

FINAL BILL REPORT

SHB 3128

C 43 L 06

Synopsis as Enacted

Brief Description: Regulating the sale of wine by a society or organization.

Sponsors: By House Committee on Commerce & Labor (originally sponsored by Representatives Kenney, Hankins, Conway, Chandler, Wood, Condotta, Newhouse and Springer).

House Committee on Commerce & Labor

Senate Committee on Labor, Commerce, Research & Development

Background:

Tied-House Law

Under Washington's "tied-house" law, certain financial "ties" or business relationships are prohibited between alcohol manufacturers, importers, or distributors on the one hand and alcohol retailers on the other. Generally, a manufacturer or wholesaler, or person interested in such a business, may not have a financial interest in a licensed retail business. Retailers may not conduct their business on property owned by a manufacturer or wholesaler. The tied-house law also prevents an alcohol manufacturer or wholesaler from giving money, items of value, or credit to a retailer.

Special Occasion Licenses

A not-for-profit group organized and operated solely for charitable, religious, social, political, educational, civic, fraternal, athletic, or benevolent purposes may obtain a retail alcohol license called a special occasion license. The special occasion license allows the not-for-profit group to sell spirits, beer, and wine for on-premises consumption at a specified event, such as at picnics or other special occasions, at a specific date and place. Special occasion licensees are limited to sales of no more than 12 days per calendar year.

Summary:

A not-for-profit group formed for the purpose of constructing and operating a facility to promote Washington wines may hold retail licenses on the facility property or lease all or any portion of such facility property to a retail licensee even when the members of the board of directors or officers for the not-for-profit organization include officers, directors, owners, or employees of a licensed domestic winery. Financing for the construction of the facility must include both public and private money.

A bona fide charitable nonprofit society or association registered under the federal Internal Revenue Code that has on its board of directors an officer, director, owner, or employee of a

licensed domestic winery or a wine certificate of approval holder may hold a special occasion license to serve alcohol at a particular event.

Votes on Final Passage:

House	98	0
Senate	42	0

Effective: June 7, 2006