

FINAL BILL REPORT

SHB 1001

C 219 L 13

Synopsis as Enacted

Brief Description: Concerning beer and wine theater licenses.

Sponsors: House Committee on Government Accountability & Oversight (originally sponsored by Representatives Moeller, Pedersen, Hunt, Clibborn, Green, Van De Wege, Fitzgibbon, Lytton, Appleton, Maxwell, Tharinger, Ormsby, Riccelli, Pollet and Jinkins).

House Committee on Government Accountability & Oversight
Senate Committee on Commerce & Labor

Background:

Washington liquor statutes authorize various types of licenses, including licenses for restaurants and taverns. License fees for restaurants range from \$221 for only beer or only wine to \$2,000 for spirits, beer, and wine, where less than 50 percent of the premises is a dedicated dining room. Food requirements are attached to these licenses. License fees for taverns are \$200 for beer, \$200 for wine, or \$400 for both. There are no food requirements attached to tavern licenses.

There is no specific license pertaining to liquor sales by commercial theatres although there is one for nonprofit arts organizations. Nonprofit arts organizations may obtain a liquor license to sell liquor to patrons on the premises at sponsored events which are approved by the Liquor Control Board (LCB). The fee for such a license is \$250 per year. A nonprofit arts organization is one which provides artistic or cultural exhibitions, or performances or art education programs for attendance by the general public. It must meet legal requirements for a not-for-profit corporation and must satisfy specific conditions set by the LCB.

In 2010 the LCB adopted rules creating legal requirements for the issuance of beer and wine restaurant licenses to cinemas with dinner theater venues. These rules include provisions pertaining to:

- the types of food service that must be provided;
- lighting standards;
- areas within the theater where alcohol sales and service may be provided;
- restrictions on areas where alcohol may be consumed; and
- restrictions on areas within a theater in which minor employees and minor patrons may be present.

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.

Summary:

A beer and wine theater license is created to allow a theater to sell beer, including strong beer, or wine, or both, at retail for consumption on theater premises. The annual fee for such license is \$400. No food requirements are specified.

"Theater" is defined as a place of business where motion pictures or other primarily nonparticipatory entertainment are shown and includes only those theaters with no more than four screens.

If theater premises are to be frequented by minors, an alcohol control plan must be submitted to the LCB at the time of application. The alcohol control plan must be approved by the LCB and prominently posted on the premises prior to minors being allowed entry.

"Alcohol control plan" is defined as a written, dated, and signed plan submitted to the LCB by an applicant or licensee for the entire theater premises, or a room or area therein. The alcohol control plan must include: (1) a statement explaining where and when minors and alcohol are permitted; and (2) the control measures to be used to prevent minors from obtaining alcohol or being exposed to environments where drinking alcohol predominates.

All servers of beer and wine are required to attend a mandatory alcohol server training program.

Violations involving minors or the failure to follow an alcohol control plan are doubled for theaters.

Subject to specified conditions, theater licensees that are federally designated nonprofits exempt from taxation under 26 U.S.C. Sec. 501(c)(3) may enter into arrangements with a liquor industry member for purposes of brand advertising at the theater. Such an arrangement is an exception to the general statutory prohibition against a liquor industry member advancing money or other valuable consideration to a retailer. Such arrangements are subject to specified auditing procedures to be conducted by the LCB.

The LCB is required to adopt rules regarding alcohol control plans and necessary control measures.

Votes on Final Passage:

House	90	4	
Senate	27	21	(Senate amended)
House	87	7	(House concurred)

Effective: July 28, 2013