

HOUSE BILL REPORT

EHB 1330

As Passed House
March 8, 1993

Title: An act relating to liquor licenses.

Brief Description: Regulating liquor licenses.

Sponsors: Representatives Horn, Heavey, G. Cole and Johanson;
by request of Liquor Control Board.

Brief History:

Reported by House Committee on:
Commerce & Labor, February 9, 1993, DPA;
Passed House, March 8, 1993, 95-0.

HOUSE COMMITTEE ON COMMERCE & LABOR

Majority Report: Do pass as amended. Signed by 9 members:
Representatives Heavey, Chair; G. Cole, Vice Chair; Lisk,
Ranking Minority Member; Chandler, Assistant Ranking
Minority Member; Conway; Horn; King; Springer; and Veloria.

Staff: Jim Kelley (786-7166).

Background:

Liquor license requirements

The Liquor Control Board has the sole authority to approve a liquor license in Washington. A retail liquor license of any kind may only be issued to a person who has resided in Washington for at least one month prior to application. A retail liquor license may be issued to a corporation if the corporation is legally authorized to do business in Washington.

Beer and wine licenses

Holders of class J special occasion wine licenses may sell limited quantities of wine for consumption off the premises if they have paid an additional \$10 fee. Class G special occasion beer license holders are not allowed to sell beer for consumption off the premises.

Wine wholesalers may advertise, pour or dispense wine at a wine tasting exhibition or judging event. However, beer

wholesalers may not dispense beer at a beer tasting exhibition or judging event.

Class G and class J special occasion beer and wine licensees may only purchase their beer or wine from licensed wholesalers. Most wholesalers are closed on weekends.

A class I retailer's license allows the holder to serve liquor by the drink to members and guests of a society or organization on special occasions at a specified time and place. Only a class H licensee (a hotel, restaurant or club licensed to sell spirituous liquor by the drink) may obtain a class I license. Class A, C, and D beer and wine licensees may not.

Distilleries

Brewers, wholesalers, wineries, and importers may furnish samples of beer or wine to authorized licensees for the purpose of negotiating a sale or instruction regarding the product, in accordance with rules adopted by the board. Distilleries may not furnish samples of their product while negotiating a sale or for instruction. Distilleries may not serve samples of liquor without charge at charitable events.

Breweries, wineries, and wholesalers may instruct licensees and their employees on the subject of beer or wine, including the history, characteristics, and methods of presenting, serving or storing the product. They may also provide similar educational activities for consumers, on the licensed premises of a retailer. Distillers are not authorized to conduct such instruction or education regarding spirituous liquor.

Taprooms

Restaurants that do not sell spirituous liquor often have a portion of the restaurant set off as a taproom for the sale of beer or wine under a class A, C, or D license. Nothing in the law prevents a minor from entering and remaining on the premises of a taproom.

Summary of Bill: Administrative changes are made to the liquor code.

Liquor license requirements

The board may grant authority to approve a liquor license to any person or persons the board designates in writing. The requirement that a retail liquor license may not be issued to a person who has not resided in the state for at least one month is stricken. A corporation may hold a liquor

license only if the officers and majority shareholders are at least 21 years of age.

Beer and wine licenses

For a fee of \$10, a holder of a class G special occasion license may sell, at no more than two events per year, beer or malt liquor for consumption off the premises.

Special occasion licensees holding a class G beer license may purchase beer from a beer retailer or a beer wholesaler, and class J wine license holders may purchase wine from a wine retailer or a wine wholesaler.

Beer manufacturers, importers, and wholesalers may advertise, pour, or dispense beer during judging or tasting events at which they are participants.

A class A, C, or D licensee may acquire a class I license to serve beer or wine to members and guests of a society or organization on special occasions at a specified time and place.

Distilleries

Distilleries may furnish samples of liquor to authorized licensees for the purpose of negotiating a sale or instruction regarding the product, in accordance with rules adopted by the board. Distilleries may serve samples of liquor without charge at charitable events.

Distilleries may instruct licensees and their employees on the subject of a specific liquor product, including the history, characteristics, and methods of presenting, serving or storing the product. They may also provide similar educational activities for consumers, on the licensed premises of a retailer.

Taprooms

It is a misdemeanor to serve a minor or allow a minor to remain on the premises of any taproom portion of a class A, C, or D licensed premises.

Fiscal Note: Available.

Effective Date: The bill contains an emergency clause and takes effect immediately.

Testimony For: This bill provides more equity and consistency in the liquor licensing scheme. It also makes some much needed technical changes, such as the provision

making it a misdemeanor to allow a minor to enter a taproom. Beer festivals are very popular events. It makes no sense to require that the servers at these events be volunteers, instead, these events should be treated the same as wine tasting events. The bill needs an emergency clause.

Testimony Against: Some class H restaurant licensees have a concern with the catering provisions.

Witnesses: Carter Mitchell, Liquor Control Board (in favor); Mike Hale, Hale's Ale (in favor); Larry Baush, Washington Association of Small Brewers (in favor); and Kit Hawkins, Restaurant Association (had concerns).