

SENATE BILL REPORT

SB 5781

As Reported by Senate Committee On:
Commerce, Labor & Sports, February 16, 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, 2/16/17 [DPS, DNP, w/oRec].

Brief Summary of Substitute Bill

- Allows charitable and nonprofit organizations holding a special occasion or banquet event to obtain a single combined permit on the day of the event, for a fee of \$10 per day.
- Covers events where the organization either sells liquor or provides it free of charge.

SENATE COMMITTEE ON COMMERCE, LABOR & SPORTS

Majority Report: That Substitute Senate Bill No. 5781 be substituted therefor, and the substitute bill do pass.

Signed by Senators Baumgartner, Chair; Braun, Vice Chair; King, Rossi and Wilson.

Minority Report: Do not pass.

Signed by Senators Keiser, Ranking Minority Member; Conway and Hasegawa.

Minority Report: That it be referred without recommendation.

Signed by Senator Saldaña.

Staff: Richard Rodger (786-7461)

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.

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 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 (First Substitute): Creates a new special occasion and banquet for charitable and nonprofit organization. The permit can be used for events where the organization either sells liquor or provides it free of charge. The permit must be available online on the day of the event for a \$10 fee.

EFFECT OF CHANGES MADE BY COMMERCE, LABOR & SPORTS COMMITTEE (First Substitute):

- Deletes all provisions of the underlying bill and creates the new, single special occasion and banquet permit.

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 on Original Bill: *The committee recommended a different version of the bill than what was heard.* 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.