

# HOUSE BILL REPORT

## SB 6601

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### As Reported by House Committee On:

Commerce & Labor

**Title:** An act relating to allowing a licensed distiller, domestic brewery, microbrewery, or domestic winery to sell liquor at a spirits, beer, and wine restaurant located on contiguous property that is leased by that licensed distiller, domestic brewery, microbrewery, or domestic winery.

**Brief Description:** Allowing a licensed distiller, domestic brewery, microbrewery, or domestic winery to sell liquor at a spirits, beer, and wine restaurant located on contiguous property that is leased by that licensed distiller, domestic brewery, microbrewery, or domestic winery.

**Sponsors:** Senators Prentice, Rasmussen, Kohl-Welles, McAuliffe and Hale.

### Brief History:

#### Committee Activity:

Commerce & Labor: 2/21/02 [DP].

#### Brief Summary of Bill

- Allows a distiller, brewery, or winery to be licensed to operate a spirits, beer, and wine restaurant on property contiguous to and leased by the distiller, brewery, or winery.

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### HOUSE COMMITTEE ON COMMERCE & LABOR

**Majority Report:** Do pass. Signed by 7 members: Representatives Conway, Chair; Wood, Vice Chair; Clements, Ranking Minority Member; Chandler, Kenney, Lysen and McMorris.

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

### Background:

Tied-house laws prohibit certain ties– or business relationships between liquor manufacturers or distributors and liquor retailers. The underlying purpose of Washington’s tied-house law is to prevent manufacturers or distributors from attempting

to induce retailers to exclude one liquor product over another, or to induce retailers to inappropriately increase consumption.

Since its enactment as part of the Steele Act in 1933, the state's tied-house law has been amended to create certain limited exceptions to the general prohibition. One such exception allows a licensed distiller, domestic winery, or domestic brewery to also be licensed to operate a spirits, beer, and wine restaurant on property contiguous to and owned by the distiller, brewery, or winery. A spirits, beer, and wine restaurant license permits the sale of liquor by the drink for on-premises consumption.

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**Summary of Bill:**

A licensed distiller, domestic winery, or domestic brewery may be licensed to operate a spirits, beer, and wine restaurant on property contiguous to and *leased* by the distiller, brewery, or winery.

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**Appropriation:** None.

**Fiscal Note:** Not requested.

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

**Testimony For:** The tied-house limits restrict business. A winery or brewery may have a particular piece of property contiguous to their operation, but the property is leased by, and not owned by, the licensee. Currently, the Liquor Control Board can't issue the brewery or winery a restaurant license if it does not own the property. This treats property leased like property owned. We might gain increased tourism and increased fees with a little more flexibility.

**Testimony Against:** None.

**Testified:** Senator Prentice, prime sponsor; and Rick Garza, Liquor Control Board.