CERTIFICATION OF ENROLLMENT

SUBSTITUTE SENATE BILL 5292

Chapter 193, Laws of 2015

64th Legislature 2015 Regular Session

ALCOHOL--POWDERED--PROHIBITION

EFFECTIVE DATE: 5/7/2015

Passed by the Senate April 16, 2015 Yeas 45 Nays 0

BRAD OWEN

President of the Senate

Passed by the House April 13, 2015 Yeas 91 Nays 6

FRANK CHOPP

Speaker of the House of Representatives Approved May 7, 2015 2:59 PM

CERTIFICATE

I, Hunter G. Goodman, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **SUBSTITUTE SENATE BILL 5292** as passed by Senate and the House of Representatives on the dates hereon set forth.

HUNTER G. GOODMAN

Secretary

FILED

May 7, 2015

JAY INSLEE

Governor of the State of Washington

Secretary of State State of Washington

SUBSTITUTE SENATE BILL 5292

AS AMENDED BY THE HOUSE

Passed Legislature - 2015 Regular Session

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.

AN ACT Relating to protecting children and youth from powdered alcohol; amending RCW 66.04.010; adding a new section to chapter 66.44 RCW; creating a new section; prescribing penalties; and declaring an emergency.

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

6 <u>NEW SECTION.</u> Sec. 1. The legislature finds that powdered 7 alcohol poses a risk to the public health and safety of children and 8 youth. The legislature intends to minimize this risk by banning the 9 use, purchase, sale, and possession of powdered alcohol, except for 10 bona fide research purposes.

11 <u>NEW SECTION.</u> **Sec. 2.** A new section is added to chapter 66.44 12 RCW to read as follows:

(1) It is unlawful for a person to use, offer for use, purchase,offer to purchase, sell, offer to sell, or possess powdered alcohol.

15 (2) Any person who violates this section is guilty of a 16 misdemeanor.

17 (3) This section does not apply to the use of powdered alcohol18 for bona fide research purposes by a:

(a) Health care provider that operates primarily for the purposesof conducting scientific research;

SSB 5292.SL

(b) State institution of higher education, as defined in RCW
 28B.10.016;

3 (c) Private college or university; or

(d) Pharmaceutical or biotechnology company.

5 **Sec. 3.** RCW 66.04.010 and 2012 c 117 s 264 are each amended to 6 read as follows:

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In this title, unless the context otherwise requires:

(1) "Alcohol" is that substance known as ethyl alcohol, hydrated 8 oxide of ethyl, or spirit of wine, which is commonly produced by the 9 10 fermentation or distillation of grain, starch, molasses, or sugar, or other substances including all dilutions and mixtures of this 11 substance. The term "alcohol" does not include alcohol in the 12 possession of a manufacturer or distiller of alcohol fuel, 13 as described in RCW 66.12.130, which is intended to be denatured and 14 15 used as a fuel for use in motor vehicles, farm implements, and 16 machines or implements of husbandry.

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(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;

20 (b) Has its business located in the United States outside of the 21 state of Washington;

(c) Acquires ownership of beer or wine for transportation into and resale in the state of Washington; and which beer or wine is produced by a brewery or winery in the United States outside of the 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, ormalt 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.

1 (5) "Beer importer" means a person or business within Washington 2 who purchases beer from a beer certificate of approval holder or who 3 acquires foreign produced beer from a source outside of the United 4 States for the purpose of selling the same pursuant to this title.

5 (6) "Board" means the liquor control board, constituted under6 this title.

7 (7) "Brewer" or "brewery" means any person engaged in the business of manufacturing beer and malt liquor. Brewer includes a 8 brand owner of malt beverages who holds a brewer's notice with the 9 federal bureau of alcohol, tobacco, and firearms at a location 10 11 outside the state and whose malt beverage is contract-produced by a licensed in-state brewery, and who may exercise within the state, 12 under a domestic brewery license, only the privileges of storing, 13 selling to licensed beer distributors, and exporting beer from the 14 15 state.

16 (8) "Club" means an organization of persons, incorporated or 17 unincorporated, operated solely for fraternal, benevolent, 18 educational, athletic, or social purposes, and not for pecuniary 19 gain.

20 (9) "Confection" means a preparation of sugar, honey, or other 21 natural or artificial sweeteners in combination with chocolate, 22 fruits, nuts, dairy products, or flavorings, in the form of bars, 23 drops, or pieces.

(10) "Consume" includes the putting of liquor to any use, whetherby drinking or otherwise.

26 (11) "Contract liquor store" means a business that sells liquor 27 on behalf of the board through a contract with a contract liquor 28 store manager.

(12) "Craft distillery" means a distillery that pays the reducedlicensing fee under RCW 66.24.140.

31 (13) "Dentist" means a practitioner of dentistry duly and 32 regularly licensed and engaged in the practice of his or her 33 profession within the state pursuant to chapter 18.32 RCW.

34 (14) "Distiller" means a person engaged in the business of 35 distilling spirits.

36 (15) "Domestic brewery" means a place where beer and malt liquor 37 are manufactured or produced by a brewer within the state.

(16) "Domestic winery" means a place where wines are manufacturedor produced within the state of Washington.

1 (17) <u>"Drug store" means a place whose principal business is, the</u> 2 <u>sale of drugs, medicines, and pharmaceutical preparations and</u> 3 <u>maintains a regular prescription department and employs a registered</u> 4 <u>pharmacist during all hours the drug store is open.</u>

5 (18) "Druggist" means any person who holds a valid certificate 6 and is a registered pharmacist and is duly and regularly engaged in 7 carrying on the business of pharmaceutical chemistry pursuant to 8 chapter 18.64 RCW.

9 (((18) "Drug store" means a place whose principal business is, 10 the sale of drugs, medicines, and pharmaceutical preparations and 11 maintains a regular prescription department and employs a registered 12 pharmacist during all hours the drug store is open.))

13 (19) "Employee" means any person employed by the board.

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(20) "Flavored malt beverage" means:

15 (a) A malt beverage containing six percent or less alcohol by 16 volume to which flavoring or other added nonbeverage ingredients are 17 added that contain distilled spirits of not more than forty-nine 18 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.

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(21) "Fund" means 'liquor revolving fund.'

(22) "Hotel" means buildings, structures, and grounds, having 24 25 facilities for preparing, cooking, and serving food, that are kept, used, maintained, advertised, or held out to the public to be a place 26 where food is served and sleeping accommodations are offered for pay 27 to transient guests, in which twenty or more rooms are used for the 28 29 sleeping accommodation of such transient quests. The buildings, structures, and grounds must be located on adjacent property either 30 31 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.

36 (25) "Liquor" includes the four varieties of liquor herein 37 defined (alcohol, spirits, wine, and beer), and all fermented, 38 spirituous, vinous, or malt liquor, or combinations thereof, and 39 mixed liquor, a part of which is fermented, spirituous, vinous or 40 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 8 beer, ale, lager beer, stout, and porter obtained by the alcoholic 9 fermentation of an infusion or decoction of pure hops, or pure 10 11 extract of hops and pure barley malt or other wholesome grain or cereal in pure water containing not more than eight percent of 12 alcohol by weight, and not less than one-half of one percent of 13 14 alcohol by volume. For the purposes of this title, any such beverage containing more than eight percent of alcohol by weight shall be 15 16 referred to as "strong beer."

17 (27) "Manufacturer" means a person engaged in the preparation of 18 liquor for sale, in any form whatsoever.

19 (28) "Nightclub" means an establishment that provides 20 entertainment and has as its primary source of revenue (a) the sale 21 of alcohol for consumption on the premises, (b) cover charges, or (c) 22 both.

(29) "Package" means any container or receptacle used for holdingliquor.

(30) "Passenger vessel" means any boat, ship, vessel, barge, or other floating craft of any kind carrying passengers for compensation.

(31) "Permit" means a permit for the purchase of liquor underthis title.

30 (32) "Person" means an individual, copartnership, association, or 31 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.

35 (34) <u>"Powdered alcohol" means any powder or crystalline substance</u> 36 <u>containing alcohol that is produced for direct use or reconstitution.</u>

37 (35) "Prescription" means a memorandum signed by a physician and 38 given by him or her to a patient for the obtaining of liquor pursuant 39 to this title for medicinal purposes.

1 (((35))) (36) "Public place" includes streets and alleys of incorporated cities and towns; state or county or township highways 2 or roads; buildings and grounds used for school purposes; public 3 and grounds adjacent thereto; those 4 dance halls parts of establishments where beer may be sold under this title, soft drink 5 б establishments, public buildings, public meeting halls, lobbies, 7 halls and dining rooms of hotels, restaurants, theatres, stores, garages and filling stations which are open to and are generally used 8 by the public and to which the public is permitted to have 9 unrestricted access; railroad trains, stages, and other public 10 conveyances of all kinds and character, and the depots and waiting 11 12 rooms used in conjunction therewith which are open to unrestricted use and access by the public; publicly owned bathing beaches, parks, 13 14 and/or playgrounds; and all other places of like or similar nature to which the general public has unrestricted right of access, and which 15 16 are generally used by the public.

17 (((-36))) (37) "Regulations" means regulations made by the board 18 under the powers conferred by this title.

19 (((37))) (38) "Restaurant" means any establishment provided with 20 special space and accommodations where, in consideration of payment, 21 food, without lodgings, is habitually furnished to the public, not 22 including drug stores and soda fountains.

(((38))) <u>(39)</u> "Sale" and "sell" include exchange, barter, and 23 traffic; and also include the selling or supplying or distributing, 24 25 by any means whatsoever, of liquor, or of any liquid known or 26 described as beer or by any name whatever commonly used to describe 27 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 28 29 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 30 31 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 32 include a raffle authorized under RCW 9.46.0315: PROVIDED, That the 33 nonprofit organization conducting the raffle has obtained the 34 35 appropriate permit from the board.

36 (((39))) (40) "Service bar" means a fixed or portable table, 37 counter, cart, or similar work station primarily used to prepare, 38 mix, serve, and sell alcohol that is picked up by employees or 39 customers. Customers may not be seated or allowed to consume food or 40 alcohol at a service bar. 1 (((40))) (41) "Soda fountain" means a place especially equipped 2 with apparatus for the purpose of dispensing soft drinks, whether 3 mixed or otherwise.

4 (((41))) (42) "Spirits" means any beverage which contains alcohol
5 obtained by distillation, except flavored malt beverages, but
6 including wines exceeding twenty-four percent of alcohol by volume.

7 (((42))) (43) "Store" means a state liquor store established 8 under this title.

9 (((43))) <u>(44)</u> "Tavern" means any establishment with special space 10 and accommodation for sale by the glass and for consumption on the 11 premises, of beer, as herein defined.

12 (((44))) (45) "VIP airport lounge" means an establishment within 13 an international airport located beyond security checkpoints that 14 provides a special space to sit, relax, read, work, and enjoy 15 beverages where access is controlled by the VIP airport lounge 16 operator and is generally limited to the following classifications of 17 persons:

(a) Airline passengers of any age whose admission is based on a
 first-class, executive, or business class ticket;

20 (b) Airline passengers of any age who are qualified members or 21 allowed guests of certain frequent flyer or other loyalty incentive 22 programs maintained by airlines that have agreements describing the 23 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.

37 (((45))) (46) "VIP airport lounge operator" means an airline, 38 port district, or other entity operating a VIP airport lounge that: 39 Is accountable for compliance with the alcohol beverage control act 40 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.

(((46))) (47)(a) "Wine" means any alcoholic beverage obtained by 3 fermentation of fruits (grapes, berries, apples, et cetera) or other 4 agricultural product containing sugar, to which any saccharine 5 6 substances may have been added before, during or after fermentation, 7 and containing not more than twenty-four percent of alcohol by volume, including sweet wines fortified with wine spirits, such as 8 port, sherry, muscatel, and angelica, not exceeding twenty-four 9 percent of alcohol by volume and not less than one-half of one 10 11 percent of alcohol by volume. For purposes of this title, any beverage containing no more than fourteen percent of alcohol by 12 volume when bottled or packaged by the manufacturer shall be referred 13 14 to as "table wine," and any beverage containing alcohol in an amount more than fourteen percent by volume when bottled or packaged by the 15 16 manufacturer shall be referred to as "fortified wine." However, 17 "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 18 that contain more than fourteen percent alcohol by volume solely as a 19 result of the natural fermentation process and that have not been 20 21 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.

31 (((48))) (49) "Wine importer" means a person or business within 32 Washington who purchases wine from a wine certificate of approval 33 holder or who acquires foreign produced wine from a source outside of 34 the United States for the purpose of selling the same pursuant to 35 this title.

36 (((49))) (50) "Winery" means a business conducted by any person 37 for the manufacture of wine for sale, other than a domestic winery.

38 <u>NEW SECTION.</u> **Sec. 4.** This act is necessary for the immediate 39 preservation of the public peace, health, or safety, or support of

- 1 the state government and its existing public institutions, and takes
- 2 effect immediately.

Passed by the Senate April 16, 2015. Passed by the House April 13, 2015. Approved by the Governor May 7, 2015. Filed in Office of Secretary of State May 7, 2015.