

CERTIFICATION OF ENROLLMENT

SUBSTITUTE SENATE BILL 6812

56th Legislature
2000 Regular Session

Passed by the Senate March 7, 2000
YEAS 47 NAYS 1

President of the Senate

Passed by the House March 3, 2000
YEAS 98 NAYS 0

**Speaker of the
House of Representatives**

**Speaker of the
House of Representatives**

Approved

Governor of the State of Washington

CERTIFICATE

I, Tony M. Cook, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **SUBSTITUTE SENATE BILL 6812** as passed by the Senate and the House of Representatives on the dates hereon set forth.

Secretary

FILED

**Secretary of State
State of Washington**

SUBSTITUTE SENATE BILL 6812

AS AMENDED BY THE HOUSE

Passed Legislature - 2000 Regular Session

State of Washington 56th Legislature 2000 Regular Session

By Senate Committee on Commerce, Trade, Housing & Financial
Institutions (originally sponsored by Senator Prentice)

Read first time 02/04/2000.

1 AN ACT Relating to contract brewing by domestic brewers; and
2 amending RCW 66.04.010 and 66.24.240.

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

4 **Sec. 1.** RCW 66.04.010 and 1997 c 321 37 are each amended to read
5 as follows:

6 In this title, unless the context otherwise requires:

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

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

18 (3) "Beer distributor" means a person who buys beer from a brewer
19 or brewery located either within or beyond the boundaries of the state,

1 beer importers, or foreign produced beer from a source outside the
2 state of Washington, for the purpose of selling the same pursuant to
3 this title, or who represents such brewer or brewery as agent.

4 (4) "Beer importer" means a person or business within Washington
5 who purchases beer from a United States brewery holding a certificate
6 of approval (B5) or foreign produced beer from a source outside the
7 state of Washington for the purpose of selling the same pursuant to
8 this title.

9 (5) "Brewer" means any person engaged in the business of
10 manufacturing beer and malt liquor. Brewer includes a brand owner of
11 malt beverages who holds a brewer's notice with the federal bureau of
12 alcohol, tobacco, and firearms at a location outside the state and
13 whose malt beverage is contract-produced by a licensed in-state
14 brewery, and who may exercise within the state, under a domestic
15 brewery license, only the privileges of storing, selling to licensed
16 beer distributors, and exporting beer from the state.

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

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

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

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

27 (10) "Distiller" means a person engaged in the business of
28 distilling spirits.

29 (11) "Domestic brewery" means a place where beer and malt liquor
30 are manufactured or produced by a brewer within the state.

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

33 (~~(12)~~)(13) "Druggist" means any person who holds a valid
34 certificate and is a registered pharmacist and is duly and regularly
35 engaged in carrying on the business of pharmaceutical chemistry
36 pursuant to chapter 18.64 RCW.

37 (~~(13)~~)(14) "Drug store" means a place whose principal business
38 is, the sale of drugs, medicines and pharmaceutical preparations and

1 maintains a regular prescription department and employs a registered
2 pharmacist during all hours the drug store is open.

3 ~~((14))~~(15) "Employee" means any person employed by the board,
4 including a vendor, as hereinafter in this section defined.

5 ~~((15))~~(16) "Fund" means 'liquor revolving fund.'

6 ~~((16))~~(17) "Hotel" means every building or other structure kept,
7 used, maintained, advertised or held out to the public to be a place
8 where food is served and sleeping accommodations are offered for pay to
9 transient guests, in which twenty or more rooms are used for the
10 sleeping accommodation of such transient guests and having one or more
11 dining rooms where meals are served to such transient guests, such
12 sleeping accommodations and dining rooms being conducted in the same
13 building and buildings, in connection therewith, and such structure or
14 structures being provided, in the judgment of the board, with adequate
15 and sanitary kitchen and dining room equipment and capacity, for
16 preparing, cooking and serving suitable food for its guests: PROVIDED
17 FURTHER, That in cities and towns of less than five thousand
18 population, the board shall have authority to waive the provisions
19 requiring twenty or more rooms.

20 ~~((17))~~(18) "Importer" means a person who buys distilled spirits
21 from a distillery outside the state of Washington and imports such
22 spirituous liquor into the state for sale to the board or for export.

23 ~~((18))~~(19) "Imprisonment" means confinement in the county jail.

24 ~~((19))~~(20) "Liquor" includes the four varieties of liquor herein
25 defined (alcohol, spirits, wine and beer), and all fermented,
26 spirituous, vinous, or malt liquor, or combinations thereof, and mixed
27 liquor, a part of which is fermented, spirituous, vinous or malt
28 liquor, or otherwise intoxicating; and every liquid or solid or
29 semisolid or other substance, patented or not, containing alcohol,
30 spirits, wine or beer, and all drinks or drinkable liquids and all
31 preparations or mixtures capable of human consumption, and any liquid,
32 semisolid, solid, or other substance, which contains more than one
33 percent of alcohol by weight shall be conclusively deemed to be
34 intoxicating. Liquor does not include confections or food products
35 that contain one percent or less of alcohol by weight.

36 ~~((20))~~(21) "Manufacturer" means a person engaged in the
37 preparation of liquor for sale, in any form whatsoever.

38 ~~((21))~~(22) "Malt beverage" or "malt liquor" means any beverage
39 such as beer, ale, lager beer, stout, and porter obtained by the

1 alcoholic fermentation of an infusion or decoction of pure hops, or
2 pure extract of hops and pure barley malt or other wholesome grain or
3 cereal in pure water containing not more than eight percent of alcohol
4 by weight, and not less than one-half of one percent of alcohol by
5 volume. For the purposes of this title, any such beverage containing
6 more than eight percent of alcohol by weight shall be referred to as
7 "strong beer."

8 ~~((22))~~(23) "Package" means any container or receptacle used for
9 holding liquor.

10 ~~((23))~~(24) "Permit" means a permit for the purchase of liquor
11 under this title.

12 ~~((24))~~(25) "Person" means an individual, copartnership,
13 association, or corporation.

14 ~~((25))~~(26) "Physician" means a medical practitioner duly and
15 regularly licensed and engaged in the practice of his profession within
16 the state pursuant to chapter 18.71 RCW.

17 ~~((26))~~(27) "Prescription" means a memorandum signed by a
18 physician and given by him to a patient for the obtaining of liquor
19 pursuant to this title for medicinal purposes.

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

35 ~~((28))~~(29) "Regulations" means regulations made by the board
36 under the powers conferred by this title.

37 ~~((29))~~(30) "Restaurant" means any establishment provided with
38 special space and accommodations where, in consideration of payment,

1 food, without lodgings, is habitually furnished to the public, not
2 including drug stores and soda fountains.

3 ~~((+30+))~~(31) "Sale" and "sell" include exchange, barter, and
4 traffic; and also include the selling or supplying or distributing, by
5 any means whatsoever, of liquor, or of any liquid known or described as
6 beer or by any name whatever commonly used to describe malt or brewed
7 liquor or of wine, by any person to any person; and also include a sale
8 or selling within the state to a foreign consignee or his agent in the
9 state. "Sale" and "sell" shall not include the giving, at no charge,
10 of a reasonable amount of liquor by a person not licensed by the board
11 to a person not licensed by the board, for personal use only. "Sale"
12 and "sell" also does not include a raffle authorized under RCW
13 9.46.0315: PROVIDED, That the nonprofit organization conducting the
14 raffle has obtained the appropriate permit from the board.

15 ~~((+31+))~~(32) "Soda fountain" means a place especially equipped with
16 apparatus for the purpose of dispensing soft drinks, whether mixed or
17 otherwise.

18 ~~((+32+))~~(33) "Spirits" means any beverage which contains alcohol
19 obtained by distillation, including wines exceeding twenty-four percent
20 of alcohol by volume.

21 ~~((+33+))~~(34) "Store" means a state liquor store established under
22 this title.

23 ~~((+34+))~~(35) "Tavern" means any establishment with special space
24 and accommodation for sale by the glass and for consumption on the
25 premises, of beer, as herein defined.

26 ~~((+35+))~~(36) "Vendor" means a person employed by the board as a
27 store manager under this title.

28 ~~((+36+))~~(37) "Winery" means a business conducted by any person for
29 the manufacture of wine for sale, other than a domestic winery.

30 ~~((+37+))~~(38) "Wine" means any alcoholic beverage obtained by
31 fermentation of fruits (grapes, berries, apples, et cetera) or other
32 agricultural product containing sugar, to which any saccharine
33 substances may have been added before, during or after fermentation,
34 and containing not more than twenty-four percent of alcohol by volume,
35 including sweet wines fortified with wine spirits, such as port,
36 sherry, muscatel and angelica, not exceeding twenty-four percent of
37 alcohol by volume and not less than one-half of one percent of alcohol
38 by volume. For purposes of this title, any beverage containing no more
39 than fourteen percent of alcohol by volume when bottled or packaged by

1 the manufacturer shall be referred to as "table wine," and any beverage
2 containing alcohol in an amount more than fourteen percent by volume
3 when bottled or packaged by the manufacturer shall be referred to as
4 "fortified wine." However, "fortified wine" shall not include: (a)
5 Wines that are both sealed or capped by cork closure and aged two years
6 or more; and (b) wines that contain more than fourteen percent alcohol
7 by volume solely as a result of the natural fermentation process and
8 that have not been produced with the addition of wine spirits, brandy,
9 or alcohol.

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

12 ~~((+38+))~~(39) "Wine distributor" means a person who buys wine from
13 a vintner or winery located either within or beyond the boundaries of
14 the state for the purpose of selling the same not in violation of this
15 title, or who represents such vintner or winery as agent.

16 ~~((+39+))~~(40) "Wine importer" means a person or business within
17 Washington who purchases wine from a United States winery holding a
18 certificate of approval (W7) or foreign produced wine from a source
19 outside the state of Washington for the purpose of selling the same
20 pursuant to this title.

21 **Sec. 2.** RCW 66.24.240 and 1997 c 321 11 are each amended to read
22 as follows:

23 (1) There shall be a license for domestic breweries; fee to be two
24 thousand dollars for production of sixty thousand barrels or more of
25 malt liquor per year.

26 (2) Any domestic brewery, except for a brand owner of malt
27 beverages under RCW 66.04.010(5), licensed under this section may also
28 act as a distributor and/or retailer for beer of its own production.
29 Any domestic brewery operating as a distributor and/or retailer under
30 this subsection shall comply with the applicable laws and rules
31 relating to distributors and/or retailers.

32 (3) Any domestic brewery licensed under this section may contract-
33 produce beer for a brand owner of malt beverages defined under RCW
34 66.04.010(5), and this contract-production is not a sale for the
35 purposes of RCW 66.28.170 and 66.28.180.

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