

HOUSE BILL REPORT

HB 1149

As Passed Legislature

Title: An act relating to increasing the volume of spirits that may be sold per day to a customer of a craft distillery.

Brief Description: Increasing the volume of spirits that may be sold per day to a customer of a craft distillery.

Sponsors: Representatives Hurst, Ryu, Hunt and Santos.

Brief History:

Committee Activity:

Government Accountability & Oversight: 1/22/13 [DP].

Floor Activity:

Passed House: 3/4/13, 98-0.

Passed Senate: 4/17/13, 43-5.

Passed Legislature.

Brief Summary of Bill

- Authorizes a craft distillery to sell spirits of its own production for consumption off the premises in an amount up to three liters per person per day.

HOUSE COMMITTEE ON GOVERNMENT ACCOUNTABILITY & OVERSIGHT

Majority Report: Do pass. Signed by 8 members: Representatives Hurst, Chair; Wylie, Vice Chair; Condotta, Ranking Minority Member; Holy, Assistant Ranking Minority Member; Blake, Kirby, Moscoso and Shea.

Staff: Thamas Osborn (786-7129).

Background:

Individuals seeking to distill spirits in Washington must obtain a license from the Liquor Control Board (LCB). The annual fee for a distillery license is \$2,000 and for a craft distillery the fee is \$100. To qualify as a craft distillery, the distiller must produce no more

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than 60,000 gallons of spirits with at least half of the raw materials used in the production grown in Washington. Craft distilleries can sell spirits of their own production for consumption off the premises in amounts up to two liters per person per day.

"Spirits" means any beverage which contains alcohol obtained by distillation, except flavored malt beverages, but including wines exceeding 24 percent of alcohol by volume.

Summary of Bill:

A craft distillery is authorized to sell spirits of its own production for consumption off the premises in an amount up to three liters per person per day.

Appropriation: None.

Fiscal Note: Available.

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

Staff Summary of Public Testimony:

(In support) This bill would greatly assist small, craft distilleries with respect to on premises sales of bottles of spirits. Such distilleries sell a large percentage of their product on premises, but are greatly handicapped by the two liter limitation on the sales of such spirits. Increasing this limit to three liters would make it possible to boost sales and enable struggling distilleries to stay in business. Furthermore, craft distillers typically offer three types of bottled spirits by the "fifth" (750 ml), but the current law allows customers to buy only two bottles of the three spirits products typically offered. The bill would allow such distillers to sell a customer all three varieties of the alcoholic products they offer. The LCB supports the bill.

(Opposed) None.

Persons Testifying: Representative Hurst, prime sponsor; Chris Lyons and Keith Dumby, Carbon Glacier Distillery; and Rick Garza, Washington State Liquor Control Board.

Persons Signed In To Testify But Not Testifying: None.