

# HOUSE BILL REPORT

## SB 5338

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**As Passed House**

April 8, 1997

**Title:** An act relating to the restricted use of spirituous liquor at no charge.

**Brief Description:** Allowing restricted use of spirituous liquor at no charge.

**Sponsors:** Senators Horn, Heavey and Schow.

**Brief History:**

**Committee Activity:**

Commerce & Labor: 3/26/97, 3/31/97 [DP].

**Floor Activity:**

Passed House: 4/8/97, 88-9.

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### HOUSE COMMITTEE ON COMMERCE & LABOR

**Majority Report:** Do pass. Signed by 9 members: Representatives McMorris, Chairman; Honeyford, Vice Chairman; Conway, Ranking Minority Member; Wood, Assistant Ranking Minority Member; Boldt; Clements; Cole; Hatfield and Lisk.

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

**Background:** Historically, the state of Washington has prohibited certain business practices between manufacturers and wholesalers of alcoholic beverages and retailers who sell the product to the public. During the past 20 years a number of exceptions have been granted, including the ability to provide samples of beer and wine under certain circumstances.

A brewer, winery, or beer or wine wholesaler is permitted to furnish samples of beer or wine to an authorized licensee for the purposes of negotiating a sale of the product. These beer and wine manufacturers and wholesalers are also allowed to provide free samples of beer or wine to licensees and their employees for the purposes of instructing them on the history, nature, values, and characteristics of the beer or wine. In addition, beer and wine manufacturers are permitted to conduct educational activities for retail licensees' consumers and provide them with free samples of beer and wine.

Current law prohibits distillers from conducting any of these activities and providing free samples of spirituous liquors in the course of such activities.

**Summary of Bill:** Distillers are permitted to furnish samples of spirituous liquor to authorized licensees and their employees when negotiating a sale and instructing licensees and their employees regarding the history, nature, values, and characteristics of spirituous liquor. Distillers are also permitted to conduct educational activities for consumers and provide them with free samples of liquor on the premises of retail liquor licensees.

**Appropriation:** None.

**Fiscal Note:** Not requested.

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

**Testimony For:** Distilled spirits are only sold in liquor stores or by the drink in class H restaurants. The only market that distillery business representatives can expand into is through sales to class H licensees. With a wide variety of products and price variances available to licensees, distillery representatives seek to conduct business in the same way that the beer and wine industry does now. The Liquor Control Board may adopt rules to limit the size of the samples used. Distillery representatives have asked for this authority from the board over the years, but the board does not have ability to grant it.

**Testimony Against:** None.

**Testified:** (In support) Senator Jim Horn, prime sponsor; Tamara Warnke, Distilled Spirits Council of the United States; and Carter Mitchell, Washington State Liquor Control Board.