

NEW SECTION. Sec. 12. This act is necessary for the immediate preservation of the public peace, health, and safety, the support of the state government and its existing public institutions, and shall take effect July 1, 1982.

Passed the Senate March 30, 1982.

Passed the House March 30, 1982.

Approved by the Governor April 6, 1982.

Filed in Office of Secretary of State April 6, 1982.

CHAPTER 26

[Engrossed Senate Bill No. 4748]

BEER AND WINE INSTRUCTION

AN ACT Relating to beer and wine; amending section 30, chapter 62, Laws of 1933 ex. sess. as last amended by section 2, chapter 182, Laws of 1981 and RCW 66.28.040; amending section 90, chapter 62, Laws of 1933 ex. sess. as last amended by section 7, chapter ... (Engrossed Substitute House Bill No. 1063), Laws of 1982 and RCW 66.28.010; and adding a new section to chapter 66.28 RCW.

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

NEW SECTION. Section 1. There is added to chapter 66.28 RCW a new section to read as follows:

A brewery, winery, or wholesaler may, without charge, instruct licensees and their employees, or conduct courses of instruction for licensees and their employees, on the subject of beer or wine, including but not limited to, the history, nature, values, and characteristics of beer or wine, the use of wine lists, and the methods of presenting, serving, storing, and handling beer or wine. The brewery, winery, or wholesaler may furnish beer or wine and such other equipment, materials, and utensils as may be required for use in connection with the instruction or courses of instruction. The instruction or courses of instruction may be given at the premises of the brewery, winery, or wholesaler, at the premises of a retail licensee, or elsewhere.

Sec. 2. Section 30, chapter 62, Laws of 1933 ex. sess. as last amended by section 2, chapter 182, Laws of 1981 and RCW 66.28.040 are each amended to read as follows:

No brewer, wholesaler, distiller, winery, importer, rectifier, or other manufacturer of liquor shall, within the state, by himself, his clerk, servant, or agent, give to any person any liquor; but nothing in this section nor in RCW 66.28.010 or 66.28.025 shall prevent a brewer, wholesaler, winery, or importer from furnishing samples of beer or wine to authorized licensees for the purpose of negotiating a sale, in accordance with regulations adopted by the liquor control board, provided that the samples are subject to taxes imposed by RCW 66.24.290 and 66.24.210; nothing in this section shall prevent the furnishing of samples of liquor to the board for the purpose of negotiating the sale of liquor to the state liquor control board; nothing in

this section shall prevent a brewery, winery, or wholesaler from furnishing beer or wine for instructional purposes under section 1 of this 1982 act; nothing in this section shall prevent a winery or wholesaler from furnishing wine without charge to a not-for-profit group organized and operated solely for the purpose of enology or the study of viticulture which has been in existence for at least six months and any wine so furnished shall be used solely for such educational purposes, provided that the wine furnished shall be subject to the taxes imposed by RCW 66.24.210; nothing in this section shall prevent a brewer from serving beer without charge, on the brewery premises; and nothing in this section shall prevent a domestic winery from serving wine without charge, on the winery premises.

**Sec. 3. Section 90, chapter 62, Laws of 1933 ex. sess. as last amended by section 7, chapter ... (Engrossed Substitute House Bill No. 1063), Laws of 1982 and RCW 66.28.010 are each amended to read as follows:*

(1) No manufacturer, importer, or wholesaler, or person financially interested, directly or indirectly, in such business, whether resident or nonresident, shall have any financial interest, direct or indirect, in any licensed retail business, nor shall any manufacturer, importer, 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, importer, or wholesaler has any interest. Except as provided in subsection (3) of this section, no manufacturer, importer, or wholesaler shall advance moneys or moneys' worth to a licensed person under an arrangement, nor shall such licensed person receive, under an arrangement, an advance of moneys or moneys' worth: PROVIDED, That "person" as used in this section only shall not include those state or federally chartered banks, state or federally chartered savings and loan associations, state or federally chartered mutual savings banks, or institutional investors which are not controlled directly or indirectly by a manufacturer, importer, or wholesaler as long as the bank, savings and loan association, or institutional investor does not influence or attempt to influence the purchasing practices of the retailer with respect to alcoholic beverages. No manufacturer, importer, or wholesaler shall be eligible to receive or hold a retail license under this title, nor shall such manufacturer, importer, or wholesaler sell at retail any liquor as herein defined: PROVIDED, That nothing in this section shall prohibit a licensed brewer or domestic winery from being licensed as a retailer pursuant to chapter 66.24 RCW for the purpose of selling beer or wine of its own production at retail on the brewery or winery premises. Such beer and wine so sold at retail shall be subject to the taxes imposed by RCW 66.24.290 and 66.24.210 and to reporting and bonding requirements as prescribed by regulations adopted by the board pursuant to chapter 34.04 RCW: PROVIDED FURTHER, That nothing in this section shall prohibit a licensed brewer or domestic winery, or a lessee of a

licensed brewer or domestic winery, from being licensed as a class H restaurant pursuant to chapter 66.24 RCW for the purpose of selling liquor at a class H premises on the property on which the primary manufacturing facility of the licensed brewer or domestic winery is located or on contiguous property owned by the licensed brewer or domestic winery as prescribed by regulations adopted by the board pursuant to chapter 34.04 RCW: PROVIDED FURTHER, That nothing in this section shall prohibit an importer, or wholesaler not licensed in this state, or any person financially interested, directly or indirectly, in such importing or wholesaling business from having less than a majority financial interest, direct or indirect, in any class A licensed retail business or from owning any of the property upon which such licensed retailer conducts its business so long as such wholesaler or importer does not have either financial interests or property interests affecting more than ten such class A retail licenses.

(2) 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. Pursuant to rules promulgated by the board in accordance with chapter 34.04 RCW manufacturers, wholesalers and importers may perform, and retailers may accept the service of building, rotating and restocking case displays and stock room inventories; rotating and rearranging can and bottle displays of their own products; provide point of sale material and brand signs; price case goods of their own brands; and perform such similar normal business services as the board may by regulation prescribe.

*(3)(a) This section does not prohibit a manufacturer, importer, or wholesaler from providing services to a class G or J retail licensee for: (i) Installation of draft beer dispensing equipment or advertising, (ii) advertising, pouring or dispensing of wine at a wine tasting exhibition or judging event, or (iii) a class G or J retail licensee from receiving any such services as may be provided by a manufacturer, importer, or wholesaler: **PROVIDED**, That nothing in this section shall prohibit a retail licensee, or any person financially interested, directly or indirectly, in such a retail licensee from having a financial interest, direct or indirect, in a business which provides, for a compensation commensurate in value to the services provided, bottling, canning or other services to a manufacturer, so long as the retail licensee or person interested therein has no direct financial interest in or control of said manufacturer.*

(b) The board shall adopt such rules as are deemed necessary to carry out the purposes and provisions of subsection (3)(a) of this section in accordance with the administrative procedure act, chapter 34.04 RCW.

*Sec. 3. was vetoed, see message at end of chapter.

Passed the Senate March 30, 1982.

Passed the House March 30, 1982.

Approved by the Governor April 6, 1982, with the exception of Section 3, which is vetoed.

Filed in Office of Secretary of State April 6, 1982.

Note: Governor's explanation for partial veto is as follows:

"I am returning herewith without my approval as to one section of Engrossed Senate Bill No. 4748 entitled:

"AN ACT Relating to beer and wine"

Section 3 of ESB 4748 contains an undesirable provision regarding out-of-state liquor importers and wholesalers. In direct violation of the intent of RCW 66.28.010, out-of-state liquor importers and wholesalers would be permitted to have financial interests in Class A retail liquor licensed establishments in the state of Washington.

RCW 66.28.010, together with liquor licensing regulations, absolutely and specifically precludes any manufacturer or distributor of liquor from having any kind of a financial interest in a licensed retail outlet. The language of RCW 66.28.010 regarding the financial relationships within the state's liquor industry has not changed since the original Washington State Liquor Control Act was adopted by the legislature in 1933. It was the intent of the legislature to absolutely prohibit the "tied-house" arrangements of the pre-prohibition days.

If enacted, Section 3 of ESB 4748 would violate the original tied-house provisions of the states liquor control laws and establish a dangerous precedent for future piecemeal amendments to RCW 66.28.010. This statute is an integral part of the state's liquor control laws. Piecemeal modifications, such as, Section 3 of ESB 4748, will weaken liquor control statutes and threaten the integrity of the entire liquor control system.

With the exception of Section 3, which I have vetoed, the remainder of Engrossed Senate Bill No. 4748 is approved."

CHAPTER 27

[Substitute Senate Bill No. 4841]

WINTER RECREATION COMMISSION—MEMBERSHIP, DUTIES— TERMINATION DATE

AN ACT Relating to winter recreation; adding a new chapter to Title 67 RCW; and providing an expiration date.

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

NEW SECTION. Section 1. The legislature recognizes that:

(1) Interest in outdoor recreation has been steadily increasing, and that the facilities that now exist are inadequate to meet the growing demands of the people of Washington and the out-of-state tourist trade;