**5643-S AMS RAND S5473.1 - NOT FOR FLOOR USE**

**SSB 5643** - S AMD **913**

By Senator Randall

**PULLED 02/18/2020**

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) 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~~)) meet the requirements of (b) of this subsection. However, theaters with no more than four screens that provide tabletop service are exempt from the requirements of (b)(ii) and (iv) of this subsection. 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.

(b) A spirits, beer, and wine theater licensee must:

(i) Serve alcoholic beverages in distinctive glassware that is visibly different from glassware containing nonalcoholic beverages. Glassware for beer shall not exceed a standard twenty-four ounce size, glassware for cocktails shall not exceed a sixteen ounce size, and glassware for wine shall not exceed a ten ounce size. No drink containing distilled spirits shall exceed three ounces of spirits and must be one hundred proof or less;

(ii) Separate the bar and lounge area from the concession stand. No alcoholic beverages may be sold from any temporary location on the premises including, but not limited to, mobile bars, ice buckets, and hawkers;

(iii) Not hold promotions that encourage intoxication or drinking contests. Each customer must be physically present and age verified at the time of order for any alcoholic beverage;

(iv) Not promote the sale of spirits, beer, or wine on the theater premises through advertising such as posters or neon signs; and

(v) Ensure that all managers and staff who interact with guests complete a responsible service of alcohol course within thirty days of hire. The course must teach the managers and staff to identify minors and prevent them from purchasing alcoholic beverages, and identify the signs of intoxication and prevent service to intoxicated individuals.

(c) Beginning on the effective date of this section, up to eight new spirits, beer, and wine theater licenses may be issued annually by the board until no other theaters request a license. Licenses issued under this subsection (1)(c) must be issued under a lottery system to be designed by the board in rule. The lottery system must ensure that licenses are issued to ensure geographic diversity. To ensure this geographic diversity:

(i) Up to two licenses may be issued in a county located east of the crest of the Cascade mountains with a population of at least four hundred fifty thousand;

(ii) Up to three licenses may be issued in one or more contiguous counties located west of the crest of the Cascade mountains that contain a city or cities with a population of at least one hundred seventy-five thousand;

(iii) Up to one license may be issued in a county with a population of at least seven hundred thousand that is located north of the county with the highest population in the state and west of the crest of the Cascade mountains; and

(iv) Up to two licenses may be issued in a county located south of the county with the highest population in the state and east of the crest of the Cascade mountains with a population of at least two hundred twenty thousand.

(d) A theater that otherwise meets the requirements of this section, and that serves liquor to customers in each screen at the theater, may also have one additional screen, but with no more than three hundred seats, at which liquor may be served under the terms of the license.

(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.

(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 spirits, 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 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) 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 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) 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.

(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."

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On page 1, line 1 of the title, after "licenses;" strike the remainder of the title and insert "and amending RCW 66.24.655 and 66.24.650."

EFFECT: Requires the Liquor and Cannabis Board to create a lottery system to issue up to eight spirits, beer, and wine theater licenses each year, until no other theaters request a license. Requires the system to ensure geographic diversity within limits as specified by region and population. Theaters that meet the specified requirements and serve liquor to customers in each screen at the theater may also have one additional screen, with no more than 300 seats, at which liquor may be served.