

# SENATE BILL REPORT

## ESSB 6346

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As Passed Senate, February 27, 2018

**Title:** An act relating to allowing the sale of wine by microbrewery license holders.

**Brief Description:** Allowing the sale of wine by microbrewery license holders.

**Sponsors:** Senate Committee on Labor & Commerce (originally sponsored by Senator Takko).

**Brief History:**

**Committee Activity:** Labor & Commerce: 1/29/18, 1/31/18 [DPS-WM].

Ways & Means: 2/06/18 [w/oRec, DNP].

**Floor Activity:**

Passed Senate: 2/27/18, 48-1.

### Brief Summary of Bill

- Allows microbreweries to apply for an endorsement to sell wine produced by a domestic winery, by the glass, for on-premises consumption.
- Sets the annual fee for the endorsement at \$125.

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### SENATE COMMITTEE ON LABOR & COMMERCE

**Majority Report:** That Substitute Senate Bill No. 6346 be substituted therefor, and the substitute bill do pass and be referred to Committee on Ways & Means.

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

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

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### SENATE COMMITTEE ON WAYS & MEANS

**Majority Report:** That it be referred without recommendation.

Signed by Senators Rolfes, Chair; Frockt, Vice Chair; Bailey, Becker, Billig, Brown, Conway, Fain, Hasegawa, Hunt, Keiser, Mullet, Palumbo, Pedersen, Ranker, Rivers, Schoesler, Wagoner and Warnick.

**Minority Report:** Do not pass.

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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.*

Signed by Senators Braun, Ranking Member; Honeyford, Assistant Ranking Member; Carlyle, Darneille and Van De Wege.

**Staff:** Alia Kennedy (786-7405)

**Background:** The Liquor and Cannabis Board (LCB) is authorized to issue snack bar licenses for the retail sales of beer, by the opened bottle or can, for on-premises consumption only. The license is only available when the sale of beer is not the main purpose of the business. The snack bar licensees are required to have snack food available, such as peanuts, popcorn, and chips. LCB's administrative rules require the snack bar to have a designated seating area for the on-premises consumption of beer.

A microbrewery license authorizes production of up to 60,000 barrels of malt liquor, including strong beer, per year. Microbreweries are permitted to sell from its premises, for on-premises or off-premises consumption: (1) beer of its own production; (2) beer produced by another microbrewery, provided that the other brewery's beers do not constitute more than 25 percent of the on-tap offerings; and (3) cider produced by a domestic winery.

**Summary of Bill:** A licensed microbrewery may apply to the LCB for an endorsement to sell wine produced by a domestic winery, by the glass, for on-premises consumption. The annual fee for the endorsement is \$125.

**Appropriation:** None.

**Fiscal Note:** Available.

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

**Effective Date:** The bill takes effect on October 1, 2018.

**Staff Summary of Public Testimony on Original Bill (Labor & Commerce):** *The committee recommended a different version of the bill than what was heard.* PRO: We are trying to allow breweries to also be able to sell wine by the glass to their customers who do not want to drink beer. We are willing to work with the LCB to perfect this bill. Our business misses out on a lot of opportunities for hosting events because our brewery is not able to sell wine.

CON: Our objection to this bill is related not to its specific provisions, but to the cumulative effect of all the alcohol related bills that have come before this bill and the ones that will come afterwards. These bills continue to expand the opportunity to consume alcohol and create mixed messages for our youth.

OTHER: The bill is very broad and opens up the possibility that many different license holders may want to switch to this license. As written, it would allow Les Schaub to start serving beer and wine at their tire stores. We are willing to work on a better approach to address the brewery's concerns, perhaps through amendment to a different license or through the use of a special endorsement.

**Persons Testifying (Labor & Commerce):** PRO: Senator Dean Takko, Prime Sponsor; Annie McGrath, Washington Brewers Guild; Jarrett Skreen, owner, Ashtown Brewing Company; Richard Ericksen, citizen.

CON: Seth Dawson, Washington Association for Substance Abuse Prevention.

OTHER: Becky Smith, Liquor and Cannabis Board.

**Persons Signed In To Testify But Not Testifying (Labor & Commerce):** No one.

**Staff Summary of Public Testimony (Ways & Means):** No public hearing was held.

**Persons Testifying (Ways & Means):** No one.

**Persons Signed In To Testify But Not Testifying (Ways & Means):** No one.