

CERTIFICATION OF ENROLLMENT

SENATE BILL 5994

Chapter 59, Laws of 2003

58th Legislature
2003 Regular Session

WINE SUPPLIERS AND DISTRIBUTORS

EFFECTIVE DATE: 4/17/03

Passed by the Senate March 16, 2003
YEAS 47 NAYS 0

BRAD OWEN

President of the Senate

Passed by the House April 8, 2003
YEAS 95 NAYS 0

FRANK CHOPP

Speaker of the House of Representatives

Approved April 17, 2003.

GARY F. LOCKE
Governor of the State of Washington

CERTIFICATE

I, Milton H. Doumit, Jr.,
Secretary of the Senate of the
State of Washington, do hereby
certify that the attached is
SENATE BILL 5994 as passed by the
Senate and the House of
Representatives on the dates
hereon set forth.

MILTON H. DOUMIT JR.

Secretary

FILED

April 17, 2003 - 2:50 p.m.

**Secretary of State
State of Washington**

SENATE BILL 5994

Passed Legislature - 2003 Regular Session

State of Washington 58th Legislature 2003 Regular Session

By Senators Hewitt, Reardon, Honeyford, Haugen, Rossi, Hale, Mulliken and T. Sheldon

Read first time 02/27/2003. Referred to Committee on Commerce & Trade.

1 AN ACT Relating to removing suppliers and distributors of wine from
2 the provisions of chapter 19.126 RCW; amending RCW 19.126.010 and
3 19.126.020; and declaring an emergency.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 **Sec. 1.** RCW 19.126.010 and 1984 c 169 s 1 are each amended to read
6 as follows:

7 (1) The legislature recognizes that both suppliers and wholesale
8 distributors of malt beverages (~~and wine~~) are interested in the goal
9 of best serving the public interest through the fair, efficient, and
10 competitive distribution of such beverages. The legislature encourages
11 them to achieve this goal by:

12 (a) Assuring the wholesale distributor's freedom to manage the
13 business enterprise, including the wholesale distributor's right to
14 independently establish its selling prices; and

15 (b) Assuring the supplier and the public of service from wholesale
16 distributors who will devote their best competitive efforts and
17 resources to sales and distribution of the supplier's products which
18 the wholesale distributor has been granted the right to sell and
19 distribute.

1 (2) This chapter governs the relationship between suppliers of malt
2 beverages (~~and wine~~) and their wholesale distributors to the full
3 extent consistent with the Constitution and laws of this state and of
4 the United States.

5 **Sec. 2.** RCW 19.126.020 and 1997 c 321 s 41 are each amended to
6 read as follows:

7 The definitions set forth in this section apply throughout this
8 chapter unless the context clearly requires otherwise.

9 (1) "Agreement of distributorship" means any contract, agreement,
10 commercial relationship, license, association, or any other
11 arrangement, for a definite or indefinite period, between a supplier
12 and distributor.

13 (2) "Distributor" means any person, including but not limited to a
14 component of a supplier's distribution system constituted as an
15 independent business, importing or causing to be imported into this
16 state, or purchasing or causing to be purchased within this state, any
17 malt beverage (~~or wine~~) for sale or resale to retailers licensed
18 under the laws of this state, regardless of whether the business of
19 such person is conducted under the terms of any agreement with a malt
20 beverage (~~or wine~~) manufacturer.

21 (3) "Supplier" means any malt beverage (~~or wine~~) manufacturer or
22 importer who enters into or is a party to any agreement of
23 distributorship with a wholesale distributor. "Supplier" does not
24 include: (a) (~~Any domestic winery licensed pursuant to RCW 66.24.170;~~
25 ~~(b) any winery or manufacturer of wine producing less than three~~
26 ~~hundred thousand gallons of wine annually and holding a certificate of~~
27 ~~approval issued pursuant to RCW 66.24.206;~~ (c)) Any domestic brewer or
28 microbrewer licensed under RCW 66.24.240 and producing less than fifty
29 thousand barrels of malt liquor annually; or (~~(d)~~) (b) any brewer or
30 manufacturer of malt liquor producing less than fifty thousand barrels
31 of malt liquor annually and holding a certificate of approval issued
32 under RCW 66.24.270.

33 (4) "Malt beverage manufacturer" means every brewer, fermenter,
34 processor, bottler, or packager of malt beverages located within or
35 outside this state, or any other person, whether located within or
36 outside this state, who enters into an agreement of distributorship for

1 the resale of malt beverages in this state with any wholesale
2 distributor doing business in the state of Washington.

3 ~~(5) ("Wine manufacturer" means every winery, processor, bottler,~~
4 ~~or packager of wine located within or outside this state, or any other~~
5 ~~person, whether located within or outside this state who enters into an~~
6 ~~agreement of distributorship for the resale of wine in this state with~~
7 ~~any wine wholesale distributor doing business in the state of~~
8 ~~Washington.~~

9 ~~(6))~~ "Importer" means any distributor importing beer ~~((or wine))~~
10 into this state for sale to retailer accounts or for sale to other
11 wholesalers designated as "subjobbers" for resale.

12 ~~((7))~~ (6) "Person" means any natural person, corporation,
13 partnership, trust, agency, or other entity, as well as any individual
14 officers, directors, or other persons in active control of the
15 activities of such entity.

16 NEW SECTION. **Sec. 3.** This act is necessary for the immediate
17 preservation of the public peace, health, or safety, or support of the
18 state government and its existing public institutions, and takes effect
19 immediately.

Passed by the Senate March 16, 2003.

Passed by the House April 8, 2003.

Approved by the Governor April 17, 2003.

Filed in Office of Secretary of State April 17, 2003.