

SENATE BILL REPORT

HB 1951

As Reported By Senate Committee On:
Labor, Commerce & Financial Institutions, March 26, 2001

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: Labor, Commerce & Financial Institutions: 3/20/01, 3/26/01 [DPA].

SENATE COMMITTEE ON LABOR, COMMERCE & FINANCIAL INSTITUTIONS

Majority Report: Do pass as amended.

Signed by Senators Prentice, Chair; Gardner, Vice Chair; Franklin, Hochstatter, Honeyford, Patterson, Rasmussen, Regala and Winsley.

Staff: Elizabeth Mitchell (786-7430)

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.

Summary of Amended Bill: An endorsement is available to holders of three types of licenses: 1) a restaurant spirits, beer, and wine license; 2) a private club spirits, beer, and wine license; and 3) a sports/entertainment facility beer, wine and spirits 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 Washington wine. The annual fee for the endorsement is \$120.

Amended Bill Compared to Original Bill: Only Washington wines may be used for the endorsement, and California sparkling wines are eliminated from the endorsement. Beer, wine, and spirits license holders for sports/entertainment facilities may also receive the endorsement.

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 opportunity to market Washington wines. The endorsement should be extended to sports/entertainment facility beer, wine, and spirits license holders.

Testimony Against: The endorsement should not be limited to Washington wines, since this creates a trade barrier.

Testified: Representative Clements, prime sponsor (pro); Becky Bogard, WSSEFOA (pro with amendment); Rick Wickman, Seattle Mariners (pro with amendment); Rick Garza, Liquor Control Board (questions); Sharon Foster, Washington Wine Institute (questions and concerns).