

SENATE BILL REPORT

SB 5791

As Reported By Senate Committee On:
Commerce & Labor, March 5, 1997
Ways & Means, March 10, 1997

Title: An act relating to the regulation of liquor sales in designated restricted liquor zones.

Brief Description: Revising the regulation of liquor sales in designated restricted liquor zones.

Sponsors: Senators Deccio, Bauer, McDonald, Haugen, Schow, Thibaudeau and Kohl.

Brief History:

Committee Activity: Commerce & Labor: 2/28/97, 3/5/97 [DPS-WM].
Ways & Means: 3/7/97, 3/10/97 [DPS (COL)].

SENATE COMMITTEE ON COMMERCE & LABOR

Majority Report: That Substitute Senate Bill No. 5791 be substituted therefor, and the substitute bill do pass and be referred to Committee on Ways & Means.

Signed by Senators Schow, Chair; Horn, Vice Chair; Fraser, Heavey and Newhouse.

Staff: Traci Ratzliff (786-7452)

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: That Substitute Senate Bill No. 5791 as recommended by Committee on Commerce & Labor be substituted therefor, and the substitute bill do pass.

Signed by Senators West, Chair; Deccio, Vice Chair; Strannigan, Vice Chair; Bauer, Fraser, Hochstatter, Kohl, Long, McDonald, Roach, Rossi, Schow, Spanel, Swecker, Thibaudeau, Winsley and Zarelli.

Staff: Bryon Moore (786-7726)

Background: The state Liquor Control Board has broad authority to control the sale of alcoholic beverages. The board licenses retailers who may sell beer and wine to the public for on-premises or off-premises consumption. The board may also set conditions under which beer and wine may be sold. Conditions may apply statewide or as conditions on a license issued to a specific licensee.

A license to sell wine for off-premises consumption may be restricted by the board to exclude the sale of fortified wines if the sale of these wines is against the public interest. Fortified wines are defined as wines having an alcohol content of more than 14 percent. In determining the public interest, the board must consider whether the applicant is likely to sell fortified wine to an intoxicated person, whether law enforcement problems may increase in the vicinity of the applicant's establishment, and whether the sale of fortified wine would be

detrimental to a government-operated or funded alcohol treatment program located in the applicant's vicinity.

When issuing retail licenses, the board must give notice to the local jurisdiction where the license applicant is located. The local jurisdiction, through its appropriate officer, may object to issuing the license. The board, in its discretion, may hold a public hearing on the matter.

Summary of Substitute Bill: The Liquor Control Board may designate restricted liquor zones based on findings that the area designated suffers serious impact from liquor sales. Impact may be demonstrated by an increase in law enforcement problems and demand for medical care, the physical degradation of public and private property, and impacts on alcohol treatment services.

The Liquor Control Board may adopt rules to restrict the off-premises sale of beer and wine within restricted liquor zones. The board may consider restricted sale privileges for individual licenses as they come up for renewal.

The definition of "fortified wines" is modified. The Liquor Control Board is authorized to designate certain wine products as "fortified wines" for the purpose of restricting sales of such products if the product's consumption contributes to excessive public intoxication.

The board may issue restricted licenses for the off-premises sale of beer similar to restrictions now allowed for the sale of fortified wine. Restrictions may include restricting the size of beer containers that may be sold, and restricting the hours of sale.

If the board receives no objection that off-premises sale of beer or wine by a particular licensee is against the public interest, the board must renew the license without restriction. In determining what is against the public interest, the board must consider, in addition to those factors currently in statute, an increase in demand for medical care and a decrease in the use and enjoyment of public and private property in the applicant's vicinity due to excessive consumption.

Substitute Bill Compared to Original Bill: The substitute bill removes provisions that: authorized cities or counties to designate restricted liquor zones; required the Liquor Control Board to notify local governments whenever a liquor license within their jurisdiction was up for renewal and required the board to hold a formal hearing if a local government official objected to the renewal of a license; required that the initial order of an administrative law judge regarding the approval or denial of a liquor license become effective upon entry.

Appropriation: None.

Fiscal Note: Available.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: This bill gives local government a voice in the sale of liquor products in their jurisdictions. This bill attempts to take into consideration the cumulative effect of

allowing the sale of certain alcoholic beverages in a specific area and seeks to allow restrictions to be placed on the sale of such beverages in troubled areas.

Testimony Against: This bill is well-intended but it does not solve the underlying problem of alcoholism. Limiting access to alcohol products will not solve the alcoholic's problem. An alcoholic needs voluntary or involuntary treatment of his or her addiction.

Testified: PRO: Rep. Helen Sommers; Louis Hoffer, Director of Real Estate, Diamond Parking Services; Mark Sidran, Seattle City Attorney; Patrick Vanzo, Manager, King County Drug & Alcohol Services; Kit Hawkins, Restaurant Assn. (w/concerns); CON: Nate Ford, Jack Rabourn, members, Liquor Control Board; Rockey Kim, WA Assn. of Korean Business Owners; Doug Henken, President, WA Food Industry and WA Assn. of Neighborhood Stores; Peter Dow, liquor licensee; Dick Ducharme, Beer and Wine Wholesalers; Mark Greenberg, Anhauser Busch Company; Vito Chiechi, Licensed Beverage Assn.