H-4350.1				

## SECOND SUBSTITUTE HOUSE BILL 1430

**By** House Committee on Commerce & Labor (originally sponsored by Representatives Wood and Condotta)

59th Legislature

2006 Regular Session

READ FIRST TIME 01/26/06.

State of Washington

- AN ACT Relating to sale by spirit, beer, and wine licensees of malt
- 2 liquor in containers that are capable of holding four gallons or more
- 3 and are registered in accordance with RCW 66.28.200; and amending RCW
- 4 66.24.400, 66.28.200, and 66.28.220.

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- 5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 6 **Sec. 1.** RCW 66.24.400 and 2005 c 152 s 2 are each amended to read 7 as follows:
- 8 (1) There shall be a retailer's license, to be known and designated

as a spirits, beer, and wine restaurant license, to sell spirituous

- 10 liquor by the individual glass, beer, and wine, at retail, for
- 11 consumption on the premises, including mixed drinks and cocktails
- 12 compounded or mixed on the premises only((: PROVIDED, That)).
- 13 <u>However</u>, a hotel, or club licensed under chapter 70.62 RCW with
- 14 overnight sleeping accommodations, that is licensed under this section
- 15 may sell liquor by the bottle to registered guests of the hotel or club
- 16 for consumption in guest rooms, hospitality rooms, or at banquets in
- 17 the hotel or club(( $\div$  PROVIDED FURTHER, That)). A patron of a bona
- 18 fide hotel, restaurant, or club licensed under this section may remove
- 19 from the premises recorked or recapped in its original container any

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- portion of wine which was purchased for consumption with a meal, and registered guests who have purchased liquor from the hotel or club by the bottle may remove from the premises any unused portion of such liquor in its original container. Such license may be issued only to bona fide restaurants, hotels and clubs, and to dining, club and buffet cars on passenger trains, and to dining places on passenger boats and airplanes, and to dining places at civic centers with facilities for entertainment, and conventions, and to such establishments operated and maintained primarily for the benefit of tourists, vacationers and travelers as the board shall determine are qualified to have, and in the discretion of the board should have, a spirits, beer, and wine restaurant license under the provisions and limitations of this title.
  - (2) The board may issue an endorsement to the spirits, beer, and wine restaurant license that allows the holder of a spirits, beer, and wine restaurant license to sell for off-premises consumption wine vinted and bottled in the state of Washington and carrying a label exclusive to the license holder selling the wine. Spirits and beer may not be sold for off-premises consumption under this section, except as provided in subsection (4) of this section. The annual fee for the endorsement under this subsection is one hundred twenty dollars.
  - (3) The holder of a spirits, beer, and wine license or its manager may furnish beer, wine, or spirituous liquor to the licensee's employees free of charge as may be required for use in connection with instruction on beer, wine, or spirituous liquor. The instruction may include the history, nature, values, and characteristics of beer, wine, or spirituous liquor, the use of wine lists, and the methods of presenting, serving, storing, and handling beer, wine, and spirituous liquor. The spirits, beer, and wine restaurant licensee must use the beer, wine, or spirituous liquor it obtains under its license for the sampling as part of the instruction. The instruction must be given on the premises of the spirits, beer, and wine restaurant licensee.
  - (4) The board may issue an endorsement to the spirits, beer, and wine restaurant license that allows the holder of a spirits, beer, and wine restaurant license to sell for off-premises consumption malt liquor in kegs or other containers that are capable of holding four gallons or more of liquid and are registered in accordance with RCW

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- 1 <u>66.28.200</u>. The annual fee for the endorsement under this subsection is
- 2 <u>one hundred twenty dollars.</u>

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- 3 **Sec. 2.** RCW 66.28.200 and 2003 c 53 s 296 are each amended to read 4 as follows:
- (1) Licensees holding a beer and/or wine restaurant or a tavern 5 license in combination with an off-premises beer and wine retailer's 6 7 license or licensees holding a spirits, beer, and wine restaurant license with an endorsement issued under RCW 66.24.400(4) may sell malt 8 liquor in kegs or other containers capable of holding four gallons or 9 10 more of liquid. Under a special endorsement from the board, a grocery 11 store licensee may sell malt liquor in containers no larger than five and one-half gallons. The sale of any container holding four gallons 12 or more must comply with the provisions of this section and RCW 13 66.28.210 through 66.28.240. 14
  - (2) Any person who sells or offers for sale the contents of kegs or other containers containing four gallons or more of malt liquor, or leases kegs or other containers that will hold four gallons of malt liquor, to consumers who are not licensed under chapter 66.24 RCW shall do the following for any transaction involving the container:
- 20 (a) Require the purchaser of the malt liquor to sign a declaration 21 and receipt for the keg or other container or beverage in substantially 22 the form provided in RCW 66.28.220;
- 23 (b) Require the purchaser to provide one piece of identification 24 pursuant to RCW 66.16.040;
- 25 (c) Require the purchaser to sign a sworn statement, under penalty 26 of perjury, that:
- 27 (i) The purchaser is of legal age to purchase, possess, or use malt liquor;
- (ii) The purchaser will not allow any person under the age of twenty-one years to consume the beverage except as provided by RCW 66.44.270;
- (iii) The purchaser will not remove, obliterate, or allow to be removed or obliterated, the identification required under RCW 66.28.220 to be affixed to the container;
- 35 (d) Require the purchaser to state the particular address where the 36 malt liquor will be consumed, or the particular address where the keg 37 or other container will be physically located; and

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- (e) Require the purchaser to maintain a copy of the declaration and receipt next to or adjacent to the keg or other container, in no event a distance greater than five feet, and visible without a physical barrier from the keg, during the time that the keg or other container is in the purchaser's possession or control.
  - (3) A violation of this section is a gross misdemeanor.
- **Sec. 3.** RCW 66.28.220 and 2003 c 53 s 298 are each amended to read 8 as follows:
  - (1) The board shall adopt rules requiring retail licensees to affix appropriate identification on all containers of four gallons or more of malt liquor for the purpose of tracing the purchasers of such containers. The rules may provide for identification to be done on a statewide basis or on the basis of smaller geographical areas.
  - (2) The board shall develop and make available forms for the declaration and receipt required by RCW 66.28.200. The board may charge spirits, beer, and wine restaurant licensees with an endorsement issued under RCW 66.24.400(4) and grocery store licensees for the costs of providing the forms and that money collected for the forms shall be deposited into the liquor revolving fund for use by the board, without further appropriation, to continue to administer the cost of the keg registration program.
  - (3) It is unlawful for any person to sell or offer for sale kegs or other containers containing four gallons or more of malt liquor to consumers who are not licensed under chapter 66.24 RCW if the kegs or containers are not identified in compliance with rules adopted by the board.
  - (4) A violation of this section is a gross misdemeanor.

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