

SENATE BILL REPORT

SHB 1176

As Passed Senate, March 31, 2017

Title: An act relating to the alcoholic beverage mead.

Brief Description: Concerning the alcoholic beverage mead.

Sponsors: House Committee on Commerce & Gaming (originally sponsored by Representative Muri).

Brief History: Passed House: 3/06/17, 91-7.

Committee Activity: Commerce, Labor & Sports: 3/15/17, 3/22/17 [DP].

Floor Activity:

Passed Senate: 3/31/17, 43-3.

Brief Summary of Bill

- Defines the alcoholic beverage mead.
- Excludes the production mead from the agricultural commodity assessment which funds the Washington Wine Commission's promotion of Washington wines.
- Authorizes liquor retail licensees with privileges to sell beer or cider to customers in growlers to similarly sell mead in such containers.

SENATE COMMITTEE ON COMMERCE, LABOR & SPORTS

Majority Report: Do pass.

Signed by Senators Baumgartner, Chair; Keiser, Ranking Minority Member; Conway, Hasegawa, King, Rossi, Saldaña and Wilson.

Staff: Richard Rodger (786-7461)

Background: The Washington Wine Commission is an agricultural commodity commission that advertises and promotes Washington wines, educates people about Washington's wine industry, and generally fosters the economic growth of Washington's wine industry. The commission is funded by agricultural commodity assessments that are levied on wine

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producers and growers. In 2015, the Legislature permanently excluded the production of cider from the agricultural commodity assessment levied on wine producers.

Certain liquor retailer licensees are authorized to sell beer and cider to a purchaser in a container supplied by the licensee or a sanitary container, such as a growler, brought to the premises by the purchaser and filled at the tap at the time of sale, for off-premises consumption.

Mead is not defined in state law. Generally, mead is an alcoholic beverage created by fermenting honey with water, and may contain hops, fruit, spices, grain, and other agricultural products or favors. Mead can be still, carbonated, or naturally sparkling.

Summary of Bill: Mead is defined as a wine or malt beverage of which honey represents the largest percentage of the starting fermentable sugars by weight of finished product and that is derived from a mixture of honey and water, which may contain hops, fruit, spices, grain, and other agricultural products or flavors, and that is sold or offered for sale as mead.

After January 1, 2018, the agricultural commodity assessment that applies to the production of wine may not be levied on the production of mead.

Liquor licensees with privileges to sell beer or cider to a purchaser in a container supplied by the liquor licensee or a sanitary container brought to the premises by the purchaser and filled at the tap at the time of sale, for off-premises consumption, may similarly sell mead to a purchaser in such a container. However, any mead sold in such a container must have an alcohol content equal to or less than 14 percent alcohol by volume.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

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

Staff Summary of Public Testimony: PRO: Mead is possibly the oldest alcoholic beverage. It is made from honey and is classified as both beer and wine. The bill will help the industry to compete with beer and cider and will assist its growth as an independent industry. The bill removes an unfair wine commission assessment on the mead products, just as was recently done for cider. The bill creates a clear definition that will be the first in the nation. We are also seeking the same definition in federal legislation.

OTHER: We have no regulatory concerns with the removal of the wine commission assessment, as it is simply an industry decision to differentiate themselves.

Persons Testifying: PRO: Representative Dick Muri, Prime Sponsor; Chris Webber, citizen.

OTHER: James Paribello, Liquor and Cannabis Board.

Persons Signed In To Testify But Not Testifying: No one.