HOUSE BILL 1429

State of Washington 64th Legislature 2015 Regular Session

By Representatives S. Hunt and Hurst

Read first time 01/20/15. Referred to Committee on Commerce & Gaming.

1 AN ACT Relating to performance of personal services by liquor 2 industry members to retailers; and amending RCW 66.28.310.

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

4 Sec. 1. RCW 66.28.310 and 2014 c 92 s 5 are each amended to read 5 as follows:

6 (1)(a) Nothing in RCW 66.28.305 prohibits an industry member from 7 providing retailers branded promotional items which are of nominal 8 value, singly or in the aggregate. Such items include but are not 9 limited to: Trays, lighters, blotters, postcards, pencils, coasters, 10 menu cards, meal checks, napkins, clocks, mugs, glasses, bottles or 11 can openers, corkscrews, matches, printed recipes, shirts, hats, 12 visors, and other similar items. Branded promotional items:

(i) Must be used exclusively by the retailer or its employees ina manner consistent with its license;

15 (ii) Must bear imprinted advertising matter of the industry 16 member only, except imprinted advertising matter of the industry 17 member can include the logo of a professional sports team which the 18 industry member is licensed to use;

(iii) May be provided by industry members only to retailers and their employees and may not be provided by or through retailers or their employees to retail customers; and

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(iv) May not be targeted to or appeal principally to youth.

2 (b) An industry member is not obligated to provide any such 3 branded promotional items, and a retailer may not require an industry 4 member to provide such branded promotional items as a condition for 5 selling any alcohol to the retailer.

б (c) Any industry member or retailer or any other person asserting 7 that the provision of branded promotional items as allowed in (a) of this subsection has resulted or is more likely than not to result in 8 undue influence or an adverse impact on public health and safety, or 9 is otherwise inconsistent with the criteria in (a) of this subsection 10 may file a complaint with the board. Upon receipt of a complaint the 11 12 board may conduct such investigation as it deems appropriate in the circumstances. If the investigation reveals the provision of branded 13 promotional items has resulted in or is more likely than not to 14 result in undue influence or has resulted or is more likely than not 15 16 to result in an adverse impact on public health and safety or is otherwise inconsistent with (a) of this subsection the board may 17 issue an administrative violation notice to the industry member, to 18 19 the retailer, or both. The recipient of the administrative violation notice may request a hearing under chapter 34.05 RCW. 20

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(2) Nothing in RCW 66.28.305 prohibits:

(a) An industry member from providing to a special occasion
 licensee and a special occasion licensee from receiving services for:

24 (i) Installation of draft beer dispensing equipment or 25 advertising;

26 (ii) Advertising, pouring, or dispensing of beer or wine at a27 beer or wine tasting exhibition or judging event; or

(iii) Pouring or dispensing of spirits by a licensed domestic distiller or the accredited representative of a distiller, manufacturer, importer, or distributor of spirituous liquor licensed under RCW 66.24.310; or

32 (b) Special occasion licensees from paying for beer, wine, or 33 spirits immediately following the end of the special occasion event; 34 or

(c) Wineries, breweries, or distilleries that are participating
 in a special occasion event from paying reasonable booth fees to the
 special occasion licensee.

38 (3) Nothing in RCW 66.28.305 prohibits industry members from
 39 performing, and retailers from accepting the service of building,
 40 rotating, and restocking displays and stockroom inventories; rotating

1 and rearranging can and bottle displays of their own products;
2 providing point of sale material and brand signs; pricing case goods
3 of their own brands; and performing such similar business services
4 consistent with board rules, or personal services as described in
5 subsection (5) of this section.

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(4) Nothing in RCW 66.28.305 prohibits:

7 (a) Industry members from listing on their internet web sites
8 information related to retailers who sell or promote their products,
9 including direct links to the retailers' internet web sites; and

10 (b) Retailers from listing on their internet web sites 11 information related to industry members whose products those 12 retailers sell or promote, including direct links to the industry 13 members' web sites; or

14 (c) Industry members and retailers from producing, jointly or 15 together with regional, state, or local industry associations, 16 brochures and materials promoting tourism in Washington state which 17 contain information regarding retail licensees, industry members, and 18 their products.

19 (5) Nothing in RCW 66.28.305 prohibits the performance of personal services offered from time to time by a domestic winery or 20 21 certificate of approval holder to retailers when the personal services are (a) conducted at a licensed premises, and (b) intended 22 to inform, educate, or enhance customers' knowledge or experience of 23 the manufacturer's products. The performance of personal services may 24 25 include participation and pouring, bottle signing events, enhanced 26 packaging promotions, and other similar informational or educational activities at the premises of a retailer holding a spirits, beer, and 27 wine restaurant license, a wine and/or beer restaurant license, a 28 29 specialty wine shop license, a special occasion license, a grocery store license with a tasting endorsement, or a private club license. 30 31 A domestic winery or certificate of approval holder is not obligated to perform any such personal services, and a retail licensee may not 32 require a domestic winery or certificate of approval holder to 33 conduct any personal service as a condition for selling any alcohol 34 to the retail licensee, or as a condition for including any product 35 of the domestic winery or certificate of approval holder in any 36 tasting conducted by the licensee. Except as provided in RCW 37 66.28.150, the cost of sampling may not be borne, directly or 38 39 indirectly, by any domestic winery or certificate of approval holder 40 or any distributor. Nothing in this section prohibits wineries,

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breweries, microbreweries, certificate of approval holders, and retail licensees from identifying the producers on private labels authorized under RCW 66.24.400, 66.24.425, 66.24.450, 66.24.360, and 66.24.371.

5 (6) Nothing in RCW 66.28.305 prohibits an industry member from 6 entering into an arrangement with any holder of a sports 7 entertainment facility license or an affiliated business for brand 8 advertising at the licensed facility or promoting events held at the 9 sports entertainment facility as authorized under RCW 66.24.570.

Nothing in RCW 66.28.305 prohibits the performance of 10 (7) personal services offered from time to time by a domestic brewery, 11 12 microbrewery, or beer certificate of approval holder to grocery store licensees with a tasting endorsement or to beer and/or wine specialty 13 14 shop licensees when the personal services are (a) conducted at a licensed premises in conjunction with a tasting event, and (b) 15 16 intended to inform, educate, or enhance customers' knowledge or 17 experience of the manufacturer's products. The performance of 18 personal services may include participation and pouring, bottle 19 signing events, enhanced packaging promotions, and other similar informational or educational activities. A domestic brewery, 20 21 microbrewery, or beer certificate of approval holder is not obligated to perform any such personal services, and a grocery store or beer 22 and/or wine specialty shop licensee may not require the performance 23 of any personal service as a condition for including any product in 24 25 any tasting conducted by the licensee.

26 (8) Nothing in RCW 66.28.305 prohibits an arrangement between a 27 domestic winery and a restaurant licensed under RCW 66.24.320 or 28 66.24.400 to waive a corkage fee.

(9) Nothing in this section prohibits professional sports teams 29 who hold a retail liquor license or their agents from accepting bona 30 31 fide liquor advertising from manufacturers, importers, distributors, or their agents for use in the sporting arena. Professional sports 32 teams who hold a retail liquor license or their agents may license 33 the manufacturer, importer, distributor, or their agents to use the 34 name and trademarks of the professional sports team in their 35 36 advertising and promotions, under the following conditions:

37 (a) Such advertising must be paid for by said manufacturer,
 38 importer, distributor, or their agent at the published advertising
 39 rate or at a reasonable fair market value.

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1 (b) Such advertising may carry with it no express or implied 2 offer on the part of the manufacturer, importer, distributor, or 3 their agent, or promise on the part of the retail licensee whose 4 operation is directly or indirectly part of the sporting arena, to 5 stock or list any particular brand of liquor to the total or partial 6 exclusion of any other brand.

(10) Nothing in RCW 66.28.305 prohibits the performance of 7 personal services offered from time to time by a distiller, importer, 8 manufacturer of spirits, or spirits importer to retailers when the 9 10 personal services are (a) conducted at a licensed premises, and (b) intended to inform, educate, or enhance customers' knowledge or 11 experience of the manufacturer's products. The performance of 12 personal services may include participation and pouring, bottle 13 signing events, enhanced packaging promotions, and other similar 14 informational or educational activities at the premises of a grocery 15 store with a spirits retail license and a tasting endorsement or beer 16 17 and wine specialty shop with a spirits retail license. Any spirit sampling at such an event must be conducted pursuant to RCW 18 66.24.670. A distiller, importer, manufacturer of spirits, or spirits 19 importer is not obligated to perform any such personal services, and 20 a retail licensee may not require a distiller, importer, manufacturer 21 22 of spirits, or spirits importer to conduct any personal service as a condition for selling any alcohol to the retail licensee, or as a 23 condition for including any product of the distiller, importer, 24 25 manufacturer of spirits, or spirits importer in any tasting conducted by the licensee. Except as provided in RCW 66.28.150, the cost of 26 sampling may not be borne, directly or indirectly, by any distiller, 27 28 importer, manufacturer of spirits, or spirits importer. Nothing in this section prohibits a certificate of approval holder, distiller, 29 30 importer, manufacturer of spirits, or spirits importer from identifying the producers on private labels authorized under RCW 31 66.24.400, 66.24.425, 66.24.450, 66.24.360, and 66.24.371. 32

33 (11) The personal services provided by an industry member to a 34 retailer under subsection (5), (7), or (10) of this section may be 35 provided by an agent of the industry member.

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