
Commerce & Gaming Committee

HB 2577

Brief Description: Authorizing preferential pricing for spirits and wine sold to on-premises licensees.

Sponsors: Representatives Wylie, Blake, S. Hunt, Vick and Kretz.

Brief Summary of Bill

- Authorizes preferential pricing for spirits and wine sold to on-premises retailers so long as a particular price or pricing structure for wine or spirits offered to one on-premises retailer is made reasonably available to all on-premises retailers and a particular price or pricing structure for wine or spirits offered to one off-premises retailer is made reasonably available to all off-premises retailers.
- Repeals an obsolete statute requiring state liquor stores to sell spirituous liquor to certain on-premises retailers, like restaurants, at a discount of not less than 15 percent.

Hearing Date: 1/26/16

Staff: Peter Clodfelter (786-7127).

Background:

In 2011 Washington voters passed Initiative Measure No. 1183 (I-1183), which privatized the sale of spirituous liquor in the state. I-1183 authorized price differentials for sales of spirits or wine based upon competitive conditions, costs of servicing a purchaser's account, efficiencies in handling goods, or other bona fide business factors, to the extent the differentials are not unlawful under trade regulation laws applicable to goods of all kinds. Otherwise, it is unlawful for a manufacturer of spirits, wine, or malt beverages holding a certificate of approval, or such a manufacturer's representative, or a distillery, brewery, or a domestic winery to discriminate in price in selling spirits, beer, or wine to any purchaser for resale in Washington.

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.

From 1949 and until I-1183 became effective, state liquor stores were required to sell spirituous liquor to certain on-premises liquor retailers, such as restaurants, at a discount of not less than 15 percent. Although of no practical effect today, that requirement remains in statute.

Summary of Bill:

Offering on-premises retailers different prices or a different pricing structure for wine or spirits than offered to off-premises retailers does not discriminate in price and is lawful so long as a particular price or pricing structure for wine or spirits offered to one on-premises retailer is made reasonably available to all on-premises retailers and a particular price or pricing structure for wine or spirits offered to one off-premises retailer is made reasonably available to all off-premises retailers.

The statute requiring state liquor stores to sell spirituous liquor to certain on-premises retailers, like restaurants, at a discount of not less than 15 percent from the retail price is repealed.

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.