

HOUSE BILL REPORT

HB 2568

As Reported by House Committee On: Commerce & Gaming

Title: An act relating to establishing an on-premises retail alcohol license for a business at which customers participate in an art activity such as painting, pottery, or sculpting.

Brief Description: Establishing an on-premises retail alcohol license for a business at which customers participate in an art activity such as painting, pottery, or sculpting.

Sponsors: Representatives Eslick, Vick, Jenkin and Hargrove.

Brief History:

Committee Activity:

Commerce & Gaming: 1/22/18, 2/1/18 [DPS].

Brief Summary of Substitute Bill

- Creates a new form of liquor license, designated as an "art activity license," that may be issued to a qualifying business whose primary purpose is providing art instruction to the public.
- Authorizes a qualifying licensee to provide wine and beer free of charge to customers for on-premises consumption, subject to specified limitations on the amount that may be served to a customer per day.
- Prohibits a licensee from engaging in the retail sale of beer or wine on the licensed premises.
- Establishes a licensing fee of \$125 per year.

HOUSE COMMITTEE ON COMMERCE & GAMING

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 8 members: Representatives Sawyer, Chair; Kloba, Vice Chair; Condotta, Ranking Minority Member; Vick, Assistant Ranking Minority Member; Blake, Jenkin, Kirby and Young.

Minority Report: Do not pass. Signed by 1 member: Representative Ryu.

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.

Staff: Thamas Osborn (786-7129).

Background:

The Liquor and Cannabis Board (LCB) issues a wide variety of liquor licenses and license endorsements to commercial entities such as grocery stores, restaurants, taverns, and farmers markets. The LCB also issues a license known as a "snack bar license" authorizing the retail sale of beer in bottles or cans for consumption within the licensed premises. The license may only be issued to business establishments where the sale of beer is not the principal business activity. The LCB's administrative rules require that a snack bar licensee provide designated seating for the consumption of beer and that snack food such as peanuts, popcorn, and chips be made available to customers.

Summary of Substitute Bill:

The act creates a new form of liquor license, designated as an art activity license, that may be issued to businesses involved in art instruction activities and meeting specified requirements. A qualifying licensee is authorized to provide beer and wine, free of charge and for on-premises consumption only, to participants in an art activity. Wine may be served only by the glass and beer may be served by the glass, bottle, or can. To qualify for the license a business must meet the following requirements:

- the applicant must be a business whose primary purpose is providing instruction to customers who participate in an art activity such as painting, pottery, or sculpting;
- wine and beer must be consumed in a designated seating area, which may include an area where an instructor leads group activities; and
- customers may consume no more than one 6-ounce glass of wine or one 12-ounce glass of beer per day on the licensed premises.

Licensees are prohibited from engaging in the retail sale of beer or wine on the licensed premises.

The fee for an art activity license is \$125 per year.

Substitute Bill Compared to Original Bill:

The substitute bill makes the following changes to the original bill:

- adds a provision allowing a licensee to provide beer and wine, free of charge, to participants in an art activity;
 - requires the licensee to allow customers to consume no more than one 6-ounce glass of wine or one 12-ounce glass of beer per day on the licensed premises; and
 - prohibits the licensee from conducting retail sales of beer or wine to customers.
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Appropriation: None.

Fiscal Note: Available. New fiscal note requested on February 2, 2018.

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

Staff Summary of Public Testimony:

(In support) An art instruction store asked for the creation of the license proposed in this bill. Such stores are forced to get a banquet license in order to sell liquor, and this is inconvenient and time-consuming. This bill will benefit small businesses involved in art instruction activities. Such stores have much more business if customers are provided with beer and wine, and Washington wineries benefit as well. The passage of this bill would serve to modernize our liquor laws by encompassing new activities at which beer and wine can be provided.

(Opposed) Law enforcement groups are opposed to this bill. Far too many bills are being passed that promote access to, and the use of, liquor products. This is a bad trend and sets a bad example for young people.

Persons Testifying: (In support) Representative Eslick, prime sponsor; Leslie Willmann, Junk Sisterhood; and Josh McDonald, Washington Wine Institute.

(Opposed) Seth Dawson, Washington Association for Substance Abuse Prevention.

Persons Signed In To Testify But Not Testifying: None.