

HOUSE BILL REPORT

HB 1351

As Passed House:
March 5, 2013

Title: An act relating to identifying wineries, breweries, and microbreweries on private labels.

Brief Description: Concerning the identification of wineries, breweries, and microbreweries on private labels.

Sponsors: Representatives Condotta and Hurst.

Brief History:

Committee Activity:

Government Accountability & Oversight: 1/29/13 [DP].

Floor Activity:

Passed House: 3/5/13, 96-0.

Brief Summary of Bill

- Allows wineries, breweries, microbreweries, certificate of approval holders, and retail licensees to create private labels for restaurants, private clubs, grocery stores, and specialty shops.

HOUSE COMMITTEE ON GOVERNMENT ACCOUNTABILITY & OVERSIGHT

Majority Report: Do pass. Signed by 7 members: Representatives Hurst, Chair; Wylie, Vice Chair; Condotta, Ranking Minority Member; Holy, Assistant Ranking Minority Member; Blake, Kirby and Shea.

Staff: Trudes Tango (786-7384).

Background:

Washington's "tied house" laws regulate the relationship between liquor manufacturers, distributors ("industry members"), and retailers. In general, tied house laws are meant to regulate how liquor is marketed and prevent the vertical integration of the three tiers of the liquor industry. The general rule is that no industry member may advance and no retailer

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may receive moneys or money's worth under an agreement or by means of any other business practice or arrangement.

There are numerous exceptions to the tied house laws. One exception allows wineries to partner with retailers to create private label wines for restaurants and private clubs. The producers may be identified on the private labels.

Summary of Bill:

The exception to the tied house laws for private labeling is expanded. Wineries, breweries, microbreweries, certificate of approval holders, and retail licensees may create private labels identifying the producers, for restaurants, private clubs, grocery stores, and beer and/or wine specialty shops.

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 allows for new types of marketing. Wineries have already been able to do this under current law. This is also a consumer right-to-know issue. If a person buys beer at a restaurant with the restaurant's label, the person should be able to see the producer of the beer too.

(Neutral) The Liquor Control Board has no concerns. This just allows breweries to do what wineries have been doing for years.

(Opposed) None.

Persons Testifying: (In support) T.K. Bentler, Washington Brewer Guild.

(Neutral) Rick Garza, Washington State Liquor Control Board.

Persons Signed In To Testify But Not Testifying: None.