

# SENATE BILL REPORT

## SB 5059

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As Reported by Senate Committee On:  
Labor & Commerce, January 21, 2020

**Title:** An act relating to allowing the legislative gift center to sell products produced in Washington by craft distillers and microbreweries.

**Brief Description:** Allowing the legislative gift center to sell products produced in Washington by craft distillers and microbreweries. [**Revised for 2nd Substitute:** Allowing the legislative gift center to sell wine and beer.]

**Sponsors:** Senators Hasegawa, Conway, Fortunato, Palumbo, Hunt and Van De Wege.

**Brief History:**

**Committee Activity:** Labor & Commerce: 1/17/19, 1/29/19 [DPS]; 1/21/20 [DP2S, DNP, w/oRec].

<p style="text-align: center;"><b>Brief Summary of Second Substitute Bill</b></p> <ul style="list-style-type: none"><li>• Authorizes the Legislative Gift Center to sell beer produced by a licensed microbrewery.</li></ul>
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### SENATE COMMITTEE ON LABOR & COMMERCE

**Majority Report:** That Second Substitute Senate Bill No. 5059 be substituted therefor, and the second substitute bill do pass.

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

**Minority Report:** Do not pass.

Signed by Senator Stanford.

**Minority Report:** That it be referred without recommendation.

Signed by Senator Saldaña.

**Staff:** Richard Rodger (786-7461)

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*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.*

**Background:** The Legislative Gift Center (gift center) was created in 2007 and is authorized to sell Washington products, souvenirs, and items bearing the state seal. The Chief Clerk of the House of Representatives and the Secretary of the Senate are charged with governance of the gift center. Profits from gift center sales are deposited into the Legislative Oral History Account; the Washington State Legacy Project, State Library, and Archives Account; and the Capitol Furnishings Preservation Committee Account.

The gift center may sell wine produced in Washington by a licensed domestic winery for off-premises consumption. Wine may be sold only to individuals twenty-one years of age or older for personal use, and must be purchased from a licensed wine distributor or manufacturer. The gift center must collect and remit applicable taxes to the Department of Revenue (DOR). To select wines for sale, the gift center is directed to consult with the Washington Wine Commission, which must consider award-winning wines in assisting the gift center.

**Summary of Bill (Second Substitute):** The gift center may sell beer produced by a licensed microbrewery. The gift center may only sell up to two types of microbrews at a time and may only be sold in bottles or cans. The products may only be sold for up to two months before being rotated to new products. They may only be sold to individuals 21 years of age or older, and must be sold for personal use and not for resale.

When selecting the microbrews to be sold, the gift center must consult with the Washington Beer Commission. Consideration must be given to award winning microbrews.

The gift center must collect and remit to DOR all applicable state fees and taxes and local taxes on sales of the beer.

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

- Removes the ability of the gift center to sell craft spirits.
- Revises the title to reference the sale of products produced in Washington.

**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 Proposed Substitute (Regular Session 2019):** *The committee recommended a different version of the bill than what was heard.* PRO: This bill passed the committee unanimously last year. I would leave it to the committee to decide whether to expand the bill to include all distillers, instead of just the small craft distillers.

CON: A recent study concluded that there is not a safe level of alcohol consumption. We need to carefully evaluate all legislation that expands alcohol access and promotion. Not all

legislation on alcohol is equally objectionable. The question with this bill is how far are we going to go. Are we going to propose that marijuana products be sold next; they are legal products in the state.

OTHER: Our only concern was with the collection of the license issuance fee on spirits and that concern is addressed by the proposed substitute bill.

**Persons Testifying:** PRO: Senator Bob Hasegawa, Prime Sponsor.

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

OTHER: Chris Thompson, Liquor and Cannabis Board.

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

**Staff Summary of Public Testimony on First Substitute (Regular Session 2020):** No public hearing was held.

**Persons Testifying:** N/A

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