

**SSB 5643 - S AMD 913**  
By Senator Randall

PULLED 02/18/2020

1 Strike everything after the enacting clause and insert the  
2 following:

3 **"Sec. 1.** RCW 66.24.655 and 2013 c 237 s 1 are each amended to  
4 read as follows:

5 (1) There is a theater license to sell spirits, beer, including  
6 strong beer, or wine, or all, at retail, for consumption on theater  
7 premises.

8 (a) A spirits, beer, and wine theater license may be issued  
9 ((only)) to theaters ((that have no more than one hundred twenty  
10 seats per screen and)) that are maintained in a substantial manner as  
11 a place for preparing, cooking, and serving complete meals and  
12 ((providing tabletop accommodations for in-theater dining)) meet the  
13 requirements of (b) of this subsection. However, theaters with no  
14 more than four screens that provide tabletop service are exempt from  
15 the requirements of (b)(ii) and (iv) of this subsection. Requirements  
16 for complete meals are the same as those adopted by the board in  
17 rules pursuant to chapter 34.05 RCW for a spirits, beer, and wine  
18 restaurant license authorized by RCW 66.24.400. The annual fee for a  
19 spirits, beer, and wine theater license is two thousand dollars.

20 (b) A spirits, beer, and wine theater licensee must:

21 (i) Serve alcoholic beverages in distinctive glassware that is  
22 visibly different from glassware containing nonalcoholic beverages.  
23 Glassware for beer shall not exceed a standard twenty-four ounce  
24 size, glassware for cocktails shall not exceed a sixteen ounce size,  
25 and glassware for wine shall not exceed a ten ounce size. No drink  
26 containing distilled spirits shall exceed three ounces of spirits and  
27 must be one hundred proof or less;

28 (ii) Separate the bar and lounge area from the concession stand.  
29 No alcoholic beverages may be sold from any temporary location on the  
30 premises including, but not limited to, mobile bars, ice buckets, and  
31 hawkers;

1 (iii) Not hold promotions that encourage intoxication or drinking  
2 contests. Each customer must be physically present and age verified  
3 at the time of order for any alcoholic beverage;

4 (iv) Not promote the sale of spirits, beer, or wine on the  
5 theater premises through advertising such as posters or neon signs;  
6 and

7 (v) Ensure that all managers and staff who interact with guests  
8 complete a responsible service of alcohol course within thirty days  
9 of hire. The course must teach the managers and staff to identify  
10 minors and prevent them from purchasing alcoholic beverages, and  
11 identify the signs of intoxication and prevent service to intoxicated  
12 individuals.

13 (c) Beginning on the effective date of this section, up to eight  
14 new spirits, beer, and wine theater licenses may be issued annually  
15 by the board until no other theaters request a license. Licenses  
16 issued under this subsection (1)(c) must be issued under a lottery  
17 system to be designed by the board in rule. The lottery system must  
18 ensure that licenses are issued to ensure geographic diversity. To  
19 ensure this geographic diversity:

20 (i) Up to two licenses may be issued in a county located east of  
21 the crest of the Cascade mountains with a population of at least four  
22 hundred fifty thousand;

23 (ii) Up to three licenses may be issued in one or more contiguous  
24 counties located west of the crest of the Cascade mountains that  
25 contain a city or cities with a population of at least one hundred  
26 seventy-five thousand;

27 (iii) Up to one license may be issued in a county with a  
28 population of at least seven hundred thousand that is located north  
29 of the county with the highest population in the state and west of  
30 the crest of the Cascade mountains; and

31 (iv) Up to two licenses may be issued in a county located south  
32 of the county with the highest population in the state and east of  
33 the crest of the Cascade mountains with a population of at least two  
34 hundred twenty thousand.

35 (d) A theater that otherwise meets the requirements of this  
36 section, and that serves liquor to customers in each screen at the  
37 theater, may also have one additional screen, but with no more than  
38 three hundred seats, at which liquor may be served under the terms of  
39 the license.

1 (2) If the theater premises is to be frequented by minors, an  
2 alcohol control plan must be submitted to the board at the time of  
3 application. The alcohol control plan must be approved by the board  
4 and be prominently posted on the premises, prior to minors being  
5 allowed.

6 (3) For the purposes of this section:

7 (a) "Alcohol control plan" means a written, dated, and signed  
8 plan submitted to the board by an applicant or licensee for the  
9 entire theater premises, or rooms or areas therein, that shows where  
10 and when alcohol is permitted, where and when minors are permitted,  
11 and the control measures used to ensure that minors are not able to  
12 obtain alcohol or be exposed to environments where drinking alcohol  
13 predominates.

14 (b) "Theater" means a place of business where motion pictures or  
15 other primarily nonparticipatory entertainment are shown.

16 (4) The board must adopt rules regarding alcohol control plans  
17 and necessary control measures to ensure that minors are not able to  
18 obtain alcohol or be exposed to areas where drinking alcohol  
19 predominates. All alcohol control plans must include a requirement  
20 that any person involved in the serving of spirits, beer, and/or wine  
21 must have completed a mandatory alcohol server training program.

22 (5)(a) A licensee that is an entity that is exempt from taxation  
23 under Title 26 U.S.C. Sec. 501(c)(3) of the federal internal revenue  
24 code of 1986, as amended as of January 1, 2013, may enter into  
25 arrangements with a spirits, beer, or wine manufacturer, importer, or  
26 distributor for brand advertising at the theater or promotion of  
27 events held at the theater. The financial arrangements providing for  
28 the brand advertising or promotion of events may not be used as an  
29 inducement to purchase the products of the manufacturer, importer, or  
30 distributor entering into the arrangement and such arrangements may  
31 not result in the exclusion of brands or products of other companies.

32 (b) The arrangements allowed under this subsection (5) are an  
33 exception to arrangements prohibited under RCW 66.28.305. The board  
34 must monitor the impacts of these arrangements. The board may conduct  
35 audits of a licensee and the affiliated business to determine  
36 compliance with this subsection (5). Audits may include, but are not  
37 limited to: Product selection at the facility; purchase patterns of  
38 the licensee; contracts with the spirits, beer, or wine manufacturer,  
39 importer, or distributor; and the amount allocated or used for  
40 spirits, beer, or wine advertising by the licensee, affiliated

1 business, manufacturer, importer, or distributor under the  
2 arrangements.

3 (6) The maximum penalties prescribed by the board in WAC  
4 314-29-020 relating to fines and suspensions are double for  
5 violations involving minors or the failure to follow the alcohol  
6 control plan with respect to theaters licensed under this section.

7 **Sec. 2.** RCW 66.24.650 and 2013 c 219 s 1 are each amended to  
8 read as follows:

9 (1) There is a theater license to sell beer, including strong  
10 beer, or wine, or both, at retail, for consumption on theater  
11 premises. The annual fee is four hundred dollars for a beer and wine  
12 theater license.

13 (2) If the theater premises is to be frequented by minors, an  
14 alcohol control plan must be submitted to the board at the time of  
15 application. The alcohol control plan must be approved by the board,  
16 and be prominently posted on the premises, prior to minors being  
17 allowed.

18 (3) For the purposes of this section:

19 (a) "Alcohol control plan" means a written, dated, and signed  
20 plan submitted to the board by an applicant or licensee for the  
21 entire theater premises, or rooms or areas therein, that shows where  
22 and when alcohol is permitted, where and when minors are permitted,  
23 and the control measures used to ensure that minors are not able to  
24 obtain alcohol or be exposed to environments where drinking alcohol  
25 predominates.

26 (b) "Theater" means a place of business where motion pictures or  
27 other primarily nonparticipatory entertainment are shown(~~(, and~~  
28 ~~includes only theaters with up to four screens))~~).

29 (4) The board must adopt rules regarding alcohol control plans  
30 and necessary control measures to ensure that minors are not able to  
31 obtain alcohol or be exposed to areas where drinking alcohol  
32 predominates. All alcohol control plans must include a requirement  
33 that any person involved in the serving of beer and/or wine must have  
34 completed a mandatory alcohol server training program.

35 (5) (a) A licensee that is an entity that is exempt from taxation  
36 under Title 26 U.S.C. Sec. 501(c)(3) of the federal internal revenue  
37 code of 1986, as amended as of January 1, 2013, may enter into  
38 arrangements with a beer or wine manufacturer, importer, or  
39 distributor for brand advertising at the theater or promotion of

1 events held at the theater. The financial arrangements providing for  
2 the brand advertising or promotion of events may not be used as an  
3 inducement to purchase the products of the manufacturer, importer, or  
4 distributor entering into the arrangement and such arrangements may  
5 not result in the exclusion of brands or products of other companies.

6 (b) The arrangements allowed under this subsection (5) are an  
7 exception to arrangements prohibited under RCW 66.28.305. The board  
8 must monitor the impacts of these arrangements. The board may conduct  
9 audits of a licensee and the affiliated business to determine  
10 compliance with this subsection (5). Audits may include, but are not  
11 limited to: Product selection at the facility; purchase patterns of  
12 the licensee; contracts with the beer or wine manufacturer, importer,  
13 or distributor; and the amount allocated or used for wine or beer  
14 advertising by the licensee, affiliated business, manufacturer,  
15 importer, or distributor under the arrangements.

16 (6) The maximum penalties prescribed by the board in WAC  
17 314-29-020 relating to fines and suspensions are double for  
18 violations involving minors or the failure to follow the alcohol  
19 control plan with respect to theaters licensed under this section."

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20 On page 1, line 1 of the title, after "licenses;" strike the  
21 remainder of the title and insert "and amending RCW 66.24.655 and  
22 66.24.650."

EFFECT: Requires the Liquor and Cannabis Board to create a lottery system to issue up to eight spirits, beer, and wine theater licenses each year, until no other theaters request a license. Requires the system to ensure geographic diversity within limits as specified by region and population. Theaters that meet the specified requirements and serve liquor to customers in each screen at the theater may also have one additional screen, with no more than 300 seats, at which liquor may be served.

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