

HOUSE BILL REPORT

HB 1059

As Passed House:

March 7, 1995

Title: An act relating to improvements to the enforcement provisions of the Washington state liquor act.

Brief Description: Improving the enforcement provisions of the Washington state liquor act.

Sponsors: Representatives Lisk and Sheldon; by request of Liquor Control Board.

Brief History:

Committee Activity:

Commerce & Labor: 1/18/95, 2/8/95 [DP].

Floor Activity:

Passed House: 3/7/95, 93-3.

HOUSE COMMITTEE ON COMMERCE & LABOR

Majority Report: Do pass. Signed by 11 members: Representatives Lisk, Chairman; Hargrove, Vice Chairman; Thompson, Vice Chairman; Romero, Ranking Minority Member; Conway, Assistant Ranking Minority Member; Cairnes; Cody; Cole; Fuhrman; Goldsmith and Horn.

Staff: Pam Madson (786-7166).

Background:

Liquor From Out-of-State for Personal Use

Persons over 21 years of age may bring a reasonable amount of liquor into the state of Washington if they pay the equivalent of the markup and taxes that would have been paid for the same or similar liquor purchased at a state liquor store.

Employees Between the Ages of 18 and 21

Possession, consumption, or acquisition of alcohol is generally prohibited for those persons under the age of 21. Certain exceptions have been authorized for employees between the ages of 18 and 21 who work for retail licensees. If supervised by someone 21 years of age or older, these underage employees may sell, stock, and

handle beer and wine for specified licensed retailers, and may serve and sell liquor in licensed retail establishments excluding any areas that are designated "off limits" to persons under the age of 21.

Business Entertainment Practices

Under the "tied-house" law, liquor manufacturers, importers, and wholesalers are prohibited from advancing moneys or moneys' worth to licensed retailers. In 1990, a law was enacted that allowed manufacturers, importers, and wholesalers to provide food and beverage for consumption at a business meeting with licensed retailers. In addition, manufacturers, importers, and wholesalers may provide licensed retailers with tickets to athletic events or other forms of entertainment if the manufacturer, importer, or wholesaler accompanies the licensed retailer to the event. Both of these provisions expire June 30, 1995.

Summary of Bill:

Liquor From Out-of-State for Personal Use

A person 21 years of age or older may bring into the state of Washington from another state up to two liters of spirits or wine, or 288 ounces of beer once a month without paying the state markup or the applicable taxes.

Employees Between the Ages of 18 and 21

Employees between the ages of 18 and 21 who work for nonretail licensees (wholesalers, manufacturers, breweries, wineries) may stock, merchandise, and handle beer or wine on the nonretail premises if supervised by someone 21 years of age or older.

Business Entertainment Practices

The expiration date is repealed allowing the business practices currently authorized between wholesalers, importers, and manufacturers and licensed retailers to continue.

Appropriation: None.

Fiscal Note: Available.

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

Testimony For: Currently people aged 18-21 can work in retail establishments and handle liquor. This would allow them to work in wholesale establishments, under supervision. They would not be allowed to sell liquor. Manufacturers are not

supposed to financially induce retailers to do business with them. There was much discussion and controversy over how strictly this should be interpreted when the business practice provision passed the Legislature in 1990. It clarified that business practices that were happening prior to the legislation were acceptable. The industry has demonstrated that it can act responsibly in this area. The practice should be allowed to continue.

Testimony Against: None.

Testified: Carter Mitchell, Liquor Control Board (pro); Dick Ducharme, Washington Beer and Wine Wholesalers Association (pro); and Jim Halstrom, Joseph E. Seagram and Sons.