

FINAL BILL REPORT

SB 5662

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Synopsis as Enacted

Brief Description: Authorizing a licensed domestic brewery or microbrewery to provide promotional items to a nonprofit charitable corporation or association.

Sponsors: Senators Kohl-Welles, Honeyford, Braun, Mullet and Rolfes.

Senate Committee on Commerce & Labor
House Committee on Commerce & Gaming

Background: Washington's tied-house laws regulate the relationship between liquor manufacturers, distributors – industry members, and retailers. In general, tied-house laws are meant to regulate how liquor is marketed and prevent the vertical integration of the three tiers of the liquor industry. The general rule is that no industry member may advance and no retailer may receive money or money's worth under an agreement or by means of any other business practice or arrangement.

There are numerous exceptions to the tied-house laws. Among them are exemptions for branded promotional items provided by alcoholic beverage producers to retailers; domestic wineries performing personal services such as participation and pouring, bottle signing events, and informational or educational activities for certain retailers; and advertising of liquor products by professional sports teams holding a retail liquor license.

Summary: A new exemption to the tied-house law is added to allow domestic breweries and microbreweries to provide branded promotional items of nominal value to 501(c)(3) nonprofit organizations. The items must be used in a manner consistent with the organization's charitable purpose.

Votes on Final Passage:

Senate	44	5
House	97	0

Effective: July 24, 2015

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.