

SENATE BILL REPORT

SB 5175

As Reported By Senate Committee On:
Labor, Commerce & Trade, January 24, 1995

Title: An act relating to certain retail liquor licensees being licensed as manufacturers.

Brief Description: Permitting certain retail liquor licensees to be licensed as manufacturers.

Sponsors: Senators Pelz and Deccio; by request of Liquor Control Board.

Brief History:

Committee Activity: Labor, Commerce & Trade: 1/19/95, 1/24/95 [DPS].

SENATE COMMITTEE ON LABOR, COMMERCE & TRADE

Majority Report: That Substitute Senate Bill No. 5175 be substituted therefor, and the substitute bill do pass.

Signed by Senators Pelz, Chair; Heavey, Vice Chair; Deccio, Franklin, Fraser, Hale, Newhouse, Palmer and Wojahn.

Staff: Traci Ratzliff (786-7452)

Background: Currently, a licensed owner of a brewery or winery may also obtain a class H restaurant license. However, an on-premise licensee, operating a beer and wine restaurant, a class H restaurant, or a tavern, may not obtain a brewery or winery license.

Summary of Substitute Bill: An on-premise licensee who obtains a brewery or winery license is allowed to manufacture and sell beer or wine of its own manufacture on the licensed premises only. The on-premise licensee may also sell the beer or wine to a licensed beer or wine wholesaler for distribution off the licensed premises.

Substitute Bill Compared to Original Bill: On-premise licensees who obtain a brewery or winery license are only allowed to sell beer or wine of their own manufacture off the licensee's premises if they distribute the beer or wine through a licensed beer or wine wholesaler. The original bill would have allowed the on-premise licensees to distribute the beer or wine off-premises without utilizing a beer or wine wholesaler.

Appropriation: None.

Fiscal Note: Available.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: This bill will provide companies with additional business opportunities, give consumers more selections when it comes to handcrafted beers, and stimulate additional commerce in the state.

Testimony Against: The "craft brewing" industry would love to see more brewers added to our membership but we are also concerned about maintaining the integrity of the industry and the quality of beers manufactured in this state. We are not sure the bill addresses this concern.

Testified: PRO: Joe McGavick, Liquor Control Board; Dick Ducharme, Beer Wholesalers; Ted Morton, Sizzling Platter; Jack Heckman, Renaissance Brewing Systems; Jim Altman, restaurant owner; CON: Larry Bausch, Executive Director, Washington Association of Breweries.