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**SUBSTITUTE HOUSE BILL 1034**

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**State of Washington**

**66th Legislature**

**2019 Regular Session**

**By** House Commerce & Gaming (originally sponsored by Representatives Ryu, Pellicciotti, Goodman, Kirby, Vick, Reeves, and Bergquist)

1 AN ACT Relating to establishing a soju endorsement to beer and/or  
2 wine restaurant licenses and spirits, beer, and wine restaurant  
3 licenses; and amending RCW 66.04.010 and 66.24.400.

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

5 **Sec. 1.** RCW 66.04.010 and 2015 c 193 s 3 are each amended to  
6 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 (~~control~~) and cannabis board,  
23 constituted 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) "Spirits" means any beverage which contains alcohol obtained  
16 by distillation, except flavored malt beverages, but including wines  
17 exceeding twenty-four percent of alcohol by volume.

18 (43) "Store" means a state liquor store established under this  
19 title.

20 (44) "Tavern" means any establishment with special space and  
21 accommodation for sale by the glass and for consumption on the  
22 premises, of beer, as herein defined.

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

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

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

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

39 (d) Airport and airline employees, government officials, foreign  
40 dignitaries, and other attendees of functions held by the airport

1 authority or airlines related to the promotion of business objectives  
2 such as increasing international air traffic and enhancing foreign  
3 trade where access to the VIP airport lounge will be controlled by  
4 the VIP airport lounge operator; and

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

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

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

33 (b) This subsection shall not be interpreted to require that any  
34 wine be labeled with the designation "table wine" or "fortified  
35 wine."

36 (48) "Wine distributor" means a person who buys wine from a  
37 domestic winery, wine certificate of approval holder, or wine  
38 importer, or who acquires foreign produced wine from a source outside  
39 of the United States, for the purpose of selling the same not in

1 violation of this title, or who represents such vintner or winery as  
2 agent.

3 (49) "Wine importer" means a person or business within Washington  
4 who purchases wine from a wine certificate of approval holder or who  
5 acquires foreign produced wine from a source outside of the United  
6 States for the purpose of selling the same pursuant to this title.

7 (50) "Winery" means a business conducted by any person for the  
8 manufacture of wine for sale, other than a domestic winery.

9 (51) "Soju" means a traditional Korean distilled alcoholic  
10 beverage, produced using authentic Korean recipes and production  
11 methods, and derived from agricultural products, that contains not  
12 more than twenty-four percent of alcohol by volume.

13 **Sec. 2.** RCW 66.24.400 and 2011 c 119 s 401 are each amended to  
14 read as follows:

15 (1) There shall be a retailer's license, to be known and  
16 designated as a spirits, beer, and wine restaurant license, to sell  
17 spirituous liquor by the individual glass, beer, and wine, at retail,  
18 for consumption on the premises, including mixed drinks and cocktails  
19 compounded or mixed on the premises only. A club licensed under  
20 chapter 70.62 RCW with overnight sleeping accommodations, that is  
21 licensed under this section may sell liquor by the bottle to  
22 registered guests of the club for consumption in guest rooms,  
23 hospitality rooms, or at banquets in the club. A patron of a bona  
24 fide restaurant or club licensed under this section may remove from  
25 the premises recorked or recapped in its original container any  
26 portion of wine which was purchased for consumption with a meal, and  
27 registered guests who have purchased liquor from the club by the  
28 bottle may remove from the premises any unused portion of such liquor  
29 in its original container. Such license may be issued only to bona  
30 fide restaurants and clubs, and to dining, club and buffet cars on  
31 passenger trains, and to dining places on passenger boats and  
32 airplanes, and to dining places at civic centers with facilities for  
33 sports, entertainment, and conventions, and to such other  
34 establishments operated and maintained primarily for the benefit of  
35 tourists, vacationers and travelers as the board shall determine are  
36 qualified to have, and in the discretion of the board should have, a  
37 spirits, beer, and wine restaurant license under the provisions and  
38 limitations of this title.



1 (2) The board may issue an endorsement to the spirits, beer, and  
2 wine restaurant license that allows the holder of a spirits, beer,  
3 and wine restaurant license to sell bottled wine for off-premises  
4 consumption. Spirits and beer may not be sold for off-premises  
5 consumption under this section except as provided in subsection (4)  
6 of this section. The annual fee for the endorsement under this  
7 subsection is one hundred twenty dollars.

8 (3) The holder of a spirits, beer, and wine license or its  
9 manager may furnish beer, wine, or spirituous liquor to the  
10 licensee's employees free of charge as may be required for use in  
11 connection with instruction on beer, wine, or spirituous liquor. The  
12 instruction may include the history, nature, values, and  
13 characteristics of beer, wine, or spirituous liquor, the use of wine  
14 lists, and the methods of presenting, serving, storing, and handling  
15 beer, wine, and spirituous liquor. The spirits, beer, and wine  
16 restaurant licensee must use the beer, wine, or spirituous liquor it  
17 obtains under its license for the sampling as part of the  
18 instruction. The instruction must be given on the premises of the  
19 spirits, beer, and wine restaurant licensee.

20 (4) The board may issue an endorsement to the spirits, beer, and  
21 wine restaurant license that allows the holder of a spirits, beer,  
22 and wine restaurant license to sell for off-premises consumption malt  
23 liquor in kegs or other containers that are capable of holding four  
24 gallons or more of liquid and are registered in accordance with RCW  
25 66.28.200. Beer may also be sold under the endorsement to a purchaser  
26 in a sanitary container brought to the premises by the purchaser or  
27 furnished by the licensee and filled at the tap by the retailer at  
28 the time of sale. The annual fee for the endorsement under this  
29 subsection is one hundred twenty dollars.

30 (5) (a) The board shall create a soju endorsement to the spirits,  
31 beer, and wine restaurant license that allows the holder of a  
32 spirits, beer, and wine restaurant license to serve soju for on-  
33 premises consumption by the bottle to tables of two or more patrons  
34 twenty-one years of age or older. Cost of the endorsement is fifty  
35 dollars.

36 (b) The holder of a soju endorsement may serve soju in bottles  
37 that are three hundred seventy-five milliliters or less. Empty  
38 bottles of soju must remain on the patron's table until the patron  
39 has left the premises of the licensee.

1       (c) The patron of a holder of a soju endorsement may remove from  
2 the premises recapped in its original container any unused portion of  
3 soju that was purchased for consumption with a meal.

4       (d) The board must develop additional responsible sale and  
5 service of soju training curriculum related to the provisions of the  
6 soju endorsement under this subsection (5) that includes but is not  
7 limited to certification procedures and enforcement policies. This  
8 information must be provided in both Korean and English languages to  
9 licensees holding the soju endorsement. Soju endorsement holders must  
10 ensure servers providing soju to patrons are trained in the soju  
11 curriculum developed under this subsection (5).

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