
HOUSE BILL 1490

State of Washington

54th Legislature

1995 Regular Session

By Representatives Valle and Wolfe

Read first time 01/27/95. Referred to Committee on Commerce & Labor.

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, and 19.02.050; reenacting and amending
4 RCW 43.03.028, 43.17.010, 43.17.020, 42.17.2401, and 43.82.010; adding
5 new sections to chapter 66.08 RCW; creating new sections; repealing RCW
6 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 1991 c 192 s 1 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
16 other substances including all dilutions and mixtures of this
17 substance. The term "alcohol" does not include alcohol in the
18 possession of a manufacturer or distiller of alcohol fuel, as described
19 in RCW 66.12.130, which is intended to be denatured and used as a fuel

1 for use in motor vehicles, farm implements, and machines or implements
2 of husbandry.

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

5 ~~((+3))~~ (4) "Brewer" means any person engaged in the business of
6 manufacturing beer and malt liquor.

7 ~~((+4))~~ (5) "Board" means the liquor control board, the rule-making
8 and quasi-judicial body constituted under this title.

9 ~~((+5))~~ (6) "Club" means an organization of persons, incorporated
10 or unincorporated, operated solely for fraternal, benevolent,
11 educational, athletic or social purposes, and not for pecuniary gain.

12 ~~((+6))~~ (7) "Consume" includes the putting of liquor to any use,
13 whether by drinking or otherwise.

14 ~~((+7))~~ (8) "Dentist" means a practitioner of dentistry duly and
15 regularly licensed and engaged in the practice of his or her profession
16 within the state pursuant to chapter 18.32 RCW.

17 ~~((+8))~~ (9) "Director" means the director of the liquor control
18 agency.

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

21 ~~((+9))~~ (11) "Druggist" means any person who holds a valid
22 certificate and is a registered pharmacist and is duly and regularly
23 engaged in carrying on the business of pharmaceutical chemistry
24 pursuant to chapter 18.64 RCW.

25 ~~((+10))~~ (12) "Drug store" means a place whose principal business
26 is, the sale of drugs, medicines and pharmaceutical preparations and
27 maintains a regular prescription department and employs a registered
28 pharmacist during all hours the drug store is open.

29 ~~((+11))~~ (13) "Employee" means any person employed by the ~~((board))~~
30 director, including a vendor, as hereinafter in this section defined.

31 ~~((+12))~~ (14) "Fund" means 'liquor revolving fund.'

32 ~~((+13))~~ (15) "Hotel" means every building or other structure kept,
33 used, maintained, advertised or held out to the public to be a place
34 where food is served and sleeping accommodations are offered for pay to
35 transient guests, in which twenty or more rooms are used for the
36 sleeping accommodation of such transient guests and having one or more
37 dining rooms where meals are served to such transient guests, such
38 sleeping accommodations and dining rooms being conducted in the same
39 building and buildings, in connection therewith, and such structure or

1 structures being provided, in the judgment of the board, with adequate
2 and sanitary kitchen and dining room equipment and capacity, for
3 preparing, cooking and serving suitable food for its guests: PROVIDED
4 FURTHER, That in cities and towns of less than five thousand
5 population, the board shall have authority to waive the provisions
6 requiring twenty or more rooms.

7 ~~((14))~~ (16) "Imprisonment" means confinement in the county jail.

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

20 ~~((16))~~ (18) "Manufacturer" means a person engaged in the
21 preparation of 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."

31 ~~((18))~~ (20) "Package" means any container or receptacle used for
32 holding liquor.

33 ~~((19))~~ (21) "Permit" means a permit for the purchase of liquor
34 under this title.

35 ~~((20))~~ (22) "Person" means an individual, copartnership,
36 association, or corporation.

37 ~~((21))~~ (23) "Physician" means a medical practitioner duly and
38 regularly licensed and engaged in the practice of his or her profession
39 within the state pursuant to chapter 18.71 RCW.

1 (~~(22)~~) (24) "Prescription" means a memorandum signed by a
2 physician and given by him or her to a patient for the obtaining of
3 liquor pursuant to this title for medicinal purposes.

4 (~~(23)~~) (25) "Public place" includes streets and alleys of
5 incorporated cities and towns; state or county or township highways or
6 roads; buildings and grounds used for school purposes; public dance
7 halls and grounds adjacent thereto; those parts of establishments where
8 beer may be sold under this title, soft drink establishments, public
9 buildings, public meeting halls, lobbies, halls and dining rooms of
10 hotels, restaurants, theatres, stores, garages and filling stations
11 which are open to and are generally used by the public and to which the
12 public is permitted to have unrestricted access; railroad trains,
13 stages, and other public conveyances of all kinds and character, and
14 the depots and waiting rooms used in conjunction therewith which are
15 open to unrestricted use and access by the public; publicly owned
16 bathing beaches, parks, and/or playgrounds; and all other places of
17 like or similar nature to which the general public has unrestricted
18 right of access, and which are generally used by the public.

19 (~~(24)~~) (26) "Regulations" or "rules" means (~~(regulations made)~~)
20 rules adopted under chapter 34.05 RCW by the board under the powers
21 conferred by this title.

22 (~~(25)~~) (27) "Restaurant" means any establishment provided with
23 special space and accommodations where, in consideration of payment,
24 food, without lodgings, is habitually furnished to the public, not
25 including drug stores and soda fountains.

26 (~~(26)~~) (28) "Sale" and "sell" include exchange, barter, and
27 traffic; and also include the selling or supplying or distributing, by
28 any means whatsoever, of liquor, or of any liquid known or described as
29 beer or by any name whatever commonly used to describe malt or brewed
30 liquor or of wine, by any person to any person; and also include a sale
31 or selling within the state to a foreign consignee or his or her agent
32 in the state. "Sale" and "sell" shall not include the giving, at no
33 charge, of a reasonable amount of liquor by a person not licensed by
34 the (~~board~~) agency to a person not licensed by the (~~board~~) agency,
35 for personal use only. "Sale" and "sell" also does not include a
36 raffle authorized under RCW 9.46.0315: PROVIDED, That the nonprofit
37 organization conducting the raffle has obtained the appropriate permit
38 from the (~~board~~) agency.

1 (~~(27)~~) (29) "Soda fountain" means a place especially equipped
2 with apparatus for the purpose of dispensing soft drinks, whether mixed
3 or otherwise.

4 (~~(28)~~) (30) "Spirits" means any beverage which contains alcohol
5 obtained by distillation, including wines exceeding twenty-four percent
6 of alcohol by volume.

7 (~~(29)~~) (31) "Store" means a state liquor store established under
8 this title.

9 (~~(30)~~) (32) "Tavern" means any establishment with special space
10 and accommodation for sale by the glass and for consumption on the
11 premises, of beer, as herein defined.

12 (~~(31)~~) (33) "Vendor" means a person employed by the (~~board~~)
13 agency as a store manager under this title.

14 (~~(32)~~) (34) "Winery" means a business conducted by any person for
15 the manufacture of wine for sale, other than a domestic winery.

16 (~~(33)~~) (35) "Domestic winery" means a place where wines are
17 manufactured or produced within the state of Washington.

18 (~~(34)~~) (36) "Wine" means any alcoholic beverage obtained by
19 fermentation of fruits (grapes, berries, apples, et cetera) or other
20 agricultural product containing sugar, to which any saccharine
21 substances may have been added before, during or after fermentation,
22 and containing not more than twenty-four percent of alcohol by volume,
23 including sweet wines fortified with wine spirits, such as port,
24 sherry, muscatel and angelica, not exceeding twenty-four percent of
25 alcohol by volume and not less than one-half of one percent of alcohol
26 by volume. For purposes of this title, any beverage containing no more
27 than fourteen percent of alcohol by volume when bottled or packaged by
28 the manufacturer shall be referred to as "table wine," and any beverage
29 containing alcohol in an amount more than fourteen percent by volume
30 when bottled or packaged by the manufacturer shall be referred to as
31 "fortified wine." However, "fortified wine" shall not include: (a)
32 Wines that are both sealed or capped by cork closure and aged two years
33 or more; and (b) wines that contain more than fourteen percent alcohol
34 by volume solely as a result of the natural fermentation process and
35 that have not been produced with the addition of wine spirits, brandy,
36 or alcohol.

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

1 (~~(35)~~) (37) "Beer wholesaler" means a person who buys beer from
2 a brewer or brewery located either within or beyond the boundaries of
3 the state for the purpose of selling the same pursuant to this title,
4 or who represents such brewer or brewery as agent.

5 (~~(36)~~) (38) "Wine wholesaler" means a person who buys wine from
6 a vintner or winery located either within or beyond the boundaries of
7 the state for the purpose of selling the same not in violation of this
8 title, or who represents such vintner or winery as agent.

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

11 There is an agency of state government known as the "Washington
12 state liquor control agency."

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

19 NEW SECTION. **Sec. 3.** All powers, duties, and functions vested by
20 law in the liquor control board are transferred to the director of the
21 liquor control agency, except those powers, duties, and functions which
22 are expressly directed to remain with the board. This transfer shall
23 take place January 1, 1996. This act does not create a new agency, but
24 renames the Washington state liquor control board and provides for a
25 new administrative structure within the renamed agency.

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

28 There shall be a board, known as the "Washington state liquor
29 control board," consisting of three members, to be appointed by the
30 governor, with the consent of the senate, who shall each be (~~paid an~~
31 ~~annual salary to be fixed by the governor in accordance with the~~
32 ~~provisions of RCW 43.03.040~~) compensated in accordance with RCW
33 43.03.250 and shall be reimbursed for subsistence and mileage in
34 accordance with RCW 43.03.050 and 43.03.060. The governor may, in his
35 or her discretion, appoint one of the members as (~~chairman~~) chair of
36 the board, and a majority of the members shall constitute a quorum of

1 the board. The board shall meet once a month or at such times as the
2 chair may designate.

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

5 (1) The members of the board to be appointed after December 2,
6 1948, shall be appointed for terms beginning January 15, 1949, and
7 expiring as follows: One member of the board for a term of three years
8 from January 15, 1949; one member of the board for a term of six years
9 from January 15, 1949; and one member of the board for a term of nine
10 years from January 15, 1949. Each of the members of the board
11 appointed hereunder shall hold office until his or her successor is
12 appointed and qualified. After June 11, 1986, the term that began on
13 January 15, 1985, will end on January 15, 1989, the term beginning on
14 January 15, 1988, will end on January 15, 1993, and the term beginning
15 on January 15, 1991, will end on January 15, 1997. Thereafter, upon
16 the expiration of the term of any member appointed after June 11, 1986,
17 each succeeding member of the board shall be appointed and hold office
18 for the term of six years. The unexpired terms of board members
19 serving on the effective date of this act shall be completed by members
20 appointed to serve part time after the effective date of this act. In
21 case of a vacancy, it shall be filled by appointment by the governor
22 for the unexpired portion of the term in which said vacancy occurs. No
23 vacancy in the membership of the board shall impair the right of the
24 remaining member or members to act, except as herein otherwise
25 provided.

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

29 (3) Any member of the board may be removed for inefficiency,
30 malfeasance or misfeasance in office, upon specific written charges
31 filed by the governor, who shall transmit such written charges to the
32 member accused and to the chief justice of the supreme court. The
33 chief justice shall thereupon designate a tribunal composed of three
34 judges of the superior court to hear and adjudicate the charges. Such
35 tribunal shall fix the time of the hearing, which shall be public, and
36 the procedure for the hearing, and the decision of such tribunal shall
37 be final and not subject to review by the supreme court. Removal of

1 any member of the board by the tribunal shall disqualify such member
2 for reappointment.

3 (4) Each member of the board shall (~~devote his entire time to the~~
4 ~~duties of his office~~) serve part time and no member of the board shall
5 hold any other public office. Before entering upon the duties of his
6 or her office, each of (~~said~~) the members of the board shall enter
7 into a surety bond executed by a surety company authorized to do
8 business in this state, payable to the state of Washington, to be
9 approved by the governor in the penal sum of fifty thousand dollars
10 conditioned upon the faithful performance of his or her duties, and
11 shall take and subscribe to the oath of office prescribed for elective
12 state officers, which oath and bond shall be filed with the secretary
13 of state. The premium for (~~said~~) the bond shall be paid by the
14 (~~board~~) liquor control agency.

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

17 The administration of this title, including the general control,
18 management, and supervision of all liquor stores, shall be vested in
19 the (~~liquor control board, constituted under this title.~~) director,
20 who shall carry out this administrative function in accordance with the
21 rules adopted by the board.

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

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

27 (2) Appoint personnel and prescribe their duties;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

24 (~~(p)~~) (n) Regulating premises in which liquor is kept for export
25 from the state, or from which liquor is exported, prescribing the books
26 and records to be kept therein and the reports to be made thereon to
27 the board, and providing for the inspection of the premises and the
28 books, records and the liquor so kept;

29 (~~(q)~~) (o) Prescribing the conditions and qualifications requisite
30 for the obtaining of club licenses and the books and records to be kept
31 and the returns to be made by clubs, prescribing the manner of
32 licensing clubs in any municipality or other locality, and providing
33 for the inspection of clubs;

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

37 (~~(s)~~) (q) Specifying and regulating the time and periods when,
38 and the manner, methods, and means by which manufacturers shall deliver
39 liquor within the state; and the time and periods when, and the manner,

1 methods, and means by which liquor may lawfully be conveyed or carried
2 within the state;

3 ~~((t))~~ (r) Providing for the making of returns by brewers of their
4 sales of beer shipped within the state, or from the state, showing the
5 gross amount of such sales and providing for the inspection of brewers'
6 books and records, and for the checking of the accuracy of any such
7 returns;

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

10 ~~((v))~~ (t) Providing for the making of returns by any other liquor
11 manufacturers, showing the gross amount of liquor produced or
12 purchased, the amount sold within and exported from the state, and to
13 whom so sold or exported, and providing for the inspection of the
14 premises of any such liquor manufacturers, their books and records, and
15 for the checking of any such return;

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

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

23 ~~((y))~~ (w) Prescribing methods of manufacture, conditions of
24 sanitation, standards of ingredients, quality, and identity of
25 alcoholic beverages manufactured, sold, bottled, or handled by
26 licensees and the ~~((board))~~ liquor control agency; and conducting from
27 time to time, in the interest of the public health and general welfare,
28 scientific studies and research relating to alcoholic beverages and the
29 use and effect thereof; and

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

1 **Sec. 8.** RCW 66.08.050 and 1993 c 25 s 1 are each amended to read
2 as follows:

3 The board, subject to the provisions of this title and the
4 regulations, shall:

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

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

15 ~~(3) ((establish all necessary warehouses for the storing and~~
16 ~~bottling, diluting and rectifying of stocks of liquors for the purposes~~
17 ~~of this title;~~

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

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

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

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

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

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

37 ~~(10) accept and deposit into the general fund local account and~~
38 ~~disburse, subject to appropriation, federal grants or other funds or~~
39 ~~donations from any source for the purpose of improving public awareness~~

1 of the health risks associated with alcohol consumption by youth and
2 the abuse of alcohol by adults in Washington state. The board's
3 alcohol awareness program shall cooperate with federal and state
4 agencies, interested organizations, and individuals to effect an active
5 public beverage alcohol awareness program;

6 (11) perform all other matters and things, whether similar to the
7 foregoing or not, to carry out the provisions of this title, and shall
8 have full power to do each and every act necessary to the conduct of
9 its business, including all buying, selling, preparation and approval
10 of forms, and every other function of the business whatsoever, subject
11 only to audit by the state auditor: PROVIDED, That the board shall
12 have no authority to regulate the content of spoken language on
13 licensed premises where wine and other liquors are served and where
14 there is not a clear and present danger of disorderly conduct being
15 provoked by such language)). In addition to these responsibilities,
16 the final decision in any adjudicative proceeding commenced under RCW
17 66.08.150 or chapter 34.05 RCW shall be made by the board.

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

20 The director, subject to the provisions of this title and the rules
21 of the board, shall:

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

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

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

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

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

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

4 (7) Perform all other matters and things, whether similar to the
5 foregoing or not, to carry out the provisions of this title, and have
6 full power to do each and every act necessary to the conduct of its
7 business, including all buying, selling, preparation and approval of
8 forms, and every other function of the business whatsoever, subject
9 only to audit by the state auditor: PROVIDED, That the director 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.

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

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

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

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

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

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

27 The action, order, or decision of the ((board)) director as to any
28 denial of an application for the reissuance of a permit or license or
29 as to any revocation, suspension, or modification of any permit or
30 license shall be an adjudicative proceeding and subject to the
31 applicable provisions of chapter 34.05 RCW. The final decision in any
32 adjudicative proceeding commenced under this section or chapter 34.05
33 RCW shall be made by the board.

34 (1) An opportunity for a hearing may be provided an applicant for
35 the reissuance of a permit or license prior to the disposition of the
36 application, and if no such opportunity for a prior hearing is provided

1 then an opportunity for a hearing to reconsider the application must be
2 provided the applicant.

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

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

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

15 **Sec. 12.** RCW 10.93.020 and 1994 c 264 s 3 are each amended to read
16 as follows:

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

19 (1) "General authority Washington law enforcement agency" means any
20 agency, department, or division of a municipal corporation, political
21 subdivision, or other unit of local government of this state, and any
22 agency, department, or division of state government, having as its
23 primary function the detection and apprehension of persons committing
24 infractions or violating the traffic or criminal laws in general, as
25 distinguished from a limited authority Washington law enforcement
26 agency, and any other unit of government expressly designated by
27 statute as a general authority Washington law enforcement agency. The
28 Washington state patrol is a general authority Washington law
29 enforcement agency.

30 (2) "Limited authority Washington law enforcement agency" means any
31 agency, political subdivision, or unit of local government of this
32 state, and any agency, department, or division of state government,
33 having as one of its functions the apprehension or detection of persons
34 committing infractions or violating the traffic or criminal laws
35 relating to limited subject areas, including but not limited to, the
36 state departments of natural resources, fish and wildlife, and social
37 and health services, the state gambling commission, the state lottery
38 commission, the state parks and recreation commission, the state

1 utilities and transportation commission, the state liquor control
2 (~~board~~) agency, and the state department of corrections.

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

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

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

30 (6) "Federal peace officer" means any employee or agent of the
31 United States government who has the authority to carry firearms and
32 make warrantless arrests and whose duties involve the enforcement of
33 criminal laws of the United States.

34 (7) "Agency with primary territorial jurisdiction" means a city or
35 town police agency which has responsibility for police activity within
36 its boundaries; or a county police or sheriff's department which has
37 responsibility with regard to police activity in the unincorporated
38 areas within the county boundaries; or a statutorily authorized port
39 district police agency or four-year state college or university police

1 agency which has responsibility for police activity within the
2 statutorily authorized enforcement boundaries of the port district,
3 state college, or university.

4 (8) "Primary commissioning agency" means (a) the employing agency
5 in the case of a general authority Washington peace officer, a limited
6 authority Washington peace officer, an Indian tribal peace officer, or
7 a federal peace officer, and (b) the commissioning agency in the case
8 of a specially commissioned Washington peace officer (i) who is
9 performing functions within the course and scope of the special
10 commission and (ii) who is not also a general authority Washington
11 peace officer, a limited authority Washington peace officer, an Indian
12 tribal peace officer, or a federal peace officer.

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

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

19 **Sec. 13.** RCW 19.02.050 and 1994 c 264 s 8 are each amended to read
20 as follows:

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

- 23 (a) Department of agriculture;
- 24 (b) Secretary of state;
- 25 (c) Department of social and health services;
- 26 (d) Department of revenue;
- 27 (e) Department of fish and wildlife;
- 28 (f) Department of employment security;
- 29 (g) Department of labor and industries;
- 30 (h) Department of community, trade, and economic development;
- 31 (i) Liquor control (~~board~~) agency;
- 32 (j) Department of health;
- 33 (k) Department of licensing;
- 34 (l) Utilities and transportation commission; and
- 35 (m) Other agencies as determined by the governor.

36 **Sec. 14.** RCW 43.03.028 and 1993 c 281 s 45 and 1993 c 101 s 14 are
37 each reenacted and amended to read as follows:

1 (1) There is hereby created a state committee on agency officials'
2 salaries to consist of seven members, or their designees, as follows:
3 The president of the University of Puget Sound; the chairperson of the
4 council of presidents of the state's four-year institutions of higher
5 education; the chairperson of the Washington personnel resources board;
6 the president of the Association of Washington Business; the president
7 of the Pacific Northwest Personnel Managers' Association; the president
8 of the Washington State Bar Association; and the president of the
9 Washington State Labor Council. If any of the titles or positions
10 mentioned in this subsection are changed or abolished, any person
11 occupying an equivalent or like position shall be qualified for
12 appointment by the governor to membership upon the committee.

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

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

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

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

1 **Sec. 15.** RCW 43.17.010 and 1993 sp.s. c 2 s 16, 1993 c 472 s 17,
2 and 1993 c 280 s 18 are each reenacted and 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 fish and wildlife,
7 (6) the department of transportation, (7) the department of licensing,
8 (8) the department of general administration, (9) the department of
9 community, trade, and economic development, (10) the department of
10 veterans affairs, (11) the department of revenue, (12) the department
11 of retirement systems, (13) the department of corrections, ((and)) (14)
12 the department of health, ((and)) (15) the department of financial
13 institutions, and (16) the liquor control agency, which shall be
14 charged with the execution, enforcement, and administration of such
15 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 1993 sp.s. c 2 s 17, 1993 c 472 s 18,
18 and 1993 c 280 s 19 are each reenacted and 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 fish and wildlife, (6) the
23 secretary of transportation, (7) the director of licensing, (8) the
24 director of general administration, (9) the director of community,
25 trade, and economic development, (10) the director of veterans affairs,
26 (11) the director of revenue, (12) the director of retirement systems,
27 (13) the secretary of corrections, ((and)) (14) the secretary of
28 health, ((and)) (15) the director of financial institutions, and the
29 director of the liquor control agency.

30 Such officers, except the secretary of transportation, shall be
31 appointed by the governor, with the consent of the senate, and hold
32 office at the pleasure of the governor. The secretary of
33 transportation shall be appointed by the transportation commission as
34 prescribed by RCW 47.01.041.

35 **Sec. 17.** RCW 42.17.2401 and 1993 sp.s. c 2 s 18, 1993 c 492 s 488,
36 and 1993 c 281 s 43 are each reenacted and amended to read as follows:

1 For the purposes of RCW 42.17.240, the term "executive state
2 officer" includes:

3 (1) The chief administrative law judge, the director of
4 agriculture, the administrator of the office of marine safety, the
5 administrator of the Washington basic health plan, the director of the
6 department of services for the blind, the director of the state system
7 of community and technical colleges, the director of community, trade,
8 and economic development, the secretary of corrections, the director of
9 ecology, the commissioner of employment security, the chairman of the
10 energy facility site evaluation council, the director of the energy
11 office, the secretary of the state finance committee, the director of
12 financial management, the director of fish and wildlife, the executive
13 secretary of the forest practices appeals board, the director of the
14 gambling commission, the director of general administration, the
15 secretary of health, the administrator of the Washington state health
16 care authority, the executive secretary of the health care facilities
17 authority, the executive secretary of the higher education facilities
18 authority, the executive secretary of the horse racing commission, the
19 executive secretary of the human rights commission, the executive
20 secretary of the indeterminate sentence review board, the director of
21 the department of information services, the director of the interagency
22 committee for outdoor recreation, the executive director of the state
23 investment board, the director of labor and industries, the director of
24 licensing, the director of the liquor control agency, the director of
25 the lottery commission, the director of the office of minority and
26 women's business enterprises, the director of parks and recreation, the
27 director of personnel, the executive director of the public disclosure
28 commission, the director of retirement systems, the director of
29 revenue, the secretary of social and health services, the chief of the
30 Washington state patrol, the executive secretary of the board of tax
31 appeals, (~~the director of trade and economic development,~~) the
32 secretary of transportation, the secretary of the utilities and
33 transportation commission, the director of veterans affairs, the
34 president of each of the regional and state universities and the
35 president of The Evergreen State College, each district and each campus
36 president of each state community college;

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

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

27 **Sec. 18.** RCW 43.82.010 and 1994 c 264 s 28 and 1994 c 219 s 7 are
28 each reenacted and amended to read as follows:

29 (1) The director of general administration, on behalf of the agency
30 involved, shall purchase, lease, lease purchase, rent, or otherwise
31 acquire all real estate, improved or unimproved, as may be required by
32 elected state officials, institutions, departments, commissions,
33 boards, and other state agencies, or federal agencies where joint state
34 and federal activities are undertaken and may grant easements and
35 transfer, exchange, sell, lease, or sublease all or part of any surplus
36 real estate for those state agencies which do not otherwise have the
37 specific authority to dispose of real estate. This section does not

1 transfer financial liability for the acquired property to the
2 department of general administration.

3 (2) Except for real estate occupied by federal agencies, the
4 director shall determine the location, size, and design of any real
5 estate or improvements thereon acquired or held pursuant to subsection
6 (1) of this section. Facilities acquired or held pursuant to this
7 chapter, and any improvements thereon, shall conform to standards
8 adopted by the director and approved by the office of financial
9 management governing facility efficiency unless a specific exemption
10 from such standards is provided by the director of general
11 administration. The director of general administration shall report to
12 the office of financial management annually on any exemptions granted
13 pursuant to this subsection.

14 (3) The director of general administration may fix the terms and
15 conditions of each lease entered into under this chapter, except that
16 no lease shall extend greater than twenty years in duration. The
17 director of general administration may enter into a long-term lease
18 greater than five years in duration upon a determination by the
19 director of the office of financial management that the long-term lease
20 provides a more favorable rate than would otherwise be available, it
21 appears to a substantial certainty that the facility is necessary for
22 use by the state for the full length of the lease term, and the
23 facility meets the standards adopted pursuant to subsection (2) of this
24 section. The director of general administration may enter into a long-
25 term lease greater than ten years in duration if an analysis shows that
26 the life-cycle cost of leasing the facility is less than the life-cycle
27 cost of purchasing or constructing a facility in lieu of leasing the
28 facility.

29 (4) It is the policy of the state to encourage the collocation and
30 consolidation of state services into single or adjacent facilities,
31 whenever appropriate, to improve public service delivery, minimize
32 duplication of facilities, increase efficiency of operations, and
33 promote sound growth management planning.

34 (5) The director of general administration shall provide
35 coordinated long-range planning services to identify and evaluate
36 opportunities for collocating and consolidating state facilities. Upon
37 the renewal of any lease, the inception of a new lease, or the purchase
38 of a facility, the director of general administration shall determine
39 whether an opportunity exists for collocating the agency or agencies in

1 a single facility with other agencies located in the same geographic
2 area. If a collocation opportunity exists, the director of general
3 administration shall consult with the affected state agencies and the
4 office of financial management to evaluate the impact collocation would
5 have on the cost and delivery of agency programs, including whether
6 program delivery would be enhanced due to the centralization of
7 services. The director of general administration, in consultation with
8 the office of financial management, shall develop procedures for
9 implementing collocation and consolidation of state facilities.

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

20 (7) If the director of general administration determines that it is
21 necessary or advisable to undertake any work, construction, alteration,
22 repair, or improvement on any real estate acquired pursuant to
23 subsection (1) or (6) of this section, the director shall cause plans
24 and specifications thereof and an estimate of the cost of such work to
25 be made and filed in his or her office and the state agency benefiting
26 thereby is hereby authorized to pay for such work out of any available
27 funds: PROVIDED, That the cost of executing such work shall not exceed
28 the sum of twenty-five thousand dollars. Work, construction,
29 alteration, repair, or improvement in excess of twenty-five thousand
30 dollars, other than that done by the owner of the property if other
31 than the state, shall be performed in accordance with the public works
32 law of this state.

33 (8) In order to obtain maximum utilization of space, the director
34 of general administration shall make space utilization studies, and
35 shall establish standards for use of space by state agencies. Such
36 studies shall include the identification of opportunities for
37 collocation and consolidation of state agency office and support
38 facilities.

1 (9) The director of general administration may construct new
2 buildings on, or improve existing facilities, and furnish and equip,
3 all real estate under his or her management. Prior to the construction
4 of new buildings or major improvements to existing facilities or
5 acquisition of facilities using a lease purchase contract, the director
6 of general administration shall conduct an evaluation of the facility
7 design and budget using life-cycle cost analysis, value-engineering,
8 and other techniques to maximize the long-term effectiveness and
9 efficiency of the facility or improvement.

10 (10) All conveyances and contracts to purchase, lease, rent,
11 transfer, exchange, or sell real estate and to grant and accept
12 easements shall be approved as to form by the attorney general, signed
13 by the director of general administration or the director's designee,
14 and recorded with the county auditor of the county in which the
15 property is located.

16 (11) The director of general administration may delegate any or all
17 of the functions specified in this section to any agency upon such
18 terms and conditions as the director deems advisable.

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

21 (a) The state college and universities for research or experimental
22 purposes;

23 (b) The state liquor control (~~board~~) agency for liquor stores and
24 warehouses; and

25 (c) The department of natural resources, the department of fish and
26 wildlife, the department of transportation, and the state parks and
27 recreation commission for purposes other than the leasing of offices,
28 warehouses, and real estate for similar purposes.

29 (13) Notwithstanding any provision in this chapter to the contrary,
30 the department of general administration may negotiate ground leases
31 for public lands on which property is to be acquired under a financing
32 contract pursuant to chapter 39.94 RCW under terms approved by the
33 state finance committee.

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

36 NEW SECTION. **Sec. 20.** Nothing in this act requires the liquor
37 control agency to discard stationery or signs, rename its facilities or

1 stores, or incur similar expenses attributable to the renaming of the
2 agency.

3 NEW SECTION. **Sec. 21.** The code reviser shall prepare and present
4 to the 1996 legislature a bill which corrects references to the liquor
5 control board that are rendered inaccurate by this act.

6 NEW SECTION. **Sec. 22.** This act shall take effect January 1, 1996.

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