

HOUSE BILL REPORT

HB 2573

As Reported by House Committee On:
Commerce & Gaming

Title: An act relating to alcohol server permits.

Brief Description: Concerning alcohol server permits.

Sponsors: Representatives Kloba, Sawyer, Reeves, Springer and Ryu.

Brief History:

Committee Activity:

Commerce & Gaming: 1/16/18, 1/18/18 [DP].

Brief Summary of Bill

- Requires employees of licensed domestic wineries, domestic breweries, and microbreweries to obtain a class 12 or class 13 alcohol server permit to sell or serve wine or beer to customers for on-premises consumption, as authorized under the domestic winery, domestic brewery, and microbrewery licenses.

HOUSE COMMITTEE ON COMMERCE & GAMING

Majority Report: Do pass. Signed by 9 members: Representatives Sawyer, Chair; Kloba, Vice Chair; Condotta, Ranking Minority Member; Vick, Assistant Ranking Minority Member; Blake, Jenkin, Kirby, Ryu and Young.

Staff: Peter Clodfelter (786-7127).

Background:

Alcohol Server Permits - General Information.

The following two types of alcohol server permits are issued by the Liquor and Cannabis Board (LCB):

- a class 12 permit, for a manager or bartender selling or mixing alcohol, spirits, wines, or beer for consumption at an on-premises licensed facility; and
- a class 13 permit, for a person who only serves alcohol, spirits, wines, or beer for consumption at an on-premises licensed facility.

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.

Within 60 days of initial employment, every person whose duties include the compounding, sale, service, or handling of liquor must have a class 12 or class 13 permit. No person may perform duties that include the sale or service of alcoholic beverages on a retail licensed premises without possessing a valid alcohol server permit.

A permit issued by a training entity is valid for employment at any retail licensed premises for a period of five years unless suspended by the LCB. The LCB may suspend or revoke a class 12 or class 13 alcohol server permit in the following circumstances:

- The applicant or permittee has been convicted of violating a state or local liquor law, or has been convicted of a felony.
- The permittee has performed or permitted any act that constitutes a violation of state liquor laws or the LCB's rules.

It is a violation of law for any retail licensee or agent of a retail licensee to employ in the sale or service of alcoholic beverages, any person who does not have a valid alcohol server permit or whose permit has been revoked, suspended, or denied. It is also a violation of law for a person whose alcohol server permit has been denied, suspended, or revoked to accept employment in the sale or service of alcoholic beverages.

The LCB regulates a required alcohol server education program. This includes the development of the curriculum and materials for the education program, examination and examination procedures, as well as certification procedures, enforcement policies, and penalties for education program instructors and providers. The curriculum for an approved alcohol permit training program includes subjects like the physiological effects of alcohol including the effects of alcohol in combination with drugs; liability and legal information; driving while intoxicated; intervention with the problem customer; methods for checking proper identification of customers; and nationally recognized programs, such as Techniques in Alcohol Management (TAM) and Training for Intervention Programs (TIPS) modified to include Washington laws and regulations.

The LCB provides the program through liquor licensee associations, independent contractors, private persons, private or public schools certified by the board, or any combination of such providers. A list of the individuals receiving a class 12 or class 13 permit must be forwarded to the LCB upon completion of each course given by the training entity. A violation of any of the LCB's rules to implement alcohol server permit requirements is a misdemeanor, punishable by a fine of not more than \$250 for a first offense. A subsequent offense is punishable by a fine of not more than \$500, or imprisonment for not more than 90 days, or both the fine and imprisonment.

Domestic Wineries.

A domestic winery license authorizes the manufacture of wine in the state. A domestic winery may also act as a distributor and retailer of wine of its own production. A winery operating as a distributor or retailer must comply with the applicable laws and rules relating to distributors or retailers, as appropriate. A domestic winery may also operate up to four additional off-site tasting rooms for selling and serving samples of wine of its own production, subject to restrictions including that any person selling or serving wine for on-premises consumption must obtain a class 12 or class 13 alcohol server permit.

Additionally, a winery may be licensed as a retailer for the purpose of selling beer or wine at retail on the winery premises.

Domestic Breweries and Microbreweries.

A person may manufacture beer under a domestic brewery license or a microbrewery license. A domestic brewery or microbrewery may also act as a distributor and retailer of beer of its own production. A microbrewery may sell from its premises for on-premises and off-premises consumption beer produced by another brewery or cider produced by a winery. Any domestic brewery or microbrewery operating as a distributor or retailer must comply with the applicable laws and rules relating to distributors or retailers, as appropriate. A microbrewery and domestic brewery may also hold up to two retail licenses to operate an on-premises or off-premises tavern, beer and/or wine restaurant, or spirits, beer, and wine restaurant.

Distillers and Craft Distillers.

A distiller or craft distillery license authorizes the manufacture of spirits. Distilleries and craft distilleries may sell spirits of their own production for off-premises consumption and may serve limited samples to customers on the distillery premises for on-premises consumption. Every person who participates in the service of samples must obtain a class 12 alcohol server permit. Distilleries may also hold a spirits, beer, and/or wine restaurant license.

Summary of Bill:

Domestic Wineries.

It is specified that any person selling or serving wine at a domestic winery for on-premises consumption must obtain a class 12 or class 13 alcohol server permit.

Domestic Breweries and Microbreweries.

It is specified that any person selling or serving for on-premises consumption: beer at a domestic brewery; or beer or cider at a microbrewery, must obtain a class 12 or class 13 alcohol server permit.

Appropriation: None.

Fiscal Note: Available.

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

Staff Summary of Public Testimony:

(In support) It is important that everyone selling or serving alcohol to customers for on-premises consumption complete a program such as the Mandatory Alcohol Server Training

(MAST) program. The training ensures people understand things like the physiological effects of alcohol, signs of problem drinking in customers, the effect of alcohol in combination with drugs, information about driving while intoxicated, how to intervene with a problem customer who has consumed too much alcohol, and other important information. This will extend the training requirements that apply to employees of bars and restaurants to employees of wineries and breweries who perform the same functions of selling and serving alcohol to customers. This bill will align the law with existing industry practices, because almost all wineries and breweries already ensure their employees selling or serving wine or beer to customers for on-premises consumption have this training, and have been advised that it is currently required or recommended.

(Opposed) None.

Persons Testifying: Representative Kloba, prime sponsor; Chris Thompson, Liquor and Cannabis Board; and Annie McGrath, Washington Brewers Guild.

Persons Signed In To Testify But Not Testifying: None.