# Washington State House of Representatives Office of Program Research

### BILL ANALYSIS

## Government Accountability & Oversight Committee

#### **HB 1332**

**Brief Description**: Concerning limited on-premise spirits sampling.

**Sponsors**: Representatives Kirby, Condotta, Hunt, Alexander, Takko, Manweller, Hurst, Shea, Blake and Reykdal.

#### **Brief Summary of Bill**

Authorizes the holder of a spirits retail license that is also a participant in the
responsible vendor program to provide customers with single-serving samples of
one-half once or less of spirits for the purpose of sales promotion.

Hearing Date: 1/29/13

**Staff**: Thamas Osborn (786-7129).

#### Background:

#### Spirits Retail Licensees

The Liquor Control Board (LCB) is authorized to issue spirits retail licenses to businesses (licensees) meeting specified requirements and subject to specified conditions. A spirits retail license authorizes the holder to sell spirits in original containers to:

- consumers for consumption off the licensed premises; and
- retailers licensed to sell spirits for consumption on the premises, for resale at their licensed premises.

As a general rule, no single sale of spirits by a licensee may exceed twenty-four liters in a given day.

Subject to specified exceptions, the LCB may issue spirits retail licenses only for businesses operating on premises comprising at least ten thousand square feet of fully enclosed retail space

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within a single structure, including storerooms and other interior auxiliary areas but excluding covered or fenced exterior areas. The exceptions to this square footage requirement apply to:

- an otherwise qualified contract liquor store at its contract location;
- a retail liquor business operated by a the holder of former state liquor store operating rights purchased at auction in accordance with statute; and
- an otherwise qualified applicant proposing to operate where there is no retail spirits holder in the trade area that the applicant proposes to serve.

#### Responsible Vendor Program

The LCB administers a compliance training program for spirits retail licensees, known as the "responsible vendor program," to reduce underage drinking, encourage licensees to adopt specific best practices to prevent sales to minors, and provide licensees with an incentive to give their employees ongoing training in responsible alcohol sales and service. To participate in the responsible vendor program, licensees must submit an application form to the LCB. If the application establishes that the licensee meets the qualifications to join the program, the LCB must send the licensee a membership certificate. Participation in the responsible vendor program is free of charge, voluntary, and self-monitoring.

A licensee participating in the responsible vendor program must at a minimum:

- provide ongoing training to employees;
- accept only certain forms of identification for alcohol sales;
- adopt policies on alcohol sales and checking identification;
- post specific signs in the business; and
- keep records verifying compliance with the program's requirements.

#### **Summary of Bill:**

Authorizes the holder of a spirits retail license that is also a participant in the responsible vendor program to provide customers with single-serving samples of one-half ounce or less of spirits for the purpose of sales promotion. The provision of such spirits samples is limited to a cumulative total of no more than one and one-half ounces per person. Such samples may be provided for free or for a charge. Servers of spirits samples must hold the requisite alcohol server permit. All such sampling must be in accordance with requirements that may be adopted by the LCB.

Sampling activities under this act are subject to statutes prohibiting the payment of money or other compensation by a distributor to a retailer related to such sampling. In addition, the costs of sampling may not be borne by any manufacturer, importer, distiller, or distributor of spirits.

**Appropriation**: None.

**Fiscal Note**: Not requested.

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