

HOUSE BILL REPORT

HB 2412

As Amended by the Senate

Title: An act relating to domestic brewery and microbrewery retail licenses.

Brief Description: Concerning domestic brewery and microbrewery retail licenses.

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

Brief History:

Committee Activity:

Commerce & Gaming: 1/23/20, 1/28/20 [DP].

Floor Activity:

Passed House: 2/18/20, 84-12.

Senate Amended.

Passed Senate: 3/6/20, 48-0.

Brief Summary of Bill

- Increases the number of retail liquor licenses a domestic brewery or microbrewery licensee may hold from two to four.
- Provides that nothing in statute prohibits an owner of a licensed domestic brewery or a licensed microbrewery from allowing dogs on the premises of a retail location.

HOUSE COMMITTEE ON COMMERCE & GAMING

Majority Report: Do pass. Signed by 9 members: Representatives Peterson, Chair; Kloba, Vice Chair; Chambers, Assistant Ranking Minority Member; Blake, Jenkin, Kirby, Morgan, Ramel and Vick.

Staff: Kyle Raymond (786-7190).

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

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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 spirituous 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. Licensees must serve complete meals and meet specific food service, kitchen equipment, and floor space requirements, as defined in rule by the Liquor and Cannabis Board.

Summary of Bill:

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

The domestic brewery and microbrewery licenses are each amended to provide that nothing under statute prohibits the licensee owner from allowing dogs on the premises of a retail location held by the licensee.

EFFECT OF SENATE AMENDMENT(S):

The Senate amendment:

- removes language stating that nothing prohibits an owner of a licensed domestic brewery or microbrewery from allowing dogs on the premises of a retail location held by the domestic brewery or microbrewery licensee;
- requires the State Board of Health to adopt rules to allow dogs on the premises of licensed domestic breweries and microbreweries that do not provide food service that is subject to a food service permit requirement; and
- exempts licensed domestic breweries and microbreweries from keg registration requirements related to the sale, purchase, and identification of kegs or other containers containing four gallons or more of malt liquor of the licensee's own production.

Appropriation: None.

Fiscal Note: Available.

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) The Pacific Northwest is well known for its breweries. However, brewery owners have expressed barriers to expansion of their businesses. Breweries are currently allowed two retail licenses and do not have standalone tasting rooms like wineries. Some breweries are currently at the retail license limit, and there is demand to continue to grow these businesses.

Increasing the number of breweries is a reasonable, modest step that will help our breweries expand. This bill will not result in a significant jump in locations, or so-called access points, because few breweries are currently at the retail license limit. Also, these retail licenses are already readily available.

The bill also provides clarification in current statute that dogs are allowed in brewery taprooms when food is not prepared. The clarifying language is needed because some local regulators interpret current statute differently.

Local health departments have begun regulating breweries as food establishments. Enforcement varies county-by-county, which creates a competitive disadvantage for the breweries in those counties. Breweries have been allowing dogs on the premise for many years, and this is a part of brewery culture that customers love.

Breweries in Portland do allow dogs on the premises, which creates a competitive disadvantage for breweries in southwestern Washington.

(Opposed) There is no shortage of access to alcohol in the state. At the same time, we tell members of the community not to drink and drive as they continue to find alcohol available at virtually every place they drive. Therefore, the Legislature should not expand access to alcohol any further.

Persons Testifying: (In support) Representative Stonier, prime sponsor; and Annie McGrath, Washington Brewers Guild.

(Opposed) James McMahan, Washington Association of Sheriffs and Police Chiefs.

Persons Signed In To Testify But Not Testifying: None.