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## Commerce & Gaming Committee

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### HB 2192

**Brief Description:** Concerning complimentary liquor by short-term rental operators.

**Sponsors:** Representative Santos.

#### Brief Summary of Bill

- Establishes a special permit from the Liquor and Cannabis Board (LCB) to allow short-term rental operators to provide a complimentary bottle of wine to rental guests 21 years of age or older.

**Hearing Date:** 1/14/20

**Staff:** Kyle Raymond (786-7190).

#### Background:

The Liquor and Cannabis Board (LCB) issues various types of commercial liquor licenses for selling liquor for both off and on-premises consumption, including those for restaurants, beer and/or wine specialty shops, wineries, microbreweries, domestic breweries, and nightclubs.

In addition to issuing liquor licenses to commercial entities, the LCB issues a variety of special permits for selling, serving, and handling alcohol at specified events or to persons or entities that do not hold a liquor license. Many special permits are of limited duration for a specified purpose or event, or are issued for a purpose falling outside the commercial activities ordinarily engaged in by a licensee.

*Special Event Permits.* The LCB issues a variety of special permits for serving and selling liquor. An example of a special permit is to allow a bed and breakfast facility to serve beer and wine without charge to overnight guests for on-premises consumption. Unless a fee is specified in statute, the fees for permits are generally established by the LCB by rule.

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*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.*

*Licensed Wine Distributors.* Wine distributors are licensed by the LCB. Licensed wine distributors may sell wine purchased from licensed Washington wineries, holders of a wine certificate of approval, licensed wine importers, or suppliers of foreign wine located outside of the United States, to licensed wine retailers and other wine distributors.

*Short-Term Rental.* Under Chapter 64.37 RCW, a "short-term rental" is defined as a lodging use that is not a hotel or motel or bed and breakfast in which a dwelling unit is offered or provided to a guest by a short-term rental operator for a fee for fewer than 30 consecutive nights. A short-term rental does not include a dwelling unit that is:

- Occupied by the owner for at least 6 months during the calendar year and in which fewer than 3 rooms are rented at any time;
- Used by the same person for 30 or more consecutive nights; or
- Operated by an organization or government entity that is registered as a charitable organization with the state, or is classified by the federal internal revenue service as a public charity or a private foundation, and provides temporary housing to individuals who are being treated for trauma, injury, or disease, or their family members.

### **Summary of Bill:**

A special permit from the Liquor and Cannabis Board (LCB) is established to allow short-term rental operators to provide a complimentary bottle of wine to rental guests 21 years of age or older. The annual special permit fee is \$75.

A single permit applies to all rental properties owned or operated by the short-term rental operator and identified in the permit application.

A rental guest that receives a complimentary bottle of wine from a special permit holder may consume the bottle of wine on the premises, or the guest may remove and consume the bottle off the premises of the rental property.

A permit holder may purchase wine from licensed wine distributors, in addition to retailers and other suppliers of wine authorized to sell wine at retail to consumers for off-premises consumption under Title 66 RCW.

A licensed wine distributor may sell wine to a holder of a special permit that allows short-term rental operators to provide a complimentary bottle of wine to rental guests 21 years of age or older.

**Appropriation:** None.

**Fiscal Note:** Available.

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