

SENATE BILL REPORT

SB 6842

As Reported By Senate Committee On:
Labor, Commerce, Research & Development, February 2, 2006

Title: An act relating to allowing for financial arrangements between the holders of a sports/entertainment facility license and manufacturers, importers, and distributors.

Brief Description: Concerning financial arrangements involving sports/entertainment facility license holders.

Sponsors: Senators Kohl-Welles and Honeyford.

Brief History:

Committee Activity: Labor, Commerce, Research & Development: 2/2/06 [DP].

SENATE COMMITTEE ON LABOR, COMMERCE, RESEARCH & DEVELOPMENT

Majority Report: Do pass.

Signed by Senators Kohl-Welles, Chair; Franklin, Vice Chair; Parlette, Ranking Minority Member; Hewitt, Honeyford, Keiser and Prentice.

Staff: Jennifer Strus (786-7316)

Background: Generally, no manufacturer, importer, distributor, or authorized representative may have any direct or indirect financial interest in any retail business with a liquor license. No manufacturer, importer, distributor, or authorized representative may advance money to a licensee.

Summary of Bill: A manufacturer, importer, or distributor may enter into an arrangement with a sports/entertainment facility licensee to allow brand advertising at the licensed facility or to promote events at the facility. This financial arrangement cannot be used by the manufacturer, importer, or distributor to induce persons to purchase its products, nor can it be used to exclude other companies' brands or products.

Appropriation: None.

Fiscal Note: Not requested.

Committee/Commission/Task Force Created: No.

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

Testimony For: This bill will bring the tied house law into line with what other states are doing regarding sports facilities. Allowing this action will bring a critical revenue stream to these facilities. Partnering with alcohol producers is common practice across the country. Emerald Downs has a handicap race each year sponsored by Anheuser Busch; it is part of a

nationwide program. It is apparently a violation of the tied house laws and this bill would allow them to continue to offer the handicap race.

Testimony Against: None.

Testimony Other: Since the LCB is planning to embark upon an in-depth study of the tied house laws and the three-tier system, we see no reason why this bill is critical at this moment. Every year there are a number of bills before the Legislature asking for exemptions from the tied house laws; this is another of those. It should wait until the LCB comes out with recommendations rather than create an exemption that might have to be removed next session.

Who Testified: PRO: Becky Bogard, Washington State Sports & Entertainment Facilities Operators Association; Kim Bedier, Washington State Sports & Entertainment Facilities Operators Association; Jim Halstrom, Emerald Downs.

OTHER: Rick Garza, LCB; Phil Wagt, Washington Beer and Wine Wholesalers Association.