

# SENATE BILL REPORT

## SB 6539

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As Passed Senate, February 13, 2006

**Title:** An act relating to the limit on spirits, beer, and wine restaurant licenses.

**Brief Description:** Changing the formula cap on spirits, beer, and wine restaurant licenses.

**Sponsors:** Senators Kohl-Welles, Parlette and Keiser; by request of Liquor Control Board.

**Brief History:**

**Committee Activity:** Labor, Commerce, Research & Development: 1/26/06 [DP, DNP]  
Passed Senate: 2/13/06, 45-2.

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### SENATE COMMITTEE ON LABOR, COMMERCE, RESEARCH & DEVELOPMENT

**Majority Report:** Do pass.

Signed by Senators Kohl-Welles, Chair; Parlette, Ranking Minority Member; Brown, Hewitt, Keiser and Prentice.

**Minority Report:** Do not pass.

Signed by Senator Honeyford.

**Staff:** Jennifer Strus (786-7316)

**Background:** When liquor by the drink was established by state law in 1949, a statutory limit was set to control the number of establishments that could be licensed for the purpose of selling liquor by the drink. The limit is a formula based upon one license for every 1500 persons.

In June 2005, the number of spirits, beer, and wine restaurant licenses issued across the state was 4108. This number is within 200 licenses of the cap. At the current rate of growth in this license category, the cap will be reached in the next year or so. Once the cap is reached, the Liquor Control Board (LCB) cannot grant license applications for this type of license regardless of the location of the premises.

**Summary of Bill:** The total number of spirits, beer, and wine restaurant licenses that can be issued in the state of Washington shall not exceed one license for every 1450 persons in the state.

**Appropriation:** None.

**Fiscal Note:** Available.

**Committee/Commission/Task Force Created:** No.

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

**Testimony For:** The increased number of spirits, beer, and wine restaurant licenses are a result of the conversion from tavern license. The bill would allow the LCB to issue 300 more licenses. The LCB is convening a group to work on the issues some local governments have with the number of liquor licenses issued in a particular area (density), but this bill would allow the LCB to continue issuing liquor licenses while they are working out the density issue.

**Testimony Against:** None.

**Testimony Other:** The cap should be completely removed rather than adjusting the formula by which the cap is determined. The increase in restaurants with this type of license adds to the economic development of local communities.

**Who Testified:** PRO: Rick Garza, Liquor Control Board.

OTHER: Michael Transue, Washington Restaurant Association.