

SENATE BILL REPORT

SB 5834

As Reported by Senate Committee On:
Labor, Commerce & Consumer Protection, February 23, 2009

Title: An act relating to alcoholic beverage regulation.

Brief Description: Regarding alcoholic beverage regulation.

Sponsors: Senators Kohl-Welles and Holmquist.

Brief History:

Committee Activity: Labor, Commerce & Consumer Protection: 2/19/09, 2/23/09 [DPS].

SENATE COMMITTEE ON LABOR, COMMERCE & CONSUMER PROTECTION

Majority Report: That Substitute Senate Bill No. 5834 be substituted therefor, and the substitute bill do pass.

Signed by Senators Kohl-Welles, Chair; Keiser, Vice Chair; Holmquist, Ranking Minority Member; Franklin, Honeyford, King and Kline.

Staff: Mac Nicholson (786-7445)

Background: The Liquor Control Board (LCB) regulates the manufacture, distribution, sale, and consumption of liquor in the state. There are a number of different retail licenses available, with differing powers and prohibitions depending on the type of license. During previous sessions, a group of industry stakeholders has worked together and proposed legislation making a number of changes regarding retail license powers and prohibitions.

Summary of Bill (Recommended Substitute): Holders of a private club license may sell any bottled wine for off-premise consumption, rather than just wine vinted and bottled in Washington carrying a label exclusive to the license holder.

A domestic winery operating as a distributor of its own product may maintain one off-premise warehouse for distribution, subject to LCB approval.

A domestic winery or certificate of approval holder may perform pouring services for an individual holding a special occasion or a private club license.

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.

Beer and/or wine specialty shop licensees can obtain an endorsement to sell beer in kegs or other containers capable of holding more than four gallons of liquid, subject to keg registration requirements.

Domestic distillers and accredited representatives of distillers or importers of spirits may donate spirits to 501(c)(3) and 501(c)(6) nonprofit charitable corporations.

Up to 20 cases of wine may be transferred annually from one licensed location to another so long as both locations are under common ownership.

The termination date on the ability of the Washington Beer Commission to receive gifts and grants from public or private sources is removed.

Checks, credit or debit cards, electronic funds transfers, and other similar methods can be used as cash payments, provided the electronic fund transfers are voluntary, conducted pursuant to a written agreement, are initiated no later than the first business day following delivery, and are completed as promptly as is practical but no later than five business days following delivery.

EFFECT OF CHANGES MADE BY LABOR, COMMERCE & CONSUMER PROTECTION COMMITTEE (Recommended Substitute): The substitute removes the provision authorizing the LCB to charge beer and/or wine specialty shop licensees with a keg endorsement for the costs of providing required forms. The substitute also moves language allowing common ownership licensee to licensee wine transfers to a new RCW, rather than amending the statute regulating supplier price filings and contracts.

Appropriation: None.

Fiscal Note: Available.

[OFM requested ten-year cost projection pursuant to I-960.]

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony on Original Bill: PRO: A considerable amount of time was spent by many stakeholders putting the legislation together. There are two pieces in the bill that are recommendations of the Joint Select Committee on Beer and Wine Regulation that met during the summer. This bill modernizes beer and wine regulations.

Persons Testifying: PRO: Holly Chisa, North West Grocery Association; Carolyn Logue, Washington Food Industry; Carrie Tellefson, Distillery Representatives Association of Washington; Michael Transue, Washington Restaurant Association; Ron Main, Washington Beer and Wine Wholesalers.