

# HOUSE BILL REPORT

## HB 2699

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### As Passed Legislature

**Title:** An act relating to exempting alcohol manufacturers from the food storage warehouse license.

**Brief Description:** Exempting alcohol manufacturers from the food storage warehouse license.

**Sponsors:** Representatives Stanford, Dent, Blake, Nealey and Eslick.

**Brief History:**

**Committee Activity:**

Agriculture & Natural Resources: 1/23/18, 1/30/18 [DP].

**Floor Activity:**

Passed House: 2/8/18, 98-0.

Passed Senate: 2/27/18, 49-0.

Passed Legislature.

<p><b>Brief Summary of Bill</b></p> <ul style="list-style-type: none"><li>• Exempts certain alcohol manufacturers and distributors licensed by the Liquor and Cannabis Board from the requirement to obtain a food storage warehouse license.</li></ul>
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### HOUSE COMMITTEE ON AGRICULTURE & NATURAL RESOURCES

**Majority Report:** Do pass. Signed by 14 members: Representatives Blake, Chair; Chapman, Vice Chair; Buys, Ranking Minority Member; Dent, Assistant Ranking Minority Member; Chandler, Fitzgibbon, Lytton, Orcutt, Pettigrew, Robinson, Schmick, Springer, Stanford and Walsh.

**Minority Report:** Without recommendation. Signed by 1 member: Representative Kretz.

**Staff:** Rebecca Lewis (786-7339).

**Background:**

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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.*

A food storage warehouse is any establishment where food is stored, kept, or held for wholesale distribution; or any facility selling or distributing food to the ultimate consumer. In this context, "food" includes any articles used for food or drink. Food storage warehouses must be licensed by the Washington State Department of Agriculture (WSDA) unless they are inspected annually for compliance with current federal good manufacturing practices (Title 21 C.F.R. Part 110) by a WSDA-approved independent sanitation consultant.

The Liquor and Cannabis Board (LCB) is responsible for issuing various licenses for the manufacture, distribution, and sale of alcoholic beverages. The LCB may require an inspection of the premises upon application or renewal of any license, consider prior criminal history of an applicant, and has the authority to grant or deny a license application or renewal. Additionally, the LCB has the discretion to suspend or revoke licenses, subject to adjudicative proceedings, and must suspend licenses for licensees who:

- have been certified by the Department of Social and Health Services as being out of compliance with a support order; or
- are more than 30 days delinquent in reporting or remitting spirits taxes to the Department of Revenue.

**Summary of Bill:**

Food storage warehouses used to store alcohol beverages that are already licensed for manufacture or distribution by the LCB, and where alcohol beverages are the only food stored in the warehouse, are exempt from the requirement to obtain a food storage warehouse license from the WSDA.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**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) Food safety risks for sealed beverage products are different than the risks for other food products, and thus do not need the same regulation. Additionally, the LCB already licenses warehouses where alcoholic beverages are the only product stored. The Washington Wine Institute worked with the WSDA on this bill to address an issue that came up through a WSDA audit. Storage facilities on the premises of the winery are exempt from the food safety license, and a food storage warehouse license is not required. Wine distributors are allowed to have one off-site storage warehouse. Often the warehouses are on the other side of the state, and are usually holding the packaged, finished product ready to go to retail. The wine industry is heavily regulated, and would like to have one less license to worry about.

(Opposed) None.

**Persons Testifying:** Representative Stanford, prime sponsor; Josh McDonald, Washington Wine Institute; and Steve Fuller, Washington State Department of Agriculture

**Persons Signed In To Testify But Not Testifying: None.**