

HOUSE BILL REPORT

HB 2371

As Reported by House Committee On:
Government Accountability & Oversight

Title: An act relating to the sale of beer by grocery store licensees.

Brief Description: Concerning the sale of beer by grocery store licensees.

Sponsors: Representatives Vick, Kirby, Rodne, Blake and Hurst.

Brief History:

Committee Activity:

Government Accountability & Oversight: 1/27/14, 2/3/14 [DPS].

Brief Summary of Substitute Bill

- Grocery stores licensed to sell bottled beer may receive an endorsement to sell growlers of beer made in breweries in the Pacific Northwest producing no more than 60,000 barrels of beer per year.
- The Liquor Control Board is granted rule-making authority with respect to grocery store licensees.

HOUSE COMMITTEE ON GOVERNMENT ACCOUNTABILITY & OVERSIGHT

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 8 members: Representatives Hurst, Chair; Wylie, Vice Chair; Holy, Assistant Ranking Minority Member; Blake, Kirby, Moscoso, Shea and Vick.

Minority Report: Without recommendation. Signed by 1 member: Representative Condotta, Ranking Minority Member.

Staff: David Rubenstein (786-7153).

Background:

The Liquor Control Board (LCB) issues a variety of liquor licenses, including microbrewery, restaurant, and grocery store licenses. Some licensees are permitted to sell beer in a sanitary

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container brought to the premises by the purchaser or provided by the licensee and filled at the tap at the time of sale. These are typically called "growlers."

Grocery store licensees permitted to sell bottled beer may also seek and receive an endorsement from the LCB to sell malt liquor in kegs or other containers capable of holding less than 5.5 gallons of liquid.

Licensees permitted to sell beer in growlers include domestic breweries, microbreweries, beer and wine retailers, beer and wine specialty shops, restaurants, and hotels.

Summary of Substitute Bill:

If approved by the LCB, a grocery store licensee may receive an endorsement to allow the sale of beer in a growler. The container must be filled at the tap at the time of sale by an employee of the licensee holding a class 12 Mandatory Alcohol Server Training (MAST) permit.

The LCB is authorized to adopt rules to implement the grocery store license.

Substitute Bill Compared to Original Bill:

The beer that grocery store endorsees may sell in growlers is limited to beer produced by breweries in Alaska, Washington, Oregon, Idaho, and Montana producing no more than 60,000 barrels of beer per year.

Growlers must be filled by employees holding a class 12 MAST permit.

Appropriation: None.

Fiscal Note: Available.

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

Staff Summary of Public Testimony:

(In support) This bill is a great way to promote a growing new industry in Washington. Many people are moving away from cans and bottles in favor of growlers, in part because it is efficient and environmentally friendly. It can also be tough to make shelf space for bottles, and kegs stored in a back room are much more space-efficient.

There is currently a complicated licensing scheme for grocers and those who wish to sell growlers. One problem is that if a business wants to sell growlers, it cannot accept Electronic

Benefit Transfer (EBT) cards for food from people receiving food assistance. This bill would allow a retailer to do both.

Industry members support the provision allowing the LCB to adopt rules.

(Opposed) Grocery stores are an inappropriate venue for selling growlers. The audience is much larger than would otherwise exist in a wine or beer specialty shop and this would expose youth to walls of taps in grocery stores on family trips. Beer is already sold in bottles so there is no need for growlers. This would also force people in the recovery community to avoid grocery stores.

The LCB also opposes growlers in grocery stores, but it is seeking middle ground. It presents two public safety problems: (1) growlers are unlabeled packaging and can be difficult to control for youth-access purposes when the beer is leaving the store; and (2) there is no training component for servers in this bill. Generally, people pulling tap handles require a Class 12 MAST permit.

Persons Testifying: (In support) Amy Brakenbury, Washington Food Industry Association; and T.K. Bentler, Washington Association of Neighborhood Stores.

(Opposed) Ramona Leber, Washington Association for Substance Abuse and Violence Prevention; and Justin Nordhorn, Washington State Liquor Control Board.

Persons Signed In To Testify But Not Testifying: None.