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HOUSE BILL 2235

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State of Washington

66th Legislature

2020 Regular Session

By Representatives Tarleton and Wylie

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1 AN ACT Relating to the sale of liquor at sports entertainment  
2 facilities; and amending RCW 66.24.570.

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

4 **Sec. 1.** RCW 66.24.570 and 2011 c 119 s 205 are each amended to  
5 read as follows:

6 (1) There is a license for sports entertainment facilities to be  
7 designated as a sports entertainment facility license to sell beer,  
8 wine, and spirits at retail, for consumption upon the premises only  
9 or as authorized in this section, the license to be issued to the  
10 entity providing food and beverage service at a sports entertainment  
11 facility as defined in this section. The cost of the license is two  
12 thousand five hundred dollars per annum.

13 (2) For purposes of this section(~~(7-a)~~):

14 (a) The entity providing food and beverage service at a sports  
15 entertainment facility is referred to as the concessionaire and  
16 includes an entity contracted with a facility owner or tenant to  
17 provide food and beverage service and may include a facility owner or  
18 tenant if the owner or tenant provides food or beverage service for  
19 the facility; and

20 (b) A sports entertainment facility includes a publicly or  
21 privately owned arena, coliseum, stadium, or facility where sporting

1 events are presented for a price of admission, and also includes a  
2 practice facility for a professional sports team that otherwise uses  
3 the sports entertainment facility for its regular season games, in  
4 which the general public may watch practices or use the facilities,  
5 for free or with a paid admission ticket. The facility does not have  
6 to be exclusively used for sporting events.

7 (3)(a) The board may impose reasonable requirements upon a  
8 licensee under this section, such as requirements for the  
9 availability of food and victuals including but not limited to  
10 hamburgers, sandwiches, salads, or other snack food. The board may  
11 also restrict the type of events at a sports entertainment facility  
12 at which beer, wine, and spirits may be served. When imposing  
13 conditions for a licensee, the board must consider the seating  
14 accommodations, eating facilities, and circulation patterns in such a  
15 facility, and other amenities available at a sports entertainment  
16 facility.

17 (b) In addition to individual servings of beer and wine, a  
18 licensee may sell, by the individual glass, premixed and prebatched  
19 drinks containing spirits. Consumption of such premixed and  
20 prebatched drinks is authorized in all public standing and seated  
21 areas of the facility and in any suites and clubs in which liquor may  
22 be served and consumed on the premises. The percent of alcohol by  
23 volume of any premixed or prebatched drinks for on-premises  
24 consumption may not exceed the maximum amount of alcohol by volume of  
25 the highest alcohol by volume beer that is served at the facility.

26 (c) Licensees may present to the board a written plan for the  
27 service of nonpremixed and nonprebatched drinks by the glass  
28 containing spirits adulterated with ice, water, juice, or mixers for  
29 consumption in the general public and seated areas of the facility  
30 and in any suites or clubs in which liquor may be served and  
31 consumed. The board may reject or modify the plan after repeated  
32 incidents of service violations. The board may adopt rules regarding  
33 repeated incidents of service violations.

34 (4)(a) The board may issue a caterer's endorsement to the license  
35 under this section to allow the licensee to remove from the liquor  
36 stocks at the licensed premises, for use as liquor for sale and  
37 service at event locations at a specified date and place not  
38 currently licensed by the board. If the event is open to the public,  
39 it must be sponsored by a society or organization as defined by RCW  
40 66.24.375. If attendance at the event is limited to members or

1 invited guests of the sponsoring individual, society, or  
2 organization, the requirement that the sponsor must be a society or  
3 organization as defined by RCW 66.24.375 is waived. Cost of the  
4 endorsement is three hundred fifty dollars.

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

11 (5) The board may issue an endorsement to the beer, wine, and  
12 spirits sports entertainment facility license that allows the holder  
13 of a beer, wine, and spirits sports entertainment facility license to  
14 sell for off-premises consumption wine vinted and bottled in the  
15 state of Washington and carrying a label exclusive to the license  
16 holder selling the wine. Spirits and beer may not be sold for off-  
17 premises consumption by the concessionaire under this section. The  
18 annual fee for the endorsement under this section is one hundred  
19 twenty dollars.

20 (6)(a) A licensee, concessionaire, facility owner, or tenant, as  
21 appropriate, and an affiliated business may enter into arrangements  
22 with a manufacturer, importer, or distributor for brand advertising  
23 at the sports entertainment facility or promotion of events held at  
24 the sports entertainment facility, with a capacity of five thousand  
25 people or more. The financial arrangements providing for the brand  
26 advertising or promotion of events shall not be used as an inducement  
27 to purchase the products of the manufacturer, importer, or  
28 distributor entering into the arrangement nor shall it result in the  
29 exclusion of brands or products of other companies.

30 (b) The arrangements allowed under this subsection (6) are an  
31 exception to arrangements prohibited under RCW 66.28.305. The board  
32 shall monitor the impacts of these arrangements. The board may  
33 conduct audits of the licensee and the affiliated businesses to  
34 determine compliance with this (~~subsection (6)~~) section. Audits may  
35 include but are not limited to product selection at the facility;  
36 purchase patterns of the (~~licensee~~) concessionaire; contracts with  
37 the liquor manufacturer, importer, or distributor; and the amount  
38 allocated or used for liquor advertising by the (~~licensee~~) facility  
39 owner, tenant, or concessionaire, affiliated businesses,

1 manufacturer, distillery, craft distillery, domestic winery,  
2 importer, or distributor under the arrangements.

3 (c) The board shall report to the appropriate committees of the  
4 legislature by December 30, 2008, and biennially thereafter, on the  
5 impacts of arrangements allowed between sports entertainment  
6 licensees (~~and~~), facility owners, tenants, concessionaires, liquor  
7 manufacturers, importers, distilleries, craft distilleries, domestic  
8 wineries, and distributors for brand advertising and promotion of  
9 events at the facility other than at the premises covered by a select  
10 alternating license under subsection (7) of this section.

11 (7)(a) There is a select alternating license for a distillery  
12 licensed under RCW 66.24.140, a craft distillery licensed under RCW  
13 66.24.145, a domestic winery licensed under RCW 66.24.170, or a  
14 combination of these licensees, to lease or sublease a portion of the  
15 sports entertainment facility from the concessionaire, team, primary  
16 tenant, or facility owner, as appropriate, for the operation of an  
17 off-site tasting room. The license fee for a select alternating  
18 license is two thousand five hundred dollars per annum. A distillery,  
19 craft distillery, domestic winery, or combination of these licensees,  
20 may work together to operate an off-site tasting room under a select  
21 alternating license, as if the off-site tasting room were attached to  
22 the licensee's production facility, for the purposes of providing  
23 samples of the producer's products to customers, selling and serving  
24 the producer's products for on-premises consumption, and selling  
25 bottles of the producer's products at retail for off-premises  
26 consumption.

27 (b) An off-site tasting room authorized under this subsection may  
28 have exterior entrances for the general public to use and interior  
29 entrances that are open to the inside of the facility for patrons of  
30 the facility to use before, during, and after ticketed events. During  
31 a ticketed event, up to two hours before a ticketed event, and up to  
32 two hours after a ticketed event, the concessionaire must operate an  
33 off-site tasting room authorized under this section. During such  
34 times, all liability for sale and service of liquor resides with the  
35 concessionaire. All liquor that may be sold and served for on-  
36 premises consumption inside the facility by a concessionaire may be  
37 available, at the concessionaire's discretion, for service and  
38 consumption within the off-site tasting room.

39 (c) Only ticketed patrons of an event are allowed past interior  
40 doorways leading into the sports entertainment facility while the

1 concessionaire is using the select alternating license. While the  
2 concessionaire is operating under a select alternating license the  
3 following requirements apply:

4 (i) Liquor purchased in the off-site tasting room for on-premises  
5 consumption may be taken into the facility for consumption under the  
6 general rules of the facility as approved by the board;

7 (ii) Bottles of spirits or wine may be sold for off-premises  
8 consumption by a concessionaire on behalf of a distillery, craft  
9 distillery, or domestic winery that is a party to the select  
10 alternating license, so long as the bottles are held in the tasting  
11 room in a secure location and removed from the facility for off-  
12 premises consumption at the time the patron leaves the sports  
13 entertainment facility. A ticketed patron who leaves the facility  
14 with a bottle of spirits or wine may not reenter the event;

15 (iii) No free servings or samples of beer, wine, or spirits may  
16 be provided to patrons;

17 (iv) All beer, wine, and spirits sold and served by the  
18 concessionaire for on-premises consumption in the off-site tasting  
19 room must be purchased by the concessionaire through lawful  
20 distribution channels and are subject to all applicable taxes;

21 (v) All food, beverages, staffing, and overhead costs associated  
22 with sales and service in the off-site tasting room must be borne by  
23 the concessionaire, except the concessionaire may access all  
24 fixtures, equipment, and nonfood and nonliquor supplies in the area;  
25 and

26 (vi) There is no obligation on a distillery, craft distillery, or  
27 domestic winery to provide to a concessionaire any equipment or  
28 fixtures that the distillery, craft distillery, or winery would not  
29 normally require in its own tasting room operations.

30 (d) When no ticketed event is taking place in the facility, and  
31 during times outside of the two-hour window before and after a  
32 ticketed event, the off-site tasting room covered by the select  
33 alternating license must be operated by the distillery, craft  
34 distillery, or domestic winery, or combination of these licensees,  
35 under hours to be established by the licensee. All privileges of  
36 distilleries, craft distilleries, and domestic wineries in their on-  
37 site or off-site tasting rooms authorized under this title are  
38 available to these licensees in an off-site tasting room authorized  
39 under this section.

1 (e) An off-site tasting room jointly operated by two or more  
2 licensees must be covered by a written operations and liability plan  
3 approved by the board. A violation of service laws by one licensee  
4 must be borne by all licensees covered by the license. In a jointly  
5 operated off-site tasting room, costs for workers and overhead  
6 resources must be shared equally between licensees.

7 (f) The operation of an on-site tasting room by a domestic winery  
8 in the facility does not count toward the four additional retail  
9 licenses specified in RCW 66.24.170(4)(a)(ii). The operation of an  
10 off-site tasting room by a distillery or craft distillery does not  
11 count toward any limit on additional retail licenses for distilleries  
12 or craft distilleries that may be later created in this title.

13 (g) A select alternating licensee may pay for fair market rent to  
14 the facility owner or tenant for the use of the space under a lease  
15 agreement, as well as the costs of normal tenant improvements in the  
16 space, furniture, and fixtures required for its own operations.

17 (h) At the off-site tasting room, a distillery or craft  
18 distillery licensed as a select alternating licensee may:

19 (i) Sell, for off-premises consumption, spirits of the  
20 distillery's own production, spirits produced by another distillery  
21 or craft distillery in this state, and vermouth or sparkling wine  
22 products produced by a licensee in this state. A distillery or craft  
23 distillery selling spirits or other alcohol authorized under this  
24 subsection must comply with the applicable laws and rules relating to  
25 retailers;

26 (ii) Provide to customers, for free or for a charge, for on-  
27 premises consumption, spirits samples that are one-half ounce or less  
28 per sample of spirits, and that may be adulterated with water, ice,  
29 other alcohol that may be served or sold on the licensed premises, or  
30 nonalcoholic mixers;

31 (iii) Sell, for on-premises consumption, servings of spirits of  
32 the distillery's or craft distillery's own production or spirits  
33 produced by another distillery or craft distillery licensed in this  
34 state that are adulterated with water, ice, other alcohol that may be  
35 sold or served on the licensed premises, or nonalcoholic mixers; and

36 (iv) Sell, for on-premises consumption, servings of vermouth and  
37 sparkling wine products produced by a licensee in this state.

38 (i) If a distillery or craft distillery provides or sells spirits  
39 or other alcohol products authorized to be sold or provided to  
40 customers for on-premises or off-premises consumption that are

1 produced by another distillery, craft distillery, or licensee in this  
2 state, then at any one time no more than twenty-five percent of the  
3 alcohol stock-keeping units offered or sold by the distillery at the  
4 off-site tasting room licensed under this section may be vermouth,  
5 sparkling wine, or spirits produced by another distilled spirits  
6 producer or licensee. If a distillery or craft distillery sells fewer  
7 than twenty alcohol stock-keeping units of products of its own  
8 production, it may sell up to five alcohol stock-keeping units of  
9 another distillery, craft distillery, or licensee in this state.

10 (j) A person is limited to receiving or purchasing, for on-  
11 premises consumption, no more than two ounces total of spirits that  
12 are unadulterated. Any additional spirits purchased for on-premises  
13 consumption must be adulterated as authorized in this section.

14 (k) A distillery, craft distillery, or domestic winery operating  
15 an off-site tasting room under this section may bring products of its  
16 own production from its own licensed production facility or warehouse  
17 in this state.

18 (l) A distillery, craft distillery, or domestic winery operating  
19 a select alternating license under this section, must provide, for  
20 free or for a charge, snack food offerings to customers during public  
21 service hours. Such snack food includes no less than two typical  
22 snack items at any one time, such as chips, pretzels, nuts, or  
23 popcorn, and an offering of cheese, with or without deli-style meat.  
24 Snack food may, at the licensee's election, be served hot, but there  
25 is no heating requirement to serve any such food. A licensee offering  
26 snack food under this section must comply with the local city or  
27 county health requirements for such level of service. What qualifies  
28 as snack food may be updated by rule from time to time by the board,  
29 consistent with the obligations of other snack food licensees in this  
30 state.

31 (m) All employees of a concessionaire, distillery, craft  
32 distillery, or domestic winery responsible for sales and service of  
33 alcohol authorized under this section must hold a class 12 alcohol  
34 server permit.

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