

HOUSE BILL ANALYSIS

HB 2496

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 and Wood

Hearing: January 26, 2000

Brief Summary of Bill

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

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 to furnish wine without charge and a domestic brewery to furnish beer 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.

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.

RULES AUTHORITY: The bill does not contain provisions addressing the rule making powers of an agency.

FISCAL NOTE: Not requested.

EFFECTIVE DATE: Ninety days after adjournment of a session in which bill is passed.