

SENATE BILL REPORT

HB 1465

As Reported by Senate Committee On:
Labor, Commerce & Consumer Protection, March 22, 2011

Title: An act relating to conditions and restrictions for liquor licenses.

Brief Description: Modifying conditions and restrictions for liquor licenses.

Sponsors: Representatives Hunt, Taylor, McCoy, Appleton, Condotta, Miloscia and Dunshee;
by request of Liquor Control Board.

Brief History: Passed House: 2/26/11, 97-0.

Committee Activity: Labor, Commerce & Consumer Protection: 3/08/11, 3/21/11, 3/22/11
[DPA].

SENATE COMMITTEE ON LABOR, COMMERCE & CONSUMER PROTECTION

Majority Report: Do pass as amended.

Signed by Senators Kohl-Welles, Chair; Conway, Vice Chair; Holmquist Newbry, Ranking Minority Member; King, Assistant Ranking Minority Member; Hewitt, Keiser and Kline.

Staff: Edith Rice (786-7444)

Background: The Liquor Control Board (Board) issues multiple types of licenses, including winery, microbrewery, grocery store, restaurant, and nightclub licenses. In certain circumstances, the Board may impose conditions or restrictions on a license. For example, some grocery stores have a restricted license allowing the sale of only beer and table wine, and not strong beer (more than 8 percent alcohol by weight) or fortified wine. All conditions and restrictions the Board imposes must be listed on the face of the license along with the trade name, address, and expiration date of the license. A licensee must post its license in a conspicuous place on the premises.

A spirits, beer, and wine restaurant license allows the sale of spirits by the drink, beer, and wine. To qualify as a restaurant, an establishment must be approved by the Board and must be maintained in a substantial manner as a place for preparing, cooking, and serving of complete meals. Fry orders and such food as sandwiches, hamburgers, or salads do not constitute complete meals.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

A nightclub license also allows the sale of spirits by the drink, beer, and wine. A nightclub is an establishment that provides entertainment and has as its primary source of revenue the sale of alcohol, cover charges, or both, and has an occupancy load of 100 or more persons. Local governments may request the Board impose restrictions on a nightclub license.

Summary of Bill (Recommended Amendments): Conditions and restrictions imposed by the Board are no longer required to be listed on the face of the license and may be included in official correspondence. Any additional correspondence with conditions and restrictions must be posted on the premises in addition to the license.

The specification that fry orders, and such food as sandwiches, hamburgers, or salads do not constitute complete meals for purposes of qualifying as a restaurant is removed. Instead, the Board must determine requirements for complete meals in rule.

The 100 persons or more occupancy load requirement to qualify for a nightclub license is removed.

Beer and/or wine specialty shop licensees with over 50 percent of beer and/or wine sales can get an endorsement to sell beer to purchasers who bring their own container and have it filled at the tap at the time of sale. The Board can waive the over 50 percent sales requirement if the beer and/or wine specialty shop licensee carries alcohol inventory worth over \$15,000.

Domestic breweries and microbreweries are permitted to sell beer produced by other domestic breweries and microbreweries as long as the other breweries' brands do not exceed 25 percent of the brewery's on-tap offering of its own brands.

EFFECT OF CHANGES MADE BY LABOR, COMMERCE & CONSUMER PROTECTION COMMITTEE (Recommended Amendments): Beer and/or wine specialty shop licensees with over 50 percent of beer and/or wine sales can get an endorsement to sell beer to purchasers who bring their own container and have it filled at the tap at the time of sale. The Board can waive the over 50 percent sales requirement if the beer and/or wine specialty shop licensee carries alcohol inventory worth over \$15,000.

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Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

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

Staff Summary of Public Testimony on Original Bill: PRO: This bill provides the Liquor Control Board with needed flexibility and removes restrictions affecting restaurants. Current law excluded some businesses from the nightclub license because of capacity issues. We

would like two amendments to incorporate SB 5711 and SB 5709 into this bill. This bill impacts small businesses and we support it.

Persons Testifying: PRO: Representative Hunt, prime sponsor; Alan Rathbun, Liquor Control Board; TK Bentler, Heather McClung, WA Brewers Guild.