

SENATE BILL REPORT

HB 1651

As Reported By Senate Committee On:
Commerce & Labor, March 27, 1997

Title: An act relating to the sale of malt liquor in kegs.

Brief Description: Authorizing the sale of malt liquor in untapped kegs by class H licensees.

Sponsors: Representatives Scott, Costa, Conway and Hatfield.

Brief History:

Committee Activity: Commerce & Labor: 3/25/97, 3/27/97 [DP].

SENATE COMMITTEE ON COMMERCE & LABOR

Majority Report: Do pass.

Signed by Senators Schow, Chair; Horn, Vice Chair; Heavey and Newhouse.

Staff: Traci Ratzliff (786-7452)

Background: Under the state's system of licensing the sale of alcohol, a class H licensee may sell alcohol, including beer and wine, by the drink to the public for consumption on the premises of the licensee. Class H licensees are typically restaurants with cocktail lounges where food is served along with alcohol. A class H licensee may not hold any other retail license and may not sell alcohol in a closed container to be consumed away from the licensee's premise.

Taverns may sell beer to the public to be consumed on the premises (class B license), or may sell beer to be taken off the premises in a closed container to be consumed elsewhere (class E license). Under a class B license, access to the premises is restricted to persons 21 years of age or older.

Restaurants, such as pizza parlors, may sell beer to the public to be consumed on the premises (class A license) and may also sell beer to be taken off the premises for consumption (class E).

Only class A and class B licensees (on-premises consumption) that also hold a class E license (off-premises consumption) may sell malt liquor in kegs or other containers that hold at least four gallons. Class H licensees may not hold class E licenses (off-premises consumption) and may not sell beer in kegs.

Summary of Bill: Liquor licensees who convert their class AE or BE combination licenses allowing the sale of beer for consumption on or off the premises including kegs to class H licenses may continue to sell beer in untapped kegs if authorized by the Liquor Control Board. This provision applies to licensees who converted after January 1, 1993.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: This is a good "small business" bill. It would allow a constituent who converted his tavern license to a restaurant license to be permitted to sell kegs of beer, as he had been permitted to do under his tavern license but is prohibited from doing under his restaurant license.

Testimony Against: We are opposed to this bill because those tavern licensees who converted their liquor licenses to restaurant licenses have decided to become primarily food selling establishments where the sale of liquor is incidental to the sale of food. This bill would change a system of liquor licensing that has been established for many years and works well to protect the public health and safety as it relates to the consumption of alcohol, particularly by under aged individuals.

Testified: Representative Pat Scott, prime sponsor (pro); Greg Ortega, Licensed Beverage Association (pro); Kit Hawkins, Restaurant Association (con); Nate Ford, Liquor Control Board (con).