**5161-S AMH COG H2538.1 - NOT FOR FLOOR USE**

**SSB 5161** - H COMM AMD

By Committee on Commerce & Gaming

**NOT CONSIDERED 01/05/2018**

Strike everything after the enacting clause and insert the following:

"**Sec.**  RCW 66.24.655 and 2013 c 237 s 1 are each amended to read as follows:

(1) There is a theater license to sell spirits, beer, including strong beer, or wine, or all, at retail, for consumption on theater premises. A spirits, beer, and wine theater license may be issued ((~~only~~)) to theaters ((~~that have no more than one hundred twenty seats per screen and~~)) that are maintained in a substantial manner as a place for preparing, cooking, and serving complete meals ((~~and providing tabletop accommodations for in-theater dining~~)). Requirements for complete meals are the same as those adopted by the board in rules pursuant to chapter 34.05 RCW for a spirits, beer, and wine restaurant license authorized by RCW 66.24.400. The annual fee for a spirits, beer, and wine theater license is ((~~two thousand dollars~~)) either a minimum fee of one thousand dollars, or four dollars per each theater seat within the licensed premises, whichever amount is greater.

(2)(a) The theater's liquor service area must be located in an area:

(i) That is accessible to a customer only after the customer has entered the lobby or other interior area within the theater and had his or her ticket collected by a theater employee; and

(ii) That is physically separated from the concession counter.

(b) For theaters with three or more screens that each have more than one hundred twenty seats per screen, liquor may be served in no more than one-third of the screening rooms within the licensed premises.

(3) If the theater premises is to be frequented by minors, an alcohol control plan must be submitted to the board at the time of application. The alcohol control plan must be approved by the board and be prominently posted on the premises, prior to minors being allowed.

((~~(3)~~)) (4) For the purposes of this section:

(a) "Alcohol control plan" means a written, dated, and signed plan submitted to the board by an applicant or licensee for the entire theater premises, or rooms or areas therein, that shows where and when alcohol is permitted, where and when minors are permitted, and the control measures used to ensure that minors are not able to obtain alcohol or be exposed to environments where drinking alcohol predominates.

(b) "Theater" means a place of business where motion pictures or other primarily nonparticipatory entertainment are shown.

((~~(4)~~)) (5) The board must adopt rules regarding alcohol control plans and necessary control measures to ensure that minors are not able to obtain alcohol or be exposed to areas where drinking alcohol predominates. All alcohol control plans must include a requirement that any person involved in the serving of spirits, beer, and/or wine must have completed a mandatory alcohol server training program.

((~~(5)~~)) (6)(a) A licensee that is an entity that is exempt from taxation under Title 26 U.S.C. Sec. 501(c)(3) of the federal internal revenue code of 1986, as amended as of January 1, 2013, may enter into arrangements with a spirits, beer, or wine manufacturer, importer, or distributor for brand advertising at the theater or promotion of events held at the theater. The financial arrangements providing for the brand advertising or promotion of events may not be used as an inducement to purchase the products of the manufacturer, importer, or distributor entering into the arrangement and such arrangements may not result in the exclusion of brands or products of other companies.

(b) The arrangements allowed under this subsection ((~~(5)~~)) (6) are an exception to arrangements prohibited under RCW 66.28.305. The board must monitor the impacts of these arrangements. The board may conduct audits of a licensee and the affiliated business to determine compliance with this subsection ((~~(5)~~)) (6). Audits may include, but are not limited to: Product selection at the facility; purchase patterns of the licensee; contracts with the spirits, beer, or wine manufacturer, importer, or distributor; and the amount allocated or used for spirits, beer, or wine advertising by the licensee, affiliated business, manufacturer, importer, or distributor under the arrangements.

((~~(6)~~)) (7) The maximum penalties prescribed by the board in WAC 314-29-020 relating to fines and suspensions are double for violations involving minors or the failure to follow the alcohol control plan with respect to theaters licensed under this section.

**Sec.**  RCW 66.24.650 and 2013 c 219 s 1 are each amended to read as follows:

(1) There is a theater license to sell beer, including strong beer, or wine, or both, at retail, for consumption on theater premises. The annual fee ((~~is four hundred dollars~~)) for a beer and wine theater license is either a minimum fee of four hundred dollars, or two dollars per each theater seat within the licensed premises, whichever amount is greater.

(2) If the theater premises is to be frequented by minors, an alcohol control plan must be submitted to the board at the time of application. The alcohol control plan must be approved by the board, and be prominently posted on the premises, prior to minors being allowed.

(3) For the purposes of this section:

(a) "Alcohol control plan" means a written, dated, and signed plan submitted to the board by an applicant or licensee for the entire theater premises, or rooms or areas therein, that shows where and when alcohol is permitted, where and when minors are permitted, and the control measures used to ensure that minors are not able to obtain alcohol or be exposed to environments where drinking alcohol predominates.

(b) "Theater" means a place of business where motion pictures or other primarily nonparticipatory entertainment are shown((~~, and includes only theaters with up to four screens~~)).

(4) The board must adopt rules regarding alcohol control plans and necessary control measures to ensure that minors are not able to obtain alcohol or be exposed to areas where drinking alcohol predominates. All alcohol control plans must include a requirement that any person involved in the serving of beer and/or wine must have completed a mandatory alcohol server training program.

(5)(a) A licensee that is an entity that is exempt from taxation under Title 26 U.S.C. Sec. 501(c)(3) of the federal internal revenue code of 1986, as amended as of January 1, 2013, may enter into arrangements with a beer or wine manufacturer, importer, or distributor for brand advertising at the theater or promotion of events held at the theater. The financial arrangements providing for the brand advertising or promotion of events may not be used as an inducement to purchase the products of the manufacturer, importer, or distributor entering into the arrangement and such arrangements may not result in the exclusion of brands or products of other companies.

(b) The arrangements allowed under this subsection (5) are an exception to arrangements prohibited under RCW 66.28.305. The board must monitor the impacts of these arrangements. The board may conduct audits of a licensee and the affiliated business to determine compliance with this subsection (5). Audits may include, but are not limited to: Product selection at the facility; purchase patterns of the licensee; contracts with the beer or wine manufacturer, importer, or distributor; and the amount allocated or used for wine or beer advertising by the licensee, affiliated business, manufacturer, importer, or distributor under the arrangements.

(6) The maximum penalties prescribed by the board in WAC 314-29-020 relating to fines and suspensions are double for violations involving minors or the failure to follow the alcohol control plan with respect to theaters licensed under this section."

Correct the title.

EFFECT: (1) Revises the annual fee for a spirits, beer, and wine theater license to eliminate the two thousand dollar flat fee and replace it with a minimum fee of one thousand dollars, or four dollars per theater seat, whichever amount is greater.

(2) Allows liquor to be served in no more than one third of the screening rooms in those theaters with three or more screens that have more than 120 seats per screen.

(3) Requires that the liquor service area be accessible to a customer only after the customer has entered the lobby or other interior area within the theater and had his or her ticket collected by a theater employee.

(4) Requires that the liquor service area be physically separated from the concession counter.

(5) Revises the annual fee for a beer and wine theater license to eliminate the four hundred dollar flat fee and replace it with a minimum fee of four hundred dollars, or two dollars per theater seat, whichever amount is greater.