

# HOUSE BILL REPORT

## HB 2496

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### As Passed Legislature

**Title:** An act relating to the furnishing of wine or beer to nonprofit charitable organizations.

**Brief Description:** Creating an exemption for out-of-state certificate of approval holders that furnish wine or beer to nonprofit charitable organizations.

**Sponsors:** Representatives Delvin, Wood, Clements, Conway and B. Chandler.

### Brief History:

#### Committee Activity:

Commerce & Labor: 1/26/00, 2/2/00 [DP].

#### Floor Activity:

Passed House: 2/9/00, 96-1.

Passed Senate: 2/29/00, 45-0.

Passed Legislature.

### Brief Summary of Bill

- Allows an out-of-state brewery or winery to donate beer or wine to charitable or nonprofit organizations.

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### HOUSE COMMITTEE ON COMMERCE & LABOR

**Majority Report:** Do pass. Signed by 8 members: Representatives Clements, Republican Co-Chair; Conway, Democratic Co-Chair; B. Chandler, Republican Vice Chair; Wood, Democratic Vice Chair; Hurst; Lisk; McIntire and McMorris.

**Staff:** Pam Madson (786-7166).

### Background:

Liquor manufacturers and distributors may not give away liquor to any person except as allowed by law.

Exceptions to this prohibition are provided for specific purposes such as allowing a manufacturer to negotiate a sale to the Liquor Control Board or a retail licensee. Other exceptions require that the liquor be consumed in a designated place to a limited group of people such as during an educational presentation to an organization formed for the purpose of studying wine and wine making. Breweries and wineries may furnish tastings of beer or wine free of charge at the brewery or winery. There are a limited number of occasions when liquor may be furnished or donated for a specific event to a specific audience, such as delegates to an international trade fair conducted by a governmental entity.

In 1998, an exception was added allowing a domestic winery and a domestic brewery to furnish their product without charge to nonprofit charitable organizations for use consistent with the purpose of the organization. The organizations that qualify are those designated as exempt from taxation under section 501(c)(3) of the Internal Revenue Code. There is no similar exception allowing donations of beer or wine for out-of-state breweries and wineries.

Consistent with other exceptions for donating beer and wine, the beer and wine are subject to state beer and wine taxes.

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**Summary of Bill:**

Out-of-state breweries and wineries may donate beer or wine at no charge to charitable and nonprofit organizations for use consistent with the purpose of the organization.

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**Appropriation:** None.

**Fiscal Note:** Not requested.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Testimony For:** California allows wineries from out-of-state to donate wine. As an example under this bill, an organization having an auction could receive a donated, mixed case of good wine and would auction it off for several times its value and be able to raise money for the organization. Donations would be chosen responsibly. Beer manufacturers already contribute to charitable and nonprofit organizations. This is another way to help them.

**Testimony Against:** None.

**Testified:** Representative Delvin, prime sponsor; Sharon Foster, Washington Wine Institute; and Mark Greenberg, Anheuser-Busch.