

# SENATE BILL REPORT

## SB 5628

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As of February 12, 2013

**Title:** An act relating to allowing multiple liquor licenses at the same physical premises.

**Brief Description:** Allowing multiple liquor licenses at the same physical premises.

**Sponsors:** Senator Kline.

**Brief History:**

**Committee Activity:** Commerce & Labor: 2/11/13.

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### SENATE COMMITTEE ON COMMERCE & LABOR

**Staff:** Edith Rice (786-7444)

**Background:** The laws governing the relationship between liquor industry members, both in production and distribution, and retailers are often referred to as the three-tier laws. The Legislature has determined that the laws that govern liquor retailers and industry members apply to beer, wine, and spirits and do not interfere with protecting the public interest and public safety. Subject to specific limitations, industry members can have a financial interest in other industry members or retailers unless such an interest has resulted in or is likely to result in undue influence over the retailer or industry member, or is more likely than not to result in an adverse impact on public health and safety. There are specific exceptions provided for in law. For example a licensed brewery may be licensed as a retailer to sell its own beer. A craft distillery can sell its own spirits.

Industry members are not permitted to advance money or something of value to retailers. However, there are numerous exceptions in current law. For example, with some limitations, branded promotional items of nominal value may be provided to retailers. Special occasion licensees can be provided certain services from industry members such as installation of dispensing equipment, advertising, and payment of booth fees.

Industry members and retailers must keep records of items and services furnished, provided to, or purchased by retailers; industry member financial ownership in a retailer; and retail ownership interests in an industry member.

**Summary of Bill:** If a licensee complies with the laws relating to the three-tier system there is no limit as to the number or combination of liquor licenses that can be approved for the

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same premises, overlapping, adjacent, or separate premises whether it is to the same licensee or to different licensees with common property ownership.

Different licensees can allocate different parts of a single business location to separate licenses.

**Appropriation:** None.

**Fiscal Note:** Requested on February 11, 2013.

**Committee/Commission/Task Force Created:** No.

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

**Staff Summary of Public Testimony:** PRO: The current laws are a holdover from year ago that have been changed. This just allows LCB to do what they should be doing. This would allow some businesses to expand. This would allow innovation, and would allow businesses to share locations.

CON: This would create a great deal of confusion and eliminate any accountability. This is a broad-brush approach to a very specific problem.

**Persons Testifying:** PRO: Senator Kline, prime sponsor; William Packard, Tiger Mountain Services Bonded Wine Warehouse; John Bell, Family Wineries of WA State; Paul Beveridge, WilRidge Winery.

CON: Derek Franklin, WA Assn. for Substance Abuse and Violence Protection; Karen McCall, LCB; Ron Main, Assn. of WA Spirits and Wine Distributors.