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## Regulated Substances & Gaming Committee

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### HB 2163

**Brief Description:** Concerning liquor licensee advertising.

**Sponsors:** Representative Steele.

#### Brief Summary of Bill

- Authorizes liquor licensees and permit holders who may currently offer free tastings or samples of liquor without charge or provide complimentary liquor to customers or guests, to advertise to the public that the licensee or permit holder offers these authorized tastings, samples, or complimentary products.
- Removes restrictions and limited authorizations conflicting with this new broader authorization, related to advertising by liquor licensees and permit holders of tastings, sampling, and complimentary liquor products.

**Hearing Date:** 1/15/24

**Staff:** Peter Clodfelter (786-7127).

#### Background:

Washington liquor laws generally prohibit breweries, wineries, distilleries, and specified other licensees from giving liquor to any person without charge. However, certain liquor licenses and permits issued by the Liquor and Cannabis Board (LCB) authorize the licensee or permit holder to offer tastings, samples, or complimentary liquor to a customer or guest.

A current LCB rule provides that specialty shops, wineries, breweries, and craft distilleries acting

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as a retail licensee, providing free tastings to the public, are prohibited from using any term that implies the product is free in their advertising for such events. The current LCB rule also provides that beer, wine, or spiritous liquor may not be advertised, offered for sale, or sold by retail licensees at less than acquisition costs.

The following specific statutory advertising restrictions, or limited authorizations for advertising, apply to the licensees and permit holders engaging in these activities:

- Wineries or microbreweries authorized to conduct limited wine or beer sampling at a qualifying farmers market may advertise the offering of the samples only at the designated booth, stall, or other designated location at the farmers market.
- Grocery stores may advertise a tasting event only within the store, on a store website, in store newsletters and flyers, and via email and mail to customers who have requested notice of events, and advertising may not be targeted to or appeal principally to youth.
- Hotels may make a reference in promotional materials to placing a complimentary bottle of liquor that is in a manufacturer-sealed container, in guest rooms at check-in.
- Day spas may not advertise their service of a complimentary wine or beer.

### **Summary of Bill:**

Liquor licensees and liquor permit holders who are currently authorized to offer free tastings or samples of beer, wine, spirits, or other liquor without charge to the public, or to provide complimentary beer, wine, spirits, or other liquor to customers or guests, are granted authorization to advertise to the public that, as applicable, the licensee offers tastings or sampling for free without charge, or provides complimentary beer, wine, spirits, or other liquor to customers or guests.

Any such advertising may not be targeted to or appeal principally to youth.

The following liquor licensees and permit holders are identified as the intended licensees affected by the bill: domestic breweries; microbreweries; domestic wineries; distilleries, craft distilleries, and their licensed tasting rooms; grocery stores with a tasting endorsement; beer and/or wine specialty shops; spirits retailers who participate in the responsible vendor program; combination spirits, beer, and wine license holders who hold a grocery store tasting endorsement or who participate in the responsible vendor program; interstate common carriers; hotels; motels; day spas; bed and breakfast lodging facilities; short-term rental operators; and all liquor licensees authorized to serve beer on tap or wine for consumption on the premises.

The following restrictions and more limited authorizations are removed:

- the restriction that wineries and microbreweries authorized to offer samples at a qualifying farmers market may advertise that they offer samples only at their designated booth, stall, or other designated location;
- the restriction that grocery stores may advertise a tasting event only within the store, on a store website, in store newsletters and flyers, and via email and mail to customers who have requested notice of events;

- the authorization for hotels to make a reference in promotional material to placing a complimentary bottle of liquor that is in a manufacturer-sealed container in guest rooms at check-in; and
- the restriction on day spas with a day spa permit advertising the service of complementary wine or beer that the day spa is authorized to serve.

It is specified that nothing in the bill is intended to: (1) affect or alter any time, place, or manner restriction that applies generally to all liquor advertising and that is imposed by the LCB in rule; (2) authorize a liquor licensee or liquor permit holder to offer, serve, or provide a type or amount of beer, wine, spirits, or other liquor for free without charge that the licensee is not already authorized to offer, serve, or provide to a person for free without charge; or (3) restrict any advertising that was expressly authorized in Washington liquor statutes as they existed on January 1, 2024.

A technical change is made to strike an obsolete reference to a temporary license fee waiver for the hotel license, which is no longer in effect.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.