

VETO MESSAGE ON HB 2634-S

March 30, 1996

To the Honorable Speaker and Members,

The House of Representatives of the State of Washington
Ladies and Gentlemen:

I am returning herewith, without my approval, Substitute House Bill No. 2634 entitled:

"AN ACT Relating to the sale of malt liquor in kegs;"

Substitute House Bill No. 2634 would allow certain establishments that obtained Class H liquor licenses after January 1, 1993, to sell beer in kegs for off-site consumption. These establishments must have previously held Class A or B beer and wine only licenses.

The state's liquor licensing structure has always carefully differentiated between on-site and off-site consumption of wine and beer and hard spirits. The Liquor Control Board's ability to regulate effectively is impaired when these functions overlap. Such is the case with this bill.

Substitute House Bill No. 2634 carves out a particular segment of Class H licensees and provides them with an economic advantage that is not available to other Class H licensees. For example, those who obtained their Class H licenses before January 1, 1993, or who were not previously holders of beer and wine only licenses, would not be able to sell kegs for off-site consumption. This is an unacceptable inequity.

However, Substitute House Bill No. 2634 does raise valid issues and calls into question the underlying rationale of the state's liquor licensing structure. For this reason, I have asked the Liquor Control Board to review the current licensing structure as a whole and to recommend improvements for the 1997 legislative session.

For these reasons, I have vetoed Substitute House Bill No. 2634 in its entirety.

Respectfully submitted,
Mike Lowry
Governor