### CERTIFICATION OF ENROLLMENT

## SUBSTITUTE SENATE BILL 5280

Chapter 192, Laws of 2015

64th Legislature 2015 Regular Session

BEER AND CIDER--GROCERY STORE LICENSEES

EFFECTIVE DATE: 7/24/2015

Passed by the Senate April 16, 2015 CERTIFICATE Yeas 35 Nays 12 I, Hunter G. Goodman, Secretary of Senate of the State of BRAD OWEN Washington, do hereby certify that the attached is **SUBSTITUTE SENATE** President of the Senate BILL 5280 as passed by Senate and the House of Representatives on the dates hereon set forth. Passed by the House April 14, 2015 Yeas 67 Nays 30 HUNTER G. GOODMAN Secretary FRANK CHOPP Speaker of the House of Representatives Approved May 7, 2015 2:57 PM FILED May 7, 2015

JAY INSLEE

Governor of the State of Washington

Secretary of State

State of Washington

#### SUBSTITUTE SENATE BILL 5280

#### AS AMENDED BY THE HOUSE

Passed Legislature - 2015 Regular Session

# State of Washington 64th Legislature 2015 Regular Session

By Senate Commerce & Labor (originally sponsored by Senators Kohl-Welles, Braun, and Warnick)

READ FIRST TIME 02/20/15.

- 1 AN ACT Relating to the sale of beer and cider by grocery store
- 2 licensees; and amending RCW 66.24.360.
- 3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 4 **Sec. 1.** RCW 66.24.360 and 2012 c 2 s 104 are each amended to 5 read as follows:
  - (1) There is a grocery store license to sell wine and/or beer, including without limitation strong beer at retail in original containers, not to be consumed upon the premises where sold.
- (2) There is a wine retailer reseller endorsement of a grocery 9 store license, to sell wine at retail in original containers to 10 11 retailers licensed to sell wine for consumption on the premises, for resale at their licensed premises according to the terms of the 12 13 license. However, no single sale may exceed twenty-four 14 unless the sale is made by a licensee that was a contract liquor store manager of a contract-operated liquor store at the location 15 16 from which such sales are made. For the purposes of this title, a 17 grocery store license is a retail license, and a sale by a grocery store licensee with a reseller endorsement is a retail sale only if 18 19 not for resale.

6

7

8

1 (3) Licensees obtaining a written endorsement from the board may 2 also sell malt liquor in kegs or other containers capable of holding 3 less than five and one-half gallons of liquid.

4

5

8

9

10

11 12

13

14

15 16

2021

22

23

2425

26

27

2829

32

33

34

35

36

37

- (4) The annual fee for the grocery store license is one hundred fifty dollars for each store.
- 6 (5) The annual fee for the wine retailer reseller endorsement is 7 one hundred sixty-six dollars for each store.
  - (6)(a) Upon approval by the board, a grocery store licensee with revenues derived from beer and/or wine sales exceeding fifty percent of total revenues or that maintains an alcohol inventory of not less than fifteen thousand dollars may also receive an endorsement to permit the sale of beer and cider, as defined in RCW 66.24.210(6), in a sanitary container brought to the premises by the purchaser, or provided by the licensee or manufacturer, and filled at the tap by the licensee at the time of sale by an employee of the licensee holding a class 12 alcohol server permit.
- (b) Pursuant to RCW 74.08.580(1)(f), a person may not use an electronic benefit transfer card for the purchase of any product authorized for sale under this section.
  - (c) The board may, by rule, establish fees to be paid by licensees receiving the endorsement authorized under this subsection (6), as necessary to cover the costs of implementing and enforcing the provisions of this subsection (6).
  - (7) The board must issue a restricted grocery store license authorizing the licensee to sell beer and only table wine, if the board finds upon issuance or renewal of the license that the sale of strong beer or fortified wine would be against the public interest. In determining the public interest, the board must consider at least the following factors:
- 30 (a) The likelihood that the applicant will sell strong beer or 31 fortified wine to persons who are intoxicated;
  - (b) Law enforcement problems in the vicinity of the applicant's establishment that may arise from persons purchasing strong beer or fortified wine at the establishment; and
  - (c) Whether the sale of strong beer or fortified wine would be detrimental to or inconsistent with a government-operated or funded alcohol treatment or detoxification program in the area.
- If the board receives no evidence or objection that the sale of strong beer or fortified wine would be against the public interest, to it must issue or renew the license without restriction, as

p. 2 SSB 5280.SL

- applicable. The burden of establishing that the sale of strong beer or fortified wine by the licensee would be against the public interest is on those persons objecting.
- 4 ((<del>(7)</del>)) <u>(8)</u> Licensees holding a grocery store license must 5 maintain a minimum three thousand dollar inventory of food products 6 for human consumption, not including pop, beer, strong beer, or wine.
- 7  $((\frac{8}{1}))$  (9) A grocery store licensee with a wine retailer reseller endorsement may accept delivery of wine at its licensed 8 premises or at one or more warehouse facilities registered with the 9 board, which facilities may also warehouse and distribute nonliquor 10 11 items, and from which it may deliver to its own licensed premises and, pursuant to sales permitted by this title, to other licensed 12 premises, to other registered facilities, or to lawful purchasers 13 14 outside the state. Facilities may be registered and utilized by associations, cooperatives, or comparable groups of grocery store 15 16 licensees.
- $((\frac{9}{}))$  (10) Upon approval by the board, the grocery store licensee may also receive an endorsement to permit the international export of beer, strong beer, and wine.

20

21

22

23

2425

26

38

- (a) Any beer, strong beer, or wine sold under this endorsement must have been purchased from a licensed beer or wine distributor licensed to do business within the state of Washington.
- (b) Any beer, strong beer, and wine sold under this endorsement must be intended for consumption outside the state of Washington and the United States and appropriate records must be maintained by the licensee.
- (c) Any beer, strong beer, or wine sold under this endorsement must be sold at a price no less than the acquisition price paid by the holder of the license.
- 30 (d) The annual cost of this endorsement is five hundred dollars 31 and is in addition to the license fees paid by the licensee for a 32 grocery store license.
- (((10))) (11) A grocery store licensee holding a snack bar license under RCW 66.24.350 may receive an endorsement to allow the sale of confections containing more than one percent but not more than ten percent alcohol by weight to persons twenty-one years of age or older.

p. 3

(12) The board may adopt rules to implement this section.

1 (13) Nothing in this section limits the authority of the board to 2 regulate the sale of beer or cider or container sizes under rules 3 adopted pursuant to RCW 66.08.030.

Passed by the Senate April 16, 2015.
Passed by the House April 14, 2015.
Approved by the Governor May 7, 2015.
Filed in Office of Secretary of State May 7, 2015.