

HOUSE BILL REPORT

HB 2076

As Reported by House Committee On:
Commerce & Labor

Title: An act relating to wine and beer tasting.

Brief Description: Creating a wine and beer tasting pilot project in grocery stores.

Sponsors: Representatives Conway, Williams, Condotta, Newhouse and Ormsby.

Brief History:

Committee Activity:

Commerce & Labor: 2/23/07, 2/27/07 [DP].

<p>Brief Summary of Bill</p> <ul style="list-style-type: none">• Authorizes a pilot project for grocery store tastings of beer and wine.

HOUSE COMMITTEE ON COMMERCE & LABOR

Majority Report: Do pass. Signed by 5 members: Representatives Conway, Chair; Condotta, Ranking Minority Member; Chandler, Assistant Ranking Minority Member; Moeller and Williams.

Minority Report: Do not pass without recommendation. Signed by 3 members: Representatives Wood, Vice Chair; Crouse and Green.

Staff: Joan Elgee (786-7106).

Background:

A grocery store license issued by the Liquor Control Board allows the sale of beer and/or wine for off-premises consumption. A beer and/or wine specialty shop license also allows the sale of beer and/or wine for off-premises consumption. Speciality shops may provide up to two ounce samples for purposes of sales promotion.

Current law allows other giving away of liquor by licensees in limited circumstances. A brewery, distributor, winery, distiller, certificate of approval holder, or importer may furnish samples of beer, wine, or spirits to a licensee to negotiate sales. Except for importers, these

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

licensees are also allowed to provide samples of beer, wine, or spirits to licensees and their employees to instruct them on the history, nature, values, and characteristics of the beer, wine, or spirits. A winery, brewery, certificate of approval holder, or distributor may also furnish wine and beer to certain nonprofit groups. Finally, a brewery or winery may serve beer or wine without charge on its premises.

Summary of Bill:

The Liquor Control Board (Board) is directed to establish a pilot project for beer and wine tasting in grocery stores. The pilot project is for 30 stores with at least six tastings (but no more than once a month) at each location between October 1, 2007, and September 30, 2008.

The pilot project locations must be equally allocated between independently-owned and chain grocery stores. To be eligible, the primary activity of the store must be the retail sale of grocery products for off-premises consumption and the store must have a fully enclosed retail area of at least 9,000 square feet.

A number of conditions for sampling must be met. Samples must be two ounces or less, up to four ounces, and no more than one sample of any single brand may be provided to a customer during any one visit. The service area must be within the store's fully-enclosed retail area and must be of a size and design so that the licensee can observe and control people in the area to ensure that those under 21 and obviously intoxicated persons cannot consume alcohol. Customers must remain in the service area while consuming alcohol. The store may only advertise the tasting event within the store. Finally, employees of both grocery stores and speciality shops who are involved in tasting activities must complete a Board-approved limited alcohol server training program that addresses only those subjects reasonably related to the tasting activities.

The cost of sampling may not be borne by any liquor manufacturer, importer, or distributor. The Board must report to the Legislature by December 1, 2008, and the provisions also expire on December 1, 2008.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony:

(In support) The bill is very narrow. It is a pilot project with tastings limited to four ounces in only 30 stores. Oregon's tasting program has been very successful. We are in a very competitive business; independent grocery stores need to provide a high level of customer

service and provide a mix of speciality products. We will survey customers and ask them what they think of the pilot. Customers have been asking us for tastings for years.

Wineries do not have large advertising budgets. What better way to help customers make better informed choices. There are 90 breweries and almost 500 wineries; with this overwhelming choice, customers are interested in sampling the product.

(Neutral) We have spent time with the proponents to address enforcement. The policy is up to the Legislature; we can implement it as a pilot.

(Opposed) None.

Persons Testifying: (In support) Carrie Tellefson, Washington Food Industry; Bob Broderick, Northwest Grocers; Arlen Harris, Washington Brewers Guild; and Jean Leonard, Washington Wine Industry.

(Neutral) Rick Garza, Liquor Control Board.

Persons Signed In To Testify But Not Testifying: None.