

SENATE BILL REPORT

SB 6346

As Reported by Senate Committee On:
Labor & Commerce, January 31, 2018

Title: An act relating to allowing the sale of wine by snack bar license holders.

Brief Description: Allowing the sale of wine by snack bar license holders. [**Revised for 1st Substitute:** Allowing the sale of wine by microbrewery license holders.]

Sponsors: Senator Takko.

Brief History:

Committee Activity: Labor & Commerce: 1/29/18, 1/31/18 [DPS-WM].

Brief Summary of First Substitute Bill

- Allows microbreweries to apply for an endorsement to sell wine produced by a domestic winery, by the glass, for on-premises consumption.
- Sets the annual fee for the endorsement at \$125.

SENATE COMMITTEE ON LABOR & COMMERCE

Majority Report: That Substitute Senate Bill No. 6346 be substituted therefor, and the substitute bill do pass and be referred to Committee on Ways & Means.

Signed by Senators Keiser, Chair; Hasegawa, Vice Chair; Baumgartner, Ranking Member; Braun, Conway, King, Kuderer, Saldaña and Wilson.

Staff: Richard Rodger (786-7461)

Background: The Liquor and Cannabis Board (LCB) is authorized to issue snack bar licenses for the retail sales of beer, by the opened bottle or can, for on-premises consumption only. The license is only available when the sale of beer is not the main purpose of the business. The snack bar licensees are required to have snack food available, such as peanuts, popcorn, and chips. LCB's administrative rules require the snack bar to have a designated seating area for the on-premises consumption of beer.

A microbrewery license authorizes production of up to 60,000 barrels of malt liquor, including strong beer, per year. Microbreweries are permitted to sell from its premises, for

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.

on-premises or off-premises consumption: (1) beer of its own production; (2) beer produced by another microbrewery, provided that the other brewery's beers do not constitute more than 25 percent of the on-tap offerings; and (3) cider produced by a domestic winery.

Summary of Bill (First Substitute): A licensed microbrewery may apply to the LCB for an endorsement to sell wine produced by a domestic winery, by the glass, for on-premises consumption. The annual fee for the endorsement is \$125.

EFFECT OF CHANGES MADE BY LABOR & COMMERCE COMMITTEE (First Substitute):

- Removes the provisions amending the snack bar license statute.
- Allows microbreweries to apply for an endorsement to sell wine produced by a domestic winery, by the glass, for on-premises consumption.
- Sets the annual fee for the endorsement at \$125.
- Amends the title.

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 Original Bill: *The committee recommended a different version of the bill than what was heard.* PRO: We are trying to allow breweries to also be able to sell wine by the glass to their customers who do not want to drink beer. We are willing to work with the LCB to perfect this bill. Our business misses out on a lot of opportunities for hosting events because our brewery is not able to sell wine.

CON: Our objection to this bill is related not to its specific provisions, but to the cumulative effect of all the alcohol related bills that have come before this bill and the ones that will come afterwards. These bills continue to expand the opportunity to consume alcohol and create mixed messages for our youth.

OTHER: The bill is very broad and opens up the possibility that many different license holders may want to switch to this license. As written, it would allow Les Schaub to start serving beer and wine at their tire stores. We are willing to work on a better approach to address the brewery's concerns, perhaps through amendment to a different license or through the use of a special endorsement.

Persons Testifying: PRO: Senator Dean Takko, Prime Sponsor; Annie McGrath, Washington Brewers Guild; Jarrett Skreen, owner, Ashtown Brewing Company; Richard Ericksen, citizen.

CON: Seth Dawson, Washington Association for Substance Abuse Prevention.

OTHER: Becky Smith, Liquor and Cannabis Board.

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