

SENATE BILL REPORT

SHB 1422

As Reported by Senate Committee On:
Commerce & Labor, April 1, 2013

Title: An act relating to the beer and wine tasting endorsement for grocery stores.

Brief Description: Changing the criteria for the beer and wine tasting endorsement for grocery stores.

Sponsors: House Committee on Government Accountability & Oversight (originally sponsored by Representatives Condotta and Hurst).

Brief History: Passed House: 3/11/13, 83-12.

Committee Activity: Commerce & Labor: 3/29/13, 4/01/13 [DP].

SENATE COMMITTEE ON COMMERCE & LABOR

Majority Report: Do pass.

Signed by Senators Holmquist Newbry, Chair; Braun, Vice Chair; Conway, Ranking Member; Hewitt, Keiser and King.

Staff: Edith Rice (786-7444)

Background: Grocery stores licensed by the Liquor Control Board (LCB) to sell beer and wine are able to apply to LCB for an endorsement that allows them to offer beer and wine tasting. In order to qualify for this endorsement, the grocery store must have retail sales of grocery products for off-premises consumption that amount to more than 50 percent of the licensee's gross sales, or be a membership organization with a requirement that members be over the age of 18. The grocery store must operate a fully enclosed retail area encompassing at least 9000 square feet.

Beer and wine tasting samples must be two ounces or less, with up to a total of four ounces permitted per customer during a visit. Food must be available, and customers tasting beer or wine must remain in the service area where the licensee can ensure that persons under age 21 and apparently intoxicated persons cannot possess or consume alcohol. Servers must have a class 12 alcohol server permit. The annual fee for the endorsement is \$200. LCB can adopt rules to implement this practice.

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.

Summary of Bill: The act revises two of the three eligibility criteria that must be met by a grocery store before it may be eligible to obtain an endorsement to offer beer and wine tasting.

First, a grocery store's eligibility for the endorsement no longer requires that: (1) at least half of the gross sales of the store are retail sales of grocery products for off-premises consumption; or (2) the store be a membership organization whose members must be at least 18 years of age.

Second, in order for a grocery store to be eligible for the endorsement, the licensee must operate a fully enclosed retail area that encompasses at least 10,000 square feet. Fully enclosed retail area means fully enclosed retail space within a single structure, including storerooms and other interior auxiliary areas, but excluding covered or fenced exterior areas, whether or not they are attached to the structure.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

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

Staff Summary of Public Testimony: PRO: This bill brings the law inline with I-1183 and has no food requirements. Not all retailers are grocery stores. This is good for competition and gives customers a choice. Sampling is important and we are also concerned and supportive of public safety.

CON: People in recovery are often advised to stay away from establishments serving alcohol. This creates one more place to avoid.

Persons Testifying: PRO: Representative Condotta, prime sponsor; Mark Johnson, WA Retail Assn.; Michael Johnson, Cost Plus World Markets.

CON: Derek Franklin, WA Assn. for Substance Abuse and Violence Prevention.