

CHAPTER 217.

[H. B. 439.]

LICENSE FEES FOR MANUFACTURE, DISTRIBUTION
AND SALE OF INTOXICATING LIQUOR.

AN Act relating to intoxicating liquors; providing for the control and regulation of the traffic therein; prescribing licenses and license fees; authorizing certain refunds; amending chapter 62, Laws of Washington, 1933, Extraordinary Session, as amended by chapter 13, 80, 158 and 174, Laws of 1935, the same being sections 7306-1 to 7306-95, inclusive of Remington's Revised Statutes; and declaring that this act shall take effect immediately.

Be it enacted by the Legislature of the State of Washington:

SECTION 1. That chapter 62, Laws of Washington, 1933, Extraordinary Session, as amended by chapters 13, 80, 158 and 174, Laws of 1935, be amended by adding thereto the following sections immediately after section 22 thereof:

Adds § 23-A.
Ch. 62, Laws
1933, Ex. Sess.

License fees:
Liquor manu-
facturer's.

Section 23-A. There shall be a license to manufacturers of liquor, including all kinds of manufacturers except distillers, brewers, wineries, and domestic wineries; fee \$250.00 per annum.

Brewers.

Section 23-B. There shall be a license to brewers to manufacture malt liquors, fee per annum to be based on current fiscal year's production at the rate of \$50.00 per thousand barrels, with a minimum fee of \$250.00, such license fee to be collected and paid under such rules and regulations as the board shall prescribe.

Wineries.

Section 23-C. There shall be a license to wineries; fee \$25.00 per annum; license to domestic wineries; fee \$5.00 per annum.

Distillers.

Section 23-D. There shall be a license to distillers, including blending, rectifying and bottling; fee \$1,000.00 per annum: *Provided*, That the board shall license stills used and to be used solely and only by a commercial chemist for laboratory pur-

poses, and not for the manufacture of liquor for sale, Stills.
 at a fee of \$10.00 per annum: *Provided, further,*
 That the board shall license stills used and to be used
 solely and only for laboratory purposes in any
 school, college or educational institution in the state,
 without fee: *Provided, further,* That the board shall
 license stills which shall have been duly licensed
 as fruit and/or wine distilleries by the Federal gov-
 ernment, used and to be used solely as fruit and/or
 wine distilleries in the production of fruit brandy
 and wine spirits, at a fee of \$50.00 per annum.

Section 23-E. There shall be a license to beer Beer
wholesalers.
 wholesalers to sell beer, manufactured within or
 without the state, to licensed wholesalers and/or
 to holders of beer retailer's licenses, and to export
 the same from the state; fee \$250.00 per annum
 for each distributing unit.

Section 23-F. (1) Every person, firm or corpora- Manufac-
turers of malt
liquors,
monthly
report.
 tion, holding a license to manufacture malt liquors
 within the State of Washington, shall, on or before
 the tenth day of each month, furnish to the Wash-
 ington State Liquor Control Board, on a form to be
 prescribed by the board, a statement showing the
 quantity of malt liquors sold for resale during the
 preceding calendar month to each beer wholesaler
 within the State of Washington;

(2) No beer wholesaler nor beer importer shall Beer whole-
salers and
importers,
certificate of
approval.
 purchase any beer not manufactured within the
 State of Washington by a brewer holding a license as
 a manufacturer of malt liquors from the State of
 Washington, and/or transport or cause the same to
 be transported into the State of Washington for re-
 sale therein, unless the brewer or manufacturer of
 such beer has obtained from the Washington State
 Liquor Control Board a certificate of approval, as
 hereinafter provided. The certificate of approval
 herein provided for shall not be granted unless and
 until such brewer or manufacturer of malt liquors

Monthly
report.

shall have made a written agreement with the board to furnish to the board, on or before the tenth day of each month, a report under oath, on a form to be prescribed by the board, showing the quantity of beer sold or delivered to each licensed beer importer during the preceding month, and shall further have agreed with the board, that such brewer or manufacturer of malt liquors and all general sales corporations or agencies maintained by it, and all trade representatives or agents of such brewer or manufacturer of malt liquors, and of such general sales corporations and agencies, shall and will faithfully comply with all laws of the State of Washington pertaining to the sale of intoxicating liquors and all rules and regulations of the Washington State Liquor Control Board. If any such brewer or manufacturer of malt liquors shall, after obtaining such certificate, fail to submit such report, or if such brewer or manufacturer of malt liquors or general sales corporation or agency maintained by it, or any representative or agent thereof, shall violate the terms of such agreement, the board shall, in its discretion, revoke such certificate;

Certificate
fee.

(3) The fee for the certificate of approval, issued pursuant to the provisions of this act, shall be fifty dollars (\$50.00) per annum, which sum shall accompany the application for such certificate.

Beer
importer's
license.

Section 23-G. (1) It shall be unlawful for any person, firm or corporation, to import beer into the State of Washington or to transport or cause the same to be transported into the State of Washington for sale therein, unless such person, firm or corporation, has obtained from the Washington State Liquor Control Board and have in force a beer importer's license. The license fee for such beer importer's license shall be \$10.00 per annum;

Annual fee.

(2) The beer importer's license herein provided for shall authorize the holder thereof to sell beer

imported, or transported, or caused to be transported thereunder to licensed beer wholesalers within the state and to export the same from the state. Every person, firm or corporation, licensed as a beer importer, shall establish and maintain a principal office within the state, at which shall be kept proper records of all beer imported into the state, under his, their, or its license. No beer importer's license shall be granted to a non-resident of the state, nor to a corporation whose principal place of business is outside the state, until such applicant has established such principal office within the state as hereinbefore provided, and has designated a statutory agent within the state upon whom service can be made;

(3) Every beer importer's license issued under this act shall be subject to all conditions and restrictions imposed by this act, or by the rules and regulations of the board.

Section 23-H. It shall be unlawful for any retail beer licensee to purchase beer, except from a duly licensed beer wholesaler, and it shall be unlawful for any brewer or beer wholesaler to purchase beer, except from a duly licensed beer wholesaler or beer importer.

Retail beer licensees.

Section 23-I. (1) No person shall canvass for, solicit, receive or take orders for the purchase or sale of beer at wholesale, nor contact any retail licensees of the board in goodwill activities, unless such person shall be the accredited representative of a person, firm or corporation holding a beer wholesaler's license, or a beer importer's license within the State of Washington, and shall have applied for and received an agent's license: *Provided, however,* That the provisions of this section shall not apply to drivers who deliver beer;

Agent for beer wholesaler.

(2) Every agent's license issued under this act shall be subject to all conditions and restrictions im-

License.

posed by this act or by the rules and regulations of the board;

(3) Every application for an agent's license must be approved by a licensed beer wholesaler or a licensed manufacturer of malt liquors, or a licensed beer importer, as the rules and regulations of the board shall require;

Annual fee.

(4) The fee for an agent's license shall be two dollars (\$2.00) per annum.

Liquor importer's license fee.

Section 23-J. A liquor importer's license may be issued to any qualified person, firm or corporation, entitling the holder thereof to import into the state any liquor other than beer; to store the same within the state; and to sell and export the same from the state; fee two hundred and fifty dollars (\$250.00) per annum. Such liquor importer's license shall be subject to all conditions and restrictions imposed by this act or by the rules and regulations of the board, and shall be issued only upon such terms and conditions as may be imposed by the board. No liquor importer's license shall be required in sales to the Washington State Liquor Control Board.

License fee, domestic wine wholesalers.

Section 23-K. There shall be a license to domestic wine wholesalers to purchase domestic wine from domestic wineries and to sell the same to holders of wine retailer's licenses; fee \$50.00 per annum for each distributing unit.

Dining cars, annual fee.

Section 23-L. There shall be a license to dining, club, and buffet cars on passenger trains to serve such liquors as may be permitted to be served by the individual glass or opened bottle at retail, for consumption on the premises only, under the provisions of this act, by restaurants, hotels, and others of a similar class; which license shall be issued to any corporation, association or person operating any such car within the state upon payment of a fee of one hundred and fifty dollars (\$150.00) per annum, which shall be a master license, and shall per-

mit such sale upon one such car; and upon payment of the additional sum of five dollars (\$5.00) per car per annum, such license shall extend to additional cars operated by the same licensee within the state, and duplicate licenses for such additional cars shall be issued: *Provided*, That such licensee may make such sales upon cars in emergency for not more than five consecutive days without such license.

Section 23-M. There shall be a beer retailer's Class A. license to be designated as a Class A License to sell beer by the individual glass or opened bottle at retail, for consumption on the premises and to sell unpasteurized beer for consumption off the premises: *Provided, however*, That unpasteurized beer so sold must be in original sealed packages of the manufacturer or bottler of not less than seven and three fourths ($7\frac{3}{4}$) gallons: *And provided further*, That unpasteurized beer may be sold to a purchaser in a sanitary container brought to the premises by the purchaser and filled at the tap by the retailer at the time of sale; such license to be issued only to hotels, restaurants, drug stores or soda fountains, dining places on boats and aeroplanes, and to clubs. The annual fee for said license, if issued in cities and towns, shall be graduated according to the population thereof as follows: Annual license fees.

Cities and towns of less than 10,000; fee \$50.00;

Cities and towns of 10,000 and less than 100,000; fee \$100.00;

Cities and towns of 100,000 or over; fee \$150.00;

The annual fee for such license, if issued outside of cities and towns, shall be \$150.00; the annual license fee for such license, if issued to dining places on vessels not exceeding 1000 gross tons, plying on inland waters of the State of Washington on regular schedules, shall be \$50.00.

Section 23-N. There shall be a beer retailer's Class B. license to be designated as a Class B License to sell

beer by the individual glass or opened bottle at retail, for consumption on the premises and to sell unpasteurized beer for consumption off the premises: *Provided, however,* That unpasteurized beer so sold must be in original sealed packages of the manufacturer or bottler of not less than seven and three fourths ($7\frac{3}{4}$) gallons: *And provided further,* That unpasteurized beer may be sold to a purchaser in a sanitary container brought to the premises by the purchaser and filled at the tap by the retailer at the time of sale; such license to be issued only to a person operating a tavern. The annual fee for said license, if issued in cities and towns, shall be graduated according to the population thereof as follows:

Cities and towns of less than 10,000; fee \$50.00;

Cities and towns of 10,000 and less than 100,000; fee \$100.00;

Cities and towns of 100,000 or over; fee \$150.00;

The annual fee for such license, if issued outside of cities and towns, shall be \$150.00.

Class C.

Section 23-O. There shall be a wine retailer's license to be designated as a Class C License to sell wine by the individual glass or opened bottle at retail, for consumption on the premises only; such license to be issued to hotels, restaurants, dining places on boats and aeroplanes, clubs, and to taverns. The annual fee for said license, when issued in cities and towns, shall be graduated according to the population thereof as follows:

Cities and towns of less than 10,000; fee \$37.50;

Cities and towns of 10,000 and less than 100,000; fee \$75.00;

Cities and towns of 100,000 or over; fee \$112.50;

The annual fee, when issued outside of the limits of cities and towns, shall be \$112.50; the annual license fee for such license, if issued to dining places on vessels not exceeding 1000 gross tons plying only on inland waters of the State of Washington on regular schedules, shall be \$37.50.

Annual fees.

Section 23-P. There shall be a beer retailer's license to be designated as Class D License to sell pasteurized beer by the opened bottle at retail, for consumption upon the premises only, such license to be issued to hotels, restaurants, dining places on boats and aeroplanes, clubs, drug stores, or soda fountains, and such other places where the sale of beer is not the principal business conducted; fee \$50.00 per annum.

Class D.

Annual fee.

Section 23-Q. There shall be a beer retailer's license to be designated as Class E License to sell pasteurized beer at retail in bottles and original packages, not to be consumed upon the premises where sold, at any store other than the state liquor stores; fee \$25.00 per annum for each store: *Provided*, That a holder of a Class A or a Class B license shall be entitled to the privileges permitted in this section by paying an annual fee of \$10.00 for each store.

Class E.

Annual fee.

Section 23-R. There shall be a wine retailer's license to be designated as Class F License to sell wine in bottles and original packages, not to be consumed on the premises where sold, at any store other than the state liquor stores: *Provided*, Such licensee shall pay to the state liquor stores for such wines the current retail price; fee \$35.00 per annum: *Provided, further*, That a holder of a Class A or a Class B license shall be entitled to the privileges permitted in this section by paying an annual fee of \$10.00 for each store.

Class F.

Annual fee.

Section 23-S. There shall be a beer retailer's license to be designated as Class G; a special license to a society or organization to sell beer at picnics or other special occasions at a specified date and place; fee \$5.00 per day.

Class G.

Special license fee.

Section 23-T. There shall be a license to clubs, entitling each member of the club to keep on the premises a reasonable quantity of liquor for per-

Clubs.

sonal consumption on the premises: *Provided*, That no club shall be entitled to such a license:

a. Unless such club had been in operation at least three years prior to the effective date of this act, or, the club, being thereafter formed, had been in continuous operation for at least one year immediately prior to the date of its application for such license;

b. Unless the club premises be constructed and equipped, conducted, managed, and operated to the satisfaction of the board and in accordance with this act and the regulations made thereunder;

c. Unless the board shall have determined pursuant to any regulations made by it with respect to clubs, that such club is a *bona fide* club; fee \$300.00 per annum.

Licenses transferable.

Section 23-U. The holder of one or more licenses may assign and transfer the same to any qualified person under such rules and regulations as the board may prescribe: *Provided, however*, That no such assignment and transfer shall be made which will result in both a change of licensee and change of location; the fee for such assignment and transfer shall be ten dollars (\$10.00).

Assignment fee.

Adds § 24-B, Ch. 62, Laws 1933, Ex. Sess.

SEC. 2. That chapter 62, Laws of Washington, 1933, Extraordinary Session, as amended by chapters 13, 80, 158 and 174, Laws of 1935, be amended by adding thereto a new section to be known as section 24-B, to read as follows:

Stamp tax refunds.

Section 24-B. The board is hereby authorized to make refunds for all stamp taxes paid on beer exported from the State of Washington for use outside the state, and is further authorized to make refunds for tax stamps destroyed prior to the consummation of any sale of beer within the state, or for unused stamps returned to the board.

SEC. 3. That chapter 62, Laws of 1933; Extraordinary Session, as amended by chapters 13, 80, 158

and 174, Laws of 1935, be amended by adding thereto a new section to be known as section 27-A, to read as follows:

Adds § 27-A, Ch. 62, Laws, 1933, Ex. Sess.

Section 27-A. It shall be unlawful for any person, firm or corporation, holding a retail license authorizing the sale of beer or wine for consumption on the premises, to permit or allow upon the premises licensed any music, dancing, or entertainment whatsoever, unless and until permission thereto is specifically granted by appropriate license or permit of the proper authorities of the city or town in which such licensed premises are situated or of the board of county commissioners if the same be situated outside an incorporated city or town: *Provided*, That the words music and entertainment as herein used shall not apply to radios or mechanical musical devices.

Music and entertainment prohibited, unless permitted by local authorities.

SEC. 4. That section 42 of chapter 62, Laws of 1933, Extraordinary Session, as amended by chapters 13, 80, 158 and 174, Laws of 1935, be amended to read as follows:

Amends § 42, Ch. 62, Laws 1933, Ex. Sess.

Section 42. No person shall canvass for, solicit, receive, or take orders for the purchase or sale of any liquor, or act as agent for the purchase or sale of liquor: *Provided*, That nothing in this act shall prevent any wholesaler, by his or its authorized agent, from soliciting orders from holders of licenses entitling them to sell beer: *Provided, further*, That nothing in this act contained shall prevent any domestic winery, domestic wine wholesalers or their proprietors, agents and employees from soliciting orders of persons holding licenses entitling them to sell wine at retail. Nothing in this section contained shall apply to agents dealing with the board or to the receipt or transmission of a telegram or letter by any telegraph agent or operator or post office employee in the ordinary course of his employment as such agent, operator or employee.

Agents.

Adds § 42-A,
Ch. 62, Laws
1933, Ex. Sess.

SEC. 5. That chapter 62, Laws of 1933, Extraordinary Session, as amended by chapters 13, 80, 158 and 174, Laws of 1935, be amended by adding thereto, after section 42, a new section to read as follows:

Sale of liquor
to board by
officer or
employee
prohibited.

Section 42-A. No official or employee of the liquor control board of the State of Washington shall, during his term of office or employment, or for a period of two years immediately following the termination thereof, represent directly or indirectly any manufacturer or wholesaler of liquor in the sale of liquor to the board.

Amends § 90,
Ch. 62, Laws
1933, Ex. Sess.

SEC. 6. That section 90 of chapter 62, Laws of 1933, Extraordinary Session, as amended by chapters 13, 80, 158 and 174, Laws of 1935, be amended to read as follows:

Manufac-
turer or
wholesaler
shall not be
financially
interested in
licensed
retail
business.

Section 90. No manufacturer or wholesaler, or person financially interested, directly or indirectly, in such business, whether resident or non-resident, shall have any financial interest, direct or indirect, in any licensed retail business, nor shall any manufacturer or wholesaler own any of the property upon which such licensed persons conduct their business, nor shall any such licensed person, under any arrangement whatsoever, conduct his business upon property in which any manufacturer or wholesaler has any interest, nor shall any manufacturer or wholesaler advance monies or monies' worth to any such licensed person under any arrangement whatsoever, nor shall any such licensed person receive, under any arrangement whatsoever, any such advance of money or monies' worth. No manufacturer or wholesaler shall be eligible to receive or hold a retail license under this act, nor shall such manufacturer or wholesaler sell at retail any liquor as herein defined.

Financial interest, direct or indirect, as used in this section, shall include any interest, whether by stock ownership, mortgage, lien or through interlocking directors, or otherwise.

SEC. 7. That section 23, chapter 62, Laws of the Washington 1933 Extraordinary Session, as amended by chapters 13, 80, 158 and 174, Laws of 1935, be and the same is hereby repealed.

Repeals § 23,
Ch. 62, Laws
1933, Ex. Sess.

SEC. 8. This act is necessary for the support of the state government and its existing public institutions and shall take effect immediately: *Provided, however,* That any person, who shall at the time this act takes effect be the *bona fide* holder of a license duly issued under chapter 62, Laws of 1933, Extraordinary Session, as amended by chapters 13, 80, 158 and 174, Laws of 1935, shall be entitled to exercise the rights and privileges granted by such license until the 30th day of September, 1937: *And provided further,* That all persons lawfully engaged in activities not required to be licensed prior to the taking effect of this act but which are required to be licensed under the provisions of this act shall have thirty days from and after the taking effect of this act in which to comply with the same.

Effective
immediately.

Application
of act.

Passed the House March 11, 1937.

Passed the Senate March 9, 1937.

Approved by the Governor March 19, 1937.