

# HOUSE BILL REPORT

## 2SHB 1430

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**As Passed House:**

February 8, 2006

**Title:** An act relating to sale by spirit, beer, and wine licensees of malt liquor in containers that are capable of holding four gallons or more and are registered in accordance with RCW 66.28.200.

**Brief Description:** Authorizing the sale by spirit, beer, and wine licensees of malt liquor in containers that are capable of holding four gallons or more and are registered in accordance with RCW 66.28.200.

**Sponsors:** By House Committee on Commerce & Labor (originally sponsored by Representatives Wood and Condotta).

**Brief History:**

**Committee Activity:**

Commerce & Labor: 2/2/05, 2/14/05 [DPS].

**Floor Activity:**

Passed House: 2/8/06, 94-1.

**Brief Summary of Second Substitute Bill**

- Allows restaurants holding a spirits, beer, and wine license to sell kegs of malt liquor.

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### HOUSE COMMITTEE ON COMMERCE & LABOR

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 7 members: Representatives Conway, Chair; Wood, Vice Chair; Condotta, Ranking Minority Member; Sump, Assistant Ranking Minority Member; Crouse, Hudgins and McCoy.

**Staff:** Christopher Abbott (786-7119).

**Background:**

Before an establishment may sell alcoholic beverages, it must obtain a liquor license from the state Liquor Control Board (Board). The type of license depends on the nature of the business and the types of alcohol to be sold. Among other types, the Board may issue licenses for spirits, beer, and wine restaurants, beer and/or wine restaurants, taverns, grocery stores, and beer and/or wine specialty shops.

Sale of Kegs

Kegs (or other containers larger than four gallons) of malt liquor may be sold in the following establishments:

1. *Off-premises Beer and/or Wine Licensees*: May be combined only with tavern and beer and/or wine restaurant licenses.
2. *Grocery Store Licensees*: Requires a special endorsement issued by the Board. Containers must be smaller than five and one-half gallons.
3. *Beer and/or Wine Specialty Shop Licensees*: Containers must be smaller than five and one-half gallons.

State law and Board rules impose registration requirements on establishments selling or leasing kegs or other large containers. Sellers must always require purchasers to show proof of identification. Additionally, the seller and purchaser must complete a form with information about the purchaser's identity and the address where the keg will be located or consumed. Copies of the registration must be provided to the purchaser, kept by the seller, and posted on the container. Finally, the purchaser must affirm that he or she: (1) is at least 21 years old, (2) will not tamper with the registration form, and (3) will not provide alcohol to a minor.

Kegs of malt liquor may not be sold by businesses holding spirits, beer, and wine licenses.

#### Spirits, Beer, and Wine Restaurant Licenses

Businesses with a spirits, beer, and wine restaurant license may sell distilled spirits, beer, and wine by the glass for on-premises consumption. Beer and spirits may not be sold for off-premises consumption. Some sales of wine for off-premises consumption are allowed under limited circumstances.

Hotels, clubs, civic centers, tourist resorts, sports and entertainment facilities, trains, boats, and airplanes with designated dining spaces may also apply for a spirits, beer, and wine restaurant license if they meet the regulations adopted by the Board. These include menu, hours, and floor space requirements.

A separate provision of the law addresses restaurants that do not serve the general public. Restaurants that selectively restrict access (for example, by using membership requirements) may also receive a spirits, beer, and wine restaurant license if they meet some additional requirements. They have the same restrictions on sale for off-premises consumption as restaurants that are open to the general public.

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#### **Summary of Second Substitute Bill:**

The statute creating spirits, beer, and wine restaurant licenses for restaurants open to the general public is amended. With an endorsement from the Liquor Control Board, these businesses may sell malt liquor in kegs or other containers capable of holding four or more gallons. The kegs must meet the same registration requirements as kegs sold in

establishments with beer and/or wine restaurant licenses, taverns, grocery stores, and beer and/or wine specialty shops.

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**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** The bill takes effect 90 days after adjournment of session in which bill is passed.

**Testimony For:** (In support) Restaurants want to be able to upgrade to spirits, beer, and wine restaurants without losing the ability to sell alcohol in containers larger than four gallons. In smaller communities, there are often no places to buy or rent kegs. Kegs are a high profit item and their availability is a convenience to many customers. Sales will still have to conform to keg registration requirements.

**Testimony Against:** None.

**Persons Testifying:** (In support) Michael Transue, Washington Restaurant Association; and Phil Wayt, Washington Beer & Wine Wholesalers Association.

(Neutral) Rick Garza, Liquor Control Board.

**Persons Signed In To Testify But Not Testifying:** None.