
Commerce & Labor Committee

SSB 5721

Brief Description: Concerning financial arrangements involving sports/entertainment facility license holders.

Sponsors: Senate Committee on Labor, Commerce, Research & Development (originally sponsored by Senator Kohl-Welles).

Brief Summary of Substitute Bill

- Allows a liquor manufacturer, importer, or distributor to enter into an arrangement with a sports/entertainment facility licensee or an affiliated business for brand advertising at the licensed facility or promoting events held at the facility.

Hearing Date: 3/16/07

Staff: Joan Elgee (786-7106).

Background:

The Liquor Control Board (Board) issues a number of types of liquor licenses. A sports/entertainment license allows the licensee to sell beer, wine, and spirits for on-premises consumption. The license is issued to the entity providing food and beverage service. A sports/entertainment facility includes a publicly or privately-owned arena, coliseum, stadium, or facility where sporting events are presented for the price of admission.

Liquor "tied-house" laws are intended to prevent inappropriate or coercive business practices among the various sectors of the liquor industry, either through domination of one tier over another or through exclusion of competitors' products. Washington's tied-house law prohibits:

- manufacturers, importers, distributors, and authorized representatives from having a financial interest in a retail license or owning property on which a retailer operates; and
- manufacturers, importers, distributors, and authorized representatives from providing things of value ("money or money's worth") to licensees.

The Legislature has enacted numerous exceptions to the tied-house law.

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.

Summary of Bill:

A tied-house exception is created to allow a liquor manufacturer, importer, or distributor to enter into an arrangement with a sports/entertainment facility licensee or an affiliated business for brand advertising at the licensed facility or promoting events held at the facility.

The arrangement may not be used as an inducement to purchase products of the manufacturer, importer, or distributor nor in the exclusion of brands or products of other companies.

The provision expires June 30, 2008.

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.