

HOUSE BILL REPORT

HB 1975

As Reported by House Committee On:
Commerce & Labor

Title: An act relating to spirits, beer, and wine restaurant licenses.

Brief Description: Addressing spirits, beer, and wine restaurant licenses.

Sponsors: Representatives Springer, Condotta and Wood.

Brief History:

Committee Activity:

Commerce & Labor: 2/23/07, 2/26/07 [DPS].

Brief Summary of Substitute Bill

- Allows restaurants with a catering endorsement issued by the Liquor Control Board to store liquor off its premises under certain conditions.

HOUSE COMMITTEE ON COMMERCE & LABOR

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 7 members: Representatives Conway, Chair; Wood, Vice Chair; Condotta, Ranking Minority Member; Chandler, Assistant Ranking Minority Member; Green, Moeller and Williams.

Staff: Joan Elgee (786-7106).

Background:

The Liquor Control Board (Board) issues a number of types of liquor licenses. A spirits, beer, and wine restaurant license allows the sale of spirits, beer, and wine for consumption on the premises. A beer and/or wine restaurant license allows the sale of beer or wine, or both, for on-premises consumption.

A holder of either of these restaurant licenses may apply for a caterer's endorsement. The endorsement allows the restaurant to remove liquor from the premises for a catered event. The catered event must be sponsored by a not-for-profit group organized for specified purposes unless attendance is limited to members or invited guests. The caterer's endorsement may also

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be used for an event at a domestic winery or on a passenger vessel. Except for catering at wineries and on vessels, the catering must take place on premises not licensed by the Board.

Summary of Substitute Bill:

A restaurant with a catering endorsement as part of a spirits, beer, and wine license or a beer and/or wine license issued by the Board may store liquor on the premises of another not licensed by the Board. There must be a written agreement between the restaurant and the other party to provide for ongoing catering services, the agreement must not contain any exclusivity clauses regarding the liquor to be served, and the agreement must be filed with the Board.

A restaurant that does catering may also store liquor on other premises operated by the restaurant that it owns or controls by a leasehold interest, and may store liquor at wineries and on passenger vessels for which it does catering.

The Board must establish conditions for the storage of liquor.

Substitute Bill Compared to Original Bill:

The substitute bill gives beer and/or wine licensees, in addition to spirits, beer, and wine licensees, the authority to store liquor on other premises the restaurant owns or controls by a leasehold interest. The licensee must operate those premises. It also clarifies that the allowed storage on other premises when there is an agreement for on-going catering is only for premises not licensed by the Board. Other clarifying changes are made.

Appropriation: None.

Fiscal Note: Available.

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

Staff Summary of Public Testimony:

(In support) Restaurants that hold catering licenses with a catering facility elsewhere or that cater at a winery have to cart the liquor back and forth. For example, a restaurant on a downtown street may have a banquet room a block away. Currently, the restaurant can't store the liquor. It's a logistics problem and a safety, cost, and theft issue. When there is an exclusive catering agreement, we want to amend to make clear storage is allowed only on unlicensed premises.

(Neutral) We are neutral on the policy. The amendment described takes care of the concern we had.

(Opposed) None.

Persons Testifying: (In support) Representative Springer, prime sponsor; and Michael Transue, Washington Restaurant Association.

(Neutral) Rick Garza, Liquor Control Board.

Persons Signed In To Testify But Not Testifying: None.