

HOUSE BILL REPORT

SHB 2790

As Passed House:
February 13, 2010

Title: An act relating to making technical and clarifying changes to the liquor laws.

Brief Description: Making technical and clarifying changes to the liquor laws.

Sponsors: House Committee on Commerce & Labor (originally sponsored by Representative Conway).

Brief History:

Committee Activity:

Commerce & Labor: 1/22/10, 1/26/10 [DPS].

Floor Activity:

Passed House: 2/13/10, 94-1.

Brief Summary of Substitute Bill

- Adds references to additional types of licenses to a 2009 law allowing financial interests between various tiers of the liquor industry.
- Allows a vendor to obtain a special permit to serve liquor at a liquor licensee trade association convention.
- Makes housekeeping and technical changes.

HOUSE COMMITTEE ON COMMERCE & LABOR

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 7 members: Representatives Conway, Chair; Wood, Vice Chair; Condotta, Ranking Minority Member; Chandler, Crouse, Green and Williams.

Staff: Joan Elgee (786-7106).

Background:

In 2009 legislation was enacted (EHB 2040) which repealed the tied house law prohibiting certain interests between the manufacturer and distributor tiers of the liquor industry

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(industry members) and the retailer tier. Financial interests are now generally allowed. The list of statutes identifying industry members and retailers did not include distillers or hotels. In 2009 the Legislature also created a new retail license, the nightclub license. Engrossed House Bill 2040 included a new section which in general retained the part of the tied house law prohibiting industry members from providing "moneys' worth" to retailers. A separate bill amended the tied house law which EHB 2040 repealed. In addition, a number of references to the repealed tied house law remain in the code.

A special liquor permit allows a manufacturer, importer, or distributor to serve liquor to delegates and guests at a convention of a trade association of liquor licensees. The liquor must be served without charge in a hospitality room or from a booth in a Board-approved suppliers' display room.

Another section of the liquor title contains incorrect references to definitions.

Summary of Substitute Bill:

The tied house law in effect prior to 2009 is repealed. Distillers, hotels, and nightclubs are added to the lists of industry member and retailer licenses. Cross-references to the prior tied house law are updated to refer to the new "moneys' worth" law.

A vendor that manufactures liquor mixers, in addition to a manufacturer, importer, or distributor, may obtain a special permit to serve liquor at a liquor licensee trade association convention.

References to definitions are corrected and other technical changes are made.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed, except sections 4, 6, and 9 which reinstate prior law related to housekeeping changes to the grocery store, beer and/or wine specialty shop, and public house licenses after a scheduled expiration and take effect July 1, 2011.

Staff Summary of Public Testimony:

(In support) A few licenses were not part of the big change made last year. The Washington State Liquor Control Board staff had input on the bill. It is appreciated that these matters are being taken care of.

(Opposed) None.

Persons Testifying: Rick Garza, Washington State Liquor Control Board.

Persons Signed In To Testify But Not Testifying: None.