

# SENATE BILL REPORT

## SB 5426

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As Reported by Senate Committee On:  
Commerce, Labor & Sports, February 15, 2017

**Title:** An act relating to increasing the number of tasting rooms allowed under a domestic winery license.

**Brief Description:** Increasing the number of tasting rooms allowed under a domestic winery license.

**Sponsors:** Senator Warnick.

**Brief History:**

**Committee Activity:** Commerce, Labor & Sports: 2/13/17, 2/15/17 [DPS].

**Brief Summary of Substitute Bill**

- Increases, from two to four, the number of separate locations from which a domestic winery may serve samples of its own products and sell its own wine at retail.

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### SENATE COMMITTEE ON COMMERCE, LABOR & SPORTS

**Majority Report:** That Substitute Senate Bill No. 5426 be substituted therefor, and the substitute bill do pass.

Signed by Senators Baumgartner, Chair; Braun, Vice Chair; Keiser, Ranking Minority Member; Conway, Hasegawa, King, Rossi, Saldaña and Wilson.

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

**Background:** A domestic winery license, issued by the Liquor and Cannabis Board (LCB), authorizes the manufacture of wine in the state. Subject to certain restrictions, domestic wineries may act as distributors and retailers of wine of their own production. Such wineries must comply with applicable laws and rules relating to distributors and retailers.

A domestic winery may have up to two locations, separate from its manufacturing site, where the winery may serve samples and sell wine of its own production at retail. The LCB must approve each additional tasting room.

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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.*

**Summary of Bill:** The bill as referred to committee not considered.

**Summary of Bill (First Substitute):** The number of additional, off-site tasting rooms allowed under a domestic winery license is increased from two to four.

**Appropriation:** None.

**Fiscal Note:** Available.

**Creates Committee/Commission/Task Force that includes Legislative members:** No.

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

**Staff Summary of Public Testimony on First Substitute:** PRO: Our small wineries are still fledgling businesses and need to be given a leg up by providing them with additional locations to sell their wines. The recession was very difficult for the small wineries. It is very difficult to get shelf space for small wineries, as it is hard to get into the distribution system. Our greatest access to customers is through wine clubs and tasting rooms. Allowing us to open additional tasting rooms will give us an additional tool to market and sell our products. The bill will allow us to create more joint tasting rooms with multiple wineries sharing the expenses. Every city should have one or two multiple winery tasting facilities.

**Persons Testifying:** PRO: Senator Judy Warnick, Prime Sponsor; Paul Beveridge, Family Wineries of Washington State; Josh McDonald, WA Wine Institute.

**Persons Signed In To Testify But Not Testifying:** No one.