

# SENATE BILL REPORT

## HB 2496

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As Reported By Senate Committee On:  
Commerce, Trade, Housing & Financial Institutions, February 17, 2000

**Title:** An act relating to the furnishing of wine or beer to nonprofit charitable organizations.

**Brief Description:** Creating an exemption for out-of-state certificate of approval holders that furnish wine or beer to nonprofit charitable organizations.

**Sponsors:** Representatives Delvin, Wood, Clements, Conway and B. Chandler.

**Brief History:**

**Committee Activity:** Commerce, Trade, Housing & Financial Institutions: 2/17/2000  
[DP].

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### SENATE COMMITTEE ON COMMERCE, TRADE, HOUSING & FINANCIAL INSTITUTIONS

**Majority Report:** Do pass.

Signed by Senators Prentice, Chair; Shin, Vice Chair; Gardner, Hale, Heavey, Rasmussen, T. Sheldon and Winsley.

**Staff:** Catherine Mele (786-7470)

**Background:** Liquor manufacturers and distributors may not give away liquor to any person except as allowed by law.

The law allows exceptions to this prohibition for specific purposes such as allowing a manufacturer to negotiate a sale to the Liquor Control Board or a retail licensee. Other exceptions require that the liquor be consumed in a designated place to a limited group of people such as during an educational presentation to an organization formed for the purpose of studying wine and wine making. Breweries and wineries may furnish tastings of beer or wine free of charge at the brewery or winery. The liquor laws provide for a limited number of occasions when liquor may be furnished or donated for a specific event to a specific audience such as delegates to an international trade fair conducted by a governmental entity.

In 1998, the Legislature added an exception allowing a domestic winery to furnish wine without charge and a domestic brewery to furnish beer without charge to nonprofit charitable organizations for use consistent with the purpose of the organization. Organizations qualify if they are exempt from taxation under section 501(c)(3) of the Internal Revenue Code. No similar exception exists for donations of beer or wine for out-of-state breweries and wineries.

Consistent with other exceptions for donating beer and wine, the beer and wine are subject to state beer and wine taxes.

**Summary of Bill:** Out-of-state breweries and wineries may donate beer or wine at no charge to charitable and nonprofit organizations for use consistent with the purpose of the organization.

**Appropriation:** None.

**Fiscal Note:** Available.

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

**Testimony For:** The bill helps adults learn about fine wine. Perhaps wineries would donate to an auction and bring in a nice contribution. California has this law already. This would further Anheuser-Busch's ability to donate beer to nonprofits in Washington.

**Testimony Against:** None.

**Testified:** Rep. Jerome Delvin, prime sponsor (pro); Mark Greenberg, Anheuser-Busch (pro); Sharon Foster, Wine Institute (pro).