

---

SENATE BILL 5994

---

State of Washington

58th Legislature

2003 Regular Session

By Senators Hewitt, Reardon, Honeyford, Haugen, Rossi, Hale, Mulliken and T. Sheldon

Read first time 02/27/2003. Referred to Committee on Commerce & Trade.

1 AN ACT Relating to removing suppliers and distributors of wine from  
2 the provisions of chapter 19.126 RCW; amending RCW 19.126.010 and  
3 19.126.020; and declaring an emergency.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 **Sec. 1.** RCW 19.126.010 and 1984 c 169 s 1 are each amended to read  
6 as follows:

7 (1) The legislature recognizes that both suppliers and wholesale  
8 distributors of malt beverages (~~and wine~~) are interested in the goal  
9 of best serving the public interest through the fair, efficient, and  
10 competitive distribution of such beverages. The legislature encourages  
11 them to achieve this goal by:

12 (a) Assuring the wholesale distributor's freedom to manage the  
13 business enterprise, including the wholesale distributor's right to  
14 independently establish its selling prices; and

15 (b) Assuring the supplier and the public of service from wholesale  
16 distributors who will devote their best competitive efforts and  
17 resources to sales and distribution of the supplier's products which  
18 the wholesale distributor has been granted the right to sell and  
19 distribute.

1 (2) This chapter governs the relationship between suppliers of malt  
2 beverages (~~and wine~~) and their wholesale distributors to the full  
3 extent consistent with the Constitution and laws of this state and of  
4 the United States.

5 **Sec. 2.** RCW 19.126.020 and 1997 c 321 s 41 are each amended to  
6 read as follows:

7 The definitions set forth in this section apply throughout this  
8 chapter unless the context clearly requires otherwise.

9 (1) "Agreement of distributorship" means any contract, agreement,  
10 commercial relationship, license, association, or any other  
11 arrangement, for a definite or indefinite period, between a supplier  
12 and distributor.

13 (2) "Distributor" means any person, including but not limited to a  
14 component of a supplier's distribution system constituted as an  
15 independent business, importing or causing to be imported into this  
16 state, or purchasing or causing to be purchased within this state, any  
17 malt beverage (~~or wine~~) for sale or resale to retailers licensed  
18 under the laws of this state, regardless of whether the business of  
19 such person is conducted under the terms of any agreement with a malt  
20 beverage (~~or wine~~) manufacturer.

21 (3) "Supplier" means any malt beverage (~~or wine~~) manufacturer or  
22 importer who enters into or is a party to any agreement of  
23 distributorship with a wholesale distributor. "Supplier" does not  
24 include: (a) (~~Any domestic winery licensed pursuant to RCW 66.24.170;~~  
25 ~~(b) any winery or manufacturer of wine producing less than three~~  
26 ~~hundred thousand gallons of wine annually and holding a certificate of~~  
27 ~~approval issued pursuant to RCW 66.24.206;~~ (c)) Any domestic brewer or  
28 microbrewer licensed under RCW 66.24.240 and producing less than fifty  
29 thousand barrels of malt liquor annually; or (~~(d)~~) (b) any brewer or  
30 manufacturer of malt liquor producing less than fifty thousand barrels  
31 of malt liquor annually and holding a certificate of approval issued  
32 under RCW 66.24.270.

33 (4) "Malt beverage manufacturer" means every brewer, fermenter,  
34 processor, bottler, or packager of malt beverages located within or  
35 outside this state, or any other person, whether located within or  
36 outside this state, who enters into an agreement of distributorship for

1 the resale of malt beverages in this state with any wholesale  
2 distributor doing business in the state of Washington.

3 ~~(5) ("Wine manufacturer" means every winery, processor, bottler,~~  
4 ~~or packager of wine located within or outside this state, or any other~~  
5 ~~person, whether located within or outside this state who enters into an~~  
6 ~~agreement of distributorship for the resale of wine in this state with~~  
7 ~~any wine wholesale distributor doing business in the state of~~  
8 ~~Washington.~~

9 ~~(6))~~ "Importer" means any distributor importing beer ~~((or wine))~~  
10 into this state for sale to retailer accounts or for sale to other  
11 wholesalers designated as "subjobbers" for resale.

12 ~~((7))~~ (6) "Person" means any natural person, corporation,  
13 partnership, trust, agency, or other entity, as well as any individual  
14 officers, directors, or other persons in active control of the  
15 activities of such entity.

16 NEW SECTION. **Sec. 3.** This act is necessary for the immediate  
17 preservation of the public peace, health, or safety, or support of the  
18 state government and its existing public institutions, and takes effect  
19 immediately.

--- END ---