

HOUSE BILL REPORT

HB 2974

As Reported by House Committee On: Commerce & Gaming

Title: An act relating to authorizing spirits, beer, and wine theater licensees to have one additional screen, but with no more than three hundred seats, at which alcohol may be served under the terms of the license.

Brief Description: Authorizing spirits, beer, and wine theater licensees to have one additional screen.

Sponsors: Representatives Young, Sawyer, Condotta, Jenkin, Kirby and Vick.

Brief History:

Committee Activity:

Commerce & Gaming: 2/1/18 [DPS].

Brief Summary of Substitute Bill

- Authorizes a spirits, beer, and wine theater licensee meeting certain conditions to have one additional screen with no more than 300 seats, at which alcohol may be served under the terms of the license.

HOUSE COMMITTEE ON COMMERCE & GAMING

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 8 members: Representatives Sawyer, Chair; Kloba, Vice Chair; Condotta, Ranking Minority Member; Vick, Assistant Ranking Minority Member; Blake, Jenkin, Kirby and Young.

Minority Report: Do not pass. Signed by 1 member: Representative Ryu.

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

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.

beer, which has more than 8 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 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, the licensee may enter into arrangements with a spirits, beer, or wine manufacturer, importer, or distributor for brand advertising, 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.

Summary of Substitute Bill:

A spirits, beer, and wine theater licensee may have one additional screen with no more than 300 seats at which alcohol may be served under the terms of the license if the following two conditions are met:

- the licensee utilizes an IMAX projection screen in at least one of its auditoriums; and
- the licensee has at least 10 screens at the theater at which alcohol is served to customers.

The IMAX projection screen used to qualify for the new authorization may be used as the one additional screen with no more than 300 seats at which alcohol may be served.

Substitute Bill Compared to Original Bill:

The spirits, beer, and wine theater licensees eligible for the new authorization are limited to those licensees that utilize an IMAX projection screen in at least one of their auditoriums and that have at least 10 screens at the theater at which alcohol is served (rather than the eligible licensees being those licensees that serve alcohol to customers in each screen at the theater).

Appropriation: None.

Fiscal Note: Available.

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

Staff Summary of Public Testimony:

(In support) This is similar to House Bill 2889 but with a narrower title and scope. It also takes into account changes to the previous bill suggested by the Liquor and Cannabis Board (LCB) to ensure the LCB can effectively regulate theaters addressed in the bill. There is consensus on taking this measured approach. This bill will not significantly expand liquor sales at theaters, but instead takes a narrow and streamlined approach to allow a limited class of theaters that have fully converted all of their screens to alcohol-service screens, and to have one screen that has 300 or less seats at which alcohol may also be served. There are good laws in place to regulate alcohol service in theaters with the license, and theaters are good about following the law. This bill gives an opportunity for existing theater licensees with experience in safely managing alcohol sales and service at all of their screens to sell and serve alcohol at one more screen at their existing theater.

(Opposed) The changes made in this version of the bill are appreciated; however, stakeholders have concerns about this and similar bills that may expand access to alcohol and further normalize alcohol consumption in society. Stakeholders are providing legislators with a checklist that can be used to evaluate legislative proposals involving legislation related to alcohol access and consumption. There is concern about blurring what should be a bright line between drinking and driving as we open up alcohol consumption in more and more locations. Additionally, there is concern about the cumulative effect of this type of bill on law enforcement and the LCB. It is important to ensure law enforcement and the LCB have the tools needed to effectively enforce the law and protect public health and safety. Further, there is concern about the effect of this type of legislation on people in recovery from alcohol abuse, who do not need to encounter opportunities to consume alcohol in all the places that it is currently allowed and proposed to be allowed with new legislation each year. People encounter these opportunities in a wide variety of places including wedding boutiques, day spas, farmers' markets, grocery stores, theaters, and convenience stores, among other places.

Legislation of this nature serves to normalize alcohol use among youth. Youth should not be encouraged to perceive that errands and entertainment should always involve the use of alcohol. Lastly, keep in mind that any time a bill gives one business new privileges to sell alcohol, then the next year other people will ask for another bill to extend the same types of privileges to others, which endlessly expands alcohol access.

Persons Testifying: (In support) Representative Young, prime sponsor.

(Opposed) Seth Dawson, Washington Association of Substance Abuse Prevention.

Persons Signed In To Testify But Not Testifying: None.