Washington State House of Representatives Office of Program Research

BILL ANALYSIS

State Government & Tribal Affairs Committee

HB 1202

Brief Description: Creating a pilot project to allow spirits sampling in state liquor stores and contract stores.

Sponsors: Representatives Hunt, Taylor and Moscoso.

Brief Summary of Bill

- Creates a pilot project for spirits sampling in state and contract liquor stores.
- Changes the price of spirits purchased by distillers from the Liquor Control Board for sampling purposes from the retail price to cost plus a \$10 handling fee.

Hearing Date: 1/19/11

Staff: Joan Elgee (786-7106).

Background:

In Washington, spirits in the original package may be sold only in state liquor stores and contract liquor stores. (An exception allows limited sales of spirits by craft distillers.) For retail sales of beer and wine, and spirits by the drink, the Liquor Control Board (Board) issues licenses to various types of retailers.

Sampling of spirits, beer, and wine by retail customers is permitted in some circumstances. Beer and/or wine specialty shops may serve samples of two ounces or less to a customer. Legislation passed in 2010 allows certain types of grocery stores to conduct tastings with an endorsement issued by the Board. Breweries and wineries may also serve samples. A craft distillery may provide one-half ounce or less samples of spirits, up to a total of two ounces per day, on its premises. Distillers, breweries, and wineries may also provide samples to licensees of the Board. For example, a distiller may provide samples to a restaurant for the purpose of negotiating a sale.

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A distiller may also provide samples to the Board. Spirits used for samples must be purchased at retail from the Board.

An Alcohol Impact Area (AIA) is a geographic area, designated by a local government and recognized by resolution of the Board, that is adversely affected by chronic public inebriation or illegal activity associated with alcohol sales or consumption. The Board may place restrictions on licensees located in an AIA.

Persons who solicit or take orders for a distiller, manufacturer, importer, or distributor of spirits must hold a representative's license issued by the Board.

Liquor may not be consumed on the premises of a state liquor store.

Summary of Bill:

The Liquor Control Board (Board) is directed to establish a pilot project for spirits sampling in state and contract liquor stores to promote the sponsor's products. A sponsor is a domestic distiller or the licensed representative of a distiller, manufacturer, importer, or distributor of spirits.

The pilot project consists of 30 locations with at least six samplings to be conducted at each location between September 1, 2011, and September 1, 2012. Only one sampling per week at a store is permitted. The Board must select the stores. In selecting stores, the Board must give:

- Due consideration to the location of the store with respect to places of worship, schools, and public institutions, and must give written notice to these entities located within 500 feet of the store; and
- Due consideration to motor vehicle accident data in the proximity of the store.

The following conditions apply to sampling:

- Samples may be free of charge to persons 21 or over. No apparently intoxicated person may sample spirits.
- Samples must be one-quarter ounce or less, with no more than one ounce of samples per person per day.
- Sponsors may serve samples. Sponsors include a domestic distiller or an accredited representative of a distiller, manufacturer, importer, or distributor of spirits.
- Any person involved in serving samples must have completed a Mandatory Alcohol Server Training program.
- The product sampled must be available at the store where the sampling occurs.
- Customers must remain on the premises while consuming samples.
- Stores may only advertise a sampling event within the store.

The board may prohibit sampling at a store within the boundaries of an Alcohol Impact Area (AIA) if the sampling is having an adverse effect on the reduction of chronic public inebriation. All other criteria needed to establish and monitor the pilot project are determined by the Board. The Board may adopt rules to implement the pilot project.

The prohibition against consuming liquor on the premises of a state liquor store is amended to allow spirits sampling.

The Board must report on the pilot project to the appropriate committees of the Legislature by December 1, 2012.

Product purchased from the Board for samples must be purchased from the Board at cost plus a \$10 handling fee, rather than at retail.

Appropriation: None.

Fiscal Note: Available.

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