

SENATE BILL REPORT

SB 5560

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

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

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

Sponsors: Senators Brown, Palumbo and Walsh.

Brief History:

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

Brief Summary of Substitute 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.

SENATE COMMITTEE ON COMMERCE, LABOR & SPORTS

Majority Report: That Substitute Senate Bill No. 5560 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: 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 that do not hold a liquor license. Nonprofit organizations are among the entities eligible for such special permits and licenses.

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 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.

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

Summary of Bill (First Substitute): 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 \$25 multiplied by the number of wineries that are selling wine at the event.

EFFECT OF CHANGES MADE BY COMMERCE, LABOR & SPORTS COMMITTEE (First Substitute):

- Reduces the permit fee that is assessed for each participating winery from \$27 to \$25.

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 Original Bill: *The committee recommended a different version of the bill than what was heard.* PRO: This bill is about regulatory streamlining. Currently the LCB must cobble together all the permits that are required for each winery participating in a charitable wine auction. This requires hours of work on the part of the LCB. These auction events usually only happen two or three times a year. This bill streamlines the process, so the permits can be completed in several days versus the current timeline of several months. The LCB has also let us know that the \$27 fee in the bill is too high and should be set at \$25.

Persons Testifying: PRO: Senator Sharon Brown, Prime Sponsor; Josh McDonald, WA Wine Institute.

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