
Regulated Substances & Gaming Committee

HB 1731

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

Sponsors: Representatives Waters, Stonier, Klicker, Low, Couture, Chambers, Ybarra, Barnard, Schmidt, McClintock, Santos and Hutchins.

Brief Summary of Bill

- Establishes an annual permit (\$75) to be issued by the Liquor and Cannabis Board to a short-term rental operator to provide a complimentary bottle of wine to rental guests who are age 21 or over.

Hearing Date: 2/9/23

Staff: Peter Clodfelter (786-7127).

Background:

The Washington State Liquor and Cannabis Board issues a variety of liquor licenses and permits authorizing the service, sale, or use of alcoholic beverages in different circumstances. Examples of available permits include a banquet permit, a permit for an event held at a business without a liquor license, a permit for nonprofit organizations to auction wine, and a permit for bed and breakfast lodging facilities.

The annual permit (\$75) available to bed and breakfast lodging facilities authorizes them to donate or serve wine or beer without charge to overnight guests of the facility if the wine or beer is for consumption on the premises of the facility. A bed and breakfast lodging facility is defined as a facility offering from one to eight lodging units and breakfast to travelers and guests

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.

Outside of liquor statutes, a 2019 Washington law regulating short-term rentals defines a "short-term rental" as a lodging use that is not a hotel, motel, or bed and breakfast, in which a dwelling unit, or portion thereof, that 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 any of the following:

- a dwelling unit that is occupied by the owner for at least six months during the calendar year and in which fewer than three rooms are rented at any time;
- a dwelling unit, or portion thereof, that is used by the same person for 30 or more consecutive nights; or
- a dwelling unit, or portion thereof, that is operated by an organization or government entity that is registered as a charitable organization with the Washington Secretary of 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.

Additionally, "operator" is defined under the 2019 law as any person who receives payment for owning or operating a dwelling unit, or portion thereof, as a short-term rental unit. And "guest" is defined as any person or persons renting a short-term rental unit.

Summary of Bill:

An annual permit issued by the Washington State Liquor and Cannabis Board is established, authorizing a short-term rental operator with the new permit to provide a complimentary bottle of wine to rental guests who are age 21 or over. The annual 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. The complimentary bottle of wine may be consumed on the premises of the rental property or removed and consumed off the premises of the rental property.

A permit holder may purchase wine from wine distributors, retailers, and other suppliers of wine authorized to sell wine at retail to consumers for off-premises consumption.

For purposes of the new liquor permit, the terms "short-term rental," "operator," and "guest" have the same meanings as in the 2019 law regulating short-term rentals.

Appropriation: None.

Fiscal Note: Requested on February 2, 2023.

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