

# SENATE BILL REPORT

## SB 5260

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As of February 2, 2015

**Title:** An act relating to exempting cider makers from the wine commission assessment.

**Brief Description:** Exempting cider makers from the wine commission assessment.

**Sponsors:** Senators Honeyford and Hewitt.

**Brief History:**

**Committee Activity:** Commerce & Labor: 1/28/15.

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### SENATE COMMITTEE ON COMMERCE & LABOR

**Staff:** Richard Rodger (786-7461)

**Background:** The Washington Wine Commission (commission) was created in 1987 to represent both the producers of wine and the growers of vinifera wine grapes. The commission undertakes research, promotional, and educational activities to help its industry. The commission is funded through a liter tax on the sales of wine and cider and through a commodity assessment on wine producers and growers.

Cider is a table wine with at least 0.5 percent and up to 7 percent alcohol by volume, and is made from fermenting the juice of apples or pears.

**Summary of Bill:** Legislative findings state that the commission's efforts are, by definition, focused on vinifera wine grape growers and producers. The Legislature finds that the cider industry requires its own unique marketing efforts and the industry can support their own efforts with the elimination of the current commodity assessments on cider.

The commodity assessments levied on wine producers and growers of vinifera wine grapes do not apply to the production of cider after July 1, 2015.

**Appropriation:** None.

**Fiscal Note:** Available.

**Committee/Commission/Task Force Created:** No.

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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.*

**Effective Date:** The bill takes effect on July 1, 2015.

**Staff Summary of Public Testimony:** PRO: This bill will help the small, but growing industry of producing cider. The commodity assessment currently in place on wine growers and producers also applies to cider. There are currently 30 cider producers in the state. The commission receives these funds, but focuses their educational and marketing efforts solely on the vinifera wine side of the industry. Cider is often sold in kegs and cans and is more aligned with the beer industry. By removing this assessment, the cider makers will be able to pool their resources to more effectively market the cider products. The commission is ok with this bill.

**Persons Testifying:** PRO: Colin Schilling, CEO Schilling Cider, board member NW Cider Assn.; Marcus Robert, Tieton Cider Works LLC; Max DeJarnatt, Spire Mountain Cider, direct sales marketing manager; Brent Miles, co-owner, Seattle Cider Company.