

FINAL BILL REPORT

ESB 5607

C 237 L 13
Synopsis as Enacted

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

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

Senate Committee on Commerce & Labor

House Committee on Government Accountability & Oversight

Background: Nonprofit arts organizations can 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.

Artistic or cultural exhibitions, presentations or performances, or cultural or art education programs are specifically defined and limited in statute.

Theater is defined in statute as an establishment in which feature motion pictures are regularly exhibited to the public for an admission charge.

Summary: A theater beer, wine, and spirits license is created. In order to obtain a theater beer, wine, and spirits license from the LCB, a theater must have no more than 120 seats per screen, provide tabletop accommodations for in-theater dining, and comply with the same meal preparation and service requirements as restaurant licensees. The annual fee is \$2,000 and permits theaters to sell beer, wine, and spirits to be consumed on theater premises. An alcohol control plan must be submitted to the LCB at the time of application for the license; if minors will ever be present at the theater.

An applicant for a theater license must submit an alcohol control plan to the LCB that shows where alcohol is permitted, where and when minors are permitted, and what measures will be taken to ensure the minors will not be able to get alcohol or will not be exposed to areas where drinking alcohol predominates. The LCB must adopt rules regarding alcohol control plans.

Theater is defined as a place of business where motion pictures or other primarily nonparticipatory forms of entertainment are shown.

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.

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

The maximum for certain penalties for violations involving minors or failure to follow the alcohol control plan are doubled. Servers are required to hold a class 12 or class 13 server permit.

Votes on Final Passage:

Senate	36	13	
House	84	11	(House amended)
Senate	38	9	(Senate concurred)

Effective: July 28, 2013.