
SENATE BILL 5927

State of Washington

65th Legislature

2017 Regular Session

By Senators Keiser and Hunt

Read first time 04/19/17. Referred to Committee on Commerce, Labor & Sports.

1 AN ACT Relating to liquor licenses; and amending RCW 66.24.655,
2 66.24.650, 66.24.363, and 66.24.330.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 **Sec. 1.** RCW 66.24.655 and 2013 c 237 s 1 are each amended to
5 read as follows:

6 (1) There is a theater license to sell spirits, beer, including
7 strong beer, or wine, or all, at retail, for consumption on theater
8 premises. A spirits, beer, and wine theater license may be issued
9 ((only)) to theaters ((that have no more than one hundred twenty
10 seats per screen and)) that are maintained in a substantial manner as
11 a place for preparing, cooking, and serving complete meals ((and
12 providing tabletop accommodations for in-theater dining)).
13 Requirements for complete meals are the same as those adopted by the
14 board in rules pursuant to chapter 34.05 RCW for a spirits, beer, and
15 wine restaurant license authorized by RCW 66.24.400. The annual fee
16 for a spirits, beer, and wine theater license is two thousand
17 dollars.

18 (2) If the theater premises is to be frequented by minors, an
19 alcohol control plan must be submitted to the board at the time of
20 application. The alcohol control plan must be approved by the board

1 and be prominently posted on the premises, prior to minors being
2 allowed.

3 (3) For the purposes of this section:

4 (a) "Alcohol control plan" means a written, dated, and signed
5 plan submitted to the board by an applicant or licensee for the
6 entire theater premises, or rooms or areas therein, that shows where
7 and when alcohol is permitted, where and when minors are permitted,
8 and the control measures used to ensure that minors are not able to
9 obtain alcohol or be exposed to environments where drinking alcohol
10 predominates.

11 (b) "Theater" means a place of business where motion pictures or
12 other primarily nonparticipatory entertainment are shown.

13 (4) The board must adopt rules regarding alcohol control plans
14 and necessary control measures to ensure that minors are not able to
15 obtain alcohol or be exposed to areas where drinking alcohol
16 predominates. All alcohol control plans must include a requirement
17 that any person involved in the serving of spirits, beer, and/or wine
18 must have completed a mandatory alcohol server training program.

19 (5)(a) A licensee that is an entity that is exempt from taxation
20 under Title 26 U.S.C. Sec. 501(c)(3) of the federal internal revenue
21 code of 1986, as amended as of January 1, 2013, may enter into
22 arrangements with a spirits, beer, or wine manufacturer, importer, or
23 distributor for brand advertising at the theater or promotion of
24 events held at the theater. The financial arrangements providing for
25 the brand advertising or promotion of events may not be used as an
26 inducement to purchase the products of the manufacturer, importer, or
27 distributor entering into the arrangement and such arrangements may
28 not result in the exclusion of brands or products of other companies.

29 (b) The arrangements allowed under this subsection (5) are an
30 exception to arrangements prohibited under RCW 66.28.305. The board
31 must monitor the impacts of these arrangements. The board may conduct
32 audits of a licensee and the affiliated business to determine
33 compliance with this subsection (5). Audits may include, but are not
34 limited to: Product selection at the facility; purchase patterns of
35 the licensee; contracts with the spirits, beer, or wine manufacturer,
36 importer, or distributor; and the amount allocated or used for
37 spirits, beer, or wine advertising by the licensee, affiliated
38 business, manufacturer, importer, or distributor under the
39 arrangements.

1 (6) The maximum penalties prescribed by the board in WAC
2 314-29-020 relating to fines and suspensions are double for
3 violations involving minors or the failure to follow the alcohol
4 control plan with respect to theaters licensed under this section.

5 **Sec. 2.** RCW 66.24.650 and 2013 c 219 s 1 are each amended to
6 read as follows:

7 (1) There is a theater license to sell beer, including strong
8 beer, or wine, or both, at retail, for consumption on theater
9 premises. The annual fee is four hundred dollars for a beer and wine
10 theater license.

11 (2) If the theater premises is to be frequented by minors, an
12 alcohol control plan must be submitted to the board at the time of
13 application. The alcohol control plan must be approved by the board,
14 and be prominently posted on the premises, prior to minors being
15 allowed.

16 (3) For the purposes of this section:

17 (a) "Alcohol control plan" means a written, dated, and signed
18 plan submitted to the board by an applicant or licensee for the
19 entire theater premises, or rooms or areas therein, that shows where
20 and when alcohol is permitted, where and when minors are permitted,
21 and the control measures used to ensure that minors are not able to
22 obtain alcohol or be exposed to environments where drinking alcohol
23 predominates.

24 (b) "Theater" means a place of business where motion pictures or
25 other primarily nonparticipatory entertainment are shown(~~(, and~~
26 ~~includes only theaters with up to four screens))~~).

27 (4) The board must adopt rules regarding alcohol control plans
28 and necessary control measures to ensure that minors are not able to
29 obtain alcohol or be exposed to areas where drinking alcohol
30 predominates. All alcohol control plans must include a requirement
31 that any person involved in the serving of beer and/or wine must have
32 completed a mandatory alcohol server training program.

33 (5)(a) A licensee that is an entity that is exempt from taxation
34 under Title 26 U.S.C. Sec. 501(c)(3) of the federal internal revenue
35 code of 1986, as amended as of January 1, 2013, may enter into
36 arrangements with a beer or wine manufacturer, importer, or
37 distributor for brand advertising at the theater or promotion of
38 events held at the theater. The financial arrangements providing for
39 the brand advertising or promotion of events may not be used as an

1 inducement to purchase the products of the manufacturer, importer, or
2 distributor entering into the arrangement and such arrangements may
3 not result in the exclusion of brands or products of other companies.

4 (b) The arrangements allowed under this subsection (5) are an
5 exception to arrangements prohibited under RCW 66.28.305. The board
6 must monitor the impacts of these arrangements. The board may conduct
7 audits of a licensee and the affiliated business to determine
8 compliance with this subsection (5). Audits may include, but are not
9 limited to: Product selection at the facility; purchase patterns of
10 the licensee; contracts with the beer or wine manufacturer, importer,
11 or distributor; and the amount allocated or used for wine or beer
12 advertising by the licensee, affiliated business, manufacturer,
13 importer, or distributor under the arrangements.

14 (6) The maximum penalties prescribed by the board in WAC
15 314-29-020 relating to fines and suspensions are double for
16 violations involving minors or the failure to follow the alcohol
17 control plan with respect to theaters licensed under this section.

18 **Sec. 3.** RCW 66.24.363 and 2013 c 52 s 1 are each amended to read
19 as follows:

20 (1) A grocery store licensed under RCW 66.24.360 may apply for an
21 endorsement to offer beer and wine tasting under this section.

22 (2) To be issued an endorsement, a licensee must meet the
23 following criteria:

24 (a) The licensee operates a fully enclosed retail area
25 encompassing at least ten thousand square feet of fully enclosed
26 retail space within a single structure, including storerooms and
27 other interior auxiliary areas but excluding covered or fenced
28 exterior areas, whether or not attached to the structure, except that
29 the board may issue an endorsement to a licensee with a retail area
30 encompassing less than ten thousand square feet if:

31 (i) The board determines that no licensee in the community the
32 licensee serves meets the square footage requirement and the licensee
33 meets operational requirements established by the board by rule; or

34 (ii) The licensee derives at least fifty percent of its revenue
35 from the sale of any combination of (A) fresh meat, (B) fresh
36 poultry, (C) seafood, or (D) cheese. For the purposes of this
37 subsection, "fresh" has the same meaning as provided by the United
38 States food and drug administration under 21 C.F.R. 101.95; and

1 (b) The licensee has not had more than one public safety
2 violation within the past two years.

3 (3) A tasting must be conducted under the following conditions:

4 (a) Each sample must be two ounces or less, up to a total of four
5 ounces, per customer during any one visit to the premises;

6 (b) No more than one sample of the same product offering of beer
7 or wine may be provided to a customer during any one visit to the
8 premises;

9 (c) The licensee must have food available for the tasting
10 participants;

11 (d) Customers must remain in the service area while consuming
12 samples; and

13 (e) The service area and facilities must be located within the
14 licensee's fully enclosed retail area and must be of a size and
15 design such that the licensee can observe and control persons in the
16 area to ensure that persons under twenty-one years of age and
17 apparently intoxicated persons cannot possess or consume alcohol.

18 (4) Employees of licensees whose duties include serving during
19 tasting activities under this section must hold a class 12 alcohol
20 server permit.

21 (5) Tasting activities under this section are subject to RCW
22 66.28.305 and 66.28.040 and the cost of sampling may not be borne,
23 directly or indirectly, by any liquor manufacturer, importer, or
24 distributor.

25 (6) A licensee may advertise a tasting event only within the
26 store, on a store web site, in store newsletters and flyers, and via
27 email and mail to customers who have requested notice of events.
28 Advertising under this subsection may not be targeted to or appeal
29 principally to youth.

30 (7)(a) If a licensee is found to have committed a public safety
31 violation in conjunction with tasting activities, the board may
32 suspend the licensee's tasting endorsement and not reissue the
33 endorsement for up to two years from the date of the violation. If
34 mitigating circumstances exist, the board may offer a monetary
35 penalty in lieu of suspension during a settlement conference.

36 (b) The board may revoke an endorsement granted to a licensee
37 that is located within the boundaries of an alcohol impact area
38 recognized by resolution of the board if the board finds that the
39 tasting activities by the licensee are having an adverse effect on
40 the reduction of chronic public inebriation in the area.

1 (c) RCW 66.08.150 applies to the suspension or revocation of an
2 endorsement.

3 (8) The board may establish additional requirements under this
4 section to assure that persons under twenty-one years of age and
5 apparently intoxicated persons cannot possess or consume alcohol.

6 (9) The annual fee for the endorsement is two hundred dollars.
7 The board (~~shall~~) must review the fee annually and may increase the
8 fee by rule to a level sufficient to defray the cost of
9 administration and enforcement of the endorsement, except that the
10 board may not increase the fee by more than ten percent annually.

11 (10) The board must adopt rules to implement this section.

12 **Sec. 4.** RCW 66.24.330 and 2003 c 167 s 7 are each amended to
13 read as follows:

14 (1) There (~~shall be~~) is a beer and wine retailer's license to
15 be designated as a tavern license to sell beer, including strong
16 beer, or wine, or both, at retail, for consumption on the premises.
17 Such licenses may be issued only to a person operating a tavern that
18 may be frequented only by persons twenty-one years of age and older.

19 (2) The annual fee for (~~such~~) the license (~~shall be~~) is two
20 hundred dollars for the beer license, two hundred dollars for the
21 wine license, or four hundred dollars for a combination beer and wine
22 license. Licensees who have a fee increase of more than one hundred
23 dollars as a result of this change shall have their fees increased
24 fifty percent of the amount the first renewal year and the remaining
25 amount beginning with the second renewal period. New licensees
26 obtaining a license after July 1, 1998, (~~shall~~) must pay the full
27 amount of four hundred dollars.

28 (3)(a) The board may issue a caterer's endorsement to this
29 license to allow the licensee to remove from the liquor stocks at the
30 licensed premises, only those types of liquor that are authorized
31 under the on-premises license privileges for sale and service at
32 event locations at a specified date and, except as provided in
33 subsection (4) of this section, place not currently licensed by the
34 board. If the event is open to the public, it must be sponsored by a
35 society or organization as defined by RCW 66.24.375. If attendance at
36 the event is limited to members or invited guests of the sponsoring
37 individual, society, or organization, the requirement that the
38 sponsor must be a society or organization as defined by RCW 66.24.375
39 is waived. Cost of the endorsement is three hundred fifty dollars.

1 (b) The holder of this license with a catering endorsement must,
2 if requested by the board, notify the board or its designee of the
3 date, time, place, and location of any catered event. Upon request,
4 the licensee must provide to the board all necessary or requested
5 information concerning the society or organization that will be
6 holding the function at which the endorsed license will be utilized.

7 (c) The holder of this license with a caterer's endorsement may,
8 under conditions established by the board, store liquor on the
9 premises of another not licensed by the board so long as there is a
10 written agreement between the licensee and the other party to provide
11 for ongoing catering services, the agreement contains no exclusivity
12 clauses regarding the alcoholic beverages to be served, and the
13 agreement is filed with the board.

14 (d) The holder of this license with a caterer's endorsement may,
15 under conditions established by the board, store liquor on other
16 premises operated by the licensee so long as the other premises are
17 owned or controlled by a leasehold interest by that licensee. A
18 duplicate license may be issued for each additional premises. A
19 license fee of twenty dollars is required for such duplicate
20 licenses.

21 (4) Licensees under this section that hold a caterer's
22 endorsement are allowed to use this endorsement on a domestic winery
23 premises and may store liquor at such premises under conditions
24 established by the board under the following conditions:

25 (a) Agreements between the domestic winery and the retail
26 licensee must be in writing, contain no exclusivity clauses regarding
27 the alcoholic beverages to be served, and be filed with the board;
28 and

29 (b) The domestic winery and the retail licensee may be separately
30 contracted and compensated by the persons sponsoring the event for
31 their respective services.

32 (5) The holder of this license or its manager may furnish beer or
33 wine to the licensee's employees free of charge as may be required
34 for use in connection with instruction on beer and wine. The
35 instruction may include the history, nature, values, and
36 characteristics of beer or wine, the use of wine lists, and the
37 methods of presenting, serving, storing, and handling beer or wine.
38 The tavern licensee must use the beer or wine it obtains under its
39 license for the sampling as part of the instruction. The instruction
40 must be given on the premises of the tavern licensee.

1 (6) Any person serving liquor at a catered event on behalf of a
2 licensee with a caterer's endorsement under this section must be an
3 employee of the licensee and must possess a class 12 alcohol server
4 permit as required under RCW 66.20.310.

5 (7) The board may issue rules as necessary to implement the
6 requirements of this section.

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