

FINAL BILL REPORT

SSB 5394

C 149 L 19
Synopsis as Enacted

Brief Description: Concerning liquor licensees' use of web sites and social media to promote events.

Sponsors: Senate Committee on Labor & Commerce (originally sponsored by Senators King, Conway, Palumbo and Keiser).

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

Background: Washington's tied house laws regulate the relationship between liquor industry members and retailers. Industry members include licensed manufacturers, producers, suppliers, importers, wholesalers, distributors, authorized representatives, certificate of approval holders, and warehouses.

In general, tied house laws are meant to regulate how liquor is marketed and prevent the vertical integration of the three tiers of the liquor industry. The general rule is no industry member may advance, and no retailer may receive, monies or monies' worth under an agreement or by means of any other business practice or arrangement. There are numerous exceptions to the tied house laws, such as the provision of branded promotional items which are of nominal value and certain services provided to a special occasion licensee.

One exception to the tied house laws allows industry members to list, on their web sites, information related to retailers who sell or promote their products, including direct links to the retailers' web sites. Retailers are also allowed to list similar information on their web sites regarding industry members.

Summary: Manufacturers, distributors, or their licensed representatives may use their web sites or social media accounts to post, repost, or share promotional information or images about events featuring their products, for events held at an on-premises licensed liquor retailer's location or a licensed special occasion event. The promotional information may include links to purchase event tickets.

Manufacturers, distributors, or their licensed representatives may not pay a third party to enhance viewership of a specific post. Industry members, or their licensed representatives, are not obligated to post or share information or images on a web site or on social media.

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 licensed liquor retailer may not require an industry member or their representative to post or share information or images as a condition for selling any alcohol to the retailer or participating in a retailer's event.

Votes on Final Passage:

Senate 45 2

House 90 6

Effective: July 28, 2019