

SENATE BILL REPORT

SB 5020

As Reported by Senate Committee On:
Labor & Commerce, January 24, 2019

Title: An act relating to establishing a soju endorsement to beer and/or wine restaurant licenses and spirits, beer, and wine restaurant licenses.

Brief Description: Establishing a soju endorsement to certain restaurant licenses.

Sponsors: Senators Hobbs, Salomon, Hasegawa, King, Saldaña, Nguyen, Wilson, C., Keiser and Rivers.

Brief History:

Committee Activity: Labor & Commerce: 1/17/19, 1/24/19 [DPS].

Brief Summary of First Substitute Bill

- Provides a definition for soju, a traditional Korean distilled alcoholic beverage.
- Requires the Liquor and Cannabis Board (LCB) to create a soju endorsement to the spirits, beer, and wine restaurant liquor license to allow soju to be served by the bottle.
- Requires the LCB to develop an additional training curriculum and for the endorsement holders to ensure the servers to be trained in the curriculum.
- Sets the fee for the soju endorsement at \$50.

SENATE COMMITTEE ON LABOR & COMMERCE

Majority Report: That Substitute Senate Bill No. 5020 be substituted therefor, and the substitute bill do pass.

Signed by Senators Keiser, Chair; Conway, Vice Chair; King, Ranking Member; Saldaña, Walsh and Wellman.

Staff: Richard Rodger (786-7461)

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Background: The Liquor and Cannabis Board (LCB) issues various types of commercial liquor licenses, including those for beer and/or wine specialty shops, wineries, microbreweries, domestic breweries, restaurants, and nightclubs.

There are two licenses for retail sales of liquor at restaurants:

- a beer and/or wine restaurant license which allows for the sale of beer, strong beer, or wine for consumption on the premises; and
- a spirits, beer, and wine restaurant license which allows for the sale of spirits by the individual glass, beer, and wine for consumption on the premises, including mixed drinks and cocktails compounded or mixed on the premises.

Restaurants are defined as establishments with a special space and accommodations where food is prepared, cooked, and served to the public. Additionally, a spirits, beer, and wine restaurant licensee must serve complete meals, as defined in LCB rules.

The LCB is authorized in certain circumstances to impose conditions or restrictions on a license, or include special endorsements authorizing the sale of specified alcoholic beverages subject to specified conditions. All conditions, restrictions, and endorsements issued by the LCB must be listed on the face of the license.

Summary of Bill (First Substitute): "Soju" is defined as a traditional Korean distilled alcoholic beverage, produced using authentic Korean recipes and production methods, and derived from agricultural products, that contains not more than twenty-four percent of alcohol by volume.

The LCB must create a soju endorsement to the spirits, beer, and wine restaurant license that allows the licensees to serve soju for on-premises consumption by the bottle at tables of two or more adult patrons. The fee for the endorsement is set at \$50.

The holder of a soju endorsement may serve soju in bottles that are 375 milliliters or less. The empty bottles of soju must remain on the patron's table until the patron has left the premises. The patron may remove from the premises a recapped bottle of soju, in its original container, with any unused portion of soju that was purchased for consumption with a meal.

The LCB must develop an additional responsible sale and service of soju training curriculum. Soju endorsement holders must ensure their employees are trained in the curriculum. The curriculum must be available in both Korean and English languages.

EFFECT OF CHANGES MADE BY LABOR & COMMERCE COMMITTEE (First Substitute):

- Broadens the definition of soju.
- Removes the beer and/or wine restaurants from the bill.
- Requires soju service by the bottle be restricted to only spirits, beer, and wine licensees.
- Limits bottle service to tables with two or more adult patrons.
- Requires the LCB to develop training curriculum and for servers to be trained in the curriculum.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

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

Staff Summary of Public Testimony on Original Bill: *The committee recommended a different version of the bill than what was heard.* PRO: This bill is really a matter of fairness. Soju is a beverage that is tied to the Korean community and their culture. The bill simply allows the bottle to be placed on the table when it is served, instead of being served in a teapot or by the shot glass. The bill may need to be amended to remove the limitation that the provisions only apply to soju imported from Korea. This bill is also supported by the cities of Tacoma, Lynnwood, and Shoreline. The service of soju by the bottle actually helps control the consumption as the patrons will know how many bottles are on the table, versus service by shot glasses.

OTHER: A recent study concluded that there is not a safe level of alcohol consumption. We need to carefully evaluate all legislation that expands alcohol access and promotion. Not all legislation on alcohol is equally objectionable. Our only concern is whether this bill can be accomplished by the LCB through rulemaking under existing authority and forgo this legislation. The LCB is fine with the intent and purpose of the bill, but would like the service by the bottle to be limited to when there are two or more patrons consuming the soju. The bill should also be limited to those restaurants that have a spirits, beer and wine license.

Persons Testifying: PRO: Senator Steve Hobbs, Prime Sponsor; Chris Marr, lobbyist, Jinro America; Dan Cho, Co-Ho Imports; Christina Joo, server, Blue Ginger; Chun H. Park, owner, Fish Island; Jungsook Lee, owner, Hanmaum Restaurant; Zachary Lindahl, Washington Hospitality Association.

OTHER: Seth Dawson, Washington Association for Substance Abuse Prevention; Chris Thompson, LCB.

Persons Signed In To Testify But Not Testifying: No one.