
Commerce & Gaming Committee

ESSB 5781

Brief Description: Concerning banquet provisions for charitable or nonprofit organizations.

Sponsors: Senate Committee on Commerce, Labor & Sports (originally sponsored by Senators Fortunato and Baumgartner).

Brief Summary of Engrossed Substitute Bill

- Allows not-for-profit societies and charitable organizations to obtain a banquet permit, on the day of the event, for a fee of \$10 per day.
- Limits eligibility for the banquet permit to those organizations that have an annual gross income of less than \$250,000.
- Requires that the Liquor and Cannabis Board create an online permitting process and that this process allow for the issuance of the permit on the day the event occurs.
- Specifies conditions under which liquor may be served at the event.
- Authorizes the donation of liquor if the donor or organization pays all the fees and taxes that would be charged if the liquor were purchased by a consumer.

Hearing Date: 3/20/17

Staff: Thamas Osborn (786-7129).

Background:

Pursuant to statute and administrative rule, the Liquor and Cannabis Board (LCB) may issue a special permit to a person or entity allowing the service and consumption of liquor at a banquet. The permit allows for the service and consumption at private, invitation-only gatherings held in a public place or business setting. Banquet permits are commonly issued for events such as weddings, parties, and nonprofit events. A not-for-profit society or charitable organization may apply for the permit under the same conditions as any other person 21 years of age or older. The event for which a banquet permit application is made cannot be open to the public or advertised to the public. The fee for a banquet permit is \$10 per day.

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.

The administrative rules implementing the banquet permit provisions allow for individuals attending the event to bring their own liquor and provide that any liquor that is purchased by the permit holder must come from an authorized retail source. A banquet permit does not authorize the sale of liquor for cash, credit, or through any other means. A banquet permit holder may not buy or accept delivery of liquor from any manufacturer, brewer, distributor, distillery, winery, or importer.

As a general rule, a domestic brewery, microbrewery, distributor, distiller, domestic winery, importer, rectifier, certificate of approval holder, or other manufacturer of liquor is prohibited from giving liquor to any person. However, there are multiple statutory exceptions to this prohibition against liquor manufacturers and distributors providing liquor to individuals, such as conducting tastings or furnishing samples under specified circumstances.

Summary of Bill:

The act codifies and expands the banquet permit provisions for not-for-profit societies or charitable organizations. The new provisions only apply to organizations that have an annual gross income of less than \$250,000. These organizations may provide spirits, beer, and wine, free of charge, by the individual serving for on-premises consumption, on a specified date and at a specified place. The events may only be held for the organization's members and guests and cannot be open to the general public. The fee for the banquet permit is \$10 per day. The LCB must create an online permitting process which allows for the issuance of the permit on the day the event occurs. An unlimited number of banquet permits are available for an organization's business or social events.

Liquor served at the organization's events may be: (1) provided by individuals attending the event, for their own consumption, or with the intent to share with other attendees at no cost; (2) included in the total price for an event when participants receive an equal share by distribution of exchangeable tickets as part of a package; (3) purchased by the event organizers at an authorized retail source; or (4) donated to the organization by any person, liquor industry member, or entity so long as the donor or the organization pays any fees or taxes that would be paid if the liquor was sold to a consumer.

An organization may accept cash donations at an event so long as there is no expectation or implied obligation that the donation is in exchange for a beverage containing liquor.

Appropriation: None.

Fiscal Note: Available.

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