

# SENATE BILL REPORT

## SHB 1578

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As of March 26, 1997

**Title:** An act relating to the regulation of liquor sales in designated restricted liquor zones.

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

**Sponsors:** House Committee on Commerce & Labor (originally sponsored by 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).

**Brief History:**

**Committee Activity:** Commerce & Labor: 3/31/97.

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### SENATE COMMITTEE ON COMMERCE & LABOR

**Staff:** Traci Ratzliff (786-7452)

**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 statewide 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:** The Liquor Control Board may designate, by rule, 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 impairment of the use 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 or may consider restricted sale privileges for individual licenses as they come up for renewal.

The Liquor Control Board may identify certain wine products as fortified wine– for purposes of restricting sale for off-premises consumption. These are wine products identified as beverages of choice for chronic public inebriates that have an alcohol content less than 14 percent by volume when bottled by the manufacturer.

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 and restricting the hours of sale. 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.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.