

FINAL BILL REPORT

SHB 2831

C 190 L 16
Synopsis as Enacted

Brief Description: Assisting small businesses licensed to sell liquor in Washington state.

Sponsors: House Committee on Commerce & Gaming (originally sponsored by Representative Hurst).

House Committee on Commerce & Gaming
House Committee on General Government & Information Technology
Senate Committee on Commerce & Labor
Senate Committee on Ways & Means

Background:

Spirits Delivery Locations.

Spirits retail licensees, as well as licensed wine retailers, are authorized to accept delivery of spirits and wine, respectively, either at their licensed premises or at one or more warehouse facilities that have been registered with the Liquor and Cannabis Board (LCB). The delivery and warehousing of both spirits and wine at a single facility owned or operated by a retailer holding both retail spirits and retail wine licenses is not specifically authorized.

Beer and/or Wine Retailer Specialty Shop License.

There is a beer and/or wine specialty shop license that allows the licensee to sell beer and wine at retail for off-premises consumption. Qualifying licensees may obtain a written endorsement from the LCB that expands the license so as to allow the sale of malt liquor in kegs or other containers capable of holding 4 gallons or more of liquid.

Summary:

Beer and/or Wine Specialty Shop License: Wine Retailer Reseller Endorsement.

A "wine retailer reseller endorsement" is created that is available to qualifying beer and/or wine specialty shop licensees. A licensee with the endorsement is authorized to sell wine at retail in original containers to other retailers licensed to sell wine for consumption on the premises (i.e., bars and restaurants). However, no single sale may exceed 24 liters, unless the sale is made by a licensee that was formerly a contract liquor store. A sale by a beer and/or wine specialty shop licensee with a reseller endorsement is a retail sale only if not for resale. Accordingly, sales made under the reseller endorsement are not classified as retail sales for

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taxation purposes. The annual fee for the wine retailer reseller endorsement is \$110 for each store.

A beer and/or wine specialty shop licensee with a wine retailer reseller endorsement may sell a maximum of 5000 liters of wine per day for resale to retailers licensed to sell wine for consumption on the premises.

A licensee with a wine retailer reseller endorsement may operate a warehouse facility, where it may accept deliveries and store and distribute wine and other nonliquor items in accordance with the terms of the license. Two or more licensees may jointly own and operate such warehouse facilities.

Warehousing of Wine and Spirits by a Licensed Wine and Spirits Retailer.

A retailer authorized to sell both wine and spirits for off-premises consumption may use or operate a warehouse facility, where it may accept deliveries and store and distribute wine, spirits, and nonliquor items in accordance with the terms of the license. Two or more licensees may jointly operate such warehouse facilities, provided at least one of the licensees is licensed to sell both wine and spirits.

For purposes of negotiating volume discounts, a group of retailers licensed to sell both wine and spirits for off-premises consumption may accept delivery of a group order of wine and spirits at a single location. This single location may either be one of their individual licensed premises or at any one of the other licensee's premises, or at a warehouse facility registered with the LCB.

Votes on Final Passage:

House	97	0	
Senate	44	4	(Senate amended)
House	96	0	(House concurred)

Effective: June 9, 2016