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**Commerce & Gaming Committee**

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**HB 1676**

**Brief Description:** Concerning business activities in the liquor licensing process.

**Sponsors:** Representative MacEwen.

**Brief Summary of Bill**

- Prohibits arts and crafts activities conducted at a liquor licensed establishment or applicant's establishment from being considered a gaming activity in the liquor licensing process.
- Prohibits decisions relating to liquor licenses from including as a factor, consideration, or other basis in making the licensing decision, the fact that an applicant's business activities at the premises includes offering, conducting, or making available arts and crafts activities to or for customers.

**Hearing Date:** 2/5/19

**Staff:** Peter Clodfelter (786-7127).

**Background:**

The Liquor and Cannabis Board (LCB) issues various liquor licenses to qualified applicants wishing to engage in the manufacture, distribution, or retail sale of liquor in Washington state. When considering applications for liquor licenses and renewals of liquor licenses, the LCB may inspect the premises proposed to be licensed and may inquire into all matters in connection with the construction and operation of the premises. The LCB may consider any prior criminal conduct of the applicant including an administrative violation history record with the LCB and a criminal history record information check. There is also a process to notify the appropriate local government of the liquor license application, as well as to notify nearby churches, schools, and public institutions.

For certain types of liquor licenses, the business activities of the licensee or applicant or the uses of the premises licensed or proposed to be licensed may impact the liquor licensing process or

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the applicant's license requirements. For example, licensed spirits, beer, and wine restaurants are subject to a graduated fee schedule according to the dedicated dining area and type of service provided. When a restaurant applicant or licensee's premises includes less than 50 percent dedicated dining area, the license fee is \$2,000. When there is 50 percent or more dedicated dining area, the fee is \$1,600, and for a service bar the fee is \$1,000.

Pursuant to requirements established in rules, to qualify as a dedicated dining area, the area must be a distinct portion inside of a restaurant that is used primarily for the sale, service, and consumption of food, and the area must have accommodations for eating. Areas dedicated to live music or entertainment, such as dance floors or stages are not considered dedicated dining areas. Dedicated dining areas may not contain liquor bars or areas dedicated to games or gaming devices.

For areas outside of dedicated dining areas that are classified as off-limits to minors, as well as for game rooms, permanently affixed barriers must be placed around the areas. In rule, "game room" is defined as an area of a business set up for the primary purpose of patrons using games or gaming devices.

When applying for a spirits, beer, and wine restaurant license, rules require an applicant to provide two copies of a detailed drawing of the entire premises. The drawing must be drawn one foot to one-quarter-inch scale, have all rooms labeled according to their use, such as "dining room," "lounge," "game room," and "kitchen," and have all barriers labeled in a descriptive way, such as "full wall," or "half wall."

#### **Summary of Bill:**

For purposes of issuing and renewing liquor licenses, and for determining fees for and making other decisions with respect to liquor licenses, arts and crafts activities may not be considered a gaming activity when conducted on the premises of a business licensed or proposed to be licensed.

No decision on whether to issue or renew a liquor license, or in determining fees for or making any other decision with respect to a liquor license, may include, as a factor, consideration, or other basis in making the licensing decision, the fact that an applicant's business activities at the premises, in any area or areas of the premises, includes offering, conducting, or making available arts and crafts activities to or for customers or guests, regardless of whether a fee is charged to customers or guests related to the arts and crafts activities.

The term "arts and crafts activities" is defined to include, but not be limited to, painting, pottery, and sign making.

**Appropriation:** None.

**Fiscal Note:** Available.

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