

# SENATE BILL REPORT

## SSB 5280

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As Amended by House, April 14, 2015

**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 & Labor: 2/18/15 [DPS-WM, w/oRec].

Ways & Means: 2/25/15, 2/27/15 [DPS(CL), DNP, w/oRec].

Passed Senate: 3/05/15, 38-10.

Passed House: 4/14/15, 67-30.

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### SENATE COMMITTEE ON COMMERCE & LABOR

**Majority Report:** That Substitute Senate Bill No. 5280 be substituted therefor, and the substitute bill do pass and be referred to Committee on Ways & Means.

Signed by Senators Baumgartner, Chair; Hasegawa, Ranking Minority Member; King and Warnick.

**Minority Report:** That it be referred without recommendation.

Signed by Senators Braun, Vice Chair; Conway and Keiser.

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

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### SENATE COMMITTEE ON WAYS & MEANS

**Majority Report:** That Substitute Senate Bill No. 5280 as recommended by Committee on Commerce & Labor be substituted therefor, and the substitute bill do pass.

Signed by Senators Hill, Chair; Braun, Vice Chair; Honeyford, Vice Chair, Capital Budget Chair; Keiser, Assistant Ranking Member on the Capital Budget; Ranker, Ranking Minority Member, Operating; Bailey, Becker, Billig, Fraser, Hatfield, Hewitt, Kohl-Welles, Rolfes, Schoesler and Warnick.

**Minority Report:** Do not pass.

Signed by Senators Dammeier, Vice Chair; Hargrove, Ranking Member.

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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.*

**Minority Report:** That it be referred without recommendation.

Signed by Senators Brown, Conway, O'Ban, Padden and Parlette.

**Staff:** Dean Carlson (786-7305)

**Background:** The Liquor Control Board (LCB) is the lead agency responsible for the licensing of businesses that sell spirits, beer, and wine.

Certain licensees are authorized to sell beer and cider in sanitary containers (growlers) brought to the premises by the purchaser to be filled at the tap at the time of sale. The following businesses, holding the proper licenses or endorsements, are authorized to sell beer and cider in growlers: (1) domestic breweries; (2) microbreweries; (3) beer and wine retailers; (4) beer or wine specialty shops; (5) restaurants; and (6) hotels. Except for hotels, the sales are only permitted for off-premises consumption.

A class 12 alcohol server permit for managers or bartenders requires completion of a course certified by LCB. Curriculum includes subjects such as the physiological effects of alcohol, liability and legal information, driving while intoxicated, effective intervention, methods for checking proper identification, and Washington laws.

**Summary of Substitute Bill:** A grocery store licensee that exceeds 50 percent beer and wine sales or maintains an alcohol inventory of not less than \$15,000 may, with LCB approval, receive an endorsement to sell beer or cider in growlers. The growlers may be brought to the grocery store by the purchaser or provided by the licensee or manufacturer and must be filled at the tap at the time of sale by an employee with a class 12 alcohol server permit.

LCB may adopt rules to implement the grocery store licensee provisions. The rules can include the regulation of the sale of beer or cider or the sizes of containers that may be filled.

**Appropriation:** None.

**Fiscal Note:** Available.

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

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Staff Summary of Public Testimony (Commerce & Labor):** PRO: The bill allows certain grocery stores to sell beer and cider in growlers. This extends the rights already granted to beer and wine specialty stores to some grocery stores.

**Persons Testifying (Commerce & Labor):** PRO: Amy Brackenbury, WA Food Industry Assn.; TK Bentler, WA Assn. of Neighborhood Stores.

**Staff Summary of Public Testimony (Ways & Means):** PRO: We expect that the revised fiscal note, which is coming, will be adjusted downward. Oregon recently passed a similar bill and their experience indicates the bill will not cost very much in additional enforcement

costs. This bill is all about access to market and provides additional opportunities for retail sales. The vast majority of Washington in-state breweries are effectively cut out of the market by the large national breweries.

OTHER: I don't think the fiscal note accurately reflects the true costs of LCB enforcement efforts required for sales at 2900 additional grocery stores.

**Persons Testifying (Ways & Means):** PRO: Amy Brackenbury, WA Food Industry Assn.; TK Bentler, WA Assn. of Neighborhood Stores; Heather McClung, WA Brewers Guild; Cliff Goodman, Vashon Brewing Co.

OTHER: Jon Martin, WA Liquor Store Assn.

**House Amendment(s):**

- Clarifies that the reference to "50 percent of beer and/or wine sales" refers to the percentage of total sales revenues of the grocery store licensee.
- Prohibits a person from using an electronic benefit transfer card in a licensed grocery store for the purchase of beer or cider in a growler.
- Authorizes LCB to adopt rules establishing fees to cover the costs of implementing and enforcing the provisions of the act.