

HOUSE BILL REPORT

HB 1718

As Reported by House Committee On:
Commerce & Gaming

Title: An act relating to creating a special permit for certain wine auctions.

Brief Description: Creating a special permit for certain wine auctions.

Sponsors: Representatives Jenkin, Kirby, Barkis, Vick, Stanford, Nealey, Springer, Fey and Condotta.

Brief History:

Committee Activity:

Commerce & Gaming: 2/6/17, 2/7/17 [DP].

Brief Summary of Bill

- Authorizes the Liquor and Cannabis Board to issue a special permit to a nonprofit organization allowing such organization to sell wine through a private auction.
- Authorizes the permit holder to conduct wine tastings at the auction, provided the wine offered for tasting is the same as that being auctioned.
- Authorizes the permit holder to sell wine sourced from multiple wineries, but each winery must be identified on the permit application.

HOUSE COMMITTEE ON COMMERCE & GAMING

Majority Report: Do pass. Signed by 10 members: Representatives Sawyer, Chair; Kloba, Vice Chair; Condotta, Ranking Minority Member; Vick, Assistant Ranking Minority Member; Barkis, Blake, Farrell, Jenkin, Kirby and Ryu.

Staff: Thamas Osborn (786-7129).

Background:

Special Permits Issued by the Liquor and Cannabis Board.

The Liquor and Cannabis Board (LCB) is authorized to issue a variety of special permits and licenses for selling, serving, and handling alcohol at specified events or to persons or entities

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that do not hold a liquor license. Nonprofit organizations are among the entities eligible for such special permits and licenses.

Special Occasion Liquor Licenses.

A nonprofit organization that obtains a special occasion liquor license from the LCB may sell spirits, beer, and wine by the individual glass to be consumed on the premises. This license permits the licensee to serve liquor at a specified event, on a specified date and place. The holder of this license may also sell wine in original, unopened containers for consumption on the premises, if prior permission is obtained from the LCB.

A domestic winery may sell wine of its own production at a nonprofit organization's licensed special occasion event.

Summary of Bill:

The LCB is authorized to issue a special permit to a nonprofit organization allowing such organization to sell wine through a private auction. The permit holder may conduct wine tastings at the auction, provided the wine offered for tasting is the same as that being auctioned. The permit is for a single event to be held at a specific time and in a specific place.

The wine offered for auction may be sourced from multiple wineries and the permit application must identify each winery participating in the auction. The total fee for a permitted auction event is \$27 multiplied by the number of wineries that are selling wine at the event.

The LCB may adopt rules to implement this special permitting process.

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) This bill creates a streamlined permitting process that will make it much easier to hold wine auctions at charitable and nonprofit events. Under current law, the process of getting an auction permit is unduly cumbersome and time consuming. The bill would benefit charities, promote Washington wines, and benefit viticulture/enology programs at the state universities. Currently, each winery involved in an auction has to get a separate permit to participate in an auction, whereas the bill would allow multiple wineries to participate under

a single permit. Since 2015 approximately \$125,000 has been raised for charities through such auctions.

(Opposed) None.

Persons Testifying: Representative Jenkin, prime sponsor; Josh McDonald, Washington Wine Institute; Melissa Pederson, Auction of Washington Wines; and Martine Kulesa.

Persons Signed In To Testify But Not Testifying: None.