SENATE BILL REPORT
SB 5371

As Reported by Senate Committee On:
Labor & Commerce, February 14, 2025
Ways & Means, February 27, 2025

Title: An act relating to simplifying administration of wine and spirit sales by eliminating the per transaction limit for volume.

Brief Description: Eliminating the per transaction limit for wine and spirit sales.

Sponsors: Senators MacEwen and Schoesler.

Brief History:
Committee Activity: Labor & Commerce: 2/10/25, 2/14/25 [DP-WM, DNP, w/oRec]. Ways & Means: 2/27/25 [w/oRec, DNP].

Brief Summary of Bill

- Strikes the 24-liter limit on a single sale of certain alcohol products that applies to holders of specified liquor licenses and endorsements.

SENATE COMMITTEE ON LABOR & COMMERCE

Majority Report: Do pass and be referred to Committee on Ways & Means.
Signed by Senators Saldaña, Chair; King, Ranking Member; Braun, MacEwen and Schoesler.

Minority Report: Do not pass.
Signed by Senators Conway, Vice Chair; Stanford.

Minority Report: That it be referred without recommendation.
Signed by Senators Alvarado and Ramos.

Staff: Marlon Llanes (786-7423)

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: That it be referred without recommendation.

Signed by Senators Robinson, Chair; Stanford, Vice Chair, Operating; Trudeau, Vice Chair, Capital; Frame, Vice Chair, Finance; Gildon, Ranking Member, Operating; Torres, Assistant Ranking Member, Operating; Dozier, Assistant Ranking Member, Capital; Boehnke, Braun, Cleveland, Conway, Dhingra, Hansen, Kauffman, Muzzall, Pedersen, Riccelli, Saldaña, Wagoner, Warnick, Wellman and Wilson, C..

Minority Report: Do not pass.

Signed by Senator Hasegawa.

Staff: Corban Nemeth (786-7736)

Background: State law regulates the manufacture, distribution, and retail sale of liquor including spirits, wine, and beer. The Liquor and Cannabis Board (LCB) issues various types of liquor licenses and endorsements, including a spirits retail license and a wine retailer reseller endorsement.

Licenses and Endorsements. A spirits retail license allows a licensee to, among other things, sell spirits in original containers to retailers licensed to sell spirits for consumption on the premises if a single sale does not exceed 24 liters. The 24-liter limit does not apply if a sale is made by a licensee who was a manager of a contract liquor store and is made on the premises of the licensed location.

A combination spirits, beer, and wine license allows a licensee to, among other things, sell spirits in original containers to retailers licensed to sell spirits for consumption on the premises if a single sale does not exceed 24 liters.

A wine retailer reseller endorsement allows a licensee to sell wine at retail in original containers to retailers licensed to sell wine for consumption on the premises if a single sale does not exceed 24 liters. The 24-liter limit does not apply if a sale is made by a licensee that is a former state or contract liquor store at the location from which such sales are made. The endorsement is available to licensees of a grocery store license and a beer or wine specialty shop license.

Definitions. "Contract liquor store" means a business that sells liquor on behalf of LCB through a contract with a contract liquor store manager. "Spirits" means any beverage which contains alcohol obtained by distillation, except flavored malt beverages, but including wines exceeding 24 percent of alcohol by volume (ABV). "Wine" means any alcoholic beverage obtained by fermentation of fruits, such as grapes, berries, or apples, or other agricultural product containing sugar, to which any saccharine substances may have been added before, during, or after fermentation, and containing no more than 24 percent ABV, including sweet wines fortified with wine spirits, such as port, sherry, muscatel, and

angelica, not exceeding 24 percent and not less than 0.5 percent ABV.

Summary of Bill: The 24-liter limit on a single sale of certain alcohol products that applies to holders of specified liquor licenses and endorsements, including a spirits retail license, is struck.

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 (Labor & Commerce): PRO: This bill does not expand access to alcohol. A vendor can already break up a transaction into multiple invoices. This bill is a technical fix to prevent unnecessary paperwork. This bill would allow stores in rural areas to better meet customer needs. Retailers are spending additional time complying with an outdated limit.

CON: This limit was originally intended to allow small businesses to address an unexpected need. Removing the limit could potentially expand retail-to-retail sales and disrupt the three-tier regulatory system.

Persons Testifying (Labor & Commerce): PRO: Senator Drew MacEwen, Prime Sponsor; Brad Tower, Washington Liquor Store Association; Katie Beeson, Washington Food Industry Association (WFIA); Sean DeWitz, Washington Hospitality Association .

CON: Andrea McNeely, Association of Washington Wine and Spirits Distributors.

Persons Signed In To Testify But Not Testifying (Labor & Commerce): No one.

Staff Summary of Public Testimony (Ways & Means): No public hearing was held.

Persons Testifying (Ways & Means): N/A

Persons Signed In To Testify But Not Testifying (Ways & Means): N/A