

HOUSE BILL REPORT

HB 1465

As Passed Legislature

Title: An act relating to conditions and restrictions for liquor licenses.

Brief Description: Modifying conditions and restrictions for liquor licenses.

Sponsors: Representatives Hunt, Taylor, McCoy, Appleton, Condotta, Miloscia and Dunshee;
by request of Liquor Control Board.

Brief History:

Committee Activity:

State Government & Tribal Affairs: 2/2/11, 2/9/11 [DP].

Floor Activity:

Passed House: 2/26/11, 97-0.

Senate Amended.

Passed Senate: 4/5/11, 47-2.

House Concurred.

Passed House: 4/13/11, 96-0.

Passed Legislature.

Brief Summary of Bill

- Specifies that conditions and restrictions on a liquor license may be included in correspondence rather than listed on the face of the license.
- Gives the Liquor Control Board authority to define by rule "complete meals" for purposes of qualifying for a spirits, beer, and wine restaurant license.
- Removes the 100 persons or more occupancy load requirement for an establishment to qualify for a nightclub license.
- Allows certain beer and/or wine specialty shops to sell beer in a sanitary container (e.g., growlers).
- Allows breweries and microbreweries to sell beer produced by other breweries and microbreweries, subject to limits.

HOUSE COMMITTEE ON STATE GOVERNMENT & TRIBAL AFFAIRS

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.

Majority Report: Do pass. Signed by 11 members: Representatives Hunt, Chair; Appleton, Vice Chair; Taylor, Ranking Minority Member; Overstreet, Assistant Ranking Minority Member; Alexander, Condotta, Darneille, Dunshee, Hurst, McCoy and Miloscia.

Staff: Joan Elgee (786-7106).

Background:

The Liquor Control Board (Board) issues multiple types of licenses, including winery, microbrewery, grocery store, restaurant, and nightclub licenses. In certain circumstances, the Board may impose conditions or restrictions on a license. For example, some grocery stores have a restricted license allowing the sale of only beer and table wine, and not strong beer (more than 8 percent alcohol by weight) or fortified wine. All conditions and restrictions the Board imposes must be listed on the face of the license along with the trade name, address, and expiration date of the license. A licensee must post its license in a conspicuous place on the premises.

A spirits, beer, and wine restaurant license allows the sale of spirits by the drink, beer, and wine. To qualify as a "restaurant," an establishment must be approved by the Board and must be maintained in a substantial manner as a place for preparing, cooking, and serving of complete meals. Fry orders and such food as sandwiches, hamburgers, or salads do not constitute complete meals.

A nightclub license also allows the sale of spirits by the drink, beer, and wine. A nightclub is an establishment that provides entertainment and has as its primary source of revenue the sale of alcohol, cover charges, or both, and has an occupancy load of 100 or more persons. Local governments may request the Board to impose restrictions on a nightclub license.

Some licensees may sell beer in a sanitary container brought to the premises by the purchaser and filled at the tap at the time of sale (e.g., growlers). Licensees with this privilege are: (1) breweries and microbreweries (those that also hold a spirits, beer, and wine restaurant license); and (2) beer and wine restaurants, and taverns (those that also hold a "combined" license). Breweries and microbreweries may also furnish the container.

Beer and/or wine specialty shops may sell beer and/or wine for off-premises consumption. With an endorsement from the Board, these licensees may also sell kegs.

Summary of Bill:

Conditions and restrictions imposed by the Board are no longer required to be listed on the face of the license and may be included in official correspondence. Any additional correspondence with conditions and restrictions must be posted on the premises in addition to the license.

The specification that fry orders, and such food as sandwiches, hamburgers, or salads do not constitute "complete meals" for purposes of qualifying as a restaurant is removed. Instead, the Board must determine requirements for complete meals in rule.

The 100 persons or more occupancy load requirement to qualify for a nightclub license is removed.

Beer and/or wine specialty shops that exceed 50 percent beer and/or wine sales may, with Board approval, receive an endorsement to sell beer in a sanitary container brought to the premises by the purchaser, or provided by the licensee or manufacturer, and filled at the tap at the time of sale (e.g., growlers). The Board may waive the 50 percent requirement if the beer and/or wine specialty shop maintains alcohol inventory in excess of \$15,000.

Breweries and microbreweries may sell beer produced by another domestic brewery or microbrewery for on- and off-premises consumption as long as the other brands do not exceed 25 percent of the brewery or microbrewery's offering of its own brands.

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 menu requirements need to be updated from the 1949 language. This bill will help restaurants around the state. Some restaurants have trouble qualifying for a license.

(Opposed) None.

Persons Testifying: Rick Garza, Washington State Liquor Control Board; and Julia Clark, Washington Restaurant Association.

Persons Signed In To Testify But Not Testifying: None.