## CERTIFICATION OF ENROLLMENT

## HOUSE BILL 1698

69th Legislature 2025 Regular Session

Yeas 95 Nays 0	CERTIFICATE
Speaker of the House of Representatives	I, Bernard Dean, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is <b>HOUSE</b> BILL 1698 as passed by the House of Representatives and the Senate on the dates hereon set forth.
Passed by the Senate April 16, 2025 Yeas 48 Nays 0	Chief Clerk
President of the Senate	
Approved	FILED
Governor of the State of Washington	Secretary of State State of Washington

## HOUSE BILL 1698

Passed Legislature - 2025 Regular Session

State of Washington 69th Legislature 2025 Regular Session

By Representatives Waters and Reed; by request of Liquor and Cannabis Board

Read first time 01/29/25. Referred to Committee on Consumer Protection & Business.

- 1 AN ACT Relating to updating liquor permit and licensing
- 2 provisions; amending RCW 66.20.010, 66.20.300, 66.20.310, and
- 3 66.20.320; and repealing RCW 66.24.580.

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- 4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 5 **Sec. 1.** RCW 66.20.010 and 2024 c 91 s 1 are each amended to read 6 as follows:
  - Upon application in the prescribed form being made to any employee authorized by the board to issue permits, accompanied by payment of the prescribed fee, and upon the employee being satisfied that the applicant should be granted a permit under this title, the employee must issue to the applicant under such regulations and at such fee as may be prescribed by the board a permit of the class applied for, as follows:
- (1) Where the application is for a special permit by a physician or dentist, or by any person in charge of an institution regularly conducted as a hospital or sanatorium for the care of persons in ill health, or as a home devoted exclusively to the care of aged people, a special liquor purchase permit, except that the governor may waive the requirement for a special liquor purchase permit under this subsection pursuant to an order issued under RCW 43.06.220(2);

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(2) Where the application is for a special permit by a person engaged within the state in mechanical or manufacturing business or in scientific pursuits requiring alcohol for use therein, or by any private individual, a special permit to purchase alcohol for the purpose named in the permit, except that the governor may waive the requirement for a special liquor purchase permit under this subsection pursuant to an order issued under RCW 43.06.220(2);

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

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contrary notwithstanding. Any such spirituous liquor must purchased from a spirits retailer or distributor, and any such liquor is subject to the taxes imposed by RCW 82.08.150, 66.24.290, and 66.24.210;

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 $((\frac{9}{1}))$  Mhere the application is for a special permit by a manufacturer, importer, or distributor, or representative thereof, to donate liquor for a reception, breakfast, luncheon, or dinner for delegates and guests at a convention of a trade association composed of licensees of the board, when the liquor so donated is for consumption at the said reception, breakfast, luncheon, or dinner during the convention, anything in this title to the contrary notwithstanding. Any such spirituous liquor must be purchased from a spirits retailer or distributor, and any such liquor is subject to the taxes imposed by RCW 82.08.150, 66.24.290, and 66.24.210;

 $((\frac{10}{10}))$  Mhere the application is for a special permit by a manufacturer, importer, or distributor, or representative thereof, to donate and/or serve liquor without charge to delegates and guests at an international trade fair, show, or exposition held under the auspices of a federal, state, or local governmental entity or organized and promoted by a nonprofit organization, anything in this title to the contrary notwithstanding. Any such spirituous liquor must be purchased from a liquor spirits retailer or distributor, and any such liquor is subject to the taxes imposed by RCW 82.08.150, 66.24.290, and 66.24.210;

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

 $((\frac{12}{12}))$  Mhere the application is for a special permit to allow tasting of alcohol by persons at least 18 years of age under the following circumstances:

- (a) The application is from a community or technical college as defined in RCW 28B.50.030, a regional university, or a state university;
- (b) The person who is permitted to taste under this subsection is 38 39 enrolled as a student in a required or elective class that is part of a culinary, sommelier, wine business, enology, viticulture, wine

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program;

- (c) The alcohol served to any person in the degree-related programs under (b) of this subsection is tasted but not consumed for the purposes of educational training as part of the class curriculum with the approval of the educational provider;
- (d) The service and tasting of alcoholic beverages is supervised by a faculty or staff member of the educational provider who is 21 years of age or older. The supervising faculty or staff member shall possess a class 12 or 13 alcohol server permit under the provisions of RCW 66.20.310;
- (e) The enrolled student permitted to taste the alcoholic beverages does not purchase the alcoholic beverages;
- (f) The enrolled student permitted to taste the alcoholic beverages conducts the tasting either: (i) On the premises of the college or university at which the student is enrolled; or (ii) while on a field trip to a grape-growing area or production facility so long as the enrolled student is accompanied by a faculty or staff member with a class 12 or 13 alcohol server permit who supervises as provided in (d) of this subsection and all other requirements of this subsection (((12))) (11) are met; and
- (g) The permit fee for the special permit provided for in this subsection  $((\frac{12}{12}))$  (11) must be waived by the board;
- (((13))) (12) Where the application is for a special permit by a distillery or craft distillery for an event not open to the general public to be held or conducted at a specific place, including at the licensed premise of the applying distillery or craft distillery, upon a specific date for the purpose of tasting and selling spirits of its own production. The distillery or craft distillery must obtain a permit for a fee of \$10 per event. An application for the permit must be submitted for private banquet permits prior to the event and, once issued, must be posted in a conspicuous place at the premises for which the permit was issued during all times the permit is in use. No licensee may receive more than 12 permits under this subsection (((13))) each year;
- (((14))) (13) Where the application is for a special permit by a manufacturer of wine for an event not open to the general public to be held or conducted at a specific place upon a specific date for the purpose of tasting and selling wine of its own production. The winery must obtain a permit for a fee of \$10 per event. An application for

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the permit must be submitted at least ten days before the event and once issued, must be posted in a conspicuous place at the premises for which the permit was issued during all times the permit is in use. No more than 12 events per year may be held by a single manufacturer under this subsection;

((<del>(15)</del>)) (14) Where the application is for a special permit by a manufacturer of beer for an event not open to the general public to be held or conducted at a specific place upon a specific date for the purpose of tasting and selling beer of its own production. The brewery or microbrewery must obtain a permit for a fee of \$10 per event. An application for the permit must be submitted at least 10 days before the event and, once issued, must be posted in a conspicuous place at the premises for which the permit was issued during all times the permit is in use. No more than 12 events per year may be held by a single manufacturer under this subsection;

((\(\frac{(16\)}\))) (15) Where the application is for a special permit by an individual or business to sell a private collection of wine or spirits to an individual or business. The seller must obtain a permit at least five business days before the sale, for a fee of \$25 per sale. The seller must provide an inventory of products sold and the agreed price on a form provided by the board. The seller shall submit the report and taxes due to the board no later than 20 calendar days after the sale. A permit may be issued under this section to allow the sale of a private collection to licensees, but may not be issued to a licensee to sell to a private individual or business which is not otherwise authorized under the license held by the seller. If the liquor is purchased by a licensee, all sales are subject to taxes assessed as on liquor acquired from any other source. The board may adopt rules to implement this section;

(((17))) (16)(a) A special permit, where the application is for a special permit by a nonprofit organization to sell wine through an auction, not open to the public, to be conducted at a specific place, upon a specific date, and to allow wine tastings at the auction of the wine to be auctioned.

- 35 (b) A permit holder under this subsection  $((\frac{17}{17}))$  (16) may at 36 the specified event:
  - (i) Sell wine by auction for off-premises consumption; and
- 38 (ii) Allow tastings of samples of the wine to be auctioned at the 39 event.

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(c) An application is required for a permit under this subsection (((17))) (16). The application must be submitted prior to the event and once issued must be posted in a conspicuous place at the premises for which the permit was issued during all times the permit is in use.

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- (d) Wine from more than one winery may be sold at the auction; however, each winery selling wine at the auction must be listed on the permit application. Only a single application form may be required for each auction, regardless of the number of wineries that are selling wine at the auction. The total fee per event for a permit issued under this subsection (((17))) (16) is \$25 multiplied by the number of wineries that are selling wine at the auction.
- (e) For the purposes of this subsection  $((\frac{17}{17}))$  (16), "nonprofit organization" means an entity incorporated as a nonprofit organization under Washington state law.
  - (f) The board may adopt rules to implement this section;
- $((\frac{18}{18}))$  An annual special permit to allow a short-term rental operator to provide one complimentary bottle of wine to rental guests who are age 21 or over. The annual special permit fee is \$75. A single permit applies to all rental properties owned or operated by short-term rental operator and identified in the application. One complimentary bottle of wine per booking may be provided, regardless of the total number of rental guests. The provision of the complimentary bottle of wine may occur only after an operator or staff person of the short-term rental, who is present at the short-term rental property, verifies that each rental quest who will consume the complimentary bottle of wine is age 21 or over by checking a valid form of identification of each such rental guest at the time rental guests arrive. The rental guests must be informed the rental guests are being offered one complimentary bottle of wine and that opening or consuming the bottle of wine in a public place is illegal pursuant to RCW 66.44.100. The rental guests must not have notified the operator that the rental quests decline the complimentary bottle of wine. The complimentary bottle of wine may be consumed on the premises of the rental property or removed and consumed off the premises of the rental property. A permit holder may wine from wine distributors in accordance with 66.24.200, and from retailers and other suppliers of wine authorized under this title to sell wine at retail to consumers for off-premises consumption. For purposes of this subsection, the terms "short-term

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rental," "operator," and "guest" have the same meanings as in RCW 64.37.010; and

(((19))) (18) Where the application is for an emergency liquor 3 permit by a licensed manufacturer to authorize the sale, service, and 4 consumption of liquor on the premises of another liquor licensee with 5 6 retail sales privileges when an emergency or disaster as defined in RCW 38.52.010 has made the premises of the applicant inaccessible and 7 unable to operate due to an emergency or road closure, except that 8 the fee must be waived if there is a proclamation of a state of 9 emergency issued by the governor or by the city, town, or county 10 11 where the applicant is located. The permit shall be valid for 30 days 12 and may be continually renewed for periods of 30 days if the emergency or disaster continues. Employees or agents of the emergency 13 permit holder or the licensed premises may serve liquor provided by 14 the permit holder. The permit holder may store no more than a 30-day 15 16 supply of liquor at the licensed premises in segregated storage. No 17 more than a total of three emergency permit holders may sell at the same licensed premises under an emergency permit. 18

19 **Sec. 2.** RCW 66.20.300 and 2019 c 64 s 20 are each amended to 20 read as follows:

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The definitions in this section apply throughout RCW 66.20.310 through 66.20.350 unless the context clearly requires otherwise.

- (1) "Alcohol" has the same meaning as "liquor" in RCW 66.04.010.
- (2) "Alcohol server" means any person who as part of ((his or her)) their employment participates in the sale or service of alcoholic beverages for on-premises consumption at ((a retail licensed premise)) an on-premises licensed facility as a regular requirement of ((his or her)) their employment, and includes those persons eighteen years of age or older permitted by the liquor laws of this state to serve alcoholic beverages with meals.
- (3) (("Board" means the Washington state liquor and cannabis board.
- 33 (4) "Retail licensed premises")) "On-premises licensed facility"
  34 means any:
  - (a) Premises ((licensed)) issued an annual license to sell or serve alcohol by the glass or by the drink, or in original containers primarily for consumption on the premises, or a premises holding a privilege for on-premises tasting activities, as authorized by this ((section and RCW 66.20.310, 66.24.320, 66.24.330, 66.24.350,

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- 1 66.24.400, 66.24.425, 66.24.690, 66.24.450, 66.24.570, 66.24.610, 66.24.650, 66.24.655, and 66.24.680)) title;
- 3 (b) Distillery licensed pursuant to RCW 66.24.140 that is 4 authorized to serve samples of its own production;
  - (c) Facility established by a domestic winery for serving and selling wine pursuant to RCW 66.24.170(4); ((and))
- 7 (d) <u>Brewery or microbrewery authorized to serve or sell beer or</u> 8 <u>other liquor under RCW 66.24.240 or 66.24.244;</u>
- 9 <u>(e)</u> Grocery store licensed under RCW 66.24.360, but only with 10 respect to employees whose duties include serving during tasting 11 activities under RCW 66.24.363;
- (f) Beer and/or wine specialty shop licensed under RCW 66.24.371, but only with respect to employees whose duties include serving during tasting activities;
- 15 (g) Spirit retailers licensed under RCW 66.24.630 or 66.24.632,
  16 but only with respect to employees whose duties include serving
  17 during tasting activities.
- 18  $((\frac{(5)}{)})$   $\underline{(4)}$  "Training entity" means any liquor licensee 19 associations, independent contractors, private persons, and private 20 or public schools, that have been certified by the board.
- 21 **Sec. 3.** RCW 66.20.310 and 2024 c 265 s 1 are each amended to 22 read as follows:
- 23 (1)(a) There is an alcohol server permit, known as a class 12 24 permit, for:
- 25 (i) A manager;

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- 26 (ii) A bartender selling or mixing alcohol, spirits, wines, or 27 beer for consumption at an on-premises licensed facility; or
- 28 (iii) An employee conducting alcohol deliveries for a licensee 29 that delivers alcohol under RCW 66.24.710.
- 30 (b) There is an alcohol server permit, known as a class 13 permit, for a person who only serves alcohol, spirits, wines, or beer 32 for consumption at an on-premises licensed facility.
- 33 (c) As provided by rule by the board, a class 13 permit holder 34 may be allowed to act as a bartender without holding a class 12 35 permit.
- 36 (2)(a) Effective January 1, 1997, except as provided in (d) of 37 this subsection, every alcohol server employed, under contract or 38 otherwise, at ((a retail licensed premise)) an on-premises licensed 39 facility must be issued a class 12 or class 13 permit.

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(b) Every class 12 and class 13 permit issued must be issued in the name of the applicant and no other person may use the permit of another permit holder. The holder must present the permit upon request to inspection by a representative of the board or a peace officer. The class 12 or class 13 permit is valid for employment at any ((retail licensed premises)) on-premises licensed facility described in (a) of this subsection.

- (c) Except as provided in (d) of this subsection, no licensee of an on-premises licensed facility holding a license as authorized by this ((section and RCW 66.20.300, 66.24.320, 66.24.330, 66.24.350, 66.24.400, 66.24.425, 66.24.690, 66.24.450, 66.24.570, 66.24.600, 66.24.610, 66.24.650, 66.24.655, and 66.24.680)) title may employ or accept the services of any person whose duties include the compounding, sale, service, or handling of liquor without the person first having a valid class 12 or class 13 permit.
- (d) Within sixty days of initial employment, every person whose duties include the compounding, sale, service, or handling of liquor must have a class 12 or class 13 permit.
- (e) No person may perform duties that include the sale or service of alcoholic beverages ((on a retail licensed premises)) at an on-premises licensed facility without possessing a valid alcohol server permit.
- (f) Every person whose duties include the delivery of alcohol authorized under RCW 66.24.710 must have a class 12 permit before engaging in alcohol delivery. A delivery employee whose duties include the delivery of alcohol authorized under RCW 66.24.710 must complete an approved class 12 permit course that includes a curriculum component that covers best practices for delivery of alcohol.
- (3) A permit issued by a training entity under this section is valid for employment at any ((retail licensed premises)) on-premises licensed facility described in subsection (2)(a) of this section for a period of five years unless suspended by the board.
- (4) The board may suspend or revoke an existing permit if any of the following occur:
- (a) The applicant or permittee has been convicted of violating any of the state or local intoxicating liquor laws of this state, has been convicted at any time of a felony under chapter 9A.40, 9A.44, 9A.46, 9A.86, or 9A.88 RCW, or a felony that is directly related to alcohol service; or

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1 (b) The permittee has performed or permitted any act that 2 constitutes a violation of this title or of any rule of the board.

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- (5) The suspension or revocation of a permit under this section does not relieve a licensee from responsibility for any act of the employee or agent while employed upon the ((retail licensed premises)) on-premises licensed facility. The board may, as appropriate, revoke or suspend either the permit of the employee who committed the violation or the license of the licensee upon whose premises the violation occurred, or both the permit and the license.
- (6) (a) After January 1, 1997, it is a violation of this title for any ((retail)) on-premises licensed facility licensee or agent of a ((retail licensee)) on-premises licensed facility as described in subsection (2) (a) of this section to employ in the sale or service of alcoholic beverages, any person who does not have a valid alcohol server permit or whose permit has been revoked, suspended, or denied.
- (b) It is a violation of this title for a person whose alcohol server permit has been denied, suspended, or revoked to accept employment in the sale or service of alcoholic beverages.
- (7) Grocery stores licensed under RCW 66.24.360, the primary commercial activity of which is the sale of grocery products and for which the sale and service of beer and wine for on-premises consumption with food is incidental to the primary business, and employees of such establishments, are exempt from RCW 66.20.300 through 66.20.350, except for employees whose duties include serving during tasting activities under RCW 66.24.363.
- 26 **Sec. 4.** RCW 66.20.320 and 2023 c 279 s 4 are each amended to 27 read as follows:
- 28 (1) The board shall regulate a required alcohol server education 29 program that includes:
- 30 (a) Development of the curriculum and materials for the education 31 program;
  - (b) Examination and examination procedures;
- 33 (c) Certification procedures, enforcement policies, and penalties 34 for education program instructors and providers; and
- 35 (d) The curriculum for an approved class 12 alcohol permit 36 training program that includes but is not limited to the following 37 subjects:
- 38 (i) The physiological effects of alcohol including the effects of alcohol in combination with drugs;

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- 1 (ii) Liability and legal information;
  - (iii) Driving while intoxicated;

- (iv) Intervention with the problem customer, including ways to stop service, ways to deal with the belligerent customer, and alternative means of transportation to get the customer safely home;
  - (v) Methods for checking proper identification of customers;
- (vi) Nationally recognized programs, such as TAM (Techniques in Alcohol Management) and TIPS (Training for Intervention Programs) modified to include Washington laws and rules; and
- (vii) Best practices for delivery of alcohol for a course approved for a person whose duties include the delivery of alcohol authorized under RCW 66.24.710.
- (2) The board shall provide the program through liquor licensee associations, independent contractors, private persons, private or public schools certified by the board, or any combination of such providers.
- (3) Each training entity shall provide a class 12 permit to the manager, bartender, or delivery employee who has successfully completed a course the board has certified. A list of the individuals receiving the class 12 permit shall be forwarded to the board on the completion of each course given by the training entity.
- (4) ((After January 1, 1997, the board shall require all alcohol servers applying for a class 13 alcohol server permit to view a video training session. Retail liquor licensees shall fully compensate employees for the time spent participating in this training session.
- (5) When requested by a retail liquor licensee, the board shall provide copies of videotaped training programs that have been produced by private vendors and make them available for a nominal fee to cover the cost of purchasing and shipment, with the fees being deposited in the liquor revolving fund for distribution to the board as needed.
- (6) Each training entity may provide the board with a video program of not less than one hour that covers the subjects in subsection (1)(d)(i) through (v) of this section that will be made available to a licensee for the training of a class 13 alcohol server.
- (7)) Applicants shall be given a class 13 permit upon the successful completion of the program.

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 $((\frac{(8)}{(8)}))$  <u>(5)</u> A list of the individuals receiving the class 13 permit shall be forwarded to the board on the completion of each video training program.

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- ((+9+)) (6) The board shall develop a model permit for the class 12 and 13 permits. The board may provide such permits to training entities or licensees for a nominal cost to cover production.
- ((<del>(10)</del>)) <u>(7)</u>(a) Persons who have completed a nationally recognized alcohol management or intervention program since July 1, 1993, may be issued a class 12 or 13 permit upon providing proof of completion of such training to the board.
- 11 (b) Persons who completed the board's alcohol server training 12 program after July 1, 1993, but before July 1, 1995, may be issued a 13 class 13 permit upon providing proof of completion of such training 14 to the board.
- NEW SECTION. Sec. 5. RCW 66.24.580 (Public house license—Fees— Limitations) and 2021 c 6 s 13, 2011 c 119 s 206, 1999 c 281 s 6, & 1996 c 224 s 2 are each repealed.

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