

# HOUSE BILL REPORT

## EHB 2558

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**As Passed House:**  
February 9, 2012

**Title:** An act relating to theater licenses.

**Brief Description:** Establishing a theater license to sell beer, including strong beer, or wine, or both, at retail for consumption on theater premises.

**Sponsors:** Representative Moeller.

**Brief History:**

**Committee Activity:**

State Government & Tribal Affairs: 1/30/12 [DP].

**Floor Activity:**

Passed House: 2/9/12, 87-10.

**Brief Summary of Engrossed Bill**

- Creates a theater license to sell beer and wine at retail for consumption on theater premises.
- Requires submission, approval, and posting of a minor control plan prior to allowing minors on theater premises on which beer and wine are sold.

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### HOUSE COMMITTEE ON STATE GOVERNMENT & TRIBAL AFFAIRS

**Majority Report:** Do pass. Signed by 10 members: Representatives Hunt, Chair; Appleton, Vice Chair; Taylor, Ranking Minority Member; Overstreet, Assistant Ranking Minority Member; Alexander, Condotta, Dunshee, Hurst, McCoy and Miloscia.

**Minority Report:** Do not pass. Signed by 1 member: Representative Darneille.

**Staff:** Cece Clynch (786-7195).

**Background:**

Washington liquor statutes authorize various types of licenses, including licenses for restaurants and taverns. Restaurant license fees range from \$221 for only beer or only wine,

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to \$2,000 for spirits, beer, and wine, where less than 50 percent of the premises is a dedicated dining room. Food requirements are attached to these licenses. There is no food requirement attached to a tavern license. The license fee for a tavern is \$200 for beer, \$200 for wine, or \$400 for both.

There is no specific theater license, although there is a nonprofit arts organization license. Pursuant to this, nonprofit arts organizations can obtain a liquor license to sell liquor to patrons on the premises at sponsored events, which are approved by the Liquor Control Board (LCB). The fee for such a license is \$250 per year. A nonprofit arts organization is one which provides artistic or cultural exhibitions, or performances or art education programs for attendance by the general public. It must meet legal requirements for a not-for-profit corporation and must satisfy specific conditions set by the LCB.

The LCB is authorized, among other things, to prescribe:

- the terms and conditions to be contained in permits and licenses and the qualifications for receiving a permit or license;
- the fees payable for any permits and licenses issued under Title 66 for which no fees are prescribed, as well as the fees for anything done or permitted to be done under the regulations adopted by the LCB; and
- the conditions, accommodations, and qualifications requisite for the obtaining of licenses to sell beer, wine, and spirits, and regulating the sale of beer, wine, and spirits pursuant to those licenses.

Pursuant to this authority, in 2010 the LCB adopted rules regarding requirements and restrictions for both beer and wine restaurant licenses and spirits, beer, and wine restaurant licenses at cinemas with dinner theater venues. Under these rules:

- The general food service requirements for such restaurants must be met. "Minimum food service" required of a beer and wine restaurant license means items such as sandwiches, salad, soup, pizza, hamburgers, and fry orders. An appetizer does not qualify as minimum food service. A spirits, beer, and wine restaurant licensee must serve at least eight complete meals. "Complete meal" means an entree and at least one side dish. "Entree" means the main course of a meal. Some examples of entrees are fish, steak, chicken, pork, pasta, pizza, hamburgers, seafood salad, cobb salad, chef's salad, sandwiches, and breakfast items (as long as they include a side dish). Entrees do not include snack items, or menu items which consist solely of precooked frozen food that is reheated, or consist solely of carry-out items obtained from another business.
- Lighting requirements must be met. On all portions of the premises where alcohol is served or consumed, licensees must maintain sufficient lighting so that identification may be checked and patrons may be observed for the enforcement of liquor laws and rules.
- Alcohol sales and service may not be provided from the concession area in the cinema lobby.
- Alcohol may be consumed only in the theater rooms approved by the LCB.
- Minor patrons and employees are prohibited at all times in the individual theater rooms that allow alcohol service and consumption.

- A floor plan must be provided to the LCB indicating which theater rooms will be operated as dinner theaters. Those theater rooms not operated as dinner theaters with alcohol sales and service may be open to minors and minor employees.

Oregon takes a different approach with respect to whether and when minors can be allowed on theater premises on which spirits, wine, and beer are served. Pursuant to rules adopted by the Liquor Control Commission (Commission), an applicant or licensee first submits a "minor control plan." This is a written, dated, and signed plan for a premises, room, or area that shows where and when minors are permitted and the control measures used to prevent minors from obtaining alcohol, prohibit minors when drinking alcohol predominates, and minimize minors' exposure to a drinking environment. The Commission then uses a variety of minor posting signs to tell the public where and when minors are allowed or prohibited. The Number VI Minor Posting allows minors on the premises, or a portion of the premises, only as provided by an approved minor control plan. It may be assigned to a premises, room, or area where minors will be allowed only during certain days and times or for certain types of events.

### **Summary of Engrossed Bill:**

There is created a theater license to sell beer, including strong beer, or wine, or both at retail for consumption in a single theater room on theater premises. Only one theater license is available per theater premises. The annual fee for the license is \$200 for the beer license, \$200 for the wine license, or \$400 for a combination beer and wine license. No food requirements are specified.

"Theater" is defined as a place where motion pictures or live musical, dance, artistic, dramatic, literary, or educated performances are shown.

If a theater premises is to be frequented by minors, a minor control plan must be submitted to the LCB at the time of application. The minor control plan must be approved by the LCB, and be prominently posted on the premises prior to minors being allowed.

As in Oregon, "minor control plan" is defined as a written, dated, and signed plan submitted to the LCB by an applicant or licensee for the entire theater premises, or a room or area therein, that shows where and when minors are permitted and the control measures used to prevent minors from obtaining alcohol, prohibit minors when drinking alcohol predominates, and minimize minors' exposure to a drinking environment.

The LCB is authorized to adopt rules regarding minor control plans and necessary control measures.

**Appropriation:** None.

**Fiscal Note:** Available.

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

**Staff Summary of Public Testimony:**

(In support) The Kiggins Theatre is a historic, single-screen theater in Vancouver. The owner spent approximately \$250,000 refurbishing the theater. It is difficult to compete with the multiplex theaters. The Kiggins Theatre provides a variety of offerings, some of which appeal to minors and others which appeal to adults. It would like to be able to serve alcohol, but in order to do so under current law and regulations it would have to exclude minors from the premises altogether. Unlike multiplex theaters which can designate certain screens as adult-only and serve alcohol only in those rooms, this historic theater has just the one screen. The Seattle Theatre Group owns three old theaters. The sale of alcohol helps keep these theaters running. These sales will be managed responsibly.

(Opposed) This would extend liquor even further into the public domain. There is a growing trend to extend alcohol service further and further all of the time and this is not good. It gives the idea to minors that liquor is part of normal daily life. This proliferation must stop.

**Persons Testifying:** (In support) Representative Moeller, prime sponsor; William Leigh, Kiggins Theatre; and Brian Layton, Seattle Theatre Group.

(Opposed) Seth Dawson, Washington Association for Substance Abuse and Violence Prevention.

**Persons Signed In To Testify But Not Testifying:** None.