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**Commerce & Labor Committee**

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**SB 5011**

**Brief Description:** Removing the expiration date on the 2006 beer and wine distribution bill.

**Sponsors:** Senators Kohl-Welles, Parlette, Keiser and Rasmussen.

**Brief Summary of Bill**

- Removes the June 30, 2008 expiration date for the direct shipment of beer and wine by out-of state wineries and breweries to retailers.

**Hearing Date:** 3/16/07

**Staff:** Joan Elgee (786-7106).

**Background:**

In *Costco Wholesale Corp. v. Hoen, et al* (2005), the District Court struck down Washington laws that allowed that in-state, but not out-of-state, wineries and breweries to ship their products directly to retailers. Relying on a recent United States Supreme Court case, *Granholm v. Heald*, the court in *Costco* held that these laws discriminated against out-of-state wineries and breweries in violation of the Commerce Clause.

In 2006, the Legislature extended the direct shipping privilege to out-of state wineries and breweries. These provisions expire on June 30, 2008.

The 2006 legislation also directed the Liquor Control Board to convene a task force to conduct a comprehensive review of the current regulatory system of the sale and distribution of beer and wine. The task force was specifically directed to research and analyze the impacts and implications of the expansion of the direct shipping authority to out-of-state wineries and breweries.

**Summary of Bill:**

The June 30, 2008 expiration date for the direct shipment of beer and wine to retailers by out-of-state breweries and wineries is removed.

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

**Rules Authority:** The bill does not address the rule-making powers of an agency.

**Appropriation:** None.

**Fiscal Note:** Not requested.

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