

SENATE BILL REPORT

SB 5111

As of February 12, 2013

Title: An act relating to beer and wine theater licenses.

Brief Description: Creating a beer and wine theater license.

Sponsors: Senators Billig, Kohl-Welles, Cleveland, Rivers and Kline.

Brief History:

Committee Activity: Commerce & Labor: 2/11/13.

SENATE COMMITTEE ON COMMERCE & LABOR

Staff: Edith Rice (786-7444)

Background: Nonprofit arts organizations can obtain a liquor license to sell liquor to patrons on the premises at sponsored events, which are approved by the Liquor Control Board (LCB). The fee for such a license is \$250 per year. A nonprofit arts organization is one which provides artistic or cultural exhibitions, performances, or art education programs for attendance by the general public. It must meet legal requirements for a not-for-profit corporation and must satisfy specific conditions set by the LCB.

Artistic or cultural exhibitions, presentations, performances, or cultural or art education programs are specifically defined and limited in statute.

Theater is defined in statute as an establishment in which feature motion pictures are regularly exhibited to the public for an admission charge.

Summary of Bill: The bill as referred to committee not considered.

Summary of Bill (Proposed Substitute): A theater beer and wine license is created. The annual fee is \$400 and permits theaters to sell beer and wine to be consumed on theater premises. An alcohol control plan must be submitted to LCB at the time of application for the permit if minors will ever be present at the theater.

An applicant for a theater license is required to submit an alcohol control plan to the LCB that shows where alcohol is permitted, where and when minors are permitted, and what measures will be taken to ensure the minors will not be able to get alcohol or will not be

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exposed to areas where drinking alcohol predominates. The LCB is required to adopt rules regarding alcohol control plans.

Theater is defined as a place of business where motion pictures or other nonparticipatory forms of entertainment are shown. Subject to specified conditions, theater licensees that are federally designated nonprofits exempt from taxation under 26 U.S.C 501(c)(3) are permitted to enter into agreements with a liquor industry member for purposes of brand advertising at the theater. Such an agreement is an exception to the general statutory prohibition against a liquor industry member advancing money or other valuable consideration to a retailer. Agreements are subject to a LCB audit. The maximum for certain penalties for violations involving minors or failure to follow the alcohol control plan are doubled.

Appropriation: None.

Fiscal Note: Available.

[OFM requested ten-year cost projection pursuant to I-960.]

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony: PRO: Small theaters need to be competitive. Most of our customers are older. We cannot be a restaurant. It is very difficult to cover the costs of production in the ticket price. This is a draw for customers. Customers have asked for the ability to have a glass of wine or beer in the theater. We can model appropriate drinking behavior.

CON: There are too few places where children can go without the presence of alcohol. Increased access causes increased abuse.

Persons Testifying: PRO: Senator Billig, prime sponsor; Alice Clark, Pickford Film Center; Rand Thornsley, Liberty Theatre; Brian Layton, Seattle Theatre Group; Dan Wyatt, Kiggins Theatre; AJ Epstein, West of Lenin; Maggie Larrick, Burien Little Theatre.

CON: Derek Franklin, WA Assn. for Substance Abuse and Violence Prevention.