

CERTIFICATION OF ENROLLMENT  
**SUBSTITUTE SENATE BILL 6812**

Chapter 142, Laws of 2000

56th Legislature  
2000 Regular Session

DOMESTIC BREWERS

EFFECTIVE DATE: 6/8/00

Passed by the Senate March 7, 2000  
YEAS 47 NAYS 1

BRAD OWEN  
President of the Senate

Passed by the House March 3, 2000  
YEAS 98 NAYS 0

CLYDE BALLARD  
Speaker of the  
House of Representatives

FRANK CHOPP  
Speaker of the  
House of Representatives

Approved March 27, 2000

GARY LOCKE  
Governor of the State of Washington

CERTIFICATE

I, Tony M. Cook, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **SUBSTITUTE SENATE BILL 6812** as passed by the Senate and the House of Representatives on the dates hereon set forth.

TONY M. COOK  
Secretary

FILED

March 27, 2000 - 2:41 p.m.

Secretary of State  
State of Washington

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**SUBSTITUTE SENATE BILL 6812**

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AS AMENDED BY THE HOUSE

Passed Legislature - 2000 Regular Session

**State of Washington                      56th Legislature                      2000 Regular Session**

**By** Senate Committee on Commerce, Trade, Housing & Financial  
Institutions (originally sponsored by Senator Prentice)

Read first time 02/04/2000.

1            AN ACT Relating to contract brewing by domestic brewers; and  
2 amending RCW 66.04.010 and 66.24.240.

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

4            **Sec. 1.** RCW 66.04.010 and 1997 c 321    37 are each amended to read  
5 as follows:

6            In this title, unless the context otherwise requires:

7            (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 fermentation or distillation of grain, starch, molasses, or sugar, or  
10 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, as described  
13 in RCW 66.12.130, which is intended to be denatured and used as a fuel  
14 for use in motor vehicles, farm implements, and machines or implements  
15 of husbandry.

16            (2) "Beer" means any malt beverage or malt liquor as these terms  
17 are defined in this chapter.

18            (3) "Beer distributor" means a person who buys beer from a brewer  
19 or brewery located either within or beyond the boundaries of the state,

1 beer importers, or foreign produced beer from a source outside the  
2 state of Washington, for the purpose of selling the same pursuant to  
3 this title, or who represents such brewer or brewery as agent.

4 (4) "Beer importer" means a person or business within Washington  
5 who purchases beer from a United States brewery holding a certificate  
6 of approval (B5) or foreign produced beer from a source outside the  
7 state of Washington for the purpose of selling the same pursuant to  
8 this title.

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

17 (6) "Board" means the liquor control board, constituted under this  
18 title.

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

22 (8) "Consume" includes the putting of liquor to any use, whether by  
23 drinking or otherwise.

24 (9) "Dentist" means a practitioner of dentistry duly and regularly  
25 licensed and engaged in the practice of his profession within the state  
26 pursuant to chapter 18.32 RCW.

27 (10) "Distiller" means a person engaged in the business of  
28 distilling spirits.

29 (11) "Domestic brewery" means a place where beer and malt liquor  
30 are manufactured or produced by a brewer within the state.

31 (12) "Domestic winery" means a place where wines are manufactured  
32 or produced within the state of Washington.

33 (~~(12)~~)(13) "Druggist" means any person who holds a valid  
34 certificate and is a registered pharmacist and is duly and regularly  
35 engaged in carrying on the business of pharmaceutical chemistry  
36 pursuant to chapter 18.64 RCW.

37 (~~(13)~~)(14) "Drug store" means a place whose principal business  
38 is, the sale of drugs, medicines and pharmaceutical preparations and

1 maintains a regular prescription department and employs a registered  
2 pharmacist during all hours the drug store is open.

3 ~~((14))~~(15) "Employee" means any person employed by the board,  
4 including a vendor, as hereinafter in this section defined.

5 ~~((15))~~(16) "Fund" means 'liquor revolving fund.'

6 ~~((16))~~(17) "Hotel" means every building or other structure kept,  
7 used, maintained, advertised or held out to the public to be a place  
8 where food is served and sleeping accommodations are offered for pay to  
9 transient guests, in which twenty or more rooms are used for the  
10 sleeping accommodation of such transient guests and having one or more  
11 dining rooms where meals are served to such transient guests, such  
12 sleeping accommodations and dining rooms being conducted in the same  
13 building and buildings, in connection therewith, and such structure or  
14 structures being provided, in the judgment of the board, with adequate  
15 and sanitary kitchen and dining room equipment and capacity, for  
16 preparing, cooking and serving suitable food for its guests: PROVIDED  
17 FURTHER, That in cities and towns of less than five thousand  
18 population, the board shall have authority to waive the provisions  
19 requiring twenty or more rooms.

20 ~~((17))~~(18) "Importer" means a person who buys distilled spirits  
21 from a distillery outside the state of Washington and imports such  
22 spirituous liquor into the state for sale to the board or for export.

23 ~~((18))~~(19) "Imprisonment" means confinement in the county jail.

24 ~~((19))~~(20) "Liquor" includes the four varieties of liquor herein  
25 defined (alcohol, spirits, wine and beer), and all fermented,  
26 spirituous, vinous, or malt liquor, or combinations thereof, and mixed  
27 liquor, a part of which is fermented, spirituous, vinous or malt  
28 liquor, or otherwise intoxicating; and every liquid or solid or  
29 semisolid or other substance, patented or not, containing alcohol,  
30 spirits, wine or beer, and all drinks or drinkable liquids and all  
31 preparations or mixtures capable of human consumption, and any liquid,  
32 semisolid, solid, or other substance, which contains more than one  
33 percent of alcohol by weight shall be conclusively deemed to be  
34 intoxicating. Liquor does not include confections or food products  
35 that contain one percent or less of alcohol by weight.

36 ~~((20))~~(21) "Manufacturer" means a person engaged in the  
37 preparation of liquor for sale, in any form whatsoever.

38 ~~((21))~~(22) "Malt beverage" or "malt liquor" means any beverage  
39 such as beer, ale, lager beer, stout, and porter obtained by the

1 alcoholic fermentation of an infusion or decoction of pure hops, or  
2 pure extract of hops and pure barley malt or other wholesome grain or  
3 cereal in pure water containing not more than eight percent of alcohol  
4 by weight, and not less than one-half of one percent of alcohol by  
5 volume. For the purposes of this title, any such beverage containing  
6 more than eight percent of alcohol by weight shall be referred to as  
7 "strong beer."

8 ~~((22))~~(23) "Package" means any container or receptacle used for  
9 holding liquor.

10 ~~((23))~~(24) "Permit" means a permit for the purchase of liquor  
11 under this title.

12 ~~((24))~~(25) "Person" means an individual, copartnership,  
13 association, or corporation.

14 ~~((25))~~(26) "Physician" means a medical practitioner duly and  
15 regularly licensed and engaged in the practice of his profession within  
16 the state pursuant to chapter 18.71 RCW.

17 ~~((26))~~(27) "Prescription" means a memorandum signed by a  
18 physician and given by him to a patient for the obtaining of liquor  
19 pursuant to this title for medicinal purposes.

20 ~~((27))~~(28) "Public place" includes streets and alleys of  
21 incorporated cities and towns; state or county or township highways or  
22 roads; buildings and grounds used for school purposes; public dance  
23 halls and grounds adjacent thereto; those parts of establishments where  
24 beer may be sold under this title, soft drink establishments, public  
25 buildings, public meeting halls, lobbies, halls and dining rooms of  
26 hotels, restaurants, theatres, stores, garages and filling stations  
27 which are open to and are generally used by the public and to which the  
28 public is permitted to have unrestricted access; railroad trains,  
29 stages, and other public conveyances of all kinds and character, and  
30 the depots and waiting rooms used in conjunction therewith which are  
31 open to unrestricted use and access by the public; publicly owned  
32 bathing beaches, parks, and/or playgrounds; and all other places of  
33 like or similar nature to which the general public has unrestricted  
34 right of access, and which are generally used by the public.

35 ~~((28))~~(29) "Regulations" means regulations made by the board  
36 under the powers conferred by this title.

37 ~~((29))~~(30) "Restaurant" means any establishment provided with  
38 special space and accommodations where, in consideration of payment,

1 food, without lodgings, is habitually furnished to the public, not  
2 including drug stores and soda fountains.

3 ~~((30))~~(31) "Sale" and "sell" include exchange, barter, and  
4 traffic; and also include the selling or supplying or distributing, by  
5 any means whatsoever, of liquor, or of any liquid known or described as  
6 beer or by any name whatever commonly used to describe malt or brewed  
7 liquor or of wine, by any person to any person; and also include a sale  
8 or selling within the state to a foreign consignee or his agent in the  
9 state. "Sale" and "sell" shall not include the giving, at no charge,  
10 of a reasonable amount of liquor by a person not licensed by the board  
11 to a person not licensed by the board, for personal use only. "Sale"  
12 and "sell" also does not include a raffle authorized under RCW  
13 9.46.0315: PROVIDED, That the nonprofit organization conducting the  
14 raffle has obtained the appropriate permit from the board.

15 ~~((31))~~(32) "Soda fountain" means a place especially equipped with  
16 apparatus for the purpose of dispensing soft drinks, whether mixed or  
17 otherwise.

18 ~~((32))~~(33) "Spirits" means any beverage which contains alcohol  
19 obtained by distillation, including wines exceeding twenty-four percent  
20 of alcohol by volume.

21 ~~((33))~~(34) "Store" means a state liquor store established under  
22 this title.

23 ~~((34))~~(35) "Tavern" means any establishment with special space  
24 and accommodation for sale by the glass and for consumption on the  
25 premises, of beer, as herein defined.

26 ~~((35))~~(36) "Vendor" means a person employed by the board as a  
27 store manager under this title.

28 ~~((36))~~(37) "Winery" means a business conducted by any person for  
29 the manufacture of wine for sale, other than a domestic winery.

30 ~~((37))~~(38) "Wine" means any alcoholic beverage obtained by  
31 fermentation of fruits (grapes, berries, apples, et cetera) or other  
32 agricultural product containing sugar, to which any saccharine  
33 substances may have been added before, during or after fermentation,  
34 and containing not more than twenty-four percent of alcohol by volume,  
35 including sweet wines fortified with wine spirits, such as port,  
36 sherry, muscatel and angelica, not exceeding twenty-four percent of  
37 alcohol by volume and not less than one-half of one percent of alcohol  
38 by volume. For purposes of this title, any beverage containing no more  
39 than fourteen percent of alcohol by volume when bottled or packaged by

1 the manufacturer shall be referred to as "table wine," and any beverage  
2 containing alcohol in an amount more than fourteen percent by volume  
3 when bottled or packaged by the manufacturer shall be referred to as  
4 "fortified wine." However, "fortified wine" shall not include: (a)  
5 Wines that are both sealed or capped by cork closure and aged two years  
6 or more; and (b) wines that contain more than fourteen percent alcohol  
7 by volume solely as a result of the natural fermentation process and  
8 that have not been produced with the addition of wine spirits, brandy,  
9 or alcohol.

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

12 ~~((+38+))~~(39) "Wine distributor" means a person who buys wine from  
13 a vintner or winery located either within or beyond the boundaries of  
14 the state for the purpose of selling the same not in violation of this  
15 title, or who represents such vintner or winery as agent.

16 ~~((+39+))~~(40) "Wine importer" means a person or business within  
17 Washington who purchases wine from a United States winery holding a  
18 certificate of approval (W7) or foreign produced wine from a source  
19 outside the state of Washington for the purpose of selling the same  
20 pursuant to this title.

21 **Sec. 2.** RCW 66.24.240 and 1997 c 321 11 are each amended to read  
22 as follows:

23 (1) There shall be a license for domestic breweries; fee to be two  
24 thousand dollars for production of sixty thousand barrels or more of  
25 malt liquor per year.

26 (2) Any domestic brewery, except for a brand owner of malt  
27 beverages under RCW 66.04.010(5), licensed under this section may also  
28 act as a distributor and/or retailer for beer of its own production.  
29 Any domestic brewery operating as a distributor and/or retailer under  
30 this subsection shall comply with the applicable laws and rules  
31 relating to distributors and/or retailers.

32 (3) Any domestic brewery licensed under this section may contract-  
33 produce beer for a brand owner of malt beverages defined under RCW  
34 66.04.010(5), and this contract-production is not a sale for the  
35 purposes of RCW 66.28.170 and 66.28.180.

Passed the Senate March 7, 2000.

Passed the House March 3, 2000.

Approved by the Governor March 27, 2000.

Filed in Office of Secretary of State March 27, 2000.