

SENATE BILL REPORT

HB 2412

As Passed Senate - Amended, March 6, 2020

Title: An act relating to domestic brewery and microbrewery retail licenses.

Brief Description: Concerning domestic brewery and microbrewery retail licenses.

Sponsors: Representatives Stonier, MacEwen, Blake, Young, Eslick, Riccelli and Wylie.

Brief History: Passed House: 2/18/20, 84-12.

Committee Activity: Labor & Commerce: 2/25/20 [DP].

Floor Activity:

Passed Senate - Amended: 3/06/20, 48-0.

Brief Summary of Amended Bill

- Increases the number of retail liquor licenses a domestic brewery or microbrewery licensee may hold from two to four.
- Requires the State Board of Health to adopt rules to allow dogs on the premises of licensed domestic breweries and microbreweries that do not provide food service subject to a food service permit requirement.
- Exempts licensed domestic breweries and microbreweries from keg registration requirements.
- Eliminates several duties required of a person who purchases or leases a keg, or purchases the contents of a keg, from a domestic brewery or microbrewery.

SENATE COMMITTEE ON LABOR & COMMERCE

Majority Report: Do pass.

Signed by Senators Keiser, Chair; Conway, Vice Chair; King, Ranking Member; Braun, Saldaña, Schoesler, Stanford, Walsh and Wellman.

Staff: Richard Rodger (786-7461)

Background: Domestic Breweries and Microbreweries. A person may manufacture beer under a domestic brewery license or a microbrewery license. A domestic brewery or

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microbrewery may also act as a distributor and retailer of beer of its own production. A microbrewery may sell from its premises, for on-premises and off-premises consumption, beer produced by another brewery or cider produced by a winery. Any domestic brewery or microbrewery operating as a distributor or retailer must comply with the applicable laws and rules relating to distributors or retailers, as appropriate.

Retail Licenses. A microbrewery and domestic brewery may also hold up to two retail licenses to operate an on-premises or off-premises tavern, beer and/or wine restaurant, or spirits, beer, and wine restaurant.

A microbrewery or domestic brewery that holds a tavern license, a beer and/or wine restaurant license, or a spirits, beer, and wine restaurant license holds the same privileges and endorsements under the applicable retail license.

A tavern license authorizes licensees to sell beer and wine at retail for consumption on the premises.

A beer and/or wine restaurant license authorizes restaurants to sell beer and wine at retail for consumption on the premises, in conjunction with the sale of food.

A spirits, beer, and wine restaurant license authorizes restaurants to sell spirituous liquor by the individual glass, beer, and wine, at retail, for consumption on the premises, including mixed drinks and cocktails compounded or mixed on the premises only. Licensees must serve complete meals and meet specific food service, kitchen equipment, and floor space requirements, as defined in rule by the Liquor and Cannabis Board.

Summary of Amended Bill: The number of retail liquor licenses a domestic brewery licensee or a microbrewery licensee may hold is increased to four. Domestic brewery and microbrewery licensees may obtain any combination of retail liquor licenses available. The State Board of Health must adopt rules to allow dogs on the premises of licensed domestic breweries and microbreweries that do not provide food service subject to a food service permit requirement.

Licensed domestic breweries and microbreweries are exempt from the keg registration requirements. A person who purchases or leases a keg, or purchases the contents of a keg, from a domestic brewery or microbrewery, is no longer:

- required to provide one piece of identification;
- prohibited from removing or obliterating the identification required by the LCB's rules;
- prohibited from moving, keeping, or storing the keg or its contents, except for transporting to and from the distributor, at any place other than the particular address declared on the declaration and receipt; and
- required to ensure that the copy of the declaration and receipt is located next to or adjacent to the keg.

The purchaser must be of legal age to purchase, possess, or use malt liquor; and may not allow any person under the age of twenty-one to consume the beverage, unless provided by a parent or guardian and consumed in the presence of the parent or guardian.

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: Small business are looking for a ladder to grow and this bill is a stepping stone to allow small businesses to expand access to their products. This is a reasonable expansion for these breweries, as they do not have the opportunities for stand alone tasting rooms like wineries.

The intent is not to allow dogs everywhere. We will seek to clarify that dogs could be allowed if the establishment is not serving food in the area. Portland currently allows dogs in their breweries. We want to make sure the animals are not allowed where there are kitchens or where food is on the premises.

CON: Our organization is opposed to any expansion of access to alcohol. There is no shortage of establishments that provide alcohol. It sends the wrong message to create additional opportunities for individuals to consume alcohol and that poses a danger to public safety. We are concerned with the substantial access to alcohol that already exists and it's difficult to keep up with all the changes to increased access.

OTHER: We believe the bill intends to align with the Department of Health's ongoing rulemaking that would create an option for establishments to allow dogs in designated areas. Currently, only service animals and patrol dogs are allowed in establishments where food is served.

Persons Testifying: PRO: Representative Monica Jurado Stonier, Prime Sponsor; Annie McGrath, Washington Brewers Guild.

CON: Seth Dawson, Washington Association for Substance Abuse and Violence Prevention; James McMahan, Washington Association of Sheriffs and Police Chiefs.

OTHER: Joe Graham, Washington Department of Health.

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