

SENATE BILL REPORT

ESSB 6009

As Passed Senate, March 13, 1995

Title: An act relating to the malt beverage commission.

Brief Description: Creating the malt beverage commission.

Sponsors: Senate Committee on Agriculture & Agricultural Trade & Development (originally sponsored by Senators Rasmussen, Loveland, Finkbeiner, Morton, Bauer, McAuliffe, Drew and Kohl).

Brief History:

Committee Activity: Agriculture & Agricultural Trade & Development: 2/28/95 [DPS]. Passed Senate, 3/13/95, 43-5.

SENATE COMMITTEE ON AGRICULTURE & AGRICULTURAL TRADE & DEVELOPMENT

Majority Report: That Substitute Senate Bill No. 6009 be substituted therefor, and the substitute bill do pass.

Signed by Senators Rasmussen, Chair; Loveland, Vice Chair; Bauer, Morton and Snyder.

Staff: Bob Lee (786-7404)

Background: There currently exist a number of commissions that have been created to promote a particular product grown or produced in the state. For example, there is a Washington Wine Commission whose function is to promote wines produced in Washington State and conduct research on improving the production of wine and wine grapes in this state. There also is a Hop Commission whose function is to improve the production and marketing of hops produced in the state.

Summary of Bill: A process to activate a Malt Beverage Commission is established. The purpose of the commission is to promote the interests of micro-breweries, which are those that produce less than 100,000 barrels annually per location. To establish a Malt Beverage Commission, a petition of one or more beer producers is filed with the Department of Agriculture. The department is to hold a referendum of all breweries in the state that produce less than 100,000 barrels. Approval of the referendum requires at least 60 percent of the micro-breweries to vote, and at least 51 percent of those who vote to vote affirmatively.

Upon approval of the referendum, the commission is to be established. The director of the Department of Agriculture is to appoint members to the commission. Eight members are to be micro-breweries and one is to be a beer wholesaler. The members of the commission serve three-year terms that are staggered.

The major objectives of the commission's research, promotional and educational activities include:

1. Establishment of Washington beer as a major factor in markets for beer;
2. Promoting Washington breweries as tourist attractions;
3. Encouraging favorable reports for Washington beer and breweries in the press throughout the world;
4. Establishing markets for state-produced beer as a major source of premium beer;
5. Encouraging favorable legislative and regulatory treatment of Washington beer in markets everywhere; and
6. Fostering economic conditions favorable to investment in production of hops and Washington beer.

The commission conducts a comprehensive research, promotional and educational campaign. The commission may conduct promotional hosting of beer at no charge to aid the marketing, advertising, and research activities of the commission.

The commission is granted other powers including the election of a chair and other officers of the commission, to hire and discharge employees, to receive beer or other in-kind contributions from breweries, and to acquire property and enter into contracts including contracts for promotional literature.

Appropriation: None.

Fiscal Note: Requested on February 23, 1995.

Effective Date: The bill contains an emergency clause and takes effect on July 1, 1995.

Testimony For: The micro-brewery industry is growing by about 40 percent per year. Currently, there is a significant amount of tourist activity at micro-breweries that is occurring without much solicitation or advertising. There is significant consumer interest and enthusiasm with beer brewed by micro-breweries.

A commission, similar to the Washington Wine Commission, that could advertise the product and tourism on behalf of the industry is needed.

Testimony Against: None.

Testified: Larry Bausch, Washington Association of Small Brewers (pro); Crayne Horton, President, Fish Brewing Company (pro); Anthony Grassi, Director, T.K. Bentler, Lobbyist, Redhook Ale Brewery (pro).