
State Government & Tribal Affairs
Committee

HB 1482

Brief Description: Concerning wine shipments.

Sponsors: Representatives Finn, Warnick and Johnson.

Brief Summary of Bill

- Allows liquor licensees to ship wine directly to Washington consumers.
- Requires licensees other than board-licensed retailers selling and shipping wine to Washington consumers to pay applicable taxes.
- Modifies the wine shipper's permitting process and required permit fee.

Hearing Date: 2/17/11

Staff: Miranda Leskinen (786-7291).

Background:

The term "wine" means any alcoholic beverage obtained by fermentation of fruits (grapes, berries, apples, et cetera) or other agricultural product containing sugar, to which any saccharine substances may have been added before, during, or after fermentation, and containing not more than 24 percent of alcohol by volume. This includes sweet wines fortified with wine spirits, such as port, sherry, muscatel and angelica that do not exceed 24 percent of alcohol by volume and not less than 0.5 percent of alcohol by volume.

Domestic and out-of-state wineries may ship wine to Washington residents ages 21 and over for personal use if the winery complies with existing law and requirements established by the Liquor Control Board (Board).

Domestic wineries must be licensed by the Board and pay an annual license fee. To sell wine in the state to distributors and retailers, out-of-state wineries must obtain a certificate of approval

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from the Board. Domestic wineries and wineries with a certificate of approval may ship wine directly to Washington residents. Out-of-state wineries without a certificate of approval must obtain a wine shipper's permit. Wineries engaged in direct shipping must meet labeling, advertising, shipping, private carrier delivery, fees, taxes, and reporting requirements. Reports must be filed monthly.

Summary of Bill:

Licenses who manufacture, produce, blend, supply, furnish, import, wholesale, distribute, or retail wine may ship wine to persons in Washington ages 21 and over for personal use and not for resale. Licenses must be licensed by the Board and pay the annual license fee, or obtain a wine shipper's permit per the process established by the Board and pay a fee if they are located out-of-state. The entities eligible for a wine shipper's permit are expanded to include any licenses located out-of-state.

Licenses must meet labeling, shipping, private carrier delivery, and reporting requirements. Furthermore, licenses shipping wine to Washington consumers must annually report the total shipments they made directly to Washington consumers. However, if the shipment total is less than 10,000 cases a year, the board may require more frequent reports on up to a monthly basis.

An electronic application is required for obtaining a wine shipper's permit. The permit fee may not exceed \$100 the first year, and \$50 to renew the permit in subsequent years. Licenses who fail to comply with applicable state laws must have their permit suspended or revoked.

Licenses, other than retailers licensed by the Board, selling and shipping wine to Washington consumers must pay applicable taxes on the wine. Washington consumers are not responsible for these taxes.

Appropriation: None.

Fiscal Note: Available.

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