

HOUSE BILL REPORT

SSB 5280

As Reported by House Committee On: Commerce & Gaming

Title: An act relating to the sale of beer and cider by grocery store licensees.

Brief Description: Concerning the sale of beer and cider by grocery store licensees.

Sponsors: Senate Committee on Commerce & Labor (originally sponsored by Senators Kohl-Welles, Braun and Warnick).

Brief History:

Committee Activity:

Commerce & Gaming: 3/17/15, 3/23/15 [DP].

Brief Summary of Substitute Bill

- Authorizes the Liquor Control Board to issue an endorsement to specified grocery store licensees, allowing the sale of beer and cider in a sanitary container brought to the premises by the purchaser, or provided by the licensee or manufacturer, and filled at the tap by the licensee at the time of sale.

HOUSE COMMITTEE ON COMMERCE & GAMING

Majority Report: Do pass. Signed by 5 members: Representatives Hurst, Chair; Wylie, Vice Chair; Blake, Kirby and Vick.

Minority Report: Do not pass. Signed by 2 members: Representatives Scott and Van De Wege.

Minority Report: Without recommendation. Signed by 2 members: Representatives Condotta, Ranking Minority Member; Holy, Assistant Ranking Minority Member.

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.

The Liquor Control Board (LCB) issues various types of licenses for the sale of alcoholic beverages at retail, including those for beer and/or wine specialty shops, wineries, microbreweries, domestic breweries, restaurants, grocery stores, and nightclubs. Under certain circumstances, the LCB may impose conditions or restrictions on a license, or include special endorsements authorizing the sale of certain types of alcoholic beverages subject to specified conditions.

Certain categories of retail licensees are permitted to sell beer in a "growler," which is a sanitary container brought to the premises by the purchaser, or furnished by the licensee, and filled at the tap at the time of sale. Licensees authorized to sell growlers of beer include: (a) domestic breweries and microbreweries holding a spirits, beer, and wine restaurant license (may only sell beer of their own production); (b) a beer and wine specialty shop licensee with an endorsement to sell growlers; and (c) a spirits, beer, and wine restaurant licensee authorized to sell for off-premises consumption.

Only certain domestic wineries may sell wines of their own production in kegs or growlers. The sale of such kegs or growlers must be for off-premises consumption. The growlers may be brought to the premises by the customer, or supplied by the licensee, and filled at the tap at the time of sale.

Grocery store licensees are not authorized to sell beer, wine, or cider in containers brought to the store by a customer and filled at the store by the licensee.

"Cider" is defined as table wine that contains not less than 0.5 percent of alcohol by volume and not more than 7 percent of alcohol by volume and is made from the normal alcoholic fermentation of the juice of sound, ripe apples or pears.

Summary of Bill:

The LCB is authorized to issue an endorsement to a grocery store licensee allowing the sale of beer and cider in a sanitary container brought to the premises by the purchaser, or provided by the licensee or manufacturer, and filled at the tap by the licensee at the time of sale. The endorsement is limited to only those grocery store licensees with revenues derived from beer and wine sales exceeding 50 percent of total revenues or that maintain a liquor inventory worth not less than \$15,000. Grocery store employees who participate in filling the containers must have an alcohol server permit.

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) Passage of this bill would provide significant economic benefits to grocery stores, as well as beer and cider producers. Independent grocers need to be able to fairly compete with other liquor retailers with beer and wine specialty licenses who are currently authorized to sell growlers. Grocers who honor electronic benefits cards are not allowed to obtain beer and wine specialty licenses which, in turn, means that these grocers cannot sell growlers. This bill would solve this problem and allow grocery stores to be more competitive.

(Opposed) This bill would harm small liquor stores currently authorized to sell growlers. They are already at a competitive disadvantage as compared to grocery stores. Extending the growler endorsement to grocery stores would, therefore, serve to further exacerbate the problem. The revenue and inventory dollar thresholds in the bill are too low. This bill is also objectionable because it represents another instance of legislation that further extends alcohol availability and use into the fabric of daily life. It may increase youth access, expand alcohol use overall, and increase problems with drinking and driving. Thefts by minors could also be a problem. If the statute required the liquor in growlers to be poured at room temperature, this might reduce the temptation for a purchaser to drink and drive.

Persons Testifying: (In support) Amy Brackenbury, Washington Food Industry Association; and T.K. Bentler, Washington Brewers Guild and Washington Association of Neighborhood Stores.

(Opposed) Brad Tower, Washington Liquor Store Association; and Seth Dawson, Washington Association for Substance Abuse Prevention.

Persons Signed In To Testify But Not Testifying: None.