

CHAPTER 386

[Substitute House Bill No. 1158]

DUTY FREE EXPORTERS—CLASS S LIQUOR LICENSES—SALE OF NONLIQUOR PRODUCTS BY LICENSEES—FORTIFIED WINE SALES RESTRICTED

AN ACT Relating to liquor licenses; amending RCW 66.04.010, 66.24.370, and 66.24-.490; adding a new section to chapter 66.16 RCW; adding new sections to chapter 66.24 RCW; and declaring an emergency.

Be it enacted by the Legislature of the State of Washington:

NEW SECTION. Sec. 1. A new section is added to chapter 66.24 RCW to read as follows:

(1) There shall be a license to be designated as a class S license to qualified duty free exporters authorizing such exporters to sell beer and wine to vessels for consumption outside the state of Washington.

(2) To qualify for a license under subsection (1) of this section, the exporter shall have:

(a) An importer's basic permit issued by the United States bureau of alcohol, tobacco, and firearms and a customs house license in conjunction with a common carriers bond;

(b) A customs bonded warehouse, or be able to operate from a foreign trade zone; and

(c) A notarized signed statement from the purchaser stating that the product is for consumption outside the state of Washington.

(3) The license for qualified duty free exporters shall authorize the duty free exporter to purchase from a brewery, winery, beer wholesaler, wine wholesaler, beer importer, or wine importer licensed by the state of Washington.

(4) Beer and/or wine sold and delivered in this state to duty free exporters for use under this section shall be considered exported from the state.

(5) The fee for this license shall be one hundred dollars per annum.

NEW SECTION. Sec. 2. A new section is added to chapter 66.24 RCW to read as follows:

The board may by rule, establish procedures for the sale, in accordance with normal commercial practices, of nonliquor products as defined in RCW 82.08.0293 by persons licensed under this chapter.

Sec. 3. Section 3, chapter 62, Laws of 1933 ex. sess. as last amended by section 5, chapter 78, Laws of 1984 and RCW 66.04.010 are each amended to read as follows:

In this title, unless the context otherwise requires:

(1) "Alcohol" is that substance known as ethyl alcohol, hydrated oxide of ethyl, or spirit of wine, which is commonly produced by the fermentation

or distillation of grain, starch, molasses, or sugar, or other substances including all dilutions and mixtures of this substance. The term "alcohol" does not include alcohol in the possession of a manufacturer or distiller of alcohol fuel, as described in RCW 66.12.130, which is intended to be denatured and used as a fuel for use in motor vehicles, farm implements, and machines or implements of husbandry.

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

(3) "Brewer" means any person engaged in the business of manufacturing beer and malt liquor.

(4) "Board" means the liquor control board, constituted under this title.

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

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

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

(8) "Distiller" means a person engaged in the business of distilling spirits.

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

(10) "Drug store" means a place whose principal business is, the sale of drugs, medicines and pharmaceutical preparations and maintains a regular prescription department and employs a registered pharmacist during all hours the drug store is open.

(11) "Employee" means any person employed by the board, including a vendor, as hereinafter in this section defined.

(12) "Fund" means 'liquor revolving fund.'

(13) "Hotel" means every building or other structure kept, used, maintained, advertised or held out to the public to be a place where food is served and sleeping accommodations are offered for pay to transient guests, in which twenty or more rooms are used for the sleeping accommodation of such transient guests and having one or more dining rooms where meals are served to such transient guests, such sleeping accommodations and dining rooms being conducted in the same building and buildings, in connection therewith, and such structure or structures being provided, in the judgment of the board, with adequate and sanitary kitchen and dining room equipment and capacity, for preparing, cooking and serving suitable food for its guests: PROVIDED FURTHER, That in cities and towns of less than five

thousand population, the board shall have authority to waive the provisions requiring twenty or more rooms.

(14) "Imprisonment" means confinement in the county jail.

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

(16) "Manufacturer" means a person engaged in the preparation of liquor for sale, in any form whatsoever.

(17) "Malt beverage" or "malt liquor" means any beverage such as beer, ale, lager beer, stout, and porter obtained by the alcoholic fermentation of an infusion or decoction of pure hops, or pure extract of hops and pure barley malt or other wholesome grain or cereal in pure water containing not more than eight percent of alcohol by weight, and not less than one-half of one percent of alcohol by volume. For the purposes of this title, any such beverage containing more than eight percent of alcohol by weight shall be referred to as "strong beer."

(18) "Package" means any container or receptacle used for holding liquor.

(19) "Permit" means a permit for the purchase of liquor under this title.

(20) "Person" means an individual, copartnership, association, or corporation.

(21) "Physician" means a medical practitioner duly and regularly licensed and engaged in the practice of his profession within the state pursuant to chapter 18.71 RCW.

(22) "Prescription" means a memorandum signed by a physician and given by him to a patient for the obtaining of liquor pursuant to this title for medicinal purposes.

(23) "Public place" includes streets and alleys of incorporated cities and towns; state or county or township highways or roads; buildings and grounds used for school purposes; public dance halls and grounds adjacent thereto; those parts of establishments where beer may be sold under this title, soft drink establishments, public buildings, public meeting halls, lobbies, halls and dining rooms of hotels, restaurants, theatres, stores, garages and filling stations which are open to and are generally used by the public and to which the public is permitted to have unrestricted access; railroad trains,

stages, and other public conveyances of all kinds and character, and the depots and waiting rooms used in conjunction therewith which are open to unrestricted use and access by the public; publicly owned bathing beaches, parks, and/or playgrounds; and all other places of like or similar nature to which the general public has unrestricted right of access, and which are generally used by the public.

(24) "Regulations" means regulations made by the board under the powers conferred by this title.

(25) "Restaurant" means any establishment provided with special space and accommodations where, in consideration of payment, food, without lodgings, is habitually furnished to the public, not including drug stores and soda fountains.

(26) "Sale" and "sell" include exchange, barter, and traffic; and also include the selling or supplying or distributing, by any means whatsoever, of liquor, or of any liquid known or described as beer or by any name whatever commonly used to describe malt or brewed liquor or of wine, by any person to any person; and also include a sale or selling within the state to a foreign consignee or his agent in the state.

(27) "Soda fountain" means a place especially equipped with apparatus for the purpose of dispensing soft drinks, whether mixed or otherwise.

(28) "Spirits" means any beverage which contains alcohol obtained by distillation, including wines exceeding twenty-four percent of alcohol by volume.

(29) "Store" means a state liquor store established under this title.

(30) "Tavern" means any establishment with special space and accommodation for sale by the glass and for consumption on the premises, of beer, as herein defined.

(31) "Vendor" means a person employed by the board as a store manager under this title.

(32) "Winery" means a business conducted by any person for the manufacture of wine for sale, other than a domestic winery.

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

(34) "Wine" means any alcoholic beverage obtained by fermentation of fruits (grapes, berries, apples, et cetera) or other agricultural product containing sugar, to which any saccharine substances may have been added before, during or after fermentation, and containing not more than twenty-four percent of alcohol by volume, including sweet wines fortified with wine spirits, such as port, sherry, muscatel and angelica, not exceeding twenty-four percent of alcohol by volume and not less than one-half of one percent of alcohol by volume. For purposes of this title, any beverage containing less than fourteen percent of alcohol by volume when bottled or packaged by the manufacturer shall be referred to as "table wine," and any beverage containing alcohol in an amount equal to or more than fourteen percent by

volume when bottled or packaged by the manufacturer shall be referred to as "fortified wine." However, "fortified wine" shall not include: (a) Wines that are both sealed or capped by cork closure and aged two years or more; and (b) wines that contain fourteen percent or more alcohol by volume solely as a result of the natural fermentation process and that have not been produced with the addition of wine spirits, brandy, or alcohol.

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

(35) "Beer wholesaler" means a person who buys beer from a brewer or brewery located either within or beyond the boundaries of the state for the purpose of selling the same pursuant to this title, or who represents such brewer or brewery as agent.

(36) "Wine wholesaler" means a person who buys wine from a vintner or winery located either within or beyond the boundaries of the state for the purpose of selling the same not in violation of this title, or who represents such vintner or winery as agent.

Sec. 4. Section 23-R added to chapter 62, Laws of 1933 ex. sess. by section 1, chapter 217, Laws of 1937 as last amended by section 42, chapter 5, Laws of 1981 1st ex. sess. and RCW 66.24.370 are each amended to read as follows:

(1) There shall be a wine retailer's license to be designated as class F license to sell, subject to subsection (2) of this section, table and fortified wine in bottles and original packages, not to be consumed on the premises where sold, at any store other than the state liquor stores: PROVIDED, Such licensee shall pay to the state liquor stores for wines purchased from such stores the current retail price; fee seventy-five dollars per annum: PROVIDED, FURTHER, That a holder of a class A or class B license shall be entitled to the privileges permitted in this section by paying an annual fee of twenty-five dollars for each store.

(2) In counties with a population over three hundred thousand, the board shall issue a restricted class F license, authorizing the licensee to sell only table wine, if the board finds upon issuance or renewal of the license that the sale of fortified wine would be against the public interest. In determining the public interest, the board shall consider at least the following factors:

(a) The likelihood that the applicant will sell 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 fortified wine at the establishment; and

(c) Whether the sale of 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 fortified wine would be against the public interest, it shall issue or renew the license without restriction, as applicable. The burden of establishing that the sale of fortified wine by the licensee would be against the public interest is on those persons objecting.

(3) Licensees under this section whose business is primarily the sale of wine at retail may provide, free or for a charge, single-serving samples of two ounces or less to customers for the purpose of sales promotion.

NEW SECTION. Sec. 5. A new section is added to chapter 66.16 RCW to read as follows:

No state liquor store in a county with a population over three hundred thousand may sell fortified wine if the board finds that the sale would be against the public interest based on the factors in RCW 66.24.370. The burden of establishing that the sale would be against the public interest is on those persons objecting.

Sec. 6. Section 1, chapter 55, Laws of 1967 as last amended by section 1, chapter 306, Laws of 1985 and RCW 66.24.490 are each amended to read as follows:

(1) There shall be a retailer's license to be designated as a class I license; this shall be a special occasion license to be issued to the holder of a class H license to extend the privilege of selling and serving spirituous liquor by the individual glass, beer, and wine, at retail, for consumption on the premises, to members and guests of a society or organization on special occasions at a specified date and place when such special occasions of such groups are held on premises other than the class H licensed premises and for consumption on the premises of such outside location. The holder of such special occasion license shall be allowed to remove from the liquor stocks at the licensed class H premises, liquor for sale and service at such special occasion locations. Such special class I license shall be issued for a specified date and place and upon payment of a fee of twenty-five dollars per day or, upon proper application to the liquor control board, an annual class I license may be issued to the holder of a class H license upon payment of a fee of three hundred fifty dollars.

(2) The holder of an annual class I license shall obtain prior board approval for each event at which the class I license will be utilized. When applying for such board approval, the class I licensee shall provide to the board all necessary or requested information concerning the society or organization which will be holding the function at which the class I license will be utilized.

(3) Upon receipt of a request for utilization of a class I license at a particular time and place, the board shall give notification of the pending request to the chief executive officer of the incorporated city or town, if the function is to be held within an incorporated city or town, or to the county legislative authority if the function is to be held outside the boundaries of

incorporated cities or towns. (~~Each such city, town, or county, through the official or employee selected by it, shall have ten days from the date of receipt of said notification in which to file written objections to the utilization of the class I license at the particular time and place specified in the request:)~~)

(4) If attendance at the function, for which class I license utilization approval is requested, will be open to the general public, board approval may only be given where the society or organization sponsoring the function is within the definition of "society or organization" in RCW 66.24.375. If attendance at the function will be limited to members and invited guests of the sponsoring society or organization, board approval may be given even though the sponsoring society or organization is not within the definition of "society or organization" in RCW 66.24.375.

(5) Where the applicant for either a daily or annual class I license is a class H club licensee, the board shall not issue the class I license, or approve the use of a previously issued class I license, unless the following requirements are met:

(a) The gross food sales of the class H club exceed its gross liquor sales; and

(b) The event for which the class I license will be used is hosted by a member of the class H licensed club.

NEW SECTION. Sec. 7. This act is necessary for the immediate preservation of the public peace, health, and safety, the support of the state government and its existing public institutions, and shall take effect immediately.

Passed the House April 25, 1987.

Passed the Senate April 25, 1987.

Approved by the Governor May 15, 1987.

Filed in Office of Secretary of State May 15, 1987.

CHAPTER 387

[House Bill No. 91]

PRODUCTIVITY BOARD—MEMBERSHIP, DUTIES, AND SCOPE REVISED—
TEAMWORK INCENTIVE PAY PROGRAM

AN ACT Relating to state employees' suggestion awards and teamwork incentive programs; amending RCW 41.60.010, 41.60.015, 41.60.041, 41.60.050, 41.60.100, 41.60.110, and 41.60.120; adding a new section to chapter 41.60 RCW; creating a new section; repealing RCW 43.131.255; providing an effective date; and declaring an emergency.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. Section 1, chapter 142, Laws of 1965 ex. sess. as last amended by section 1, chapter 54, Laws of 1983 and RCW 41.60.010 are each amended to read as follows:

As used in this chapter: