

# SENATE BILL REPORT

## SSB 5834

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As Amended by House, April 9, 2009

**Title:** An act relating to alcoholic beverage regulation.

**Brief Description:** Regarding alcoholic beverage regulation.

**Sponsors:** Senate Committee on Labor, Commerce & Consumer Protection (originally sponsored by Senators Kohl-Welles and Holmquist).

**Brief History:**

**Committee Activity:** Labor, Commerce & Consumer Protection: 2/19/09, 2/23/09 [DPS].

Passed Senate: 3/06/09, 46-1.

Passed House: 4/09/09, 98-0.

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### SENATE COMMITTEE ON LABOR, COMMERCE & CONSUMER PROTECTION

**Majority Report:** That Substitute Senate Bill No. 5834 be substituted therefor, and the substitute bill do pass.

Signed by Senators Kohl-Welles, Chair; Keiser, Vice Chair; Holmquist, Ranking Minority Member; Franklin, Honeyford, King and Kline.

**Staff:** Mac Nicholson (786-7445)

**Background:** The Liquor Control Board (LCB) regulates the manufacture, distribution, sale, and consumption of liquor in the state. There are a number of different retail licenses available, with differing powers and prohibitions depending on the type of license. During previous sessions, a group of industry stakeholders has worked together and proposed legislation making a number of changes regarding retail license powers and prohibitions.

**Summary of Substitute Bill:** Holders of a private club license may sell any bottled wine for off-premise consumption, rather than just wine vinted and bottled in Washington carrying a label exclusive to the license holder.

A domestic winery operating as a distributor of its own product may maintain one off-premise warehouse for distribution, subject to LCB approval.

A domestic winery or certificate of approval holder may perform pouring services for an individual holding a special occasion or a private club license.

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

Beer and/or wine specialty shop licensees can obtain an endorsement to sell beer in kegs or other containers capable of holding more than four gallons of liquid, subject to keg registration requirements.

Domestic distillers and accredited representatives of distillers or importers of spirits may donate spirits to 501(c)(3) and 501(c)(6) nonprofit charitable corporations.

Up to 20 cases of wine may be transferred annually from one licensed location to another so long as both locations are under common ownership.

The termination date on the ability of the Washington Beer Commission to receive gifts and grants from public or private sources is removed.

Checks, credit or debit cards, electronic funds transfers, and other similar methods can be used as cash payments, provided the electronic fund transfers are voluntary, conducted pursuant to a written agreement, are initiated no later than the first business day following delivery, and are completed as promptly as is practical but no later than five business days following delivery.

**Appropriation:** None.

**Fiscal Note:** Available.

**Committee/Commission/Task Force Created:** No.

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

**Staff Summary of Public Testimony:** PRO: A considerable amount of time was spent by many stakeholders putting the legislation together. There are two pieces in the bill that are recommendations of the Joint Select Committee on Beer and Wine Regulation that met during the summer. This bill modernizes beer and wine regulations.

**Persons Testifying:** PRO: Holly Chisa, North West Grocery Association; Carolyn Logue, Washington Food Industry; Carrie Tellefson, Distillery Representatives Association of Washington; Michael Transue, Washington Restaurant Association; Ron Main, Washington Beer and Wine Wholesalers.

**House Amendment(s):** An out-of-state brewery or winery may appoint more than one authorized representative to market and sell its products. An out-of-state brewery or winery is no longer precluded from appointing an authorized representative if the brewery or winery holds a certificate of approval. Authorized representatives are limited to acquiring ownership of beer or wine produced in the United States, but outside the state of Washington.