

SENATE BILL REPORT

HB 1227

As Reported by Senate Committee On:
Labor, Commerce & Consumer Protection, March 8, 2011

Title: An act relating to the waiver of restaurant corkage fees.

Brief Description: Concerning the waiver of restaurant corkage fees.

Sponsors: Representatives Ross, Taylor, Chandler, Hinkle, Warnick, Armstrong, Johnson, Moeller, Harris and Condotta.

Brief History: Passed House: 2/22/11, 94-0.

Committee Activity: Labor, Commerce & Consumer Protection: 3/08/11 [DP].

SENATE COMMITTEE ON LABOR, COMMERCE & CONSUMER PROTECTION

Majority Report: Do pass.

Signed by Senators Kohl-Welles, Chair; Conway, Vice Chair; Holmquist Newbry, Ranking Minority Member; King, Assistant Ranking Minority Member; Hewitt, Keiser and Kline.

Staff: Edith Rice (786-7444)

Background: Some restaurants allow patrons to bring their own wine to be served with the meal that they purchase. Restaurants typically charge a fee to open and serve this wine. This charge is referred to as a corkage fee. Restaurants are not required to charge a corkage fee.

The liquor tied house laws regulate the relationship between liquor manufacturers and distributors (industry members) and retailers. Under the financial interest piece, liquor industry members and retailers may have direct or indirect financial interests between and among each other unless the interest has caused or is likely to cause or result in undue influence or result in an adverse impact on public health and safety. Certain financial interests are specifically allowed; for example, a winery may also be licensed as a retailer to sell wine at the winery. Under the moneys' worth piece, no industry member may advance money or moneys' worth to a retailer and no retailer may receive money or moneys' worth under a written or unwritten agreement or through business practices. A number of exceptions to the prohibition on moneys' worth have been enacted. For example, industry members may provide branded promotional items to retailers under certain circumstances, and wineries may provide personal services such as pouring on retailer premises.

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: An exception is created to both the financial interest and moneys' tied house laws to allow domestic wineries and restaurants licensed to sell beer and/or wine or spirits, or beer and/or wine, to enter into an arrangement to waive a corkage fee.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

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

Staff Summary of Public Testimony: PRO: We have testified in support of the companion bill and support this bill as well.

Persons Testifying: PRO: Julia Clark, Washington Restaurant Association; Jean Leonard, Washington Wine Institute.