
Government Accountability & Oversight Committee

HB 1133

Brief Description: Allowing beer and/or wine specialty shop licensees to have an endorsement to sell craft distillery products.

Sponsors: Representatives Hunt, Hurst, Appleton and Ryu.

Brief Summary of Bill

- Authorizes the Liquor Control Board (LCB) to issue to a beer and/or wine specialty shop (shop) an endorsement to sell spirits produced by a distiller producing sixty thousand gallons or less of spirits per year.
- Requires a shop whose license includes an endorsement to sell spirits to pay the LCB a license issuance fee equal to 17 percent of all spirit sales revenues.
- Authorizes the LCB to issue an endorsement to a beer and/or wine specialty shop (shop) to sell malt liquor in kegs or other containers capable of holding four gallons or more of a liquid.

Hearing Date: 1/22/13

Staff: Thamas Osborn (786-7129).

Background:

Introduction.

The Liquor Control Board (LCB) issues various types of licenses, including those for beer and/or wine specialty shops, wineries, microbreweries, domestic breweries, restaurants, and nightclubs. In certain circumstances, the LCB may impose conditions or restrictions on a license, or include special endorsements authorizing the sale of specified alcoholic beverages subject to specified conditions. All conditions, restrictions, and endorsements issued by the LCB must be listed on the face of the license along with the trade name, address, and expiration date of the license. A licensee must post its license in a conspicuous place on the 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.

Beer and/or wine specialty shop license.

A beer and/or wine specialty shop license authorizes the shop to sell beer, strong beer, and/or wine at retail in bottles, cans, and original containers, but not to be consumed upon the premises where sold. Licensees obtaining a written endorsement from the LCB may also sell malt liquor in kegs or other containers capable of holding four gallons or more of liquid. Such licensees may provide, free or for a charge, single-serving samples of two ounces or less to customers for the purpose of sales promotion. Upon approval by the LCB, the beer and/or wine specialty shop licensee that exceeds fifty percent beer and/or wine sales may also receive an endorsement to permit the sale of beer to a purchaser in a sanitary container brought to the premises by the purchaser, or provided by the licensee or manufacturer, and fill at the tap by the licensee at the time of sale. The annual fee for the beer and/or wine specialty shop license is one hundred dollars for each store.

Spirits retail license issuance fee.

The holder of a spirits retail license must pay to the LCB a license issuance fee equivalent to 17 percent of spirit sales revenues collected under the license. The calculation of this fee is exclusive of taxes collected by the shop on such sales.

Summary of Bill:

The LCB is authorized to issue an endorsement to a beer and/or wine specialty shop (shop) to sell malt liquor in kegs or other containers capable of holding four gallons or more of a liquid. Such containers must comply with technical requirements specified in statute.

A shop may also receive an endorsement to sell spirits produced by a distiller producing sixty thousand gallons or less of spirits per year.

A shop whose license includes an endorsement to sell spirits must pay the LCB a license issuance fee equal to 17 percent of all spirit sales revenues. However, the calculation of this fee must exclude taxes collected by the shop on such sales. In addition, sales of spirits on which a license issuance fee has already been incurred under a spirits retail license (RCW 66.24.630(4) (a)) shall not be included in the calculation of the license issuance fee owed by a beer and/or wine specialty shop pursuant to the requirements for the spirits sale endorsement.

In order to receive and/or renew an endorsement to sell spirits, a shop must provide specified training to employees regarding the sale of spirits to individuals who are underage or visibly intoxicated.

Shops with endorsements to sell spirits are subject to a doubling of the fines and suspensions required by administrative rules for violations of alcoholic beverage sales regulations.

Appropriation: None.

Fiscal Note: Requested.

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