HOUSE BILL REPORT ESSB 6346

As Reported by House Committee On: Appropriations

Title: An act relating to allowing the sale of wine by microbrewery license holders.

Brief Description: Allowing the sale of wine by microbrewery license holders.

Sponsors: Senate Committee on Labor & Commerce (originally sponsored by Senator Takko).

Brief History:

Committee Activity:

Appropriations: 3/6/18 [DPA].

Brief Summary of Engrossed Substitute Bill (As Amended by Committee)

- Authorizes the Liquor and Cannabis Board to issue a license endorsement allowing a microbrewery to sell wine produced by a domestic winery, by the glass, for on-premises consumption.
- Establishes a \$125 annual fee for the license endorsement.
- Requires a person who sells or serves beer, cider, or wine at a microbrewery for on-premises consumption to have a class 12 or class 13 alcohol server permit.

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: Do pass as amended. Signed by 17 members: Representatives Ormsby, Chair; Robinson, Vice Chair; Bergquist, Cody, Fitzgibbon, Hansen, Hudgins, Jinkins, Kagi, Lytton, Pettigrew, Pollet, Sawyer, Senn, Springer, Sullivan and Tharinger.

Minority Report: Do not pass. Signed by 13 members: Representatives Chandler, Ranking Minority Member; MacEwen, Assistant Ranking Minority Member; Stokesbary, Assistant Ranking Minority Member; Buys, Graves, Haler, Manweller, Schmick, Stanford, Taylor, Vick, Volz and Wilcox.

Minority Report: Without recommendation. Signed by 1 member: Representative Harris.

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.

Background:

Microbreweries.

A state-licensed microbrewery is authorized to produce up to 60,000 barrels of malt liquor, including strong beer, per year. A microbrewery is permitted to sell from its premises, for onpremises or off-premises consumption: (1) beer of its own production; (2) beer produced by another microbrewery or domestic brewery, provided that the other brewery's beers do not constitute more than 25 percent of the licensee's on-tap offerings; and (3) cider produced by a domestic winery. A domestic winery is a place where wines are manufactured or produced within the State of Washington.

Alcohol Server Permits.

A class 13 permit is required for any person who takes orders for alcoholic beverages for onpremises consumption; who delivers alcoholic beverages to customers for on-premises consumption; or who opens or pours beer or wine into a customer's glass at the customer's table. A class 13 permit holder must be at least 18 years old.

A class 12 permit is required for anyone who manages a retail licensed premises that is licensed to sell alcoholic beverages for on-premises consumption; who sells, mixes, or draws from a dispensing device alcoholic beverages for on-premises consumption; or who supervises a class 13 permit holder. A class 12 permit holder must be at least 21 years old.

Training courses for class 12 or 13 permits must include the content of Washington liquor laws and regulations, legal hours of liquor sale and service, and prohibited conduct by patrons and employees. The courses must also address the subjects of the physiological effects of alcohol, driving while intoxicated, methods for checking proper identification of customers, and interventions with a problem customer.

Summary of Amended Bill:

The Liquor and Cannabis Board is authorized to issue a license endorsement to a microbrewery allowing the microbrewery to sell wine produced by a domestic winery, by the glass, for on-premises consumption. Any person who sells or serves beer, cider, or wine at a microbrewery for on-premises consumption must have a class 12 or class 13 alcohol permit. The annual fee for the license endorsement is \$125.

Amended Bill Compared to Engrossed Substitute Bill:

The requirement that servers at a microbrewery possess a class 12 or class 13 permit was added.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Amended Bill: The bill takes effect on October 1, 2018.

Staff Summary of Public Testimony:

(In support) The endorsement authorized under this bill would allow microbreweries to sell wine by the glass. Some microbrewery patrons do not drink beer and would prefer to have wine. This bill would allow that. It would also help small businesses and generate a small amount of revenue.

(Opposed) This bill represents a trend of legislation that generally allows for the expansion of the availability of alcohol. Any amendments that would expand the scope of this bill would also be opposed.

Persons Testifying: (In support) Senator Takko, prime sponsor.

(Opposed) Seth Dawson, Washington Association for Substance Abuse Prevention.

Persons Signed In To Testify But Not Testifying: None.