

HOUSE BILL REPORT

SSB 5520

*As Reported By House Committee on:
Commerce & Labor*

Title: An act relating to shipments of wine.

Brief Description: Creating permits for wine shipments to and from individuals.

Sponsor(s): Senate Committee on Commerce & Labor (originally sponsored by Senators Newhouse, Jesernig, Murray, Matson, Skratek, Vognild, Bluechel, McCaslin, West, Hayner, Stratton, Patterson, Gaspard, Rinehart, Bauer and Saling).

Brief History:

Reported by House Committee on:
Commerce & Labor, March 28, 1991, DP.

**HOUSE COMMITTEE ON
COMMERCE & LABOR**

Majority Report: *Do pass.* Signed by 11 members: Representatives Heavey, Chair; Cole, Vice Chair; Fuhrman, Ranking Minority Member; Lisk, Assistant Ranking Minority Member; Franklin; Jones; R. King; O'Brien; Prentice; Vance; and Wilson.

Staff: Jim Kelley (786-7166).

Background: An adult may bring wine for personal use into Washington from another state upon payment of a state markup and tax. The shipment of wine into this state directly to individuals for personal use is not authorized.

Under Washington law, Washington wineries are allowed to ship wine directly to persons in other states. However, this is subject to the laws in those states regarding whether the wine may be received.

Seven states, including California and Oregon, have passed reciprocal shipment legislation that would allow individuals in those states to receive wine shipped from Washington if Washington had wine shipment privileges equal to their own.

Summary of Bill: Wine manufacturers in states that afford Washington wineries an equal reciprocal shipping privilege may ship, for personal use and not for resale, no more than

two cases of wine of its own manufacture per year to any adult Washington resident.

Manufacturers wishing to ship wine into this state from a state granting reciprocal rights must first obtain a license from the Liquor Control Board. Delivery of a shipment shall not be deemed a sale in Washington.

The shipping container of any wine sent into or out of the state, under this act, must be labeled to indicate that it cannot be delivered to anyone who is under 21 or intoxicated.

It is a civil violation for a person to pick up, deliver, or accept wine shipped into the state from a person who is not licensed.

A manufacturer, shipper or person located outside of this state who, within Washington, advertises for or solicits consumers to engage in interstate wine shipment shall have its license revoked.

Fiscal Note: Available.

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

Testimony For: Washington is the second largest producer of wines in the United States, but we are missing a great opportunity to market our wine. This bill will allow us to ship wine to other states that have wine shipping reciprocity statutes. The most profitable aspect of the wine business for most wineries is direct sales from the winery to the consumer. This provides a good marketing tool.

Testimony Against: None.

Witnesses: Victoria Chiechi, Washington Wine Institute (in favor); Mary Jane Willard, Covey Run Winery (in favor); Carter Mitchell, Liquor Control Board (neutral); Dick Ducharme, Washington Beer and Wine Wholesalers Association (in favor); Jan Gee, Washington Retail Association (in favor); Jim Boldt, Washington Food Dealers Association (in favor); and John Stoddard, Paul Thomas Winery (in favor).