

# HOUSE BILL REPORT

## HB 1951

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### As Amended by the Senate

**Title:** An act relating to the sale of wine for off-premises consumption.

**Brief Description:** Allowing restaurants and private clubs to sell wine for off-premises consumption.

**Sponsors:** By Representatives Clements, B. Chandler, G. Chandler, Lisk and Mulliken.

#### **Brief History:**

##### **Committee Activity:**

Commerce & Labor: 2/21/01 [DP].

##### **Floor Activity:**

Passed House: 3/9/01, 98-0.

Senate Amended.

Passed Senate: 4/6/01, 43-3.

#### **Brief Summary of Bill**

- Creates an endorsement to permit certain license holders to sell limited wines for off-premises consumption.

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### HOUSE COMMITTEE ON COMMERCE & LABOR

**Majority Report:** Do pass. Signed by 8 members: Representatives Clements, Republican Co-Chair; Conway, Democratic Co-Chair; B. Chandler, Republican Vice Chair; Wood, Democratic Vice Chair; Hunt, Kenney, Lisk and McMorris.

**Staff:** Sydney Forrester (786-7120).

#### **Background:**

The Liquor Control Board issues a variety of licenses under its regulatory scheme. Generally, licenses fall into four categories: manufacture, distribution, retail sales, and by-the-drink sales. Liquor by-the-drink licenses include a restaurant spirits, beer, and wine license and a private club spirits, beer, and wine license. These licenses do not authorize the sale of liquor for off-premises consumption.

The board also issues endorsements to existing licenses. Endorsements grant additional specific privileges to license holders, usually for an additional fee. These additional privileges may include an authorization to sell liquor for off-premises consumption under limited circumstances.

Occasionally, restaurants and private clubs contract with domestic wineries to produce a limited number of bottled wines bearing a label exclusive to the restaurant or private club. These private label wines may be sold in speciality and retail shops, however, the restaurant or private club without a separate retail license may not sell these wines.

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**Summary of Bill:**

An endorsement is available to holders of two types of licenses: 1) A restaurant spirits, beer, and wine license; and 2) a private club spirits, beer, and wine license. The endorsement permits the license holder to sell wine for off-premises consumption. Bottled wines sold under the endorsement must bear a label exclusive to the license holder, and are limited to domestic wine, and sparkling wine from California. The annual fee for the endorsement is \$120.

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**EFFECT OF SENATE AMENDMENT(S):**

Removes California sparkling wines from the types of wine that may be sold for off-premises consumption under the endorsement. Adds to the type of licenses for which an endorsement may be issued the sports/entertainment facility spirits, beer and wine license. Corrects the title.

**Appropriation:** None.

**Fiscal Note:** Not requested.

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

**Testimony For:** (Testimony on HB 1508) Restaurants and private clubs may sell wine for off-premises consumption, but only if they open the bottles and then re-cork them. By creating a mechanism that allows them to sell wine without opening and re-corking bottles, private clubs will be able to offer their members a convenience. Nonprofits will have new fundraising opportunities. A new endorsement to restaurant and private club licenses is a better mechanism than a new license.

**Testimony Against:** None.

**Testified:** (On HB 1508) Lynn Melby, Washington State Federation of Clubs; and Rick

Garza, Liquor Control Board.