

HOUSE BILL REPORT

SSB 5639

As Reported by House Committee On:
Commerce & Labor

Title: An act relating to a caterer's endorsement for licensed microbreweries.

Brief Description: Authorizing a caterer's endorsement for licensed microbreweries.

Sponsors: Senate Committee on Labor, Commerce, Research & Development (originally sponsored by Senators Spanel, Clements, Pflug, Kohl-Welles, Jacobsen, Rasmussen, Poulsen, Regala and Kline).

Brief History:

Committee Activity:

Commerce & Labor: 3/15/07, 3/23/07 [DPA].

**Brief Summary of Substitute Bill
(As Amended by House Committee)**

- Allows microbreweries with restaurant licenses to hold the same privileges and endorsements as permitted for restaurants.

HOUSE COMMITTEE ON COMMERCE & LABOR

Majority Report: Do pass as amended. Signed by 6 members: Representatives Conway, Chair; Wood, Vice Chair; Condotta, Ranking Minority Member; Green, Moeller and Williams.

Staff: Joan Elgee (786-7106).

Background:

The Liquor Control Board (Board) issues licenses to microbreweries, which are defined as breweries producing less than 60,000 barrels of malt liquor a year.

Under Washington's three-tier system for the sale and distribution of beer and wine, generally the manufacturer, distributor, and retailer tiers are separate. An exception to this "tied-house" law allows a microbrewery to operate a spirits, beer, and wine restaurant or a beer and/or wine restaurant on its premises. Generally, restaurant licensees may obtain an

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endorsement to do catering for events sponsored by not-for-profit groups organized for specified purposes or for other events if attendance is limited to members or invited guests. The tied-house exception does not address whether a microbrewery may also do catering if it operates a restaurant.

Summary of Amended Bill:

A microbrewery that holds a spirits, beer, and wine restaurant license or a beer and/or wine restaurant license has the same privileges and endorsements as permitted for restaurants. The tied-house law is also amended to permit the restaurant privileges and endorsements.

Amended Bill Compared to Substitute Bill:

The amended bill authorizes microbreweries to have the same privileges and endorsements as restaurants rather than limited to catering. The tied-house exception is narrowed to apply only to microbreweries and the language is clarified. A number of other clarifying changes are made to express that a microbrewery may hold a spirits, beer, and wine restaurant license, conform statute to practice that the microbrewery's authority to operate a beer and/or wine restaurant or tavern is by a license rather than an endorsement, and delete unnecessary language.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date of Amended Bill: The bill takes effect 90 days after adjournment of session in which bill is passed, except section 2, which, because of prior double amendments, takes effect June 30, 2008.

Staff Summary of Public Testimony:

(In support) Microbreweries rely on diversity and flexibility for their business plans. Previously, we were allowed to cater, such as serving beer and wine at parties. We are not really in the catering business but now we are not allowed to cater which means we can't even serve in another room in the same building. It seems an arbitrary prohibition. Microbreweries want some flexibility so we can continue to be creative in how we do business.

(Opposed) None.

Persons Testifying: Arlen Harris, Washington Brewers Guild; and Dick Cantwell, Elysian Brewing Company.

Persons Signed In To Testify But Not Testifying: None.