

SENATE BILL REPORT

SB 5520

AS REPORTED BY COMMITTEE ON COMMERCE & LABOR, MARCH 1, 1991

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

SPONSORS: Senators Newhouse, Jesernig, Murray, Matson, Skratek, Vognild, Bluechel, McCaslin, West, Hayner, Stratton, Patterson, Gaspard, Rinehart, Bauer and Saling.

SENATE COMMITTEE ON COMMERCE & LABOR

Majority Report: That Substitute Senate Bill No. 5520 be substituted therefor, and the substitute bill do pass.

Signed by Senators Matson, Chairman; Anderson, Vice Chairman; Bluechel, McCaslin, McDonald, McMullen, Murray, and Skratek.

Staff: Jonathan Seib (786-7427)

Hearing Dates: February 27, 1991; February 28, 1991; March 1, 1991

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, however, is not authorized.

Washington wineries are allowed to ship wine directly to persons in other states. This is subject, however, to the laws in those states, which often prohibit that wine from being received.

Seven states, including California and Oregon, have passed reciprocal shipment legislation which would allow individuals in those states to receive wine shipped from Washington if Washington had wine shipment privileges equal to their own. Washington wineries often attract tourists who desire to have the Washington wine shipped to their home or to another out-of-state resident.

SUMMARY:

Individuals or licensees in states which afford Washington individuals or licensees an equal reciprocal shipping privilege may ship, for personal use and not for resale, no more than two cases of wine per month to any adult Washington resident. Delivery of a shipment shall not be deemed a sale in Washington.

The shipping container of any wine sent must be labeled to indicate that it cannot be delivered to anyone under 21.

EFFECT OF PROPOSED SUBSTITUTE:

Wine manufacturers in states which 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 into this state under the act must first obtain a license from the State 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 the act must be labeled to indicate that it cannot be delivered to anyone who is under 21 or intoxicated.

A person who picks up, delivers, or accepts wine shipped into the state from a person who is not licensed as provided in the act is guilty of a civil violation and subject to the penalties imposed by RCW 66.44

Out-of-state manufacturers, shippers or persons who, within the state, advertise for or solicit consumers to engage in interstate wine shipment shall have any license received under this act revoked.

Appropriation: none

Revenue: none

Fiscal Note: requested February 25, 1991

TESTIMONY FOR:

The substitute bill will allow state wineries to ship their wine directly to persons out of state, benefitting these wineries and the tourism industry in general. The limitations in the substitute bill should prevent abuses by out-of-state manufacturers.

TESTIMONY AGAINST: None

TESTIFIED: Dick Ducharme, WA Beer and Wine Wholesalers Assn.; Vickie Chiechi, WA Wine Institute; Carter Mitchell, State Liquor Control Board