

# HOUSE BILL REPORT

## HB 1380

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### As Reported by House Committee On: Commerce & Gaming

**Title:** An act relating to creating a special permit by a manufacturer of wine to hold a private event for the purpose of tasting and selling wine of its own production.

**Brief Description:** Creating a special permit by a manufacturer of wine to hold a private event for the purpose of tasting and selling wine of its own production.

**Sponsors:** Representatives Wylie, Vick, Springer, Moscoso, Nealey, Walsh and Fey.

#### **Brief History:**

##### **Committee Activity:**

Commerce & Gaming: 1/27/15, 2/16/15 [DPS].

#### **Brief Summary of Substitute Bill**

- Authorizes the Liquor Control Board to issue a special permit to a wine manufacturer, authorizing such manufacturer to conduct an invitation-only wine-tasting and sales event at a specified location on a specified date.
- Requires that the wine served or sold at the event be the product of the hosting winery.

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### HOUSE COMMITTEE ON COMMERCE & GAMING

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 9 members: Representatives Hurst, Chair; Wylie, Vice Chair; Condotta, Ranking Minority Member; Holy, Assistant Ranking Minority Member; Blake, Kirby, Moscoso, Scott and Vick.

**Staff:** Thamas Osborn (786-7129).

#### **Background:**

In addition to issuing liquor licenses to commercial entities, the Liquor Control Board (LCB) issues a variety of special permits for selling, serving, and handling alcohol at specified events or to persons or entities that do not hold a liquor license. Many special permits are of

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limited duration for a specified purpose or event, or are issued for a purpose falling outside the commercial activities ordinarily engaged in by a licensee. For example, special permits are issued to allow for the consumption of liquor at banquets and to allow a manufacturer or distributor to donate liquor to delegates and guests at conventions and international trade fairs. Unless a fee is specified in statute, the fees for permits are generally established by the LCB by rule.

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**Summary of Substitute Bill:**

Authorizes the LCB to issue a special permit to a wine manufacturer, authorizing such manufacturer to conduct a wine-tasting and sales event at a specified location on a specified date. The event may not be open to the general public, and the wine tasted or served must be the product of the hosting winery. The permit is subject to a fee of \$10 per event, and the application for the permit must be submitted at least 10 days prior to the event. The number of events that a winery may host is limited to 12 per year.

**Substitute Bill Compared to Original Bill:**

The substitute bill makes the following changes to the original bill:

- adds a provision limiting the number of events that a winery may host to 12 per year; and
  - strikes a provision requiring that the permit for a wine-tasting and sales event be obtained "online."
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**Appropriation:** None.

**Fiscal Note:** Available.

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

**Staff Summary of Public Testimony:**

(In support) This bill would be very beneficial to small wineries because they depend heavily on direct retail sales. Accordingly, many small wineries have been creating "wine clubs" in order to cultivate a loyal customer base. These wineries would like to host private events for these wine clubs in order to engage in tastings and sales events to club members. Such events would provide an additional marketing opportunity for the small wineries. In 1980 there were 10 wineries in this state; today there are over 800.

(Opposed) None.

**Persons Testifying:** Representative Wylie, prime sponsor; Josh McDonald and Marty Clubb, Washington Wine Institute.

**Persons Signed In To Testify But Not Testifying:** None.