

HOUSE BILL REPORT

SSB 5051

As Reported by House Committee On:

Commerce & Labor

Title: An act relating to strong beer.

Brief Description: Removing the sale of strong beer from the exclusive jurisdiction of the liquor control board.

Sponsors: Senate Committee on Commerce & Trade (originally sponsored by Senator Jacobsen).

Brief History:

Committee Activity:

Commerce & Labor: 3/27/03, 4/3/03 [DPA].

<p style="text-align: center;">Brief Summary of Substitute Bill (As Amended by House Committee)</p>

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| <ul style="list-style-type: none">· Allows the sale of strong beer under the same provisions as regular beer. |
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HOUSE COMMITTEE ON COMMERCE & LABOR

Majority Report: Do pass as amended. Signed by 6 members: Representatives Conway, Chair; Condotta, Assistant Ranking Minority Member; Crouse, Holmquist, Kenney and McCoy.

Minority Report: Do not pass. Signed by 2 members: Representatives Wood, Vice Chair; and Hudgins.

Staff: Matt Cooper (786-7106).

Background:

Beer is a malt beverage containing less than 8.0 percent alcohol. *Strong beer* is a malt beverage containing more than 8.0 percent alcohol. *Fortified wine* is a beverage made from fermented fruit containing between 14 percent and 24 percent alcohol. *Spirits* are any beverage manufactured by distillation, and wines containing more than 24 percent alcohol.

The Liquor Control Board (Board) licenses manufacturers, distributors, and retailers of beer, wine, and spirits. Beer and wine may be sold at restaurants, taverns, private clubs, microbreweries, grocery stores, and beer and wine specialty shops. Spirits are sold for off-premises consumption through the state liquor store system.

Strong beer may only be sold at locations that may sell spirits. Strong beer is taxed under the same provisions as spirits.

The Board may restrict the sale of fortified wine if it finds the sale of fortified wines would be against public interest.

Summary of Amended Bill:

Strong beer may be manufactured, imported, distributed, and sold by Board licensees authorized to manufacture, import, distribute, and sell beer.

The Board may restrict the sale of strong beer if it finds the sale of strong beer would be against public interest.

Strong beer is taxed at the same rate as beer.

The Board will study the impact of the sale of strong beer and report the findings to the Legislature by December 31, 2008.

Amended Bill Compared to Substitute Bill:

The amended bill provides that microbreweries may not sell strong beer at farmers markets and that the Board will report to the Legislature by December 1, 2004, on the impact of the sale of strong beer.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Amended Bill: The bill contains an emergency clause and takes effect immediately.

Testimony For: This bill will treat beer and strong beer equally and make it easier for beer connoisseurs to purchase high-end beers. Strong beers are usually very expensive craft-brewed beers from Europe. Some of these beers cost over \$10 a can and \$50 per bottle.

Strong beer is a very small, specialized section of the market. Right now, people who buy these beers have to order them through the state liquor store system. Passing this bill will allow people to purchase these beers at any retailer who decides to stock them. The Liquor Control Board does not have any issues with this bill.

Testimony Against: None.

Testified: Senator Jacobsen, prime sponsor; Rick Garza, Liquor Control Board; and Phil Wayt, Washington Beer and Wine Wholesalers Association.