

HOUSE BILL REPORT

HB 1516

As Reported By House Committee On:
Commerce & Labor

Title: An act relating to redefining the criteria for spirits, beer, and wine restaurant licenses.

Brief Description: Redefining criteria for spirits, beer, and wine restaurant licenses.

Sponsors: Representatives Conway and Clements; by request of Liquor Control Board.

Brief History:

Committee Activity:

Commerce & Labor: 2/01/99, 2/18/99 [DP].

Brief Summary of Bill

- Establishes a new category under the spirits, beer and wine license.
- Sets the license fee for the new license category at \$2,500.
- Relaxes the food service requirement for spirits, beer and wine licensees.

HOUSE COMMITTEE ON COMMERCE & LABOR

Majority Report: Do pass. Signed by 7 members: Representatives Clements, Republican Co-Chair; Conway, Democratic Co-Chair; B. Chandler, Republican Vice Chair; Wood, Democratic Vice Chair; Hurst; Lisk and McIntire.

Minority Report: Do not pass. Signed by 1 member: Representative McMorris.

Staff: Pam Madson (786-7166).

Background:

Restaurants may be licensed as spirits, beer and wine restaurants to sell liquor by the drink for consumption on the premises of the business. The business facility must be equipped to prepare and serve complete meals to its customers. The requirement for

preparing and serving a complete meal includes more than fry orders, sandwiches, hamburgers or salads.

Restaurants with cocktail lounges must dedicate at least 15 percent of the floor space to dining. Persons under the age of 21 are permitted in the dining area but are prohibited from being in the area designated for service of liquor only. Entertainment areas and dancing must be separate from the dining area unless approval is obtained from the board.

The license fee for a spirits, beer and wine restaurant is based on the amount of area dedicated to dining and the type of liquor service provided. The license fees range from \$1,000 to \$2,000 depending on the amount of dedicated dining area. The smaller the area devoted to dining, the more expensive the license fee.

Summary of Bill:

An additional category is established for the spirits, beer and wine restaurant license. If a restaurant does not dedicate any of the facility for dining, the license fee is \$2,500. No persons under the age of 21 may be admitted.

A restaurant may satisfy the food requirement under the spirits, beer and wine license by serving fry orders, sandwiches and salads rather than a complete meal.

Appropriation: None.

Fiscal Note: Available.

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

Testimony For: Some food and beverage businesses that include dancing or entertainment may not have the demand for food required by the current spirits, beer and wine license. These businesses would like to move toward more entertainment and less food service. They would like to get rid of the expense of maintaining full meal service when there is no demand for it. They may also want to operate less than five days a week or operate only on weekends. Under the current spirits, beer and wine restaurant license, the licensee must have full meal service available to the public five days a week.

Since 1948, restaurants that served liquor had to maintain substantial food service. Food and liquor ratios were established. Gradually these ratios became more and more difficult to maintain and enforce. There are more than 2,900 restaurants that serve liquor. The Liquor Control Board conducted a survey of 43 states. Washington

was the only state with such a high food requirement for liquor service. By maintaining this new category under the existing spirits, beer and wine liquor license, the number of licenses will be limited by the current cap on spirits, beer and wine licenses. We are approximately 800 licenses under the cap. This bill represents a very broad change. Reducing the food requirement would make it easier for taverns to become full service spirits, beer and wine restaurants. This increases the service of alcohol and increases the access in areas where public inebriation is currently a problem. Another possible solution might be a new license that is more limited, rather than increasing the number of licensees moving to the sale of spirits rather than just beer and wine.

Testimony Against: None.

Testified: (In support) Frank Norwood; David Goyette, Liquor Control Board; Vito Chiechi, Washington State Licensed Beverage Association; and Michael Transue, Washington Restaurant Association.

(With concerns) Becky Bogart, Washington State Hotel and Motel Association, and Washington State Sports and Entertainment Facilities Association.