

HOUSE BILL REPORT

HB 2947

As Reported by House Committee On:
Commerce & Labor

Title: An act relating to special occasion licenses.

Brief Description: Concerning special occasion licenses.

Sponsors: Representatives Wood, Conway, Condotta and Ormsby.

Brief History:

Committee Activity:

Commerce & Labor: 1/27/10, 2/2/10 [DP].

Brief Summary of Bill

- Allows special occasion liquor licensees to pay for beer and wine immediately following the end of an event.
- Allows wineries and breweries to pay reasonable table fees to special occasion licensees.

HOUSE COMMITTEE ON COMMERCE & LABOR

Majority Report: Do pass. Signed by 8 members: Representatives Conway, Chair; Wood, Vice Chair; Condotta, Ranking Minority Member; Chandler, Crouse, Green, Moeller and Williams.

Staff: Joan Elgee (786-7106).

Background:

A not-for-profit society or organization may obtain a special occasion retail liquor license to sell spirits, beer, and wine by the individual serving for on-premises consumption at a specified date and time. With prior permission from the Liquor Control Board, a special occasion licensee may also sell beer and wine in original unopened containers for off-premises consumption. The fee for a special occasion license is \$60 per day. Sales under this license are limited to 12 calendar days per year.

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.

The liquor tied house law prohibits a liquor manufacturer or distributor ("industry member") from providing "moneys' worth" to a retailer. This law has been interpreted to prohibit the extension of credit to retailers. A number of exceptions have been enacted. One exception allows an industry member to provide services to a special occasion licensee for the installation of draft beer dispensing equipment or advertising; or advertising, pouring, or dispensing of beer or wine at a beer or wine tasting exhibition or judging event.

Summary of Bill:

Two additional exceptions are added to the tied house law regarding special occasion licenses. Special occasion licensees may pay for beer or wine immediately following the end of a special occasion event. In addition, wineries or brewers that are participating in a special occasion event may pay reasonable table fees to the special occasion licensee.

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.

Staff Summary of Public Testimony:

(In support) This is a common sense fix to a problem that has caused confusion. When a charity sells wine, the charity is a liquor retailer for only that day but all the laws apply. This bill will allow charities, including promoters, to charge a reasonable table fee. Currently, charities pay in advance but have to do accounting at the end of the event for product not sold. Small business owners appreciate that the table fees must be "reasonable." The bill should be passed in its current form.

Two suggestions are made. First, charities should have 24 hours after the end of the event to avoid a line-up to pay. One charity will not participate because payment must be issued through their comptroller and the charity does not like to do this at night. Second, the word "reasonable" should be removed and the free market should determine fees. There is no need to protect wineries.

(Opposed) None.

Persons Testifying: Jean Leonard, Washington Wine Institute; Heather McClung, Washington Brewers Guild; Karen McCall, Washington State Liquor Control Board; and Paul Beveridge, Family Wineries of Washington State.

Persons Signed In To Testify But Not Testifying: None.