

HOUSE BILL REPORT

HB 1775

As Reported By House Committee On:
Commerce & Labor

Title: An act relating to class 12 permits and liability for providing liquor to minors.

Brief Description: Regulating alcohol servers.

Sponsors: Representatives Heavey, Horn, G. Cole and Brough.

Brief History:

Reported by House Committee on:
Commerce & Labor, March 2, 1993, DPS.

HOUSE COMMITTEE ON COMMERCE & LABOR

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 6 members: Representatives Heavey, Chair; G. Cole, Vice Chair; Conway; King; Springer; and Veloria.

Minority Report: Do not pass. Signed by 3 members: Representatives Lisk, Ranking Minority Member; Chandler, Assistant Ranking Minority Member; and Horn.

Staff: Jim Kelley (786-7166).

Background: It is a misdemeanor for a person to sell or otherwise supply liquor to a minor, unless that person is the minor's parent or guardian, or the liquor is given to the minor for medicinal or religious purposes. It is also a misdemeanor for a person to knowingly present the identification of another person or false identification to purchase or obtain liquor. A misdemeanor is punishable by imprisonment for a term of not more than 90 days or a fine of not more than \$1,000, or both.

Individuals who participate in the sale or service of alcoholic beverages are not required to be certified. In addition, these individuals are not required by the state to participate in any type of formal training on the service of alcoholic beverages, the effects of alcohol on consumers, or the state laws pertaining to the service of alcohol. The Liquor Control Board does provide, on a limited basis, voluntary training of alcohol servers for those establishments requesting such training.

Summary of Substitute Bill: Criminal penalties for supplying liquor to a minor and for using false identification to purchase liquor are increased. Persons who sell liquor must complete an alcohol seller training program and pass an examination in order to obtain an alcohol seller's permit.

Criminal penalties

It is a gross misdemeanor, punishable by a mandatory fine of at least \$250, for a person to unlawfully sell or supply liquor to a minor if the supplier knows that the person receiving the liquor is a minor. It is also a gross misdemeanor, punishable by a mandatory fine of at least \$250, for a person to knowingly present the identification of another person or false identification to purchase or obtain liquor.

Permit requirement

Licenseses and their employees who serve or sell liquor are required to obtain a class 12 permit from the Liquor Control Board. The permit authorizes the holder to sell alcoholic beverages for a period of five years or more. The holder shall present the permit upon request for inspection by any representative of the board or any peace officer.

A licensee may not allow or require an employee to provide the services of an alcohol seller without such person first having completed the training and examination requirements for a class 12 permit. Within 30 days, the board shall correct the examination and issue a permit to any successful applicant. The applicant may sell or serve liquor during the time which the board takes to process the permit, even if it exceeds 30 days. An applicant may retake the examination any time after being notified that he or she has failed the examination.

An employee of a licensee is entitled to his or her usual wages and benefits for the time taken to fulfill the alcohol seller training and examination requirements. If an employer does not pay for the training, the employee may choose which training program to attend.

Alcohol seller training program

The board is directed to administer an alcohol seller training program. The board shall offer the option of live classroom training or videotaped training. The videotape will be made available at a nominal fee to cover the cost of reproduction and shipping. The annual cost of a retail liquor license will be increased by \$20 to fund the program.

The board may review and certify programs provided by licensees, labor organizations, liquor licensee associations, independent contractors, or private or public schools. The board shall produce and distribute an examination for employers to administer to their employees and the board shall correct the examinations. The board shall review and update the curricula of the training programs to maintain accuracy with existing liquor statutes and rules.

Identification procedure

After June 30, 1994, except under a hotel or restaurant liquor license, it is a class III infraction for an alcohol seller to sell liquor to any person without first inspecting that person's identification to insure that it is official identification and that the person is at least 21 years of age.

By January 1, 1994, the board must provide a sign to each retail licensee to read as follows:

"AFTER JUNE 30, 1994, REGARDLESS OF YOUR AGE, WASHINGTON STATE LAW REQUIRES THAT YOU PRESENT VALID IDENTIFICATION ANY TIME YOU PURCHASE ALCOHOLIC BEVERAGES."

Substitute Bill Compared to Original Bill: The substitute bill clarifies the definition of "alcohol seller" and uses the term where appropriate.

The provisions requiring a mandatory day in jail for knowingly providing liquor to a minor and for using false identification or the identification of another to obtain liquor are stricken. Instead, the mandatory penalty for these activities is at least a \$250 fine.

The alcohol seller permit requirement takes effect July 1, 1995, rather than July 1, 1994. The board may begin issuing permits on January 1, 1994, and may issue them for five years or more in order to facilitate administration of the law.

A person may continue working as an alcohol seller beyond the 30-day grace period after submitting the examination to the board if the board takes more than 30 days to correct the examination and issue the permit. The section of the original bill prescribing specific administrative penalties for sales to minors and intoxicated persons is stricken.

The substitute bill provides that an employee of a licensee is entitled to his or her usual wages and benefits for the time taken to fulfill the alcohol seller training and

examination requirements. If an employer does not pay for the training, the employee may choose which training program to attend.

The mandatory identification check on every sale of liquor is retained. However, hotel and restaurant liquor licensees are exempted from the requirement and it is reduced from a misdemeanor to a class III infraction. This requirement takes effect July 1, 1994. By January 1, 1994, the board must provide a sign to each retail licensee to read as follows:

"AFTER JUNE 30, 1994, REGARDLESS OF YOUR AGE, WASHINGTON STATE LAW REQUIRES THAT YOU PRESENT VALID IDENTIFICATION ANY TIME YOU PURCHASE ALCOHOLIC BEVERAGES."

An appropriation of \$150,000 is made to the board for start up costs, to be repaid from additional license fees by the end of the 1993-95 biennium.

Fiscal Note: Available.

Appropriation: \$150,000 from the state general fund to the liquor revolving fund to be repaid from increased license fees by the end of the 1993-95 biennium.

Effective Date of Substitute Bill: The bill takes effect January 1, 1994, except for Section 6 of this act which takes effect July 1, 1995.

Testimony For: (Original bill): Mandatory server training is long overdue. The board currently trains 20,000 liquor sellers per year, but that barely scratches the surface. Mandatory training is required in other states and it helps servers learn how to spot false identification and how to avoid overservice. The Restaurant Association supports the bill except for the mandatory identification inspection requirement. It is a good idea to clamp down on sales to minors any way we can. The mandatory identification provision has to be all or nothing. It is good that the training requirements apply to both on-premises and off-premises sales. That way, neither kind of establishment becomes a magnet for minors. The mandatory identification check is a necessary element of the bill if penalties are going to be increased for selling to minors. Employees must be paid for their training time.

Testimony Against: (Original bill): The videotaped training is a bad idea. It will not be adequate. The mandatory identification check is unnecessary and overly burdensome. Licensees should not have to bear the costs of a program that they might not use. We need more than a one

hour program, because we are selling a deadly drug. Dozens of professions require a license in this state, in each case the employees pay for their own licenses, because the licenses stay with them when they move on to another job. Education is the best means for addressing these problems. Wineries should not be included. Tasting rooms do not serve large amounts of liquor and often rely on volunteer help. Mandatory identification checks would cause much annoyance, especially with out of town people.

Witnesses: Carter Mitchell, Liquor Control Board (in favor); Ron Sellar Washington State Licensed Beverage Association (opposed); Gary McLanahan, Techniques of Alcohol Management (opposed); Mary Jane Willard, Covey Run Winery (opposed); Kit Hawkins, Washington State Restaurant Association (in favor with one concern); Jim Boldt, Washington Food Dealers (in favor, with some concerns); Joe Daniels and T.K. Bentler, United Food and Commercial Workers (in favor); and Steven Aldrich, Hotel and Restaurant Employees (neutral).