

HOUSE BILL REPORT

SHB 2501

As Passed House:
February 14, 2008

Title: An act relating to beer and wine specialty shops.

Brief Description: Regarding malt liquor sold by beer and/or wine specialty shops.

Sponsors: By House Committee on Commerce & Labor (originally sponsored by Representatives Williams, Newhouse, Moeller and Upthegrove).

Brief History:

Committee Activity:

Commerce & Labor: 1/31/08, 2/1/08 [DPS].

Floor Activity:

Passed House: 2/14/08, 90-4.

Brief Summary of Substitute Bill

- Allows beer and/or wine specialty shops to sell kegs of malt liquor that hold four gallons or more of liquid.

HOUSE COMMITTEE ON COMMERCE & LABOR

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 8 members: Representatives Conway, Chair; Wood, Vice Chair; Condotta, Ranking Minority Member; Chandler, Assistant Ranking Minority Member; Crouse, Green, Moeller and Williams.

Staff: Brian Considine (786-7290).

Background:

The Liquor Control Board (Board) issues a number of types of liquor licenses. These include licenses for spirits, beer, and wine restaurants, beer and/or wine restaurants, taverns, grocery stores, and beer and/or wine specialty shops. Kegs (or other containers holding four gallons or more) of malt liquor may be sold by the following licensees:

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- *Beer and/or wine restaurants and taverns:* Licensees are required to attain an additional license, and the license allows containers holding malt liquor of four gallons or more.
- *Grocery stores:* Licensees are required to attain an endorsement issued by the Board, and containers must be smaller than 5.5 gallons.
- *Beer and/or wine specialty shops:* Licensees are required to attain an endorsement from the Board, and containers must be smaller than 5.5 gallons.
- *Spirits, beer, and wine restaurants:* Licensees are required to attain an endorsement from the Board, and the containers can be four gallons or more.

Beer and/or wine restaurants and taverns; grocery stores; and spirits, beer, and wine restaurants are required to follow keg registration procedures listed in the code.

Summary of Substitute Bill:

Beer and/or wine specialty shops may sell containers of malt liquor that hold four gallons or more of liquid, and they must comply with keg registration procedures.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony:

(In support) This bill brings the emerging beer and/or wine specialty shop market in line with other businesses that sell kegs of beer. This is a good bill that allows shops to sell kegs to go. The standard keg is 15.5 gallons. There are great beer shops selling high-end beers and wine stores selling Washington wines, and this allows stores to offer another vessel of beer for parties, barbeques, and weddings. Currently, specialty stores can only sell a five-gallon vessel, and that does not last long at a wedding. This allows stores to offer draft beer to customers and allows owners to enhance their business.

(Neutral) This is open to all beers, not just microbrews. The Board is neutral, and we are working on an amendment that would, like with all businesses that sell kegs, require keg registration.

(Opposed) None.

Persons Testifying: (In support) Representative Williams, prime sponsor; Arlen Harris, Washington Brewers Guild; and Jeff Bert, Gravity Beer Market.

(Neutral) Rick Garza, Washington State Liquor Control Board.

Persons Signed In To Testify But Not Testifying: None.