

SENATE BILL REPORT

SB 6473

As Reported By Senate Committee On:
Commerce, Trade, Housing & Financial Institutions, February 1, 2000

Title: An act relating to allowing a licensed distiller to hold a class H spirits, beer, and wine restaurant license.

Brief Description: Allowing a licensed distiller to hold a class H spirits, beer, and wine restaurant license.

Sponsors: Senators Jacobsen, Honeyford and Hale.

Brief History:

Committee Activity: Commerce, Trade, Housing & Financial Institutions: 1/28/2000, 2/1/2000 [DP, DNP].

SENATE COMMITTEE ON COMMERCE, TRADE, HOUSING & FINANCIAL INSTITUTIONS

Majority Report: Do pass.

Signed by Senators Prentice, Chair; Shin, Vice Chair; Benton, Deccio, Gardner, Hale, Rasmussen, T. Sheldon and Winsley.

Minority Report: Do not pass.

Signed by Senator Heavey.

Staff: Catherine Mele (786-7470)

Background: Under Washington's tied house law, certain financial ties or business relationships are prohibited between alcohol retailers and alcohol manufacturers or distributors.

The purposes of the tied-house prohibitions are to prevent manufacturers and distributors from engaging in practices that induce retailers to sell certain alcohol products and exclude others and to inappropriately increase consumption.

One type of business relationship prohibited by the tied house law is allowing licensed liquor manufacturers and distributors to also hold a retail license. However, the law does allow a brewery or a winery to hold a spirits, beer, wine restaurant license for operation of a restaurant on the site of the brewery or winery or on contiguous property.

A distiller manufactures spirituous liquor products and must be licensed under liquor laws.

Summary of Bill: An exception to the tied house law is created to allow a licensed distiller to hold a spirits, beer, and wine restaurant license for the operation of a restaurant on the

site of the distillery or on contiguous property. This exception is similar to the exception granted to breweries and wineries.

Appropriation: None.

Fiscal Note: Requested on January 27, 2000.

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

Testimony For: Fish Brewery opened in Olympia seven years ago. We want the opportunity to compete with our neighbor states by making craft distilled products and selling them at retail by the glass on our premises. Fish Brewery wants to use Washington products to make spirits like apple brandy, malt whiskey, gin and vodka. Although these spirits can be sold at the retail level, we need to be able to sell them on the premises to make enough profit.

Testimony Against: None.

Testified: Crayne Horton, Fish Brewing Co. (pro).