H-4006.1		

SUBSTITUTE HOUSE BILL 2371

State of Washington 63rd Legislature 2014 Regular Session

By House Government Accountability & Oversight (originally sponsored by Representatives Vick, Kirby, Rodne, Blake, and Hurst)

READ FIRST TIME 02/05/14.

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- AN ACT Relating to the sale of beer by grocery store licensees; and amending RCW 66.24.360.
- 3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 4 **Sec. 1.** RCW 66.24.360 and 2012 c 2 s 104 are each amended to read 5 as follows:
 - (1) There is a grocery store license to sell wine and/or beer, including without limitation strong beer at retail in original containers, not to be consumed upon the premises where sold.
 - (2) There is a wine retailer reseller endorsement of a grocery store license, to sell wine at retail in original containers to retailers licensed to sell wine for consumption on the premises, for resale at their licensed premises according to the terms of the license. However, no single sale may exceed twenty-four liters, unless the sale is made by a licensee that was a contract liquor store manager of a contract-operated liquor store at the location from which such sales are made. For the purposes of this title, a grocery store license is a retail license, and a sale by a grocery store licensee with a reseller endorsement is a retail sale only if not for resale.

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1 (3) Licensees obtaining a written endorsement from the board may 2 also sell malt liquor in kegs or other containers capable of holding 3 less than five and one-half gallons of liquid.

- (4) The annual fee for the grocery store license is one hundred fifty dollars for each store.
- (5) The annual fee for the wine retailer reseller endorsement is one hundred sixty-six dollars for each store.
- (6) Upon approval by the board, the grocery store licensee may also receive an endorsement to permit the sale of beer produced by a brewer located in Washington, Alaska, Idaho, Oregon, or Montana meeting the definition of a microbrewery contained in RCW 66.24.244 to a purchaser in a sanitary container brought to the premises by the purchaser, or provided by the licensee or manufacturer, and filled at the tap by the licensee at the time of sale by an employee of the licensee holding a class 12 alcohol server permit.
- (7) The board must issue a restricted grocery store license authorizing the licensee to sell beer and only table wine, if the board finds upon issuance or renewal of the license that the sale of strong beer or fortified wine would be against the public interest. In determining the public interest, the board must consider at least the following factors:
- (a) The likelihood that the applicant will sell strong beer or fortified wine to persons who are intoxicated;
- (b) Law enforcement problems in the vicinity of the applicant's establishment that may arise from persons purchasing strong beer or fortified wine at the establishment; and
- (c) Whether the sale of strong beer or fortified wine would be detrimental to or inconsistent with a government-operated or funded alcohol treatment or detoxification program in the area.
- If the board receives no evidence or objection that the sale of strong beer or fortified wine would be against the public interest, it must issue or renew the license without restriction, as applicable. The burden of establishing that the sale of strong beer or fortified wine by the licensee would be against the public interest is on those persons objecting.
- $((\frac{7}{}))$ (8) Licensees holding a grocery store license must maintain a minimum three thousand dollar inventory of food products for human consumption, not including pop, beer, strong beer, or wine.

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((\(\frac{(\frac{8}{})}\)) (9) A grocery store licensee with a wine retailer reseller endorsement may accept delivery of wine at its licensed premises or at one or more warehouse facilities registered with the board, which facilities may also warehouse and distribute nonliquor items, and from which it may deliver to its own licensed premises and, pursuant to sales permitted by this title, to other licensed premises, to other registered facilities, or to lawful purchasers outside the state. Facilities may be registered and utilized by associations, cooperatives, or comparable groups of grocery store licensees.

- ((+9))) (10) Upon approval by the board, the grocery store licensee may also receive an endorsement to permit the international export of beer, strong beer, and wine.
- (a) Any beer, strong beer, or wine sold under this endorsement must have been purchased from a licensed beer or wine distributor licensed to do business within the state of Washington.
- (b) Any beer, strong beer, and wine sold under this endorsement must be intended for consumption outside the state of Washington and the United States and appropriate records must be maintained by the licensee.
- (c) Any beer, strong beer, or wine sold under this endorsement must be sold at a price no less than the acquisition price paid by the holder of the license.
- (d) The annual cost of this endorsement is five hundred dollars and is in addition to the license fees paid by the licensee for a grocery store license.
- (((10))) (11) A grocery store licensee holding a snack bar license under RCW 66.24.350 may receive an endorsement to allow the sale of confections containing more than one percent but not more than ten percent alcohol by weight to persons twenty-one years of age or older.
 - (12) The board may adopt rules to implement this section.

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