

SENATE BILL REPORT

SB 5898

As Reported By Senate Committee On:
Labor, Commerce, Research & Development, February 27, 2007

Title: An act relating to the use of a common carrier for the shipment of wine.

Brief Description: Authorizing the use of a common carrier for the shipment of wine.

Sponsors: Senators Kohl-Welles, Clements, Keiser, Murray, McAuliffe and Honeyford.

Brief History:

Committee Activity: Labor, Commerce, Research & Development: 2/20/07, 2/27/07 [DPS].

SENATE COMMITTEE ON LABOR, COMMERCE, RESEARCH & DEVELOPMENT

Majority Report: That Substitute Senate Bill No. 5898 be substituted therefor, and the substitute bill do pass.

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

Staff: Jennifer Strus (786-7316)

Background: Under current law, retailers may use common carriers to pick up wine or beer directly from the manufacturer. A manufacturer of beer or wine may not use a common carrier to deliver its product directly to the retailer.

Summary of Bill: An in-state or out-of-state winery may use a common carrier to deliver up to 100 cases of its production per month to a licensed Washington retailer.

EFFECT OF CHANGES MADE BY RECOMMENDED SUBSTITUTE AS PASSED COMMITTEE (Labor, Commerce, Research & Development): Clarifies that the 100 cases a winery can ship per month is in the aggregate. Neither an in-state nor an out-of-state winery may arrange for a common carrier to ship wine that they have not produced to licensed retailers.

Appropriation: None.

Fiscal Note: Not requested.

Committee/Commission/Task Force Created: No.

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

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.

Staff Summary of Public Testimony: PRO: It would be very helpful for small wineries to be able to use common carriers to move their product. The bill is focused very narrowly so only small shipments can be shipped using a common carrier. It is an economic impediment for small wineries in particular not to be able to ship their product through a common carrier.

OTHER: The language in the bill should be clarified so that it is clear a winery can ship 100 cases per month, per winery. The bill should be limited to those wineries that produce 2000, cases or less per year. There should be language prohibiting the wineries from acting as distributors by limiting the number of retail establishments that can be served by the common carrier.

Persons Testifying: PRO: Jean Leonard, Martin Clubb, Washington Wine Institute; Arlen Harris, Washington Brewer's Guild.

OTHER: Ron Main, Washington Beer & Wine Wholesalers; Rick Garza, Liquor Control Board.