

HOUSE BILL REPORT

HB 1290

As Reported by House Committee On:
Commerce & Gaming
General Government & Information Technology

Title: An act relating to increasing the number of tasting rooms allowed under a domestic winery license.

Brief Description: Increasing the number of tasting rooms allowed under a domestic winery license.

Sponsors: Representatives Condotta, Hurst and Sawyer.

Brief History:

Committee Activity:

Commerce & Gaming: 1/20/15, 2/16/15 [DP];

General Government & Information Technology: 2/8/16 [DPS].

Brief Summary of Substitute Bill

- Increases, from two to four, the number of additional, off-site tasting rooms allowed under a domestic winery license.
- Requires the Liquor & Cannabis board to electronically report to the House Technology & Economic Development committee regarding the number of new domestic wineries; the first report is due June 30, 2018 and every two years thereafter until June 30, 2022.

HOUSE COMMITTEE ON COMMERCE & GAMING

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, Scott and Vick.

Staff: Thamas Osborn (786-7129).

Background:

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.

Wineries licensed in Washington (domestic wineries) may act as distributors and retailers of wine of their own production. Such wineries must comply with applicable laws and rules relating to distributors and retailers.

A domestic winery may have up to two locations separate from its manufacturing site (additional tasting rooms), where the winery may serve samples and sell wine of its own production at retail. The Liquor and Cannabis Board must approve each additional tasting room.

Summary of Bill:

The number of additional, off-site tasting rooms allowed under a domestic winery license is increased from two to four.

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 provides a modest benefit to state wineries by providing them with a means of expanding their market and making their products more readily available. Wine-tasting rooms are very popular and are prospering, which is of great benefit to the wine industry. Tasting rooms enable more customers to taste the product and expand the geographic area where a winery can make its product available.

(Neutral) The bill would significantly increase the regulatory activities of the Liquor and Cannabis Board and would, therefore, cause the agency to incur substantial costs.

(Opposed) This bill represents bad public policy insofar as it continues the expansion of alcohol availability and contributes to the normalization of alcohol use as a regular part of our daily lives. This contributes to youth being constantly exposed to alcohol, which, in turn, will lead to increased numbers of young people with abuse issues.

Persons Testifying: (In support) Representative Condotta, prime sponsor; and Paul Beveridge and John Bell, Family Wineries of Washington State.

(Neutral) Justin Nordhorn, Washington Liquor and Cannabis Board, Enforcement and Education Division.

(Opposed) Seth Dawson, Washington Association for Substance Abuse and Violence Prevention.

Persons Signed In To Testify But Not Testifying: None.

**HOUSE COMMITTEE ON GENERAL GOVERNMENT & INFORMATION
TECHNOLOGY**

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 6 members: Representatives Hudgins, Chair; Kuderer, Vice Chair; MacEwen, Ranking Minority Member; Caldier, Assistant Ranking Minority Member; Johnson and Morris.

Staff: Linda Merelle (786-7092).

Summary of Recommendation of Committee On General Government & Information Technology Compared to Recommendation of Committee On Commerce & Gaming:

The substitute bill adds a statement of legislative intent that the allowance of additional tasting rooms will increase the number of domestic wineries in Washington. The Liquor & Cannabis Board must, every two years, electronically report to the House Technology & Economic Development committee regarding the number of new domestic wineries. The first report is due June 30, 2018. The last report is due June 30, 2022.

Appropriation: None.

Fiscal Note: Not requested.

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

Staff Summary of Public Testimony:

(In support) Most domestic wineries have difficulty in getting distribution of their product. They rely on tasting rooms to get the word out to the public. Many wineries are so small that the wine is being produced in the home. Local laws generally restrict the use of residential property. If a winery is allowed to have two additional tasting rooms, its ability to sell wine will be greatly expanded. The tax burden on wineries is very high, and they need more spaces to sell wine. One goal of allowing additional tasting rooms may be to increase the number of domestic wineries by 200.

(Opposed) None.

Persons Testifying: Paul Beveridge and John Bell, Family Wineries of Washington State.

Persons Signed In To Testify But Not Testifying: None.