary license has filed with the
19 board an application for transfer of the retail or wholesaler license
20 at such premises to himself or herself; and

21 (d) The application for a temporary license is accompanied by a
22 temporary license fee established by the board by rule.

23 A temporary license issued by the ((board)) director under this
24 section shall be for a period not to exceed sixty days. A temporary
25 license may be extended at the discretion of the ((board)) director for
26 an additional sixty-day period upon payment of an additional fee and
27 upon compliance with all conditions required in this section.

28 Refusal by the ((board)) director to issue or extend a temporary
29 license shall not entitle the applicant to request a hearing. A
30 temporary license may be canceled or suspended summarily at any time if

1 the ((~~board~~)) director determines that good cause for cancellation or
2 suspension exists. RCW 66.08.130 and chapter 34.05 RCW shall apply to
3 temporary licenses.

4 Application for a temporary license shall be on such form as the
5 ((~~board~~)) director shall prescribe. If an application for a temporary
6 license is withdrawn before issuance or is refused by the ((~~board~~))
7 director, the fee which accompanied such application shall be refunded
8 in full.

9 **Sec. 25.** RCW 66.44.010 and 1987 c 202 s 224 are each amended to
10 read as follows:

11 (1) All county and municipal peace officers are hereby charged with
12 the duty of investigating and prosecuting all violations of this title,
13 and the penal laws of this state relating to the manufacture,
14 importation, transportation, possession, distribution, and sale of
15 liquor, and all fines imposed for violations of this title and the
16 penal laws of this state relating to the manufacture, importation,
17 transportation, possession, distribution, and sale of liquor shall
18 belong to the county, city, or town wherein the court imposing the fine
19 is located, and shall be placed in the general fund for payment of the
20 salaries of those engaged in the enforcement of the provisions of this
21 title and the penal laws of this state relating to the manufacture,
22 importation, transportation, possession, distribution, and sale of
23 liquor: PROVIDED, That all fees, fines, forfeitures, and penalties
24 collected or assessed by a district court because of the violation of
25 a state law shall be remitted as provided in chapter 3.62 RCW as now
26 exists or is later amended.

27 (2) In addition to any and all other powers granted, the ((~~board~~))
28 director shall have the power to enforce the penal provisions of this
29 title and the penal laws of this state relating to the manufacture,

1 importation, transportation, possession, distribution, and sale of
2 liquor. The ((board)) director may appoint and employ, assign to duty
3 and fix the compensation of, officers to be designated as liquor
4 enforcement officers. Such liquor enforcement officers shall have the
5 power, under the supervision of the ((board)) director, to enforce the
6 penal provisions of this title and the penal laws of this state
7 relating to the manufacture, importation, transportation, possession,
8 distribution, and sale of liquor. They shall have the power and
9 authority to serve and execute all warrants and process of law issued
10 by the courts in enforcing the penal provisions of this title or of any
11 penal law of this state relating to the manufacture, importation,
12 transportation, possession, distribution, and sale of liquor. They
13 shall have the power to arrest without a warrant any person or persons
14 found in the act of violating any of the penal provisions of this title
15 or of any penal law of this state relating to the manufacture,
16 importation, transportation, possession, distribution, and sale of
17 liquor.

18 **Sec. 26.** RCW 42.17.2401 and 1989 1st ex.s. c 9 s 812, 1989 c 279
19 s 22, and 1989 c 158 s 2 are each reenacted and amended to read as
20 follows:

21 For the purposes of RCW 42.17.240, the term "executive state
22 officer" includes:

23 (1) The chief administrative law judge, the director of
24 agriculture, the administrator of the Washington basic health plan, the
25 director of the department of services for the blind, the director of
26 the state system of community colleges, the director of community
27 development, the secretary of corrections, the director of ecology, the
28 commissioner of employment security, the chairman of the energy
29 facility site evaluation council, the director of the energy office,

1 the secretary of the state finance committee, the director of financial
2 management, the director of fisheries, the executive secretary of the
3 forest practices appeals board, the director of the gambling
4 commission, the director of general administration, the secretary of
5 health, the administrator of the Washington state health care
6 authority, the executive secretary of the health care facilities
7 authority, the executive secretary of the higher education facilities
8 authority, the director of the higher education personnel board, the
9 executive secretary of the horse racing commission, the executive
10 secretary of the human rights commission, the executive secretary of
11 the indeterminate sentence review board, the director of the department
12 of information services, the director of the interagency committee for
13 outdoor recreation, the executive director of the state investment
14 board, the director of labor and industries, the director of licensing,
15 the director of the liquor control board, the director of the lottery
16 commission, the director of the office of minority and women's business
17 enterprises, the director of parks and recreation, the director of
18 personnel, the executive director of the public disclosure commission,
19 the director of retirement systems, the director of revenue, the
20 secretary of social and health services, the chief of the Washington
21 state patrol, the executive secretary of the board of tax appeals, the
22 director of trade and economic development, the secretary of
23 transportation, the secretary of the utilities and transportation
24 commission, the director of veterans affairs, the director of wildlife,
25 the president of each of the regional and state universities and the
26 president of The Evergreen State College, each district and each campus
27 president of each state community college;

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

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

1 (4) Central Washington University board of trustees, board of
2 trustees of each community college, each member of the state board for
3 community college education, state convention and trade center board of
4 directors, committee for deferred compensation, Eastern Washington
5 University board of trustees, Washington economic development finance
6 authority, The Evergreen State College board of trustees, forest
7 practices appeals board, forest practices board, gambling commission,
8 Washington health care facilities authority, state health coordinating
9 council, higher education coordinating board, higher education
10 facilities authority, higher education personnel board, horse racing
11 commission, hospital commission, state housing finance commission,
12 human rights commission, indeterminate sentence review board, board of
13 industrial insurance appeals, information services board, interagency
14 committee for outdoor recreation, state investment board, liquor
15 control board, lottery commission, oil and gas conservation committee,
16 Pacific Northwest electric power and conservation planning council,
17 parks and recreation commission, personnel appeals board, personnel
18 board, pollution control hearings board, public disclosure commission,
19 public pension commission, shorelines hearing board, state employees'
20 benefits board, board of tax appeals, transportation commission,
21 University of Washington board of regents, utilities and transportation
22 commission, Washington public power supply system executive board,
23 Washington State University board of regents, Western Washington
24 University board of trustees, and wildlife commission.

25 **Sec. 27.** RCW 43.03.028 and 1988 c 167 s 9 are each amended to read
26 as follows:

27 (1) There is hereby created a state committee on agency officials'
28 salaries to consist of seven members, or their designees, as follows:
29 The president of the University of Puget Sound; the chairperson of the

1 council of presidents of the state's four-year institutions of higher
2 education; the chairperson of the State Personnel Board; the president
3 of the Association of Washington Business; the president of the Pacific
4 Northwest Personnel Managers' Association; the president of the
5 Washington State Bar Association; and the president of the Washington
6 State Labor Council. If any of the titles or positions mentioned in
7 this subsection are changed or abolished, any person occupying an
8 equivalent or like position shall be qualified for appointment by the
9 governor to membership upon the committee.

10 (2) The committee shall study the duties and salaries of the
11 directors of the several departments and the members of the several
12 boards and commissions of state government, who are subject to
13 appointment by the governor or whose salaries are fixed by the
14 governor, and of the chief executive officers of the following agencies
15 of state government:

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

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

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

9 **Sec. 28.** RCW 43.17.010 and 1989 1st ex.s. c 9 s 810 are each
10 amended to read as follows:

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

25 **Sec. 29.** RCW 43.17.020 and 1989 1st ex.s. c 9 s 811 are each
26 amended to read as follows:

27 There shall be a chief executive officer of each department to be
28 known as: (1) The secretary of social and health services, (2) the

1 director of ecology, (3) the director of labor and industries, (4) the
2 director of agriculture, (5) the director of fisheries, (6) the
3 director of wildlife, (7) the secretary of transportation, (8) the
4 director of licensing, (9) the director of general administration, (10)
5 the director of trade and economic development, (11) the director of
6 veterans affairs, (12) the director of revenue, (13) the director of
7 retirement systems, (14) the secretary of corrections, (15) the
8 director of community development, (~~and~~) (16) the secretary of
9 health, and (17) the director of the liquor control board.

10 Such officers, except the secretary of transportation and the
11 director of the liquor control board, shall be appointed by the
12 governor, with the consent of the senate, and hold office at the
13 pleasure of the governor. The director of wildlife, however, shall be
14 appointed according to the provisions of RCW 77.04.080. If a vacancy
15 occurs while the senate is not in session, the governor shall make a
16 temporary appointment until the next meeting of the senate. A
17 temporary director of wildlife shall not serve more than one year. The
18 secretary of transportation shall be appointed by the transportation
19 commission as prescribed by RCW 47.01.041. The director of the liquor
20 control board shall be appointed by the members of the liquor control
21 board, under RCW 66.08.020.

22 NEW SECTION. Sec. 30. A new section is added to chapter 66.08 RCW
23 to read as follows:

24 (1) There is hereby created a joint committee on liquor control.
25 The committee shall consist of: (a) Four members of the senate
26 appointed by the president of the senate, two of whom shall be members
27 of the majority party and two of whom shall be members of the minority
28 party; and (b) four members of the house of representatives appointed
29 by the speaker of the house of representatives, two of whom shall be

1 members of the majority party and two of whom shall be members of the
2 minority party. The governor shall appoint one member to serve at the
3 pleasure of the governor. Members of the committee shall be appointed
4 before the close of the 1991 legislative session and then as needed to
5 fill vacancies.

6 (2) Each member's term of office shall run from the time appointed
7 until February 15, 1994. The term of office for a committee member who
8 does not continue as a member of the senate or house of representatives
9 shall cease upon the convening of the next session of the legislature
10 or upon the member's resignation, whichever is earlier. Vacancies on
11 the committee shall be filled by appointment in the same manner as
12 described in subsection (1) of this section. All such vacancies shall
13 be filled from the same political party and from the same house as the
14 member whose seat was vacated.

15 (3) The committee shall elect a chairperson and a vice-chairperson.
16 The chairperson shall be a member of the senate in even-numbered years
17 and a member of the house of representatives in odd-numbered years.

18 NEW SECTION. **Sec. 31.** A new section is added to chapter 66.08 RCW
19 to read as follows:

20 (1) The joint committee has the responsibility of developing a
21 process, regulatory structure, and time schedule for transferring
22 responsibilities for the sale, distribution, and marketing of liquor
23 from the Washington state liquor control board to the private sector.
24 The committee's recommendations shall be delivered to the legislature
25 by January 1, 1992.

26 (2) The report of the joint committee on liquor control shall
27 include but is not limited to recommendations on the following:

28 (a) An application process that details the fees, permits, and
29 necessary qualifications for the applicants;

1 (b) A management plan for selling existing stocks, managing and
2 renegotiating existing contracts, and transferring or subleasing any
3 and all property held by the liquor control board;

4 (c) An assessment of the number of employees that will be needed
5 under each option and the prospects for employment in the private
6 sector for employees no longer needed by the liquor control board. The
7 recommendation of the committee shall be consistent with sections 4 and
8 5 of this act, with the highest priority given to keeping state workers
9 employed without needlessly hampering the new private sector
10 participants; and

11 (d) Any information the committee deems necessary.

12 NEW SECTION. **Sec. 32.** A new section is added to chapter 66.08 RCW
13 to read as follows:

14 The joint committee shall recommend necessary rules and shall
15 review the rules adopted by the Washington state liquor control board.
16 The joint committee shall prepare draft legislation when the committee
17 believes that a rule is not appropriate for the private marketplace.

18 NEW SECTION. **Sec. 33.** Sections 30 through 32 of this act
19 shall expire February 15, 1994.

20 NEW SECTION. **Sec. 34.** RCW 66.08.016 and 1961 c 1 s 30, 1947
21 c 113 s 2, & 1933 ex.s. c 62 s 65 are each repealed.

22 NEW SECTION. **Sec. 35.** If any provision of this act or its
23 application to any person or circumstance is held invalid, the
24 remainder of the act or the application of the provision to other
25 persons or circumstances is not affected.

1 NEW SECTION. **Sec. 36.** This act is necessary for the immediate
2 preservation of the public peace, health, or safety, or support of the
3 state government and its existing public institutions, and shall take
4 effect immediately.