SUBSTITUTE HOUSE BILL 2501

State of Washington 60th Legislature 2008 Regular Session

By House Commerce & Labor (originally sponsored by Representatives Williams, Newhouse, Moeller, and Upthegrove)

READ FIRST TIME 02/05/08.

1 AN ACT Relating to beer and wine specialty shops; and amending RCW 2 66.24.371, 66.28.200, and 66.28.220.

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

4 **Sec. 1.** RCW 66.24.371 and 2003 c 167 s 9 are each amended to read 5 as follows:

(1) There shall be a beer and/or wine retailer's license to be 6 7 designated as a beer and/or wine specialty shop license to sell beer, 8 strong beer, and/or wine at retail in bottles, cans, and original 9 containers, not to be consumed upon the premises where sold, at any 10 store other than the state liquor stores. Licensees obtaining a written endorsement from the board may also sell malt liquor in keqs or 11 other containers capable of holding ((less than five and one half)) 12 <u>four</u> gallons <u>or more</u> of liquid. The annual fee for the beer and/or 13 wine specialty shop license is one hundred dollars for each store. The 14 15 sale of any container holding four gallons or more must comply with RCW 16 66.28.200 and 66.28.220.

17 (2) Licensees under this section may provide, free or for a charge,
18 single-serving samples of two ounces or less to customers for the
19 purpose of sales promotion. Sampling activities of licensees under

this section are subject to RCW 66.28.010 and 66.28.040 and the cost of sampling under this section may not be borne, directly or indirectly, by any manufacturer, importer, or distributor of liquor.

4 (3) The board shall issue a restricted beer and/or wine specialty 5 shop license, authorizing the licensee to sell beer and only table 6 wine, if the board finds upon issuance or renewal of the license that 7 the sale of strong beer or fortified wine would be against the public 8 interest. In determining the public interest, the board shall consider 9 at least the following factors:

(a) The likelihood that the applicant will sell strong beer orfortified wine to persons who are intoxicated;

(b) Law enforcement problems in the vicinity of the applicant's establishment that may arise from persons purchasing strong beer or fortified wine at the establishment; and

15 (c) Whether the sale of strong beer or fortified wine would be 16 detrimental to or inconsistent with a government-operated or funded 17 alcohol treatment or detoxification program in the area.

18 If the board receives no evidence or objection that the sale of 19 strong beer or fortified wine would be against the public interest, it 20 shall issue or renew the license without restriction, as applicable. 21 The burden of establishing that the sale of strong beer or fortified 22 wine by the licensee would be against the public interest is on those 23 persons objecting.

(4) Licensees holding a beer and/or wine specialty shop license
must maintain a minimum three thousand dollar wholesale inventory of
beer, strong beer, and/or wine.

27 **Sec. 2.** RCW 66.28.200 and 2007 c 53 s 2 are each amended to read 28 as follows:

(1) Licensees holding a beer and/or wine restaurant or a tavern 29 30 license in combination with an off-premises beer and wine retailer's 31 license ((or)), licensees holding a spirits, beer, and wine restaurant license with an endorsement issued under RCW 66.24.400(4), and 32 licensees holding a beer and/or wine specialty shop license with an 33 endorsement issued under RCW 66.24.371(1) may sell malt liquor in kegs 34 or other containers capable of holding four gallons or more of liquid. 35 36 Under a special endorsement from the board, a grocery store licensee 37 may sell malt liquor in containers no larger than five and one-half

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1 gallons. The sale of any container holding four gallons or more must 2 comply with the provisions of this section and RCW 66.28.210 through 3 66.28.240.

4 (2) Any person who sells or offers for sale the contents of kegs or 5 other containers containing four gallons or more of malt liquor, or 6 leases kegs or other containers that will hold four gallons of malt 7 liquor, to consumers who are not licensed under chapter 66.24 RCW shall 8 do the following for any transaction involving the container:

9 (a) Require the purchaser of the malt liquor to sign a declaration 10 and receipt for the keg or other container or beverage in substantially 11 the form provided in RCW 66.28.220;

12 (b) Require the purchaser to provide one piece of identification 13 pursuant to RCW 66.16.040;

14 (c) Require the purchaser to sign a sworn statement, under penalty 15 of perjury, that:

16 (i) The purchaser is of legal age to purchase, possess, or use malt 17 liquor;

18 (ii) The purchaser will not allow any person under the age of 19 twenty-one years to consume the beverage except as provided by RCW 20 66.44.270;

(iii) The purchaser will not remove, obliterate, or allow to be removed or obliterated, the identification required under RCW 66.28.220 to be affixed to the container;

(d) Require the purchaser to state the particular address where the
malt liquor will be consumed, or the particular address where the keg
or other container will be physically located; and

(e) Require the purchaser to maintain a copy of the declaration and receipt next to or adjacent to the keg or other container, in no event a distance greater than five feet, and visible without a physical barrier from the keg, during the time that the keg or other container is in the purchaser's possession or control.

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(3) A violation of this section is a gross misdemeanor.

33 Sec. 3. RCW 66.28.220 and 2007 c 53 s 3 are each amended to read 34 as follows:

(1) The board shall adopt rules requiring retail licensees to affixappropriate identification on all containers of four gallons or more of

malt liquor for the purpose of tracing the purchasers of such
containers. The rules may provide for identification to be done on a
statewide basis or on the basis of smaller geographical areas.

(2) The board shall develop and make available forms for the 4 declaration and receipt required by RCW 66.28.200. The board may 5 charge spirits, beer, and wine restaurant licensees with an endorsement 6 issued under RCW 66.24.400(4), beer and/or wine specialty shop 7 licensees with an endorsement issued under RCW 66.24.371(1), and 8 grocery store licensees for the costs of providing the forms and that 9 10 money collected for the forms shall be deposited into the liquor revolving fund for use by the board, without further appropriation, to 11 12 continue to administer the cost of the keg registration program.

(3) It is unlawful for any person to sell or offer for sale kegs or other containers containing four gallons or more of malt liquor to consumers who are not licensed under chapter 66.24 RCW if the kegs or containers are not identified in compliance with rules adopted by the board.

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(4) A violation of this section is a gross misdemeanor.

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