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## Commerce & Gaming Committee

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### HB 2800

**Brief Description:** Concerning the performance of personal services by a craft distillery, distiller, spirits certificate of approval holder, or distributor.

**Sponsors:** Representatives Kirby, Vick and Eslick.

#### Brief Summary of Bill

- Authorizes a craft distillery, distillery, spirits certificate-of-approval holder, or distributor to provide personal services to certain liquor retailers when intended to inform, educate, or enhance customers' knowledge or experience of the manufacturer's products.
- Provides that personal services may include pourings, bottle-signing events, and other informational or educational activities.
- Limits the retailers who may receive these personal services to: (1) spirits, beer, and wine restaurants; (2) special occasion licensees; and (3) and private clubs.
- Provides that the instruction of consumers may include the furnishing of no more than three tastings to an individual per day, and that a single tasting of distilled spirits may not exceed 0.5 ounce.

**Hearing Date:** 2/4/20

**Staff:** Peter Clodfelter (786-7127).

#### Background:

Washington's tied-house laws regulate the relationship between liquor manufacturers, distributors, and retailers. In general, tied-house laws are meant to regulate how liquor is marketed and to prevent the vertical integration of the three tiers of the liquor industry. Manufacturers and distributors are included in the definition of industry member. The general requirement is that no industry member may advance and no retailer may receive monies or monies' worth under an agreement, or by means of any other business practice or arrangement.

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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.*

An exception to the tied-house laws allows domestic wineries and wine certificate-of-approval holders to offer personal services like pourings, bottle-signing events, and similar informational activities at the premises of certain licensed liquor retailers like restaurants, specialty wine shops, grocery stores with a tasting endorsement, special occasion licensed events, and private clubs. Personal services must be intended to inform, educate, or enhance customers' knowledge or experience of the wineries' products. If the personal services include sampling of wine, the sampling costs may not be borne by the winery.

Another similar exception allows domestic breweries, microbreweries, and beer certificate-of-approval holders to offer the same types of personal services to grocery store licensees with a tasting endorsement during a tasting event. Wineries, breweries, and certificate-of-approval holders are not required to perform any personal services.

**Summary of Bill:**

Authorization is added for craft distilleries, distilleries, spirits certificate-of-approval holders, and distributors to provide personal services to certain liquor retailers, subject to the following limitations:

- The personal services must be conducted at a licensed premises and be intended to inform, educate, or enhance customers' knowledge or experience of the manufacturer's products.
- The performance of personal services may include participation and pouring, bottle-signing events, and other similar informational or educational activities.
- The personal services must be performed at the premises of: (1) a restaurant holding a spirits, beer, and wine license; (2) a special occasion licensed event; or (3) a club holding a private club license.
- A craft distillery, distillery, spirits certificate-of-approval holder, or distributor is not obligated to perform personal services, and a retail licensee may not require such a manufacturer or distributor to conduct personal service as a condition of selling any alcohol to the retail licensee, or as a condition for including any product of the manufacturer or distributor in any tasting conducted by the licensee.
- The instruction of consumers may include the furnishing of not more than three tastings to any individual in one day. A single tasting of distilled spirits may not exceed 0.5 ounce.

**Appropriation:** None.

**Fiscal Note:** Not requested.

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