

SENATE BILL REPORT

HB 1718

As Passed Senate - Amended, April 5, 2017

Title: An act relating to creating a special permit for certain wine auctions.

Brief Description: Creating a special permit for certain wine auctions.

Sponsors: Representatives Jenkin, Kirby, Barkis, Vick, Stanford, Nealey, Springer, Fey and Condotta.

Brief History: Passed House: 2/16/17, 97-0.

Committee Activity: Commerce, Labor & Sports: 3/09/17 [DPA].

Floor Activity:

Passed Senate - Amended: 4/05/17, 39-9.

Brief Summary of Bill (As Amended by Senate)

- Authorizes the Liquor and Cannabis Board (LCB) to issue a special permit to a nonprofit organization allowing such organization to sell wine through a private auction.
- Authorizes the permit holder to conduct wine tastings at the auction, provided the wine offered for tasting is the same as that being auctioned.
- Authorizes the permit holder to sell wine sourced from multiple wineries, but each winery must be identified on the permit application.
- Allows a nonprofit organization with a special permit to hold a banquet or wine auction event to accept donations of liquor if all the fees and taxes that would be charged, if the sale was made to a consumer, are paid.
- Creates a new special banquet permit for certain nonprofit organizations and specifies conditions regarding the service of liquor—the permit can be issued on the day of the event and costs \$10 per day.

SENATE COMMITTEE ON COMMERCE, LABOR & SPORTS

Majority Report: Do pass as amended.

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.

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

Staff: Richard Rodger (786-7461)

Background: The Liquor and Cannabis Board (LCB) is authorized to issue a variety of special permits and licenses for selling, serving, and handling alcohol at specified events or to persons or entities that do not hold a liquor license. Nonprofit organizations are among the entities eligible for such special permits and licenses.

A nonprofit organization that obtains a special occasion liquor license from the LCB may sell spirits, beer, and wine by the individual glass to be consumed on the premises. This license permits the licensee to serve liquor at a specified event, on a specified date and place. The holder of this license may also sell wine in original, unopened containers for consumption on the premises, if prior permission is obtained from the LCB.

Additionally, a domestic winery may sell wine of its own production at a nonprofit organization's licensed special occasion event.

Summary of Amended Bill: The LCB is authorized to issue a special permit to a nonprofit organization allowing such organization to sell wine through a private auction. The permit holder may conduct wine tastings at the auction, provided the wine offered for tasting is the same as that being auctioned. The permit is for a single event to be held at a specific time and in a specific place.

A nonprofit organization with a special permit to hold a banquet or wine auction event may accept donations of liquor from an individual, industry member, or other entity so long as the donor or organization pays all the fees and taxes that would be charged if the sale was made to a consumer.

The wine offered for auction may be sourced from multiple wineries and the permit application must identify each winery participating in the auction. The total fee for a permitted auction event is \$25 multiplied by the number of wineries that are selling wine at the event. The LCB may adopt rules to implement this special permitting process.

A new special banquet permit is created for nonprofit organizations with an annual gross income of less than \$250,000. The permit allows the organization to provide, free of charge, spirits, beer, and wine by the individual serving for on-premises consumption at a specified date and place. The banquet permit is available for an unlimited number of events. The events may not be open to the general public.

Liquor served at the banquet event may be: provided by individuals attending the event for their own consumption or with the intent to share, at no cost, with other attendees; included in the total price for an event when participants receive an equal share by distribution of exchangeable tickets as part of the package; or purchased by the event organizers at an authorized retail source.

The nonprofit organization may accept cash donations at the banquet event so long as there is no expectation or implied obligation to give a donation in exchange for a beverage containing liquor. The fee for the banquet permit is \$10 per day. The board must provide for an online permit to be issued on the day the banquet event occurs.

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 on House Bill: No public hearing was held.

Persons Testifying: N/A.

Persons Signed In To Testify But Not Testifying: N/A.