
Government Accountability & Oversight Committee

ESB 5607

Brief Description: Concerning beer, wine, and spirits theater licenses.

Sponsors: Senators Harper, Hewitt, Kohl-Welles and Kline.

Brief Summary of Engrossed Bill

- Creates a license for certain theaters (those with no more than 120 seats per screen and that serve complete meals) to sell beer, wine, and/or spirits for on-premise consumption.
- Requires theaters that allow minors on the premises to follow certain procedures, and doubles the monetary and license suspension penalties for violations involving minors.

Hearing Date: 3/21/13

Staff: Trudes Tango (786-7384).

Background:

Spirits, beer, and wine restaurant license.

The Liquor Control Board (LCB) issues a variety of retail licenses that allow the licensee to sell beer, wine, and/or spirits for on-premise consumption. A spirits, beer, and wine restaurant license allows a restaurant to serve spirits by the individual glass, serve beer by the bottle or by tap, and serve and sell wine. To obtain a spirits, beer, and wine restaurant license, the restaurant must comply with certain requirements regarding hours of operation, floor space, and food service.

Regarding the requirements for food service, the restaurant must prepare, cook and serve at least eight complete meals. A complete meal is an entrée with at least one side dish. A chef or cook must be on duty while meals are offered, a menu must be available to customers, and food items

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from the menu must be on the restaurant premises. Restaurants with less than 100 percent dedicated dining area must maintain complete meal service for certain hours of operation. The LCB may provide exceptions to this requirement under certain conditions.

A cinema with a dinner theater venue may obtain a spirits, beer, and wine restaurant license if additional requirements, such as lighting requirements, are met. In addition, a cinema with a dinner theater venue must provide a floor plan of the cinema to the LCB indicating which theater rooms are operated as dinner theaters serving alcohol and which rooms will not be serving alcohol and open to minors.

Violations of liquor laws and regulations.

When an enforcement officer believes that a licensee or employee of a licensee has violated the liquor laws or rules, the officer may issue a violation notice. The licensee has a certain amount of time to respond to the notice and may accept the recommended penalty, request a settlement conference, or request an administrative hearing.

Penalties, which include monetary fines and suspension of licenses, escalate based on the number of violations within a two year period. For a violation involving minors (such as selling alcohol to a minor) the penalty for a first violation is a five day license suspension or a \$500 monetary fine. For a second violation within two years, the penalty is a seven day license suspension. No monetary fine in lieu of suspension is available for second or subsequent violations within two years.

Summary of Bill:

A theater license to sell beer, wine, and spirits at retail for on-premise consumption is created. "Theater" means a place of business where motion pictures or other primarily nonparticipatory entertainment are shown. To be eligible for a theater license to sell beer, wine, and spirits, the theater must not contain more than 120 seats per screen and must prepare, cook and serve complete meals and provide tabletop accommodations for in-theater dining. The requirements for complete meals are the same as the requirements that apply to spirits, beer, and wine restaurants. The annual fee for the license is \$400.

If minors are allowed in the theater, the theater must submit an alcohol control plan to the LCB for approval. The alcohol control plan is a written, dated, and signed plan showing where and when alcohol is permitted, where and when minors are permitted, and the control measures used to ensure minors are not exposed to environments where drinking alcohol predominates. The LCB must adopt rules regarding alcohol control plans. Any person serving alcohol must have completed a mandatory alcohol server training program.

The maximum fines and suspensions for violations involving minors or failure to follow an alcohol control plan are doubled for theaters. Therefore, a first violation is a 10 day license suspension or \$1000 monetary penalty.

With certain limitations, a theater licensee that is a federally designated nonprofit exempt from taxation under 26 U.S.C. 501(c)(3) may enter arrangements with a beer, wine, or spirits manufacturer, importer, or distributor for brand advertising at the theater or promotion of events held at the theater. The arrangement may not result in the exclusion or brands or products of

other companies. Such agreements are subject to specified auditing procedures to be conducted by the LCB.

Appropriation: None.

Fiscal Note: Available.

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