

SENATE BILL REPORT

SB 5781

As of February 15, 2017

Title: An act relating to special occasion and banquet provisions for charitable or nonprofit organizations.

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

Sponsors: Senators Fortunato and Baumgartner.

Brief History:

Committee Activity: Commerce, Labor & Sports: 2/15/17.

Brief Summary of Bill

- Waives the special occasion license fee for certain organizations that are providing complementary alcoholic beverages or spend less than \$250; LCB must provide these licenses online and on the day of the event.
- Allows for payment of liquor sold for use with a special occasion license to be made within three days after the event has occurred.
- Waives the requirement of a charitable or nonprofit organization to obtain a banquet permit, if the organization is providing complementary alcoholic beverages or spends less than \$250.

SENATE COMMITTEE ON COMMERCE, LABOR & SPORTS

Staff: Richard Rodger (786-7461)

Background: Special Occasion Licenses. A not-for-profit society or organization that obtains a special occasion liquor license may sell spirits, beer, and wine by the individual glass to be consumed on the premises. If an organization gets prior permission from the Liquor and Cannabis Board (LCB), the licensee may sell: spirits, beer, or wine in original, unopened containers for off-premises consumption; and wine in unopened bottles for on-premises consumption. This license permits the licensee to serve liquor at a specified event, on a specified date and place. The special occasion licenses are commonly issued for fundraising dinners, gala events, auctions, and wine tastings. The fee for this license is \$60

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per day and the organization is limited to sales on no more than 12 single-day events per year.

Liquor Sales for Special Occasion Licensees. Liquor sold for use with a special occasion license must be purchased from a licensed: retailer authorized to make sales of for off-premises consumption; or spirits, beer, or wine distributor.

Banquet Permit. The LCB may issue a special permit to consume liquor at events such as banquets. The permit allows for the service and consumption at private, invitation-only gatherings held in a public place or business. The banquet permits are commonly issued for events such as wedding, parties, and nonprofit events. The fee for the permit is currently set at \$11 per day.

Summary of Bill: Special Occasion Licenses. A not-for-profit society or organization may not be charged a fee for a special occasion liquor license, if the organization is providing complementary alcoholic beverages or spends less than \$250 on the alcoholic beverages. For these events, the LCB must provide for an online permit that is issued on the day of the event.

Liquor Sales for Special Occasion Licensees. Payment of liquor sold for use with a special occasion license may be made, with the agreement of the retailer or distributor, within three days after the event has occurred.

Banquet Permit. The LCB may not require a charitable or nonprofit organization to obtain a banquet permit, if the organization is providing complementary alcoholic beverages or spends less than \$250 on the alcoholic beverages.

Appropriation: None.

Fiscal Note: Available.

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

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

Staff Summary of Public Testimony: PRO: The process for getting licenses and permits needs to take less time consuming and be less expensive. I'm working on a proposal to streamline these special occasion licenses and banquet permits into a single \$10 permit.

CON: We are concerned about the provisions that allow for payment of liquor up to three days after the events occur. We understand that the prime sponsor intends to remove those provisions from the bill. If that happens, our concerns go away.

OTHER: We are willing to continue discussions on this bill to try and make it workable for everyone.

Persons Testifying: PRO: Senator Phil Fortunato, Prime Sponsor.

CON: Scott Hazlegrove, Wa Beer & Wine Distributors Association.

OTHER: James Paribello, WSLCB; Annie McGrath, Washington Brewers Guild.

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