SUBSTITUTE SENATE BILL 5292

State of Washington 64th Legislature 2015 Regular Session

By Senate Law & Justice (originally sponsored by Senators Roach, Billig, Hasegawa, and Benton)

READ FIRST TIME 02/20/15.

- 1 AN ACT Relating to protecting children and youth from powdered
- 2 alcohol; amending RCW 66.04.010; creating a new section; and
- 3 prescribing penalties.
- 4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 5 NEW SECTION. Sec. 1. The legislature finds that powdered
- 6 alcohol poses a risk to the public health and safety of children and
- 7 youth. The legislature seeks to minimize this risk by ensuring the
- 8 use, purchase, sale, and possession of powdered alcohol is treated in
- 9 the same manner as other liquors.
- 10 **Sec. 2.** RCW 66.04.010 and 2012 c 117 s 264 are each amended to
- 11 read as follows:
- 12 In this title, unless the context otherwise requires:
- 13 (1)(a) "Alcohol" is that substance known as ethyl alcohol,
- 14 hydrated oxide of ethyl, or spirit of wine, which is commonly
- 15 produced by the fermentation or distillation of grain, starch,
- 16 molasses, or sugar, or other substances including all dilutions and
- 17 mixtures of this substance. The term "alcohol" also includes powdered
- 18 alcohol.
- 19 <u>(b)</u> The term "alcohol" does not include alcohol in the possession
- 20 of a manufacturer or distiller of alcohol fuel, as described in RCW

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- 66.12.130, which is intended to be denatured and used as a fuel for use in motor vehicles, farm implements, and machines or implements of husbandry.
 - (2) "Authorized representative" means a person who:

- (a) Is required to have a federal basic permit issued pursuant to the federal alcohol administration act, 27 U.S.C. Sec. 204;
- (b) Has its business located in the United States outside of the state of Washington;
- 9 (c) Acquires ownership of beer or wine for transportation into 10 and resale in the state of Washington; and which beer or wine is 11 produced by a brewery or winery in the United States outside of the 12 state of Washington; and
 - (d) Is appointed by the brewery or winery referenced in (c) of this subsection as its authorized representative for marketing and selling its products within the United States in accordance with a written agreement between the authorized representative and such brewery or winery pursuant to this title.
 - (3) "Beer" means any malt beverage, flavored malt beverage, or malt liquor as these terms are defined in this chapter.
 - (4) "Beer distributor" means a person who buys beer from a domestic brewery, microbrewery, beer certificate of approval holder, or beer importers, or who acquires foreign produced beer from a source outside of the United States, for the purpose of selling the same pursuant to this title, or who represents such brewer or brewery as agent.
 - (5) "Beer importer" means a person or business within Washington who purchases beer from a beer certificate of approval holder or who acquires foreign produced beer from a source outside of the United States for the purpose of selling the same pursuant to this title.
- 30 (6) "Board" means the liquor control board, constituted under 31 this title.
 - (7) "Brewer" or "brewery" means any person engaged in the business of manufacturing beer and malt liquor. Brewer includes a brand owner of malt beverages who holds a brewer's notice with the federal bureau of alcohol, tobacco, and firearms at a location outside the state and whose malt beverage is contract-produced by a licensed in-state brewery, and who may exercise within the state, under a domestic brewery license, only the privileges of storing, selling to licensed beer distributors, and exporting beer from the state.

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- 1 (8) "Club" means an organization of persons, incorporated or 2 unincorporated, operated solely for fraternal, benevolent, 3 educational, athletic, or social purposes, and not for pecuniary 4 gain.
- 5 (9) "Confection" means a preparation of sugar, honey, or other 6 natural or artificial sweeteners in combination with chocolate, 7 fruits, nuts, dairy products, or flavorings, in the form of bars, 8 drops, or pieces.
- 9 (10) "Consume" includes the putting of liquor to any use, whether 10 by drinking or otherwise.
- 11 (11) "Contract liquor store" means a business that sells liquor 12 on behalf of the board through a contract with a contract liquor 13 store manager.
- 14 (12) "Craft distillery" means a distillery that pays the reduced 15 licensing fee under RCW 66.24.140.
- 16 (13) "Dentist" means a practitioner of dentistry duly and 17 regularly licensed and engaged in the practice of his or her 18 profession within the state pursuant to chapter 18.32 RCW.
- 19 (14) "Distiller" means a person engaged in the business of 20 distilling spirits.
- 21 (15) "Domestic brewery" means a place where beer and malt liquor 22 are manufactured or produced by a brewer within the state.
- 23 (16) "Domestic winery" means a place where wines are manufactured 24 or produced within the state of Washington.
 - (17) "Drug store" means a place whose principal business is, the sale of drugs, medicines, and pharmaceutical preparations and maintains a regular prescription department and employs a registered pharmacist during all hours the drug store is open.
 - (18) "Druggist" means any person who holds a valid certificate and is a registered pharmacist and is duly and regularly engaged in carrying on the business of pharmaceutical chemistry pursuant to chapter 18.64 RCW.
 - (((18) "Drug store" means a place whose principal business is, the sale of drugs, medicines, and pharmaceutical preparations and maintains a regular prescription department and employs a registered pharmacist during all hours the drug store is open.))
- 37 (19) "Employee" means any person employed by the board.
 - (20) "Flavored malt beverage" means:

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39 (a) A malt beverage containing six percent or less alcohol by 40 volume to which flavoring or other added nonbeverage ingredients are

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added that contain distilled spirits of not more than forty-nine percent of the beverage's overall alcohol content; or

- (b) A malt beverage containing more than six percent alcohol by volume to which flavoring or other added nonbeverage ingredients are added that contain distilled spirits of not more than one and one-half percent of the beverage's overall alcohol content.
 - (21) "Fund" means 'liquor revolving fund.'

- (22) "Hotel" means buildings, structures, and grounds, having facilities for preparing, cooking, and serving food, that are kept, used, maintained, advertised, or held out to the public to be a place where food is served and sleeping accommodations are offered for pay to transient guests, in which twenty or more rooms are used for the sleeping accommodation of such transient guests. The buildings, structures, and grounds must be located on adjacent property either owned or leased by the same person or persons.
- (23) "Importer" means a person who buys distilled spirits from a distillery outside the state of Washington and imports such spirituous liquor into the state for sale to the board or for export.
 - (24) "Imprisonment" means confinement in the county jail.
- (25) "Liquor" includes the four varieties of liquor herein defined (alcohol, spirits, wine, and beer), and all fermented, spirituous, vinous, or malt liquor, or combinations thereof, and mixed liquor, a part of which is fermented, spirituous, vinous or malt liquor, or otherwise intoxicating; and every liquid or solid or semisolid or other substance, patented or not, containing alcohol, spirits, wine, or beer, and all drinks or drinkable liquids and all preparations or mixtures capable of human consumption, and any liquid, semisolid, solid, or other substance, which contains more than one percent of alcohol by weight shall be conclusively deemed to be intoxicating. Liquor does not include confections or food products that contain one percent or less of alcohol by weight.
- (26) "Malt beverage" or "malt liquor" means any beverage such as beer, ale, lager beer, stout, and porter obtained by the alcoholic fermentation of an infusion or decoction of pure hops, or pure extract of hops and pure barley malt or other wholesome grain or cereal in pure water containing not more than eight percent of alcohol by weight, and not less than one-half of one percent of alcohol by volume. For the purposes of this title, any such beverage containing more than eight percent of alcohol by weight shall be referred to as "strong beer."

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1 (27) "Manufacturer" means a person engaged in the preparation of 2 liquor for sale, in any form whatsoever.

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- (28) "Nightclub" means an establishment that provides entertainment and has as its primary source of revenue (a) the sale of alcohol for consumption on the premises, (b) cover charges, or (c) both.
- 7 (29) "Package" means any container or receptacle used for holding 8 liquor.
- 9 (30) "Passenger vessel" means any boat, ship, vessel, barge, or 10 other floating craft of any kind carrying passengers for 11 compensation.
- 12 (31) "Permit" means a permit for the purchase of liquor under 13 this title.
- 14 (32) "Person" means an individual, copartnership, association, or 15 corporation.
 - (33) "Physician" means a medical practitioner duly and regularly licensed and engaged in the practice of his or her profession within the state pursuant to chapter 18.71 RCW.
 - (34) "Powdered alcohol" means any powder or crystalline substance containing alcohol that is produced for direct use or reconstitution.
 - (35) "Prescription" means a memorandum signed by a physician and given by him or her to a patient for the obtaining of liquor pursuant to this title for medicinal purposes.
 - (((35))) (36) "Public place" includes streets and alleys of incorporated cities and towns; state or county or township highways or roads; buildings and grounds used for school purposes; public dance halls and grounds adjacent thereto; those parts establishments where beer may be sold under this title, soft drink establishments, public buildings, public meeting halls, lobbies, halls and dining rooms of hotels, restaurants, theatres, stores, garages and filling stations which are open to and are generally used by the public and to which the public is permitted to have unrestricted access; railroad trains, stages, and other public conveyances of all kinds and character, and the depots and waiting rooms used in conjunction therewith which are open to unrestricted use and access by the public; publicly owned bathing beaches, parks, and/or playgrounds; and all other places of like or similar nature to which the general public has unrestricted right of access, and which are generally used by the public.

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(((36))) "Regulations" means regulations made by the board 2 under the powers conferred by this title.

(((37))) (38) "Restaurant" means any establishment provided with special space and accommodations where, in consideration of payment, food, without lodgings, is habitually furnished to the public, not including drug stores and soda fountains.

(((38))) (39) "Sale" and "sell" include exchange, barter, and traffic; and also include the selling or supplying or distributing, by any means whatsoever, of liquor, or of any liquid known or described as beer or by any name whatever commonly used to describe malt or brewed liquor or of wine, by any person to any person; and also include a sale or selling within the state to a foreign consignee or his or her agent in the state. "Sale" and "sell" shall not include the giving, at no charge, of a reasonable amount of liquor by a person not licensed by the board to a person not licensed by the board, for personal use only. "Sale" and "sell" also does not include a raffle authorized under RCW 9.46.0315: PROVIDED, That the nonprofit organization conducting the raffle has obtained the appropriate permit from the board.

 $((\frac{39}{)})$ (40) "Service bar" means a fixed or portable table, counter, cart, or similar work station primarily used to prepare, mix, serve, and sell alcohol that is picked up by employees or customers. Customers may not be seated or allowed to consume food or alcohol at a service bar.

((40)) (41) "Soda fountain" means a place especially equipped with apparatus for the purpose of dispensing soft drinks, whether mixed or otherwise.

 $((\frac{41}{1}))$ (42) "Spirits" means <u>powdered alcohol</u>, and any beverage which contains alcohol obtained by distillation, except flavored malt beverages, but including wines exceeding twenty-four percent of alcohol by volume.

 $((\frac{42}{12}))$ <u>(43)</u> "Store" means a state liquor store established under this title.

((43)) (44) "Tavern" means any establishment with special space and accommodation for sale by the glass and for consumption on the premises, of beer, as herein defined.

((44))) (45) "VIP airport lounge" means an establishment within an international airport located beyond security checkpoints that provides a special space to sit, relax, read, work, and enjoy beverages where access is controlled by the VIP airport lounge

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operator and is generally limited to the following classifications of persons:

- (a) Airline passengers of any age whose admission is based on a first-class, executive, or business class ticket;
- (b) Airline passengers of any age who are qualified members or allowed guests of certain frequent flyer or other loyalty incentive programs maintained by airlines that have agreements describing the conditions for access to the VIP airport lounge;
- (c) Airline passengers of any age who are qualified members or allowed guests of certain enhanced amenities programs maintained by companies that have agreements describing the conditions for access to the VIP airport lounge;
- (d) Airport and airline employees, government officials, foreign dignitaries, and other attendees of functions held by the airport authority or airlines related to the promotion of business objectives such as increasing international air traffic and enhancing foreign trade where access to the VIP airport lounge will be controlled by the VIP airport lounge operator; and
- (e) Airline passengers of any age or airline employees whose admission is based on a pass issued or permission given by the airline for access to the VIP airport lounge.
 - (((45))) (46) "VIP airport lounge operator" means an airline, port district, or other entity operating a VIP airport lounge that: Is accountable for compliance with the alcohol beverage control act under this title; holds the license under chapter 66.24 RCW issued to the VIP airport lounge; and provides a point of contact for addressing any licensing and enforcement by the board.
- ((\(\frac{46+}\))) (\(\frac{47}\)(a)\) "Wine" means any alcoholic beverage obtained by fermentation of fruits (grapes, berries, apples, et cetera) or other agricultural product containing sugar, to which any saccharine substances may have been added before, during or after fermentation, and containing not more than twenty-four percent of alcohol by volume, including sweet wines fortified with wine spirits, such as port, sherry, muscatel, and angelica, not exceeding twenty-four percent of alcohol by volume and not less than one-half of one percent of alcohol by volume. For purposes of this title, any beverage containing no more than fourteen percent of alcohol by volume when bottled or packaged by the manufacturer shall be referred to as "table wine," and any beverage containing alcohol in an amount more than fourteen percent by volume when bottled or packaged by the

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manufacturer shall be referred to as "fortified wine." However, "fortified wine" shall not include: (i) Wines that are both sealed or capped by cork closure and aged two years or more; and (ii) wines that contain more than fourteen percent alcohol by volume solely as a result of the natural fermentation process and that have not been produced with the addition of wine spirits, brandy, or alcohol.

 (b) This subsection shall not be interpreted to require that any wine be labeled with the designation "table wine" or "fortified wine."

((47)) (48) "Wine distributor" means a person who buys wine from a domestic winery, wine certificate of approval holder, or wine importer, or who acquires foreign produced wine from a source outside of the United States, for the purpose of selling the same not in violation of this title, or who represents such vintner or winery as agent.

((48)) (49) "Wine importer" means a person or business within Washington who purchases wine from a wine certificate of approval holder or who acquires foreign produced wine from a source outside of the United States for the purpose of selling the same pursuant to this title.

(((49))) (50) "Winery" means a business conducted by any person 22 for the manufacture of wine for sale, other than a domestic winery.

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