

SENATE BILL REPORT

SB 6335

As of January 31, 2014

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: Senators Hewitt, Kohl-Welles, Keiser and Kline.

Brief History:

Committee Activity: Commerce & Labor: 2/05/14.

SENATE COMMITTEE ON COMMERCE & LABOR

Staff: Edith Rice (786-7444)

Background: The laws governing the relationship between liquor industry members, which include production, distribution, and retail sales, are referred to as the three-tier laws. The Legislature has determined that these laws have been unduly restrictive. 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 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.

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.

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 same, 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.

If there is a violation of the law prohibiting the sale of liquor to any person under the influence of liquor, or the law prohibiting the furnishing or sale of liquor to a minor, which occurs on a single premises with multiple licenses, the Liquor Control Board can hold all the licensees at the premises jointly liable.

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.