

SENATE BILL REPORT

SB 6812

As Reported By Senate Committee On:
Commerce, Trade, Housing & Financial Institutions, February 3, 2000

Title: An act relating to contract brewing by domestic brewers.

Brief Description: Allowing contract brewing by domestic brewers.

Sponsors: Senator Prentice.

Brief History:

Committee Activity: Commerce, Trade, Housing & Financial Institutions: 2/3/2000
[DPS].

SENATE COMMITTEE ON COMMERCE, TRADE, HOUSING & FINANCIAL INSTITUTIONS

Majority Report: That Substitute Senate Bill No. 6812 be substituted therefor, and the substitute bill do pass.

Signed by Senators Prentice, Chair; Shin, Vice Chair; Benton, Gardner, Hale, Rasmussen, T. Sheldon and Winsley.

Staff: Catherine Mele (786-7470)

Background: A brewery or winery that offers beer or wine for sale in Washington must provide the Liquor Control Board with all written and oral contracts detailing prices charged to distributors for all items and sales terms. Distributors have to provide the board with the same information when they sell to retailers. The law forbids any distributor to offer different prices to any retailer, and the law forbids any brewery or winery to offer different prices to distributors.

Summary of Substitute Bill: Domestic breweries that are contract manufacturers for licensed beer distributors are exempt from filing prices and contracts terms with the board if two conditions exist. The first condition is that the licensed beer distributor who contracts with the brewery to make the beer must also be a brewery or manufacturer outside of Washington. The second condition is that the licensed distributor that contracts with the brewery to make the beer must only sell, within Washington, to other beer distributors.

Substitute Bill Compared to Original Bill: The original bill was not considered.

Appropriation: None.

Fiscal Note: Requested on January 28, 2000

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

Testimony For: Miller brewing wants to be a contract brewer, and our main contract is with Pabst who is also a distributor. Miller's contract with Pabst states that Miller cannot reveal prices, but the Liquor Control Board requires price posting. This bill resolves this situation.

Testimony Against: None.

Testified: Steve Gano, Miller Brewing (pro); Dick Ducharme, Beer and Wine Wholesalers Assn. (pro w/amend.).