

SENATE BILL REPORT

SB 5788

As Reported by Senate Committee On:
Labor, Commerce & Consumer Protection, February 21, 2011

Title: An act relating to the omnibus liquor act.

Brief Description: Concerning the omnibus liquor act.

Sponsors: Senators Conway, Hewitt, Kohl-Welles and King.

Brief History:

Committee Activity: Labor, Commerce & Consumer Protection: 2/17/11, 2/21/11 [DPS].

SENATE COMMITTEE ON LABOR, COMMERCE & CONSUMER PROTECTION

Majority Report: That Substitute Senate Bill No. 5788 be substituted therefor, and the substitute bill do pass.

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

Staff: Edith Rice (786-7444)

Background: Liquor industry members and retailers are prohibited from advancing or receiving monies or monies worth by agreement or through a business practice or arrangement.

Liquor industry members are permitted to provide retailers with branded promotional items of nominal value, consistent with the retailers license, imprinted with advertising of the industry member, only to retailers or their employees, and cannot be targeted to or appeal principally to youth.

Liquor industry members can enter into an arrangement with a holder of a sports entertainment facility license or an affiliated business for brand advertising at the facility or promoting events at the sports entertainment facility.

Liquor manufacturers, importers, and distributors can apply for a special permit to serve liquor without charge to delegates and guests at a convention or trade association composed of board licensees, when the liquor is served in a hospitality room or a board approved suppliers' display room during the convention.

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.

A license is required for any person to solicit, receive, or take orders for the purchase or sale of liquor.

Summary of Bill (Recommended Substitute): Special occasion licensees are permitted to pay for beer or wine immediately after the event. Wineries and breweries participating in a special occasion event can pay reasonable booth fees to the special occasion licensee.

Professional sports teams holding a retail liquor license can accept liquor advertising for use in the sporting arena. Professional sports teams holding a retail liquor license may license the manufacturer, importer, or distributor to use the name or trademarks of the professional sports team in their advertising and promotions. However, the advertising must be paid for at the published advertising rate or a reasonable fair market value and the advertising cannot carry with it any offer or promise to stock or list any particular brand of liquor to the exclusion of any other brand. Industry members are permitted to use professional sports team logos on branded promotional items.

Producers or sellers of products which must be sampled with liquor are permitted to obtain a special permit which allows them to serve liquor without charge to industry convention delegates and guests.

Drivers who deliver beer or wine and domestic wineries and their employees are not required to be the accredited representative of a certificate of approval holder, or hold a beer or wine distributor's license, a domestic brewers license, a beer or wine importer's license, a winery license, or be an accredited representative of a distiller, manufacturer, importer, or distributor of spirituous liquor or foreign produced beer or wine.

The Board is permitted to issue an endorsement to a private club licensee that permits an unlimited number of nonclub, member-sponsored events using club liquor. These clubs were formerly limited to 40 events per year.

A restaurant with a spirits, beer, and wine restaurant license and which has an endorsement to sell malt liquor in kegs can sell beer under that same endorsement to a purchaser who provides their own container or is furnished one by the licensee. The container is filled at the tap at the time of sale.

A hotel license which authorizes the licensee to sell spirits, beer, and wine for on premise consumption including honor bars and through room service, can also sell beer to a purchaser who provides their own container or is furnished one by the licensee. The container is filled at the tap in the restaurant area at the time of sale.

Internal references are clarified, outdated references are updated or corrected.

EFFECT OF CHANGES MADE BY LABOR, COMMERCE & CONSUMER PROTECTION COMMITTEE (Recommended Substitute): These provisions are added to the original bill. The title is changed to clearly reflect that tied house and licensing provisions are changed along with some technical references. Industry members are permitted to use professional sports team logos on branded promotional items. Producers or

sellers of products which must be sampled with liquor (not just liquor mixers) are permitted to obtain a special permit which allows them to serve liquor without charge to industry convention delegates and guests. The Board is permitted to issue an endorsement to a private club licensee that permits an unlimited number of nonclub, member-sponsored events using club liquor. These clubs were formerly limited to 40 events per year.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

Effective Date: The bill contains several effective dates. Please refer to the bill.

Staff Summary of Public Testimony on Original Bill: PRO: We are fine with this bill. All stakeholders are good with this bill, there are some technical amendments that could be made. We have some suggestions for additional amendments.

Persons Testifying: PRO: Rick Garza, Liquor Control Board; Michael Transue, WA Beer and Wine Wholesalers Assn.; John Morgan, WA Family Wineries.