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## Commerce & Gaming Committee

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### HB 2693

**Brief Description:** Concerning the temporary sale of liquor at special events.

**Sponsors:** Representatives Wylie and Eslick.

#### Brief Summary of Bill

- Creates a new retail liquor license called a promoter special event license, authorizing sales of individual servings of beer, wine, cider, and spirits for on-premises consumption, as well as sales of certain liquor products for off-premises consumption, at a specified event.
- Directs the Liquor and Cannabis Board to establish eligibility requirements, food service requirements, and insurance requirements for the new license and authorizes the adoption of additional rules.
- Creates temporary special event vendor licenses available to eligible breweries, wineries, and distilleries, authorizing them to participate in, and also make retail sales of beer, wine, and spirits of their own production, for on-premises and off-premises consumption, at an event held under the new promoter license.

**Hearing Date:** 1/28/20

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

#### Background:

The Liquor and Cannabis Board (LCB) issues a variety of liquor licenses to qualified applicants engaged in the manufacturing, distributing, and selling of liquor, including beer, wine, and spirits. Available manufacturer licenses include, among others, the microbrewery license, domestic brewery licenses, domestic winery license, distiller license, and craft distillery license.

Washington's liquor laws generally include a separation between the manufacturing tier, the distribution tier, and the retail tier of the liquor industry. However, exceptions allow for manufacturers like breweries, wineries, and distilleries to self-distribute and make retail sales of

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their own product in certain circumstances, and for certain types of businesses arrangements to exist between manufacturers and retailers that could otherwise violate the separation between the tiers of the industry.

In addition to retail licenses such as for restaurants, taverns, grocery stores, and spirits retail outlets, there are other, more temporary, liquor licenses and permits. An example is the special occasion license, which is available to a nonprofit organization to sell spirits, beer, and wine by the individual serving for on-premises consumption at a specified event, such as at picnics or other special occasions, at a specified date and place. The fee is \$60 per day. The organization is limited to sales on no more than 12 calendar days per year.

Manufacturers like breweries, wineries, and distilleries may participate in special occasion licensed events, such as dispensing of beer, wine, or spirits to adults age 21 and over and paying the special occasion licensee reasonable booth fees. With the LCB's approval, beer, wine, and spirits may be sold in packaged form for off-premises consumption. Each liquor license issued by the LCB has unique privileges and restrictions with respect to liquor sales.

### **Summary of Bill:**

A new retail liquor license is created called a promoter special event license. The license authorizes the sale of spirits, beer, wine, and cider by the individual serving for on-premises consumption at a specified event at a specified date and time. Sale, service, and consumption of alcohol at the event must be confined to specified premises or designated areas only. The fee for a promoter special event license is \$150 for each event.

A promoter special event licensee may also sell wine, malt beverages, and cider in factory-sealed containers, at retail, for off-premises consumption. Additionally, a licensee may sell, at retail, wine or beer in a sanitary container brought to the premises by the purchaser or furnished by the licensee and filled at the tap by the licensee at the time of sale for off-premises consumption. All alcohol at the licensed special event may only be provided by vendors with temporary special event licenses, which are separate new licenses created by the bill.

Applicants for a promoter special event license must submit a management plan for approval by the Liquor and Cannabis Board (LCB), which details, at a minimum, how minors will be prevented from gaining access to alcoholic beverages at the designated event. Every person who participates in any manner in the service of alcohol must obtain a class 12 alcohol server permit. The LCB is directed to adopt rules necessary to implement the new license and authorization. The rules must include, but are not limited to, eligibility requirements to receive a promoter special event license, food service requirements, and minimum insurance requirements.

The following three additional licenses are also created, which are connected to the new promoter special event license: (1) a retailer's license designated as a temporary special event distiller vendor license for distillers and craft distilleries; (2) a retailer's license designated as a temporary special event winery vendor license for wineries; and (3) a retailer's license designated as a temporary special event brewery license for breweries. The fee for each temporary special event vendor license is \$15 per day, and a license may not be issued for a period of time exceeding five days. Every person who participates in any manner in the service of beer, wine,

or spirits must obtain a class 12 alcohol server permit. Applicants must demonstrate adequate liquor liability insurance for the event.

For distillers with a temporary special event vendor license connected to an event being held under the new promoter license, distillers may sell spirits of their own production by the individual serving for on-premises consumption and may sell spirits of their own production in original sealed containers for off-premises consumption.

For wineries with a temporary special event vendor license connected to an event being held under the new promoter license, wineries may sell wine and cider of their own production by the individual serving for on-premises consumption, bottled wine and cider of their own production at retail for off-premises consumption, and wine and cider of their own production for off-premises consumption in a sanitary container brought to the premises by the purchaser or furnished by the licensee and filled at the tap by the licensee at the time of sale.

For breweries with a temporary special event vendor license connected to an event being held under the new promoter license, breweries may sell beer, including strong beer, of their own production by the individual serving for on-premises consumption, beer, including strong beer, of their own production in brewery-sealed packaging for off-premises consumption, and beer, including strong beer, of their own production for off-premises consumption in a sanitary container brought to the premises by the purchaser or furnished by the licensee and filled at the tap by the licensee at the time of purchase.

**Appropriation:** None.

**Fiscal Note:** Available.

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