
HOUSE BILL 2502

State of Washington

66th Legislature

2020 Regular Session

By Representative Pettigrew

Read first time 01/15/20. Referred to Committee on Commerce & Gaming.

1 AN ACT Relating to low-proof alcoholic beverages; reenacting and
2 amending RCW 66.04.010; and adding a new section to chapter 66.28
3 RCW.

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

5 **Sec. 1.** RCW 66.04.010 and 2019 c 61 s 1 are each reenacted and
6 amended to read as follows:

7 In this title, unless the context otherwise requires:

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

17 (2) "Authorized representative" means a person who:

18 (a) Is required to have a federal basic permit issued pursuant to
19 the federal alcohol administration act, 27 U.S.C. Sec. 204;

20 (b) Has its business located in the United States outside of the
21 state of Washington;

1 (c) Acquires ownership of beer or wine for transportation into
2 and resale in the state of Washington; and which beer or wine is
3 produced by a brewery or winery in the United States outside of the
4 state of Washington; and

5 (d) Is appointed by the brewery or winery referenced in (c) of
6 this subsection as its authorized representative for marketing and
7 selling its products within the United States in accordance with a
8 written agreement between the authorized representative and such
9 brewery or winery pursuant to this title.

10 (3) "Beer" means any malt beverage, flavored malt beverage, or
11 malt liquor as these terms are defined in this chapter.

12 (4) "Beer distributor" means a person who buys beer from a
13 domestic brewery, microbrewery, beer certificate of approval holder,
14 or beer importers, or who acquires foreign produced beer from a
15 source outside of the United States, for the purpose of selling the
16 same pursuant to this title, or who represents such brewer or brewery
17 as agent.

18 (5) "Beer importer" means a person or business within Washington
19 who purchases beer from a beer certificate of approval holder or who
20 acquires foreign produced beer from a source outside of the United
21 States for the purpose of selling the same pursuant to this title.

22 (6) "Board" means the liquor and cannabis board, constituted
23 under this title.

24 (7) "Brewer" or "brewery" means any person engaged in the
25 business of manufacturing beer and malt liquor. Brewer includes a
26 brand owner of malt beverages who holds a brewer's notice with the
27 federal bureau of alcohol, tobacco, and firearms at a location
28 outside the state and whose malt beverage is contract-produced by a
29 licensed in-state brewery, and who may exercise within the state,
30 under a domestic brewery license, only the privileges of storing,
31 selling to licensed beer distributors, and exporting beer from the
32 state.

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

37 (9) "Confection" means a preparation of sugar, honey, or other
38 natural or artificial sweeteners in combination with chocolate,
39 fruits, nuts, dairy products, or flavorings, in the form of bars,
40 drops, or pieces.

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

3 (11) "Contract liquor store" means a business that sells liquor
4 on behalf of the board through a contract with a contract liquor
5 store manager.

6 (12) "Craft distillery" means a distillery that pays the reduced
7 licensing fee under RCW 66.24.140.

8 (13) "Dentist" means a practitioner of dentistry duly and
9 regularly licensed and engaged in the practice of his or her
10 profession within the state pursuant to chapter 18.32 RCW.

11 (14) "Distiller" means a person engaged in the business of
12 distilling spirits.

13 (15) "Domestic brewery" means a place where beer and malt liquor
14 are manufactured or produced by a brewer within the state.

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

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

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

25 (19) "Employee" means any person employed by the board.

26 (20) "Flavored malt beverage" means:

27 (a) A malt beverage containing six percent or less alcohol by
28 volume to which flavoring or other added nonbeverage ingredients are
29 added that contain distilled spirits of not more than forty-nine
30 percent of the beverage's overall alcohol content; or

31 (b) A malt beverage containing more than six percent alcohol by
32 volume to which flavoring or other added nonbeverage ingredients are
33 added that contain distilled spirits of not more than one and
34 one-half percent of the beverage's overall alcohol content.

35 (21) "Fund" means 'liquor revolving fund.'

36 (22) "Hotel" means buildings, structures, and grounds, having
37 facilities for preparing, cooking, and serving food, that are kept,
38 used, maintained, advertised, or held out to the public to be a place
39 where food is served and sleeping accommodations are offered for pay
40 to transient guests, in which twenty or more rooms are used for the

1 sleeping accommodation of such transient guests. The buildings,
2 structures, and grounds must be located on adjacent property either
3 owned or leased by the same person or persons.

4 (23) "Importer" means a person who buys distilled spirits from a
5 distillery outside the state of Washington and imports such
6 spirituous liquor into the state for sale to the board or for export.

7 (24) "Imprisonment" means confinement in the county jail.

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

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

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

31 (28) "Nightclub" means an establishment that provides
32 entertainment and has as its primary source of revenue (a) the sale
33 of alcohol for consumption on the premises, (b) cover charges, or (c)
34 both.

35 (29) "Package" means any container or receptacle used for holding
36 liquor.

37 (30) "Passenger vessel" means any boat, ship, vessel, barge, or
38 other floating craft of any kind carrying passengers for
39 compensation.

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

3 (32) "Person" means an individual, copartnership, association, or
4 corporation.

5 (33) "Physician" means a medical practitioner duly and regularly
6 licensed and engaged in the practice of his or her profession within
7 the state pursuant to chapter 18.71 RCW.

8 (34) "Powdered alcohol" means any powder or crystalline substance
9 containing alcohol that is produced for direct use or reconstitution.

10 (35) "Prescription" means a memorandum signed by a physician and
11 given by him or her to a patient for the obtaining of liquor pursuant
12 to this title for medicinal purposes.

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

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

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

34 (39) "Sale" and "sell" include exchange, barter, and traffic; and
35 also include the selling or supplying or distributing, by any means
36 whatsoever, of liquor, or of any liquid known or described as beer or
37 by any name whatever commonly used to describe malt or brewed liquor
38 or of wine, by any person to any person; and also include a sale or
39 selling within the state to a foreign consignee or his or her agent
40 in the state. "Sale" and "sell" shall not include the giving, at no

1 charge, of a reasonable amount of liquor by a person not licensed by
2 the board to a person not licensed by the board, for personal use
3 only. "Sale" and "sell" also does not include a raffle authorized
4 under RCW 9.46.0315: PROVIDED, That the nonprofit organization
5 conducting the raffle has obtained the appropriate permit from the
6 board.

7 (40) "Service bar" means a fixed or portable table, counter,
8 cart, or similar workstation primarily used to prepare, mix, serve,
9 and sell alcohol that is picked up by employees or customers.
10 Customers may not be seated or allowed to consume food or alcohol at
11 a service bar.

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

15 (42) "Soju" means a traditional Korean distilled alcoholic
16 beverage, produced using authentic Korean recipes and production
17 methods, and derived from agricultural products, that contains not
18 more than twenty-four percent of alcohol by volume.

19 (43) "Spirits" means any beverage which contains alcohol obtained
20 by distillation, except flavored malt beverages, but including wines
21 exceeding twenty-four percent of alcohol by volume.

22 (44) "Store" means a state liquor store established under this
23 title.

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

27 (46) "VIP airport lounge" means an establishment within an
28 international airport located beyond security checkpoints that
29 provides a special space to sit, relax, read, work, and enjoy
30 beverages where access is controlled by the VIP airport lounge
31 operator and is generally limited to the following classifications of
32 persons:

33 (a) Airline passengers of any age whose admission is based on a
34 first-class, executive, or business class ticket;

35 (b) Airline passengers of any age who are qualified members or
36 allowed guests of certain frequent flyer or other loyalty incentive
37 programs maintained by airlines that have agreements describing the
38 conditions for access to the VIP airport lounge;

39 (c) Airline passengers of any age who are qualified members or
40 allowed guests of certain enhanced amenities programs maintained by

1 companies that have agreements describing the conditions for access
2 to the VIP airport lounge;

3 (d) Airport and airline employees, government officials, foreign
4 dignitaries, and other attendees of functions held by the airport
5 authority or airlines related to the promotion of business objectives
6 such as increasing international air traffic and enhancing foreign
7 trade where access to the VIP airport lounge will be controlled by
8 the VIP airport lounge operator; and

9 (e) Airline passengers of any age or airline employees whose
10 admission is based on a pass issued or permission given by the
11 airline for access to the VIP airport lounge.

12 (47) "VIP airport lounge operator" means an airline, port
13 district, or other entity operating a VIP airport lounge that: Is
14 accountable for compliance with the alcohol beverage control act
15 under this title; holds the license under chapter 66.24 RCW issued to
16 the VIP airport lounge; and provides a point of contact for
17 addressing any licensing and enforcement by the board.

18 (48)(a) "Wine" means any alcoholic beverage obtained by
19 fermentation of fruits (grapes, berries, apples, et cetera) or other
20 agricultural product containing sugar, to which any saccharine
21 substances may have been added before, during or after fermentation,
22 and containing not more than twenty-four percent of alcohol by
23 volume, including sweet wines fortified with wine spirits, such as
24 port, sherry, muscatel, and angelica, not exceeding twenty-four
25 percent of alcohol by volume and not less than one-half of one
26 percent of alcohol by volume. For purposes of this title, any
27 beverage containing no more than fourteen percent of alcohol by
28 volume when bottled or packaged by the manufacturer shall be referred
29 to as "table wine," and any beverage containing alcohol in an amount
30 more than fourteen percent by volume when bottled or packaged by the
31 manufacturer shall be referred to as "fortified wine." However,
32 "fortified wine" shall not include: (i) Wines that are both sealed or
33 capped by cork closure and aged two years or more; and (ii) wines
34 that contain more than fourteen percent alcohol by volume solely as a
35 result of the natural fermentation process and that have not been
36 produced with the addition of wine spirits, brandy, or alcohol.

37 (b) This subsection shall not be interpreted to require that any
38 wine be labeled with the designation "table wine" or "fortified
39 wine."

1 (49) "Wine distributor" means a person who buys wine from a
2 domestic winery, wine certificate of approval holder, or wine
3 importer, or who acquires foreign produced wine from a source outside
4 of the United States, for the purpose of selling the same not in
5 violation of this title, or who represents such vintner or winery as
6 agent.

7 (50) "Wine importer" means a person or business within Washington
8 who purchases wine from a wine certificate of approval holder or who
9 acquires foreign produced wine from a source outside of the United
10 States for the purpose of selling the same pursuant to this title.

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

13 (52) "Low-proof beverage" means any beverage, the alcohol in
14 which is derived from distillation and which contains no more than
15 seven percent alcohol by volume, but does not include malt beverages
16 or malt liquor.

17 NEW SECTION. Sec. 2. A new section is added to chapter 66.28
18 RCW to read as follows:

19 The distribution and sale of low-proof beverages are treated as
20 and subject to the same taxes, fees, and regulations as the
21 distribution and sale of wine.

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