

---

## Commerce & Gaming Committee

---

### HB 2889

**Brief Description:** Concerning theater seating requirements in theaters with liquor licenses.

**Sponsors:** Representatives Young, Sawyer, Kloba, Ryu, Vick, Condotta, Jenkin, Blake and Kirby.

#### Brief Summary of Bill

- Authorizes a spirits, beer, and wine theater licensee to have one additional theater, but with no more than 300 seats, that may serve alcohol under the terms of the license.

**Hearing Date:** 1/29/18

**Staff:** Peter Clodfelter (786-7127).

#### Background:

There is a spirits, beer, and wine theater license, issued to eligible theaters by the Liquor and Cannabis Board (LCB). The license authorizes a theater to sell spirits, beer (including strong beer, which has more than eight percent alcohol by weight), and wine, at retail, for consumption on theater premises. A theater is defined as a place of business where motion pictures or other primarily nonparticipatory entertainment is shown.

A spirits, beer, and wine theater license may only be issued to a theater that has no more than 120 seats per screen that is maintained in a substantial manner as a place for preparing, cooking, and serving complete meals and providing tabletop accommodations for in-theater dining. The requirements related to complete meals are the same requirements that apply pursuant to the LCB's rules to holders of a spirits, beer, and wine restaurant license.

The annual fee for a spirits, beer, and wine theater license is \$2,000.

If the theater premises will be frequented by minors, the applicant must submit an alcohol control plan to the LCB with the license application. An alcohol control plan is a written, dated, and

---

*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.*

signed plan submitted to the LCB by an applicant or licensee for the entire theater premises, or rooms or areas within the premises, that shows where and when alcohol is permitted, where and when minors are permitted, and the control measures used to ensure minors are unable to obtain alcohol or be exposed to environments where drinking alcohol predominates. The alcohol control plan must be approved by the LCB and be prominently posted on the premises, prior to minors being allowed.

The LCB is charged with adopting rules regarding alcohol control plans and necessary control measures. An alcohol control plan must include a requirement that any person involved in the serving of spirits, beer, or wine must have completed a mandatory alcohol server training program.

If a licensee is a tax-exempt entity under Section 501(c)(3) of the Internal Revenue Code (as it existed January 1, 2013), the licensee 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. Additionally, no arrangement may result in the exclusion of brands or products of other companies.

The LCB has authority to monitor the impacts of these arrangements pertaining to brand advertising and promotion of theater events, and to conduct audits of a licensee and the affiliated business to ensure any arrangements comply with law.

In addition to the spirits, beer, and wine theater license, a separate beer, strong beer, and wine theater license is available. The annual fee for this license (which does not include a privilege to sell spirits) is \$400. Only theaters with up to four screens may qualify for a beer, strong beer, and wine theater license. An applicant must submit an alcohol control plan meeting the same requirements as the alcohol control plan for a spirits, beer, and wine theater license. Similarly, the same authorization for brand advertising and the promotion of events at the theater that applies to the spirits, beer, and wine theater license applies to the beer, strong beer, and wine theater license, and the LCB has the same type of authority to perform audits of these authorized arrangements.

**Summary of Bill:**

A theater holding a spirits, beer, and wine theater license is authorized to have one additional theater, but with no more than 300 seats, that may serve alcohol under the terms of the license.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.