

HOUSE BILL ANALYSIS

HB 1578

Brief Description: Revising the regulation of liquor sales in designated restricted liquor zones.

Sponsors: Representatives H. Sommers, McMorris, Lisk, Scott, Cole, Clements, Gombosky, Honeyford, Schoesler, Ballasiotes, Cody, Conway, Carlson, Kenney, Ogden, Chopp, Hatfield, Sheahan, Sterk, Wood, Romero, Tokuda, Blalock, Dickerson, O'Brien, Sheldon, Cooper and Gardner

Hearing: February 19, 1997

BACKGROUND:

The state Liquor Control Board has broad authority to control the sale of alcoholic beverages. The Board licenses retailers who may sell beer and wine to the public for on-premises or off-premises consumption. The Board may also set conditions under which beer and wine may be sold. Conditions may apply state-wide or as conditions on a license issued to a specific licensee.

A license to sell wine for off-premises consumption may be restricted by the Board to exclude the sale of fortified wines if the sale of these wines is against the public interest. In determining the public interest, the Board must consider whether the applicant is likely to sell fortified wine to an intoxicated person, whether law enforcement problems may increase in the vicinity of the applicant's establishment, and whether the sale of fortified wine would be detrimental to a government-operated or funded alcohol treatment program located in the applicant's vicinity.

When issuing retail licenses, the Board must give notice to the local jurisdiction where the license applicant is located. The local jurisdiction, through its appropriate officer, may object to issuing the license. The Board, in its discretion, may hold a public hearing on the matter.

When a license application raises opposition and the Board conducts a formal hearing, the Board may appoint an administrative law judge to conduct the hearing and enter an initial order. The Board may review the findings and order before entering a final order in a contested matter.

SUMMARY OF BILL:

Cities and counties may designate restricted liquor zones based on findings that the area designated suffers serious impact from liquor sales. Impact may be demonstrated by an increase in law enforcement problems and demand for medical care, the physical degradation of public and private property, and impacts on alcohol treatment services.

Once a restricted liquor zone is designated, the Liquor Control Board may restrict the off-premises sale of beer and wine within the zone. If no zone-wide restrictions are imposed, the Board must consider restricted sale privileges for individual licenses as they come up for renewal. The Board must condition renewal on an agreement with the local government on minimizing the licensee's negative impact to public health and safety.

The Liquor Control Board must give notice to local governments whenever a license within their jurisdiction comes up for renewal. If a local government official objects to a renewal of a license within a restricted liquor zone, the Board must hold a formal hearing.

The Liquor Control Board may designate certain beer or wine products as restricted products if the product's consumption contributes to excessive public intoxication.

The Board may issue restricted licenses for the off-premises sale of beer similar to restrictions now allowed for the sale of fortified wine. Restrictions may include restricting the size of beer containers that may be sold, restricting the hours of sale, and restricting the sale of those beer and wine products designated by the Board. If the Board receives no objection that off-premises sale of beer or wine by a particular licensee is against the public interest, the Board must renew the license without restriction. In determining what is against the public interest, the Board must consider, in addition to those factors currently in statute, an increase in demand for medical care and a decrease in the use and enjoyment of public and private property in the applicant's vicinity due to excessive consumption.

When a license application or renewal is contested and the Board appoints an administrative law judge to conduct a hearing, the initial order of the administrative law judge becomes effective upon entry. The applicant may ask the Board to withhold the order and the Board may do so if it is likely the applicant will ultimately prevail, and there is no serious threat to public health and safety.

RULES AUTHORITY: The bill does contain provisions addressing the rule-making powers of an agency.

FISCAL NOTE: Requested on February 17, 1997.

EFFECTIVE DATE: Ninety days after adjournment of session in which bill is passed.