

SENATE BILL REPORT

SB 5517

As Reported by Senate Committee On:
Commerce & Labor, February 18, 2013

Title: An act relating to the beer and wine tasting endorsement for grocery stores.

Brief Description: Changing the criteria for the beer and wine tasting endorsement for grocery stores.

Sponsors: Senators Hobbs, Hewitt, Hatfield, Honeyford and Shin.

Brief History:

Committee Activity: Commerce & Labor: 2/11/13, 2/18/13 [DPS].

SENATE COMMITTEE ON COMMERCE & LABOR

Majority Report: That Substitute Senate Bill No. 5517 be substituted therefor, and the substitute bill do pass.

Signed by Senators Holmquist Newbry, Chair; Braun, Vice Chair; Conway, Ranking Member; Hewitt, Keiser and King.

Staff: Edith Rice (786-7444)

Background: Grocery stores licensed by the Liquor Control Board (LCB) to sell beer and wine are able to apply to LCB for an endorsement that allows them to offer beer and wine tasting. In order to qualify for this endorsement the grocery store must have retail sales of grocery products for off-premises consumption that amount to more than 50 percent of the licensee's gross sales, or be a membership organization with a requirement that members be over the age of 18. The grocery store must be 9000 square feet.

Beer and wine tasting samples must be two ounces or less, with up to a total of four ounces permitted per customer during a visit. Food must be available, customers tasting beer or wine must remain in the service area, and the service area must be where the licensee can ensure that persons under 21 and apparently intoxicated persons cannot possess or consume alcohol. Servers must have a class 12 alcohol server permit. The annual fee for the endorsement is \$200. LCB can adopt rules to implement this practice.

Summary of Bill (Recommended Substitute): Grocery stores licensed by LCB to sell beer and wine are able to apply to LCB for an endorsement that allows them to offer beer and

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wine tasting if they operate a fully enclosed retail area encompassing at least 10,000 square feet.

EFFECT OF CHANGES MADE BY COMMERCE & LABOR COMMITTEE (Recommended Substitute): The requirement that retail sales of grocery products for off-premises consumption be more than 35 percent of the licensee's gross sales is removed. The square footage requirement is increased from 9000 square feet to 10,000 square feet.

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.

Staff Summary of Public Testimony on Original Bill: PRO: The ability to expand tasting at grocery locations will help promote the beer and wine industry. This allows us to compete in the retail market. Our customers ask for tastings.

CON: We do not need more places to do tasting, this is stretching the ability of LCB to do compliance checks. Additional funding should be provided for compliance checks.

Persons Testifying: PRO: Senator Hobbs, prime sponsor; Michael Johnson, Cost Plus World Markets, Mark Johnson, WA Retail Assn.

CON: Mary Ellen de la Pena, WA Assn. of Substance Abuse and Violence Prevention.