

SENATE BILL REPORT

HB 2240

As Reported By Senate Committee On:
Labor, Commerce, Research & Development, March 22, 2007

Title: An act relating to allowing certain activities between domestic wineries, domestic breweries, microbreweries, certificate of approval holders, and retail sellers of beer or wine.

Brief Description: Allowing certain activities between domestic wineries, domestic breweries, microbreweries, certificate of approval holders, and retail sellers of beer or wine.

Sponsors: Representatives Conway, Condotta and Kenney.

Brief History: Passed House: 3/07/07, 96-0.

Committee Activity: Labor, Commerce, Research & Development: 3/19/07, 3/22/07 [DPA].

SENATE COMMITTEE ON LABOR, COMMERCE, RESEARCH & DEVELOPMENT

Majority Report: Do pass as amended.

Signed by Senators Kohl-Welles, Chair; Keiser, Vice Chair; Clements, Ranking Minority Member; Franklin and Holmquist.

Staff: Jennifer Strus (786-7316)

Background: The "tied-house" law prohibits liquor manufacturers from having a financial interest in a licensed retailer or from providing things of value ("money or monies' worth") to a retailer. The Legislature has enacted several exceptions to the tied-house law. In 2006, legislation was passed to allow domestic wineries and retailers to jointly produce brochures and materials promoting tourism which contain information about domestic wineries and retailers, and their products.

Summary of Bill: The provision allowing domestic wineries and retailers to jointly produce tourism materials is expanded to include regional, state, or local wine industry associations. Domestic wineries and breweries, microbreweries, and certificate of approval holders may include on their web sites information about retailers who sell or promote their products, including links to the retailers' web sites. Retailers may likewise provide information and links on their web sites for wineries, breweries, microbreweries, and certificate of approval holders. Domestic wineries, breweries, microbreweries, and certificate of approval holders may provide personal services for a licensed retailer on the retailer's premises that are intended to inform, educate, or enhance customers' knowledge or experience of the manufacturer's products. The personal services may include participation and pouring at the premises of a

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retailer with an on-premises consumption license, bottle signings, and similar informational or educational activities.

EFFECT OF CHANGES MADE BY RECOMMENDED AMENDMENT(S) AS PASSED COMMITTEE(Labor, Commerce, Research & Development): Places a statutory reference in the correct place. Removes reference to a bill that did not pass the Legislature.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony: PRO/OTHER: The bill would be very helpful to the state's wine industry. There are some technical amendments that the distributors have asked for and the wine industry folks have agreed to.

Persons Testifying: PRO: Jean Leonard, Washington Wine Institute.

OTHER: Ron Main, Washington Beer and Wine Wholesalers.