

HOUSE BILL REPORT

SHB 1812

As Passed House:

March 4, 2009

Title: An act relating to wine labels.

Brief Description: Concerning wine labels.

Sponsors: House Committee on Commerce & Labor (originally sponsored by Representatives Newhouse, Conway, Chandler, Moeller and Sullivan).

Brief History:

Committee Activity:

Commerce & Labor: 2/11/09, 2/18/09 [DPS].

Floor Activity

Passed House: 3/4/09, 95-0.

Brief Summary of Substitute Bill

- Establishes standards for the use of "Washington" on wine labels.

HOUSE COMMITTEE ON COMMERCE & LABOR

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 8 members: Representatives Conway, Chair; Wood, Vice Chair; Condotta, Ranking Minority Member; Chandler, Crouse, Green, Moeller and Williams.

Staff: Joan Elgee (786-7106)

Background:

Manufacturers, producers, bottlers, and distributors of wine must put on packages information as to the identity and quality of the wine, alcoholic content, net contents, and the name of the producer, manufacturer, or bottler. By rule, the Liquor Control Board allows a wine to be labeled with an appellation of origin if at least 75 percent of its volume is derived from both fruit or other agricultural products grown in the place or region indicated. The wine must also conform to the requirements of the law of the place or region.

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.

The federal Alcohol and Tobacco Tax and Trade Bureau (TTB) designates American viticultural areas (AVAs) to allow vintners to better describe the origin of their wines and to allow consumers to better identify wines they may purchase. An AVA may be in one state or may cross state borders. The TTB has adopted rules specifying when certain appellations of origin may be used on a wine label. To use a label with the name of a state, at least 75 percent of the wine must be derived from fruit or agricultural products grown in the state. To use an AVA label, at least 85 percent of the wine must be derived from fruit or agricultural products grown in the AVA.

Summary of Substitute Bill:

Standards are placed on the use of the appellation of origin "Washington" claimed or implied anywhere on a wine label.

- If the label states "Washington," at least 95 percent of the grapes used in the production of the wine must have been grown in Washington.
- If the label states "Washington" and the name of an AVA located wholly within Washington, at least 95 percent of the grapes used in the production of the wine must have been grown in Washington.
- If the label states "Washington" and the name of an AVA located in both Washington and an adjoining state, at least 95 percent of the grapes used in the production of the wine must have been grown in the AVA or in Washington.

If the Director of the Department of Agriculture (Director) finds evidence of material damage, destruction, disease, or other loss to one or more vineyards in any AVA, region, sub-region, or other discrete area, the Director must notify the Liquor Control Board (Board) and the Board may suspend the labeling standards with respect to the adversely affected area for a period of time as the Board reasonably may determine.

The provisions do not apply to wine produced with the addition of wine spirits, brandy, or alcohol.

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 wine industry is putting Washington on the map and an important part of marketing is image. The wine industry is a big driver in our economy. This bill will make sure that when a consumer buys a wine labeled "Washington" that what the consumer is getting is, indeed, Washington wine. Quality is the niche for Washington wine, not quantity, and this bill adds more protection to the integrity of the industry. It will make sure that the

efforts of those who work hard are not diluted. The Washington Wine Commission, the Washington Wine Institute, and the Washington Association of Wine Grape Growers worked on this bill. There are some technical amendments.

(Opposed) None.

Persons Testifying: Representative Newhouse, prime sponsor; Jean Leonard, Washington Association of Wine Grape Growers; Brenton Roy, Oasis Vineyards and Washington Association of Wine Grape Growers; and Todd Newhouse, Upland Vineyards and Washington Association of Wine Grape Growers.

Persons Signed In To Testify But Not Testifying: None.