

SENATE BILL REPORT

SB 5677

As Reported by Senate Committee On:
Labor & Commerce, February 4, 2019

Title: An act relating to the creation of a promoter's permit authorizing promoters to assist liquor licensees in the organization of public events where liquor is sold.

Brief Description: Creating a promoter's permit authorizing promoters to assist liquor licensees in the organization of public events where liquor is sold.

Sponsors: Senator Keiser; by request of Liquor and Cannabis Board.

Brief History:

Committee Activity: Labor & Commerce: 1/29/19, 2/04/19 [DP].

Brief Summary of Bill

- Creates a promoter's permit that allows the holder to assist liquor licensees in organizing or conducting public events where alcohol is sold.

SENATE COMMITTEE ON LABOR & COMMERCE

Majority Report: Do pass.

Signed by Senators Keiser, Chair; Conway, Vice Chair; King, Ranking Member; Braun, Saldaña, Walsh and Wellman.

Staff: Richard Rodger (786-7461)

Background: The Liquor and Cannabis Board (LCB) issues a variety of liquor licenses for the sampling or consumption of liquor. These licensees include breweries, microbreweries, wineries, craft distillers, taverns, restaurants, and sports entertainment facilities. The LCB is also authorized to issue a caterer's endorsement to tavern and restaurant licensees that allows the holder to sell and serve liquor at public or private events sponsored by a not-for-profit society or organization.

A not-for-profit society or organization may obtain a special occasion liquor license to sell spirits, beer and wine by the individual glass to be consumed on-premises. This license permits the licensee to serve liquor at a specified event, on a specified date and place. The

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fee for this license is \$60 per day and the organization is limited to sales on no more than 12 days per year. The sale, service, and consumption of alcohol is limited to a designated area only. With LCB permission, a licensee may serve spirits, beer, or wine in original, unopened containers for off-premises consumption.

Event promoters are often hired to assist liquor licensees with the organizing an event or to conduct an event for the licensee. These licensees include special occasion licensees and the operators of music venues, night clubs, and major festivals. The LCB does not currently regulate the promoters' activities.

Summary of Bill: The LCB must create a promoter's permit that allows the holder to assist liquor licensees, including special occasion licensees, to organize or conduct public events where alcohol is sold. To obtain a promoter's permit the applicant must have a valid Washington business license. The application for the promoter's permit must be submitted to the board at least 60 days before the initial event and must be available for inspection at the premises where the permit is in use.

The permit holder must notify the board at least 30 days prior to each event and must abide by all state liquor laws and rules. A promoter's permit does not authorize the holder to sell liquor. When a promoter assists a liquor licensee with any public event, the liquor licensee must retain all profits from the liquor sales.

The LCB must adopt rules to implement promoter permit provisions, including guidelines for promoters and promotion companies, qualifications for permits, penalties, and fees. The terms "promoter" and "promotion company" mean an individual or entity that assists liquor licensees with events open to the public at a licensed premises.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: The bill takes effect on January 1, 2020.

Staff Summary of Public Testimony: PRO: We view this program as running similar to the mandatory alcohol server training program. It will make the event promoters responsible and accountable for their own actions. It will also allow those individuals who want to hire a promoter to discern which promoters have a good history with the LCB. Our businesses often provide support to our local community events sponsored by nonprofit organizations who have special occasion licenses. We would appreciate the licensing of the event promoters to help ensure that the volunteer liquor businesses are not on the hook for any violations that may occur. Most of the promoters do a fantastic job, but there are some bad actors out there and this bill will help control them. The LCB would be having an educational component with either videos or in person training from officers to help promoters understand how to appropriately market and how to run an event safely. The definition of promoter might need to be tweaked a tiny bit.

OTHER: We would like to try and tighten the definition of promoter so that we are getting to the right promoter and not casting two wide of a net.

Persons Testifying: PRO: Senator Karen Keiser, Prime Sponsor; Annie McGrath, Washington Brewers Guild; Justin Nordhorn, LCB.

OTHER: Josh McDonald, Washington Wine Institute.

Persons Signed In To Testify But Not Testifying: No one.