

# HOUSE BILL REPORT

## SSB 5396

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**As Reported by House Committee On:**  
Government Accountability & Oversight

**Title:** An act relating to limited on-premise spirits sampling.

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

**Sponsors:** Senate Committee on Commerce & Labor (originally sponsored by Senators Hewitt, Holmquist Newbry, Conway, Kohl-Welles, Hatfield, Hobbs, Schoesler, Delvin and Kline).

**Brief History:**

**Committee Activity:**

Government Accountability & Oversight: 3/26/13 [DP].

**Brief Summary of Substitute 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 0.5 ounce or less of spirits for the purpose of sales promotion.

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### HOUSE COMMITTEE ON GOVERNMENT ACCOUNTABILITY & OVERSIGHT

**Majority Report:** Do pass. Signed by 9 members: Representatives Hurst, Chair; Wylie, Vice Chair; Condotta, Ranking Minority Member; Holy, Assistant Ranking Minority Member; Blake, Kirby, Moscoso, Shea and Smith.

**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.

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*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.*

As a general rule, no single sale of spirits by a licensee may exceed 24 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 10,000 square feet of fully enclosed retail space 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 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 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.

#### Class 12 Alcohol Server Permit.

A class 12 alcohol server permit for managers or bartenders requires completion of a course certified by the LCB. Curriculum includes subjects such as: the physiological effects of alcohol, liability and legal information, driving while intoxicated, effective intervention, methods for checking proper identification, and Washington laws.

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

A spirits retail licensee that is also a participant in the responsible vendor program is authorized to provide customers with single-serving samples of 0.5 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 1.5 ounces per person. Such samples may be provided for free or for a charge.

Servers of spirits samples must hold a class 12 alcohol server permit for managers or bartenders.

Sampling must be conducted in accordance with the same rules established by the LCB for sampling activities in beer and wine specialty shops and grocery stores.

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.

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**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) The bill's provisions authorizing spirits retail licensees to provide customers with samples of spiritous liquors will greatly benefit licensees by enabling them to promote their products and thus increase sales, while at the same time ensuring that public safety concerns are adequately addressed. The bill represents a balanced approach that benefits retailers and the public alike.

(Opposed) None.

**Persons Testifying:** Cindy Zehnder, Total Wine & More.

**Persons Signed In To Testify But Not Testifying:** None.