
HOUSE BILL 2493

State of Washington

68th Legislature

2024 Regular Session

By Representative Caldier

Read first time 02/02/24. Referred to Committee on Regulated Substances & Gaming.

1 AN ACT Relating to ready-to-serve alcoholic beverages; and
2 amending RCW 66.04.010 and 82.08.150.

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

4 **Sec. 1.** RCW 66.04.010 and 2023 c 279 s 2 are each amended to
5 read 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
13 described in RCW 66.12.130, which is intended to be denatured and
14 used as a fuel for use in motor vehicles, farm implements, and
15 machines or implements of husbandry.

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

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

19 (b) Has its business located in the United States outside of the
20 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) "Delivery" means the transportation of alcohol to an
9 individual located within Washington state from a licensed location
10 holding an alcohol delivery endorsement as part of a delivery order.
11 "Delivery" does not include services provided by common carriers.

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

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

17 (16) "Domestic brewery" means a place where beer and malt liquor
18 are manufactured or produced by a brewer within the state.

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

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

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

29 (20) "Employee" means any person employed by the board.

30 (21) "Flavored malt beverage" means:

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

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

39 (22) "Fund" means 'liquor revolving fund.'

1 (23) "Hotel" means buildings, structures, and grounds, having
2 facilities for preparing, cooking, and serving food, that are kept,
3 used, maintained, advertised, or held out to the public to be a place
4 where food is served and sleeping accommodations are offered for pay
5 to transient guests, in which twenty or more rooms are used for the
6 sleeping accommodation of such transient guests. The buildings,
7 structures, and grounds must be located on adjacent property either
8 owned or leased by the same person or persons.

9 (24) "Importer" means a person who buys distilled spirits from a
10 distillery outside the state of Washington and imports such
11 spirituous liquor into the state for sale to the board or for export.

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

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

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

34 (28) "Manufacturer" means a person engaged in the preparation of
35 liquor for sale, in any form whatsoever.

36 (29) "Nightclub" means an establishment that provides
37 entertainment and has as its primary source of revenue (a) the sale
38 of alcohol for consumption on the premises, (b) cover charges, or (c)
39 both.

1 (30) "Package" means any container or receptacle used for holding
2 liquor.

3 (31) "Passenger vessel" means any boat, ship, vessel, barge, or
4 other floating craft of any kind carrying passengers for
5 compensation.

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

8 (33) "Person" means an individual, copartnership, association, or
9 corporation.

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

13 (35) "Powdered alcohol" means any powder or crystalline substance
14 containing alcohol that is produced for direct use or reconstitution.

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

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

33 (38) "Regulations" means regulations made by the board under the
34 powers conferred by this title.

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

39 (40) "Sale" and "sell" include exchange, barter, and traffic; and
40 also include the selling or supplying or distributing, by any means

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

12 (41) "Service bar" means a fixed or portable table, counter,
13 cart, or similar workstation primarily used to prepare, mix, serve,
14 and sell alcohol that is picked up by employees or customers.
15 Customers may not be seated or allowed to consume food or alcohol at
16 a service bar.

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

20 (43) "Soju" means a traditional Korean distilled alcoholic
21 beverage, produced using authentic Korean recipes and production
22 methods, and derived from agricultural products, that contains not
23 more than twenty-four percent of alcohol by volume.

24 (44) "Spirits" means any beverage which contains alcohol obtained
25 by distillation, except flavored malt beverages, but including wines
26 exceeding twenty-four percent of alcohol by volume.

27 (45) "Store" means a state liquor store established under this
28 title.

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

32 (47) "VIP airport lounge" means an establishment within an
33 international airport located beyond security checkpoints that
34 provides a special space to sit, relax, read, work, and enjoy
35 beverages where access is controlled by the VIP airport lounge
36 operator and is generally limited to the following classifications of
37 persons:

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

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

5 (c) Airline passengers of any age who are qualified members or
6 allowed guests of certain enhanced amenities programs maintained by
7 companies that have agreements describing the conditions for access
8 to the VIP airport lounge;

9 (d) Airport and airline employees, government officials, foreign
10 dignitaries, and other attendees of functions held by the airport
11 authority or airlines related to the promotion of business objectives
12 such as increasing international air traffic and enhancing foreign
13 trade where access to the VIP airport lounge will be controlled by
14 the VIP airport lounge operator; and

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

18 (48) "VIP airport lounge operator" means an airline, port
19 district, or other entity operating a VIP airport lounge that: Is
20 accountable for compliance with the alcohol beverage control act
21 under this title; holds the license under chapter 66.24 RCW issued to
22 the VIP airport lounge; and provides a point of contact for
23 addressing any licensing and enforcement by the board.

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

1 result of the natural fermentation process and that have not been
2 produced with the addition of wine spirits, brandy, or alcohol.

3 (b) This subsection shall not be interpreted to require that any
4 wine be labeled with the designation "table wine" or "fortified
5 wine."

6 (50) "Wine distributor" means a person who buys wine from a
7 domestic winery, wine certificate of approval holder, or wine
8 importer, or who acquires foreign produced wine from a source outside
9 of the United States, for the purpose of selling the same not in
10 violation of this title, or who represents such vintner or winery as
11 agent.

12 (51) "Wine importer" means a person or business within Washington
13 who purchases wine from a wine certificate of approval holder or who
14 acquires foreign produced wine from a source outside of the United
15 States for the purpose of selling the same pursuant to this title.

16 (52) "Winery" means a business conducted by any person for the
17 manufacture of wine for sale, other than a domestic winery.

18 (53) "Qualified additive" means any type of real color,
19 artificial color, real flavoring, artificial flavoring, juice,
20 extract, mix, soda, tea, tonic, carbonation, or other alcoholic or
21 nonalcoholic addition has been added to the ethanol that alters the
22 color, taste, flavor, consistency, carbonation, texture, mouth feel,
23 type, class, or designation of the product.

24 (54) "Ready-to-serve alcoholic beverage" means any alcoholic
25 beverage that contains greater than 0.5 percent alcohol by volume to
26 which a qualified additive is added. In determining whether a
27 beverage is a ready-to-serve alcoholic beverage, the following
28 factors may not be considered: The raw ingredient source from which
29 the ethanol was derived; the type of liquor manufacturing license the
30 ethanol was produced or packaged under; the beverage category the
31 product is manufactured under; the type of liquor wholesale or
32 distribution license the product is distributed under; and the type
33 of retail liquor license the product is sold under.

34 (a) "Ready-to-serve alcoholic beverages" includes, but is not
35 limited to, product categories known under their popular category
36 names, including canned cocktails, ready-to-drink beverages, ready-
37 to-serve beverages, premixed cocktails, seltzers, hard seltzers, hard
38 teas, hard coffees, hard kombuchas, adult sodas, hard sodas, spiked
39 juices, hard sparkling water, ranch water, flavored malted beverages,
40 wine cocktails, spiked cider, cider-based cocktails, and any other

1 type of category of beverage alcohol that otherwise meets the
2 definition of ready-to-serve alcoholic beverages in this section.

3 (b) "Ready-to-serve alcoholic beverages" does not include
4 traditional beer, wine, cider, mead, spirits, food products
5 containing greater than 0.5 percent alcohol by volume that are not
6 classified as beverage alcohol products, or other alcoholic beverages
7 packaged without any qualified additives.

8 **Sec. 2.** RCW 82.08.150 and 2021 c 48 s 6 are each amended to read
9 as follows:

10 (1) There is levied and collected a tax upon each retail sale of
11 spirits and ready-to-serve alcoholic beverages in the original
12 package at the rate of fifteen percent of the selling price.

13 (2) There is levied and collected a tax upon each sale of spirits
14 and ready-to-serve alcoholic beverages in the original package at the
15 rate of ten percent of the selling price on sales by a spirits
16 distributor licensee, ready-to-serve alcoholic beverage distributor
17 licensee, or other licensee acting as a spirits distributor pursuant
18 to Title 66 RCW to restaurant spirits retailers.

19 (3) There is levied and collected an additional tax upon each
20 sale of spirits and ready-to-serve alcoholic beverages in the
21 original package by a spirits distributor licensee, ready-to-serve
22 alcoholic beverage distributor licensee, or other licensee acting as
23 a spirits distributor pursuant to Title 66 RCW to a restaurant
24 spirits retailer and upon each retail sale of spirits and ready-to-
25 serve alcoholic beverages in the original package by a licensee of
26 the board at the rate of one dollar and seventy-two cents per liter.

27 (4) An additional tax is imposed equal to fourteen percent
28 multiplied by the taxes payable under subsections (1), (2), and (3)
29 of this section.

30 (5) (a) An additional tax is imposed upon each sale of spirits in
31 the original package by a spirits distributor licensee or other
32 licensee acting as a spirits distributor pursuant to Title 66 RCW to
33 a restaurant spirits retailer and upon each retail sale of spirits in
34 the original package by a licensee of the board at the rate of seven
35 cents per liter. All revenues collected during any month from this
36 additional tax must be deposited in the state general fund by the
37 twenty-fifth day of the following month.

38 (b) An additional tax is imposed upon each sale of ready-to-serve
39 alcoholic beverages in the original package by any distributor

1 licensed to distribute ready-to-serve alcoholic beverages to any
2 licensed liquor retailer licensed to serve ready-to-serve alcoholic
3 beverages for on-premises consumption at the rate of \$0.07 per liter.
4 All revenues collected during any month from this additional tax must
5 be deposited in the state general fund by the 25th day of the
6 following month.

7 (6) (a) An additional tax is imposed upon retail sale of spirits
8 and ready-to-serve alcoholic beverages in the original package at the
9 rate of three and four-tenths percent of the selling price.

10 (b) (i) An additional tax is imposed upon retail sale of spirits
11 in the original package to a restaurant spirits retailer at the rate
12 of two and three-tenths percent of the selling price.

13 (ii) An additional tax is imposed upon each retail sale of ready-
14 to-serve alcoholic beverages in the original package to any licensee
15 licensed to sell ready-to-serve alcoholic beverages for on-premises
16 consumption at the rate of 2.3 percent of the selling price.

17 (c) (i) An additional tax is imposed upon each sale of spirits in
18 the original package by a spirits distributor licensee or other
19 licensee acting as a spirits distributor pursuant to Title 66 RCW to
20 a restaurant spirits retailer and upon each retail sale of spirits in
21 the original package by a licensee of the board at the rate of forty-
22 one cents per liter.

23 (ii) An additional tax is imposed upon each sale of ready-to-
24 serve alcoholic beverages in the original package by a liquor
25 distributor licensee to any licensee licensed to sell ready-to-serve
26 alcoholic beverages in the original package for on-premises
27 consumption at the rate of \$0.41 per liter.

28 (d) All revenues collected during any month from additional taxes
29 under this subsection must be deposited in the state general fund by
30 the twenty-fifth day of the following month.

31 (7) (a) An additional tax is imposed upon each retail sale of
32 spirits and ready-to-serve alcoholic beverages in the original
33 package at the rate of one dollar and thirty-three cents per liter.

34 (b) All revenues collected during any month from additional taxes
35 under this subsection must be deposited by the twenty-fifth day of
36 the following month into the general fund.

37 (8) The tax imposed in RCW 82.08.020 does not apply to sales of
38 spirits or ready-to-serve alcoholic beverages in the original
39 package.

1 (9) The taxes imposed in this section must be paid by the buyer
2 to the seller, and each seller must collect from the buyer the full
3 amount of the tax payable in respect to each taxable sale under this
4 section. The taxes required by this section to be collected by the
5 seller must be stated separately from the selling price, and for
6 purposes of determining the tax due from the buyer to the seller, it
7 is conclusively presumed that the selling price quoted in any price
8 list does not include the taxes imposed by this section. Sellers must
9 report and return all taxes imposed in this section in accordance
10 with rules adopted by the department.

11 (10)(a) Except as otherwise provided in this subsection, the
12 terms, "spirits" and "package" have the same meaning as provided in
13 chapter 66.04 RCW.

14 (b) Until July 1, 2023, for the purposes of the taxes imposed
15 under this section, the term "spirits" does not include mini-bottles
16 of spirits sold by a person who possesses a valid endorsement under
17 section 2(6), chapter 48, Laws of 2021 and is licensed as a spirits,
18 beer, and wine restaurant under RCW 66.24.400.

19 (c) For the purposes of this subsection, "mini-bottles of
20 spirits" means an original factory-sealed container holding not more
21 than 50 milliliters of spirits.

22 (d) For purposes of this section, "ready-to-serve alcoholic
23 beverage" has the same meaning as in RCW 66.04.010.

--- END ---