

# FINAL BILL REPORT

## HB 2517

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Synopsis as Enacted

**Brief Description:** Concerning penalties for alcohol manufacturers who have committed violations as part of its ancillary activities.

**Sponsors:** Representatives Stonier, Vick, Kirby and Jenkin.

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

### **Background:**

The Liquor and Cannabis Board (LCB) has the authority to adopt rules relating to the manufacturing and marketing of liquor products. The LCB may impose penalties for violations of licensing or regulatory requirements, including regulatory violations relating to public sales and marketing activities by alcohol manufacturers. Generally, the specific nature of the administrative penalties that the LCB may impose for regulatory violations is not prescribed in statute.

### **Summary:**

The LCB must, by administrative rule, adopt a schedule of penalties applicable to a licensed alcohol manufacturer who has committed a regulatory violation as part of the licensee's ancillary activities. "Ancillary activities" are defined to mean activities by a licensee involving the public and relating to serving samples, operating a tasting room, conducting retail sales, serving alcohol under a restaurant license, or serving alcohol with a special occasion license.

The schedule of penalties adopted by the LCB may include:

- the issuance of a monetary penalty;
- the suspension, revocation, or cancellation of the licensee's ability to conduct ancillary activities; or
- a monetary penalty option in lieu of suspension or revocation.

The schedule of penalties may not include the suspension, revocation, or cancellation of an alcohol manufacturer's primary license. In addition, the range and severity of such penalties may not exceed those applicable to a retail licensee for a similar violation.

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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.*

**Votes on Final Passage:**

House	98	0
Senate	48	0

**Effective:** June 7, 2018