

HOUSE BILL REPORT

HB 2680

As Reported by House Committee On:
Government Accountability & Oversight

Title: An act relating to liquor catering.

Brief Description: Establishing a caterer's license to sell spirits, beer, and wine.

Sponsors: Representatives Springer, Haler, Goodman and Freeman.

Brief History:

Committee Activity:

Government Accountability & Oversight: 2/3/14 [DPS].

Brief Summary of Substitute Bill

- Authorizes the Liquor Control Board (LCB) to issue a caterer's license to sell spirits, beer, and wine by the individual serving at retail value at a catered event location that is either owned, leased, or operated either by the caterer or the sponsor of the event for which catering services are being provided.
- Requires that the holder of the caterer's license pay an annual fee of \$200 for a beer license, \$200 for a wine license, or \$400 for a combination beer and wine license. The annual fee for a combined beer, wine, and spirits license is \$1,000.
- Requires that the holder of this license must, if requested by the LCB, notify the LCB or its designee of the date, time, place, and location of any catered event at which liquor will be served.
- Authorizes employees of a business holding a catering license, and who are at least 18 years of age, to take orders for, serve, and sell liquor in any part of the licensed premises except those areas that are classified as off-limits to persons under 21 years of age (e.g., cocktail lounges, bars, etc.).
- Prohibits the licensee from catering events at locations that are already licensed to sell liquor under chapter 66.24 RCW.
- Requires the employees of licensed caterers who prepare, mix, or serve alcohol at catered events to have a legal permit authorizing them to do so.

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

HOUSE COMMITTEE ON GOVERNMENT ACCOUNTABILITY & OVERSIGHT

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 9 members: Representatives Hurst, Chair; Wylie, Vice Chair; Condotta, Ranking Minority Member; Holy, Assistant Ranking Minority Member; Blake, Kirby, Moscoso, Shea and Vick.

Staff: Thamas Osborn (786-7129).

Background:

Washington State Liquor Control Board.

The Liquor Control Board (LCB) is responsible for the overall regulation of the distribution and sale of liquor in this state, including the issuance of liquor licenses to the various categories of businesses authorized to sell or otherwise provide liquor to the public. The regulatory authority of the LCB includes the authority 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 RCW 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 to the obtaining of licenses to sell beer, wine, and spirits, and regulating the sale of beer, wine, and spirits pursuant to those licenses.

Restaurant Liquor Licenses.

Washington liquor statutes authorize various types of licenses, including licenses for restaurants and taverns. Restaurant liquor license fees range from \$200 for wine or beer, or \$400 for both, and up to \$2,000 for certain spirits, beer, and wine licenses. Food service requirements are attached to these restaurant licenses. There is no food requirement attached to a tavern license.

Caterer's Endorsement for a Restaurant Liquor License.

The LCB may issue a caterer's endorsement to a restaurant licensee authorized to sell beer, wine, and spirits. The caterer's endorsement allows the restaurant to remove liquor from the restaurant premises for the sale to, and use by, customers at a catered event taking place on a specified date. If the event is open to the public, it must be sponsored by specified categories of nonprofit societies or organizations. If attendance at the event is limited to members or invited guests of the sponsoring individual, society, or organization, the requirement that the sponsor must be a specified type of society or organization is waived. The cost of the restaurant caterer's endorsement is \$350.

The holder of a restaurant license with a catering endorsement shall, if requested by the LCB, notify the LCB of the date, time, place, and location of any catered event. Upon request, the licensee shall provide to the LCB all necessary or requested information concerning the society or organization that will be holding the function at which the endorsed license will be utilized.

Summary of Substitute Bill:

The LCB is authorized to issue a caterer's license to sell spirits, beer, and wine by the individual serving at retail value for consumption on the premises at an event location that is either owned, leased, or operated either by the caterer or the sponsor of the event for which catering services are being provided. If the catered event is open to the public, it must be sponsored by a nonprofit society or organization that is operated for charitable, religious, social, political, educational, civic, fraternal, athletic or benevolent purposes. If attendance at the event is limited to members or invited guests of the sponsoring individual, society, or organization, the requirement that the sponsor must be a specified type of society or organization is waived. The licensee must serve food as required by rules of the LCB.

The annual fee is \$200 for the beer license, \$200 for the wine license, or \$400 for a combination beer and wine license. The annual fee for a combined beer, wine, and spirits license is \$1,000.

The holder of this license shall, if requested by the LCB, notify the LCB or its designee of the date, time, place, and location of any catered event at which liquor will be served.

Employees of a business holding a catering license who are at least 18 years of age may take orders for, serve, and sell liquor in any part of the licensed premises except those areas that are classified as off-limits to persons under 21 years of age (e.g., cocktail lounges, bars, etc.).

Licensees are prohibited from catering events at locations or premises that are already licensed to sell liquor under chapter 66.24 RCW.

The premises where a licensed caterer provides liquor-related catering services are added to the categories of "retail licensed premises" authorized to sell alcohol by the glass, by the drink, or in its original containers.

Employees of licensed caterers who prepare, mix, or serve alcohol at catered events are required to have a legal permit authorizing them to do so.

Substitute Bill Compared to Original Bill:

The substitute bill makes the following changes to the original bill:

- prohibits the licensee from catering events at locations that are already licensed to sell liquor under chapter 66.24 RCW;
- adds premises where licensed caterers provide liquor-related catering services to the categories of "retail licensed premises" authorized to sell alcohol by the glass, or by the drink, or in its original containers; and
- requires the employees of licensed caterers who prepare, mix, or serve alcohol at catered events to have a legal permit authorizing them to do so.

Appropriation: None.

Fiscal Note: Available.

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

Staff Summary of Public Testimony:

(In support) This bill fills a gap in current law insofar as caterers are prohibited from providing their own liquor for service at catered events. Caterers can serve alcohol provided by others, but they cannot bring it to the event themselves. This makes little sense and should be remedied. Restaurants are allowed to act as caterers and bring their own liquor supply for retail sale on the premises and caterers should be treated the same. Caterers have been hit hard by the recession and this bill would give them the opportunity to substantially increase their income. This bill is a logical and sensible extension of current catering laws.

(Opposed) None.

Persons Testifying: Julia Gorton, Washington Restaurant Association, and Alan Rathbun, Washington Liquor Control Board.

Persons Signed In To Testify But Not Testifying: None.