

SENATE BILL REPORT

HB 2204

As of February 20, 2024

Title: An act relating to the creation of a special liquor permit to authorize the sale of liquor by a manufacturer of liquor at another licensed premises during an emergency.

Brief Description: Creating a special liquor permit.

Sponsors: Representatives Waters and Wylie.

Brief History: Passed House: 2/12/24, 92-5.

Committee Activity: Labor & Commerce: 2/20/24.

Brief Summary of Bill

- Creates a temporary liquor permit for a licensed manufacturer to authorize the sale, service, and consumption of liquor on the premises of another liquor licensee with retail sales privileges when an emergency has made the manufacturer's premises inaccessible.

SENATE COMMITTEE ON LABOR & COMMERCE

Staff: Jarrett Sacks (786-7448)

Background: The Liquor and Cannabis Board (LCB) issues liquor licenses and permits authorizing the service, sale, or use of alcoholic beverages in different circumstances and sets fees for the licenses and permits. 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, a permit for bed and breakfast lodging facilities, and a permit to allow short-term rental operators to provide a complimentary bottle of wine to guests.

The Governor has the authority to prohibit certain activities and waive or suspend existing statutes through the issuance of emergency proclamations. Statutory waivers and

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suspensions are limited to 30 days and may be extended beyond 30 days by the Legislature. Cities and counties are given authority to respond to emergencies by the state constitution and are given authority under law to enter into contracts and incur debt necessary to combat a disaster, protect the health and safety of persons and property, provide emergency assistance to the victims of a disaster, and waive certain budget law limitations and requirements of competitive bidding.

Summary of Bill: An emergency liquor permit for licensed manufacturers is established for the sale, service, and consumption of liquor on the premises of another liquor licensee with retail sales privileges when an emergency or disaster has made the premises of the applicant inaccessible and unable to operate due to an emergency or road closure. The fee must be waived if there is a state of emergency issued by the Governor or by the city, town, or county where the applicant is located.

The permit is valid for 30 days and may be continually renewed for 30 day periods if the emergency or disaster continues. Employees or agents of the emergency permit holder or the licensed premises may serve liquor provided by the permit holder. The permit holder is prohibited from storing more than a 30-day supply of liquor at the licensed premises in segregated storage. No more than a total of three emergency permit holders may sell at the same licensed premises under an emergency permit.

An emergency or disaster is an event or set of circumstances that:

- demands immediate action to preserve public health, protect life, protect public property, or to provide relief to any stricken community overtaken by such occurrences; or
- reaches such a dimension or degree of destructiveness as to warrant the Governor proclaiming a state of emergency.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony: PRO: This bill came out of what happened during the Tunnel Five fire, which impacted eight wineries. Four of the wineries could stay open while four had to close. The wineries that were open offered to let the closed wineries sell wine at their locations, but the LCB said that the law does not allow it, which is why this bill is proposed. Emergencies and wildfires are not going away and the bill will allow wineries to help each other during emergencies. The bill will allow manufacturers to help each other, allowing closed wineries to sell their wine and keep their employees working. The bill will allow small businesses to keep their heads above water during emergencies.

Persons Testifying: PRO: Representative Kevin Waters, Prime Sponsor; Josh McDonald, Washington Wine Institute; Rachael Horn, AniChe Cellars; Daniel Olson, Washington Brewers Guild.

Persons Signed In To Testify But Not Testifying: No one.