

HOUSE BILL REPORT

SB 5164

As Reported by House Committee On: Commerce & Gaming

Title: An act relating to authorizing grocery store license endorsements allowing beer and wine tastings at certain grocery stores that specialize in the sale of meat, poultry, seafood, or cheese.

Brief Description: Authorizing grocery store license endorsements allowing beer and wine tastings at certain grocery stores that specialize in the sale of meat, poultry, seafood, or cheese.

Sponsors: Senators Keiser, Fain, Rivers and Rolfes.

Brief History:

Committee Activity:

Commerce & Gaming: 3/13/17, 3/20/17 [DP].

Brief Summary of Bill

- Authorizes the Liquor and Cannabis Board to issue a beer and wine tasting endorsement to a grocery store with a retail area of less than 10,000 square feet, provided the store derives at least 50 percent of its revenue from the sale of any combination of fresh meat, fresh poultry, seafood, or cheese.

HOUSE COMMITTEE ON COMMERCE & GAMING

Majority Report: Do pass. Signed by 11 members: Representatives Sawyer, Chair; Kloba, Vice Chair; Condotta, Ranking Minority Member; Vick, Assistant Ranking Minority Member; Barkis, Blake, Farrell, Jenkin, Kirby, Ryu and Young.

Staff: Thamas Osborn (786-7129).

Background:

A grocery store licensed to sell beer and/or wine may obtain an endorsement from the Liquor and Cannabis Board (LCB) to offer beer and wine tastings. To be eligible, a store must meet the following criteria:

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.

- The store must operate a fully enclosed retail area that encompasses at least 10,000 square feet.
- The store has not had more than one public safety violation within the two years preceding its application for the endorsement.

The LCB may issue a beer and wine tasting endorsement to a store with a retail area smaller than 10,000 square feet if the store meets operational requirements established by the LCB and the LCB finds there are no stores in the community that meet the minimum size requirement.

Grocery stores with beer and wine tasting endorsements must comply with specified requirements, including:

- The licensee must be able to observe and control customers in the service area.
- Individual samples are limited to 2 ounces, up to a total of 4 ounces, per customer, per visit.
- Food for participants must be available.
- Customers must remain in the service area while consuming samples.
- Employees of licensees whose duties include serving beer and/or wine during tasting events must hold a Class 12 alcohol server permit.

A tasting endorsement may be suspended and not reissued for up to two years if a licensee commits a public safety violation in conjunction with tasting activities.

The fee for the tasting endorsement is \$200 per year. The LCB may increase the fee up to 10 percent annually to defray the cost of the administration and enforcement of the endorsement.

Summary of Bill:

The LCB is authorized to issue a beer and wine tasting endorsement to a grocery store with a retail area of less than 10,000 square feet, provided the store derives at least 50 percent of its revenue from the sale of any combination of fresh meat, fresh poultry, seafood, or cheese. The term "fresh" has the same meaning as established by the United States Food and Drug Administration.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) Currently, beer and wine tastings are only allowed in very large stores, such as supermarkets, whose retail space encompasses at least 10,000 square feet. Small specialty food stores are prohibited from having beer and wine tastings, which puts them at a competitive disadvantage and makes little sense. The bill would put the small specialty stores on a more equal footing and would result in increased sales. Small convenience stores are not covered by the bill insofar as the bill requires that 50 percent of a store's sales revenues be derived from the sale of fresh meat, poultry, seafood, or cheese. Many specialty food stores are already licensed to sell beer and wine for off-premises consumption, so this bill makes only a small change to existing law. Passage of the bill would help level the playing field with respect to competition between large supermarkets and small specialty food stores.

(Opposed) None.

(Other) Allowing the small specialty food stores to have beer and wine tastings would not appear to present any public safety or health concerns. The statistics are unclear, but there may be as many as 250 small food stores that might apply for the endorsement. However, it is more likely that only a few dozen shops would apply.

Persons Testifying: (In support) Senator Keiser, prime sponsor; and Jeff Green, B & E Meats and Seafood.

(Other) James Paribello, Liquor and Cannabis Board.

Persons Signed In To Testify But Not Testifying: None.