

FINAL BILL REPORT

HB 2412

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Synopsis as Enacted

Brief Description: Concerning domestic brewery and microbrewery retail licenses.

Sponsors: Representatives Stonier, MacEwen, Blake, Young, Eslick, Riccelli and Wylie.

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

Background:

Domestic Breweries and Microbreweries.

A person may manufacture beer under a domestic brewery license or a microbrewery license. A domestic brewery or microbrewery may also act as a distributor and retailer of beer of its own production. A microbrewery may sell from its premises, for on-premises and off-premises consumption, beer produced by another brewery or cider produced by a winery. Any domestic brewery or microbrewery operating as a distributor or retailer must comply with the applicable laws and rules relating to distributors or retailers, as appropriate.

Retail Licenses. A microbrewery and domestic brewery may also hold up to two retail licenses to operate an on-premises or off-premises tavern, beer and/or wine restaurant, or spirits, beer, and wine restaurant.

A microbrewery or domestic brewery that holds a tavern license, a beer and/or wine restaurant license, or a spirits, beer, and wine restaurant license holds the same privileges and endorsements under the applicable retail license.

A tavern license authorizes licensees to sell beer and wine at retail for consumption on the premises.

A beer and/or wine restaurant license authorizes restaurants to sell beer and wine at retail for consumption on the premises, in conjunction with the sale of food.

A spirits, beer, and wine restaurant license authorizes restaurants to sell liquor by the individual glass, beer, and wine, at retail, for consumption on the premises, including mixed drinks and cocktails compounded or mixed on the premises only. Spirits, beer, and wine restaurant licensees must serve complete meals and meet specific food service, kitchen

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equipment, and floor space requirements, as defined in rule by the Liquor and Cannabis Board (LCB).

Keg Registration Requirements.

Certain liquor licensees may sell malt liquor in kegs or containers capable of holding 4 gallons or more of liquid to consumers age 21 and over, subject to identification, seller, and purchaser registration requirements. A violation of keg registration duties and requirements is a gross misdemeanor.

Identification Requirements. The LCB has adopted rules that require retail liquor licensees to affix appropriate identification on all containers of 4 gallons or more of malt liquor for the purpose of tracing the purchasers.

Seller or Lessor Requirements. The following duties apply to any person who sells or offers for sale to consumers the contents of kegs or other containers holding 4 gallons or more of malt liquor, or who sells or leases kegs or other containers to consumers that will hold 4 gallons of malt liquor:

- to require the purchaser to sign a declaration and receipt;
- to require the purchaser to provide one piece of identification;
- to require the purchaser to sign a sworn statement, under penalty of perjury, that the purchaser is of legal age to purchase, possess, or use malt liquor, the purchaser will not allow any person under the age of 21 to consume the beverage except as otherwise authorized in law, and the purchaser will not remove or obliterate the identification required to be affixed to the container;
- to require the purchaser to state the address where the malt liquor will be consumed, or the address where the keg or container will be located; and
- to require the purchaser to maintain a copy of the declaration and receipt next to or adjacent to the keg or other container, in no event a distance greater than 5 feet, and visible without a physical barrier from the keg, during the time that the keg or other container is in the purchaser's possession or control.

Purchaser or Lessee Requirements. A person who purchases the contents of kegs or other containers holding 4 gallons or more of malt liquor, or who purchases or leases the container, has the following duties:

- to provide one piece of identification;
- to be of legal age to purchase, possess, or use malt liquor;
- to not allow any person under the age of 21 to consume the beverage except as otherwise authorized in law;
- to not remove or obliterate the identification required under the LCB's rules;
- to not move, keep, or store the keg or its contents, except for transporting to and from the distributor, at any place other than the address on the declaration and receipt; and
- to require the purchaser to maintain a copy of the declaration and receipt next to or adjacent to the keg or other container, in no event a distance greater than 5 feet, and visible without a physical barrier from the keg, during the time that the keg or other container is in the purchaser's possession or control.

Summary:

The number of retail liquor licenses a domestic brewery licensee or a microbrewery licensee may hold is increased from two to four. Domestic brewery and microbrewery licensees may obtain any combination of retail liquor licenses available.

The State Board of Health must adopt rules to allow dogs on the premises of licensed domestic breweries and microbreweries that do not provide food service subject to a food service permit requirement.

Licensed domestic breweries and microbreweries are exempt from the seller and lessor keg registration requirements.

A person who purchases or leases a keg, or purchases the contents of a keg, from a domestic brewery or microbrewery, is exempt from the following duties related to keg registration:

- to provide one piece of identification;
- to not remove or obliterate the identification required under the LCB's rules;
- to not move, keep, or store the keg or its contents, except for transporting to and from the distributor, at any place other than the address on the declaration and receipt; and
- to require to ensure that the copy of the declaration and receipt is located next to or adjacent to the keg.

Votes on Final Passage:

House	84	12	
Senate	48	0	(Senate amended)
House	83	13	(House concurred)

Effective: June 11, 2020