

Liquor Control Board

Final Legislative Report 2009

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The 2009 legislative session came to a close on April 26. Summarized below are those bills that passed the legislature and were delivered to Governor Gregoire for action. The Governor had 20 days from end of session to sign, veto or partially veto a bill.

Please feel free to contact me directly if you have any questions or concerns. If you would like more information about the legislative process, the Legislature's web site has a good explanation: <http://www.leg.wa.gov/WorkingwithLeg/overview.htm>.

Bill #	Description	Status
	APPROVED	
	<i>Agency Request Legislation</i>	
SSB 5367	Nightclub liquor license	<i>Signed by Governor</i>
SHB 1435	Cigarette/Tobacco Licensing	<i>Signed by Governor</i>
	<i>Alcohol & Tobacco Related Legislation</i>	
SHB 1415	Wine at the Legislative Gift Center	<i>Signed by Governor</i>
SB 5060	Manufactured wine and beer (home brew)	<i>Signed by Governor</i>
ESSB 5110	Wine served at wedding boutiques and art galleries	<i>Signed by Governor</i>
SHB 1812	Wine Labels	<i>Signed by Governor</i>
SHB 1441	Agreements between suppliers and distributors	<i>Signed by Governor</i>
EHB 2358	Liquor License Fees	<i>Signed by Governor</i>
EHB 2040	Work of joint select committee on beer and wine regulation	<i>Signed by Governor</i>
SSB 5834	Regarding alcoholic beverage regulation (Omnibus bill)	<i>Signed by Governor</i>
SSB 5340	Internet and mail order tobacco sales	<i>Signed by Governor</i>

Liquor Control Board
Agency Request Legislation

Nightclub Liquor License (SSB 5367)

Creates a spirits, beer, and wine nightclub liquor license. The nightclub license has no food service requirements, primary hours of business between 9pm and 2am, requires employees must hold a MAST permit, minors are allowed only in areas where no alcohol is served or consumed, and allows local governments to petition the board for additional restrictions. Revises the cap to 1 per 1200 on spirits, beer and wine restaurant licenses.

Effective date: July 26, 2009

Cigarette/Tobacco Licenses (SHB 1435)

Gives the Liquor Control Board the administrative authority to approve, deny, suspend, or revoke retail/wholesale cigarette/tobacco licenses. Adds an amendment to RCW 82.26.060 licensing administration for cigarettes and tobacco products.

Effective date: July 26, 2009

Alcohol Related Legislation

Wine Sales at the Legislative Gift Center (SHB 1415)

This bill creates a new exception in RCW 66.12 to allow the Legislative Gift Center to sell Washington wines for off-premises consumption.

Effective date: July 26, 2009

Manufactured Beer and Wine (Home Brew) (SB 5060)

This bill modifies the provisions relating to the use of family beer or wine manufactured in the home, and the amount of beer or wine that may be removed from the home for exhibitions, competitions, or tastings. Family beer or wine to mean beer or wine manufactured in the home for private consumption and may be removed from the premises where made for private use including use at organized affairs, exhibitions or competitions such as homemaker's contests, tasting or judging. Beer or wine removed under this section may not be sold or offered for sale.

Effective date: July 26, 2009

Complimentary Wine at Wedding Boutiques and Art Galleries (SSB 5110)

This bill creates an exception in RCW 66.12 to allow wedding boutiques and art galleries to give a complimentary glass of wine or beer to a customer for consumption on the premises. Customers must be at least 21 years of age; cannot advertise; and must complete LCB alcohol server training.

Effective date: July 26, 2009

Wine Labels (SHB 1812)

This bill relates to the appellation of origin claimed or implied anywhere on a wine label. If the appellation of origin claimed or implied anywhere on a label is "Washington" then 95% of the grapes used in the production of the wine must have been grown in Washington.

Effective date: July 26, 2009

Agreements Between Suppliers and Distributors (ESHB 1441)

This bill contains language relating to the agreements between suppliers and distributors, and the process to be followed if a supplier decides to have their product handled by a different distributor. Definitions have been added for "brand", "successor distributor", and "terminated distributor".

Effective date: July 26, 2009

Liquor License Fees (EHB 2358)

Increase liquor licensing fees by 10.5% for some retail liquor licenses.

Effective date: July 26, 2009

Beer and Wine Regulation (EHB 2040)

This bill is from the work of the joint select committee on beer and wine regulation. Four categories are affected by this legislation: financial interest and ownership, money's worth as it applies to advertising, price post and hold, and minimum markup.

Financial Interest and Ownership:

- Adds an intent section;
- Defines industry member, retailer, affiliate, person, undue influence, and adverse impact on public health and safety;
- Allows direct or indirect financial ownership or interest between industry members and retailers, and retailers between industry members, under a different ownership entity, unless such interest has or will result in:
undue influence over the purchasing decisions of the retailer;
undue influence over the marketing or sales decisions of the industry member; or
an adverse impact on public health and safety;

Money's Worth:

- Allows industry members to provide retailers branded promotional items of nominal value, whether a single item or in the aggregate. Items include but are not limited to: trays, lighters, blotters, post cards, pencils, coasters, menu cards, meals checks, napkins, clocks, mugs, glasses, bottle or can openers, corkscrews, printed recipes, shirts, hats, visors, and similar items of nominal value. The branded promotional items:
 - Must be used exclusively by the retailer or employees in a manner consistent with its license;
 - Must bear imprinted advertising matter of the industry member only;
 - May be provided by industry members only to retailers and their employees and may not be provided by or through retailers or their employees to retail customers; and
 - May not target or appeal to youth.

Price Post and Hold:

- Removes the post and hold requirement for beer and/or wine manufacturers and suppliers and requires they keep, at their liquor licensed location, a price list showing the prices they will sell all brands of beer and wine to retailers within the state.
- Removes the intent section.

Minimum Markup:

- Removes the ten percent markup. No price may be below acquisition cost.

Effective date: July 26, 2009

Regarding Alcoholic Beverage Regulation – Omnibus Bill (SSB 5834)

Description of Bill:

- Section 1: Amends 66.24.040 (2) – Definition of “Authorized Representative”. Allows a winery certificate of approval holder to keep their license when they contract with an authorized representative to market one or more of their brands. Removes the exclusivity requirement between authorized reps and wineries. A winery COA may now have several authorized reps marketing and selling different brands, and the winery can sell their other brands that have not been contracted to an authorized rep.
- Section 2: Amends 66.24.450 – Allows a Spirits/Beer/Wine Private Club to sell bottled wine for off-premises consumption with the proper endorsement (off-premises wine sales - \$120).
- Section 3: Amends 66.24.452 – Allows a Beer/Wine Private Club to sell bottled wine for off-premises consumption with the proper endorsement (off-premises wine sales - \$120)
- Section 4: Amends 66.24.170 - Allows a domestic winery operating as a distributor of their own product to have a warehouse off of the winery premises for the distribution of its own production. The location must be approved by the Board, and they may only have one.
- Section 5: Amends 66.28.010 (1)(h) – Adds special occasion licensees and private club licensees to the list of retail licensees allowed to receive personal services from a domestic winery or certificate of approval holder. Also allows wineries and retailers to identify the wineries on private labels for grocery stores and specialty shops.
- Section 6 and 7: Amends 66.24.371 (1) - Allows beer/wine specialty shops to sell malt liquor in kegs capable of holding four or more gallons of liquid. Amends 66.28.200(1) - Adds beer/wine specialty shop licensees to the list of licensees that may sell kegs.
- Section 8: Amends 66.28.040 – Allows a domestic distillery to furnish spirits without charge to a 501(c)(3) or a 501 (c)(6) nonprofit charitable organization or association.
- Section 9: Amends 15.89.070 (17) – Removes the sunset date. Allows the beer commission to receive gifts, grants, and endowments from public or private sources as may be made from time to time for the use and benefit of the purposes of the commission.
- Section 10: Creates a new section in RCW 66.24 – Allows up to 20 cases of wine to be transferred from one licensed location to another licensed location so long as both locations are under common ownership. Part of legislation that come from the recommendation of the 8407 joint select committee on beer and wine regulation.
- Section 11: New Section in 66.28 – Relating to electronic funds transfers. Allows the transaction to be completed as promptly as is reasonably practical, and in no event, later than five business days following delivery. Part of legislation that come from the recommendation of the 8407 joint select committee on beer and wine regulation.

Effective date: July 26, 2009

Tobacco Related Legislation

Internet and Mail Order Tobacco Sales (SSB 5340)

Only a retailer or wholesaler may order cigarettes and other tobacco products by mail or the internet. The delivery sale of cigarettes statute is repealed. Bill describes penalties.

Effective date: July 26, 2009