
**Consumer Protection & Business
Committee**

HB 2536

Brief Description: Allowing wineries to hold a spirits, beer, and wine restaurant license.

Sponsors: Representatives Stonier, Waters, Springer, Parshley, Simmons, Cortes and Donaghy.

Brief Summary of Bill

- Permits a domestic winery to hold either a spirits, beer, and wine restaurant license or a beer and/or wine restaurant license.

Hearing Date: 1/21/26

Staff: Megan Mulvihill (786-7304).

Background:

Domestic Winery License.

A domestic winery license issued by the Liquor & Cannabis Board (LCB) authorizes the manufacturing of wine in Washington. The domestic winery license allows wineries to sell wine of their own production at retail for on- or off-premises consumption, and to distribute their own wine, subject to applicable distributor laws.

Beer and/or Wine Restaurant License and Spirit, Beer, and Wine Restaurant License.

The LCB issues two licenses for retail sales of liquor at restaurants: (1) a beer and/or wine restaurant license; and (2) a spirits, beer, and wine restaurant license.

A beer and/or wine restaurant license authorizes restaurants to sell beer and/or wine for on-premises consumption, in conjunction with the sale of food. The restaurant must provide minimum food service, such as sandwiches, salads, soups, pizza, hamburgers, or fries. The

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annual fee for a beer and/or wine restaurant license is either \$300 for beer only, \$300 for wine only, or \$600 for beer and wine.

A spirits, beer, and wine restaurant license authorizes restaurants to sell spirits, beer and/or wine for on-premises consumption. Licensees must serve complete meals and meet specific food service, kitchen equipment, and floor space requirements, as defined by LCB rules. The annual fee for a spirits, beer, and wine restaurant license varies: \$2,700 for less than 50 percent of a dedicated dining area, \$2,200 for 50 percent or more of a dedicated dining area, or \$1,400 for a service bar only.

Three-Tier System Prohibition.

Built into the post-prohibition legal framework regulating liquor manufacturing, distribution, and sales is a separation between the three-tiers of the liquor industry: (1) manufacturing, (2) distributing, and (3) retailing. Liquor licensees in the manufacturing and distributing tiers of the industry, and their authorized representatives, are defined as "industry members" for certain purposes in liquor statutes.

There are two primary prohibitions that provide the separation between the tiers of the industry. First, generally liquor licensees in the manufacturing and distributing tiers are prohibited from having financial interests in a business within the retail tier of the industry, and vice versa. Secondly, industry members are prohibited from providing "money or moneys' worth," under any type of business practice or arrangement, to a business in the retail tier of the industry. Retailers are similarly prohibited from receiving money or moneys' worth from industry members.

Certain licensed industry members are permitted to operate in the retail tier. For example, a domestic winery licensed as a retailer for the purpose of selling beer and/or wine at retail on the winery's premises is permitted. A microbrewery is permitted to hold a spirits, beer, and wine restaurant license or a beer and/or wine restaurant license with the same privileges and endorsements attached to those licenses.

Summary of Bill:

A licensed domestic winery is permitted to hold a spirits, beer, and wine restaurant license or a beer and/or wine restaurant license at one or more of its additional winery locations with the same privileges and endorsements as those attached to the spirits, beer, and wine restaurant license and the beer and/or wine restaurant license.

Appropriation: None.

Fiscal Note: Requested on January 16, 2026.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.