

HOUSE BILL REPORT

2SHB 2782

As Amended by the Senate

Title: An act relating to special event endorsements to full service private club licenses.

Brief Description: Authorizing special event endorsements to full service private club licenses.

Sponsors: By House Committee on Appropriations (originally sponsored by Representatives McMorris and Wood).

Brief History:

Committee Activity:

Commerce & Labor: 1/29/98 [DPS];
Appropriations: 2/7/98 [DP2S(w/o sub CL)].

Floor Activity:

Passed House: 2/13/98, 98-0.
Senate Amended.

HOUSE COMMITTEE ON COMMERCE & LABOR

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 9 members: Representatives McMorris, Chairman; Honeyford, Vice Chairman; Conway, Ranking Minority Member; Wood, Assistant Ranking Minority Member; Boldt; Clements; Cole; Hatfield and Lisk.

Staff: Pam Madson (786-7166).

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: The second substitute bill be substituted therefor and the second substitute bill do pass and do not pass the substitute bill by Committee on Commerce & Labor. Signed by 29 members: Representatives Huff, Chairman; Alexander, Vice Chairman; Clements, Vice Chairman; Wensman, Vice Chairman; H. Sommers, Ranking Minority Member; Doumit, Assistant Ranking Minority Member; Gombosky, Assistant Ranking Minority Member; Benson; Carlson; Chopp; Cody; Cooke; Crouse; Grant; Keiser; Kenney; Kessler; Lambert; Lisk; Mastin; McMorris; Parlette; Poulsen; Regala; D. Schmidt; Sehlin; Sheahan; Talcott and Tokuda.

Staff: Julie Salvi (786-7349).

Background: A full service private club license allows the licensee to serve liquor by the drink on the club's premises to club members, guests and visitors. A club must be a nonprofit organization with a social, educational, benevolent, or an athletic purpose.

Under this license, a club may purchase liquor from the Liquor Control Board at a discount and then sell the liquor by the drink to club members, guests or visitors. Club rules must comply with certain limitations on guest privileges. Visitors must be accompanied by a club member at all times. The club's premises may be used for events open to the general public, but no liquor may be served to the public at these events.

A full service private club license has an annual cost of \$720. A full service restaurant license ranges from \$1,000 to \$2,000 depending on the area of the facility dedicated to dining and the type of liquor service offered.

Summary of Bill: A full service private club licensee may obtain an endorsement for up to 50 non-club events using club liquor. Events must be sponsored by club members and may not be open to the general public. The cost for the endorsement is an annual fee of \$480. The holder of the endorsement must give notice of the event to the Liquor Control Board only upon the request of the board. The notice, if requested, must be given at least 72 hours before the event takes place, and the board may request additional information regarding the event and the event sponsor.

EFFECT OF SENATE AMENDMENT(S): (1) Reduces the number of authorized events per year under the endorsement to the full service private club license from 50 to 40. (2) Requires the Liquor Control Board to report to the legislature by January 1, 2001, on whether compliance by private clubs with restrictions on service to nonmembers has improved with the changes made by this bill.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect July 1, 1998.

Testimony For: (Commerce & Labor) This bill applies to those clubs that have a club facility. Under the current law, it is unclear what constitutes a club event. This bill will help clarify this gray area making compliance with the law less confusing and enforcement easier. Clubs want to provide a service to their members and the community by allowing the club facility to be used along with its alcohol beverage service. Amendments to clarify that the event must be sponsored by a club member and must not be open to the public, that notice of the event to the Liquor Control Board may

be at the board's request, and that the fee for the endorsement be an annual fee are changes supported by those testifying.

(Appropriations) This bill would clear up a gray area regarding when club alcohol can be served at events held by club members. The interested parties have agreed to change the endorsement fee from \$480 to \$900 to make the combination of full-service private club license and endorsement fee comparable to a full-service restaurant license.

Testimony Against: (Commerce & Labor) None.

(Appropriations) None.

Testified: (Commerce & Labor) (In support) Stu Halsan, Washington Federation of Clubs; Jack Kirkpatrick, Sand Point Country Club; Steve Hall, Broadmoor Golf Club; Kim Rosiar, Bellingham Golf and Country Club; Peter Sparling, College Club of Seattle; and Gary Gilbert, Washington State Liquor Control Board.

(Appropriations) Representative McMorris, prime sponsor; and Stu Halsan, Washington State Federation of Clubs.