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**Commerce & Labor Committee**

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**HB 3150**

**Brief Description:** Concerning efforts to promote the wine industry.

**Sponsors:** Representatives Condotta, Linville, Kenney, Chase, Kessler, Conway, Holmquist, Morrell, Newhouse and Armstrong.

**Brief Summary of Bill**

- Permits wine manufacturers, distributors, and retailers to partner with one another to conduct certain promotional activities.
- Provides that certain promotional activities are not subject to the Liquor Control Board's rules on liquor advertising.

**Hearing Date:** 1/30/06

**Staff:** Jill Reinmuth (786-7134).

**Background:**

Washington's "tied house" law prohibits manufacturers and their trade associations from partnering with retailers to promote their businesses. Prohibited practices include joint advertising, such as brochures that name both non-retail licensees and retail licensees.

Washington law authorizes the Liquor Control Board (Board) to adopt rules as to liquor advertising. (In-store liquor merchandising is not subject to the Board's rules on liquor advertising.) The Board has adopted rules governing the kind, character, and location of advertising, including brand advertising by manufacturers and retailers, institutional advertising, outdoor advertising, novelty advertising, brand signs, and point-of-sale materials.

**Summary of Bill:**

Domestic wineries, certificate of approval holders and authorized representatives of out-of-state wineries, wine distributors, and wine retailers may partner with one another to conduct in-store liquor merchandising and private label wine marketing. They also may partner with one another to produce brochures and materials containing information regarding domestic wineries and their products and other licensed persons. Like in-store liquor merchandising, private label wine marketing and the brochures and materials described above are not subject to the Liquor Control Board's rules on liquor advertising

**Rulemaking Authority:** The bill modifies the Liquor Control Board's rule-making authority by specifying that private label wine marketing and certain brochures and materials are not subject to the Board's rules on liquor advertising.

**Appropriation:** None.

**Fiscal Note:** Requested on January 26, 2006.

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