
SUBSTITUTE SENATE BILL 5776

State of Washington

52nd Legislature

1991 Regular Session

By Senate Committee on Commerce & Labor (originally sponsored by Senator McMullen).

Read first time March 6, 1991.

1 AN ACT Relating to alcoholic beverage control; amending RCW
2 66.04.010, 66.24.170, and 66.24.210.

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

4 **Sec. 1.** RCW 66.04.010 and 1987 c 386 s 3 are each amended to read
5 as follows:

6 In this title, unless the context otherwise requires:(1) "Alcohol"
7 is that substance known as ethyl alcohol, hydrated oxide of ethyl, or
8 spirit of wine, which is commonly produced by the fermentation or
9 distillation of grain, starch, molasses, or sugar, or other substances
10 including all dilutions and mixtures of this substance. The term
11 "alcohol" does not include alcohol in the possession of a manufacturer
12 or distiller of alcohol fuel, as described in RCW 66.12.130, which is
13 intended to be denatured and used as a fuel for use in motor vehicles,
14 farm implements, and machines or implements of husbandry.

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

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

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

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

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

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

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

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

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

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

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

28 (13) "Hotel" means every building or other structure kept, used,
29 maintained, advertised or held out to the public to be a place where
30 food is served and sleeping accommodations are offered for pay to

1 transient guests, in which twenty or more rooms are used for the
2 sleeping accommodation of such transient guests and having one or more
3 dining rooms where meals are served to such transient guests, such
4 sleeping accommodations and dining rooms being conducted in the same
5 building and buildings, in connection therewith, and such structure or
6 structures being provided, in the judgment of the board, with adequate
7 and sanitary kitchen and dining room equipment and capacity, for
8 preparing, cooking and serving suitable food for its guests: PROVIDED
9 FURTHER, That in cities and towns of less than five thousand
10 population, the board shall have authority to waive the provisions
11 requiring twenty or more rooms.

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

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

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

27 (17) "Malt beverage" or "malt liquor" means any beverage such as
28 beer, ale, lager beer, stout, and porter obtained by the alcoholic
29 fermentation of an infusion or decoction of pure hops, or pure extract
30 of hops and pure barley malt or other wholesome grain or cereal in pure

1 water containing not more than eight percent of alcohol by weight, and
2 not less than one-half of one percent of alcohol by volume. For the
3 purposes of this title, any such beverage containing more than eight
4 percent of alcohol by weight shall be referred to as "strong beer."

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

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

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

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

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

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

1 similar nature to which the general public has unrestricted right of
2 access, and which are generally used by the public.

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

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

9 (26) "Sale" and "sell" include exchange, barter, and traffic; and
10 also include the selling or supplying or distributing, by any means
11 whatsoever, of liquor, or of any liquid known or described as beer or
12 by any name whatever commonly used to describe malt or brewed liquor or
13 of wine, by any person to any person; and also include a sale or
14 selling within the state to a foreign consignee or his agent in the
15 state. "Sale" and "sell" shall not include the giving, at no charge,
16 of a reasonable amount of liquor by a person not licensed by the board
17 to a person not licensed by the board, for personal use only.

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

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

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

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

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

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

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

5 (34) "Wine" means any alcoholic beverage obtained by fermentation
6 of fruits (grapes, berries, apples, et cetera) or other agricultural
7 product containing sugar, to which any saccharine substances may have
8 been added before, during or after fermentation, and containing not
9 more than twenty-four percent of alcohol by volume, including sweet
10 wines fortified with wine spirits, such as port, sherry, muscatel and
11 angelica, not exceeding twenty-four percent of alcohol by volume and
12 not less than one-half of one percent of alcohol by volume. For
13 purposes of this title, any beverage containing ~~((less))~~ no more than
14 fourteen percent of alcohol by volume when bottled or packaged by the
15 manufacturer shall be referred to as "table wine," and any beverage
16 containing alcohol in an amount ~~((equal to or))~~ more than fourteen
17 percent by volume when bottled or packaged by the manufacturer shall be
18 referred to as "fortified wine." However, "fortified wine" shall not
19 include: (a) Wines that are both sealed or capped by cork closure and
20 aged two years or more; and (b) wines that contain more than fourteen
21 percent ~~((or more))~~ alcohol by volume solely as a result of the natural
22 fermentation process and that have not been produced with the addition
23 of wine spirits, brandy, or alcohol.

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

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

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

5 **Sec. 2.** RCW 66.24.170 and 1982 c 85 s 4 are each amended to read
6 as follows:

7 (1) There shall be a license to domestic wineries; fee to be
8 computed only on the liters manufactured: One hundred thousand liters
9 or less per year, one hundred dollars per year; over one hundred
10 thousand liters to seven hundred fifty thousand liters per year, four
11 hundred dollars per year; and over seven hundred fifty thousand liters
12 per year, eight hundred dollars per year.

13 (2) Any applicant for a domestic winery license shall, at the time
14 of filing application for license, accompany such application with a
15 license fee based upon a reasonable estimate of the amount of wine
16 liters to be manufactured by such applicant. Persons holding domestic
17 winery licenses shall report annually at the end of each fiscal year,
18 at such time and in such manner as the board may prescribe, the amount
19 of wine manufactured by them during the fiscal year. If the total
20 amount of wine manufactured during the year exceeds the amount
21 permitted annually by the license fee already paid the board, the
22 licensee shall pay such additional license fee as may be unpaid in
23 accordance with the schedule provided in this section.

24 (3) Any domestic winery licensed under this section shall also be
25 considered as holding, for the purposes of selling or importing
26 wine(~~s~~) of its own production, a current wine wholesaler's license
27 under RCW 66.24.200, a wine importer's license under RCW 66.24.204, and
28 a wine retailer's license, class F, under RCW 66.24.370 without further
29 application or fee. Any winery operating as a wholesaler, importer, or

1 retailer under this subsection shall comply with the applicable laws
2 and rules relating to ((such)) wholesalers, importers, and retailers.

3 (4) Wine produced in Washington state by a domestic winery
4 licensee may be shipped out-of-state for the purpose of making it into
5 sparkling wine and then returned to such licensee for resale. Such
6 wine shall be deemed wine manufactured in the state of Washington for
7 the purposes of RCW 66.24.206, and shall not require a special license.

8 **Sec. 3.** RCW 66.24.210 and 1989 c 271 s 501 are each amended to
9 read as follows:

10 (1) There is hereby imposed upon all wines sold to wine wholesalers
11 and the Washington state liquor control board, within the state a tax
12 at the rate of twenty and one-fourth cents per liter: PROVIDED,
13 HOWEVER, That wine sold or shipped in bulk from one winery to another
14 winery shall not be subject to such tax. The tax provided for in this
15 section may, if so prescribed by the board, be collected by means of
16 stamps to be furnished by the board, or by direct payments based on
17 wine purchased by wine wholesalers. Every person purchasing wine under
18 the provisions of this section shall on or before the twentieth day of
19 each month report to the board all purchases during the preceding
20 calendar month in such manner and upon such forms as may be prescribed
21 by the board, and with such report shall pay the tax due from the
22 purchases covered by such report unless the same has previously been
23 paid. Any such purchaser of wine whose applicable tax payment is not
24 postmarked by the twentieth day following the month of purchase will be
25 assessed a penalty at the rate of two percent a month or fraction
26 thereof. If this tax be collected by means of stamps, every such
27 person shall procure from the board revenue stamps representing the tax
28 in such form as the board shall prescribe and shall affix the same to
29 the package or container in such manner and in such denomination as

1 required by the board and shall cancel the same prior to the delivery
2 of the package or container containing the wine to the purchaser. If
3 the tax is not collected by means of stamps, the board may require that
4 every such person shall execute to and file with the board a bond to be
5 approved by the board, in such amount as the board may fix, securing
6 the payment of the tax. If any such person fails to pay the tax when
7 due, the board may forthwith suspend or cancel the license until all
8 taxes are paid.

9 (2) An additional tax is imposed equal to the rate specified in RCW
10 82.02.030 multiplied by the tax payable under subsection (1) of this
11 section. All revenues collected during any month from this additional
12 tax shall be transferred to the state general fund by the twenty-fifth
13 day of the following month.

14 (3) An additional tax is imposed on wines subject to tax under
15 subsection (1) of this section, at the rate of one-fourth of one cent
16 per liter for wine sold after June 30, 1987. Such additional tax shall
17 cease to be imposed on July 1, 1993. All revenues collected under this
18 subsection (3) shall be disbursed quarterly to the Washington wine
19 commission for use in carrying out the purposes of chapter 15.88 RCW.

20 (4) Until July 1, 1995, an additional tax is imposed on all wine
21 subject to tax under subsection (1) of this section. The additional
22 tax is equal to twenty-three and forty-four one-hundredths cents per
23 liter on fortified wine (~~((containing alcohol in an amount equal to or~~
24 ~~more than fourteen percent by volume))~~ as defined in RCW 66.04.010(34)
25 when bottled or packaged by the manufacturer and one cent per liter on
26 all other wine. All revenues collected during any month from this
27 additional tax shall be deposited in the drug enforcement and education
28 account under RCW 69.50.520 by the twenty-fifth day of the following
29 month.