

# SENATE BILL REPORT

## SB 6078

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As Reported By Senate Committee On:  
Labor, Commerce, Research & Development, February 27, 2007

**Title:** An act relating to retailer licenses for the sale of alcoholic beverages.

**Brief Description:** Creating hotel licenses for the sale of alcoholic beverages.

**Sponsors:** Senators Murray, Clements and Kohl-Welles.

**Brief History:**

**Committee Activity:** Labor, Commerce, Research & Development: 2/22/07, 2/27/07 [DPS].

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### SENATE COMMITTEE ON LABOR, COMMERCE, RESEARCH & DEVELOPMENT

**Majority Report:** That Substitute Senate Bill No. 6078 be substituted therefor, and the substitute bill do pass.

Signed by Senators Kohl-Welles, Chair; Keiser, Vice Chair; Clements, Ranking Minority Member; Franklin, Hewitt, Holmquist, Murray and Prentice.

**Staff:** Jennifer Strus (786-7316)

**Background:** Hotels which serve spirits, beer, and wine by the individual drink must hold a spirits, beer, and wine restaurant license issued by the Liquor Control Board (LCB).

**Summary of Bill:** A new liquor retailer's license is created and is called a hotel license. The LCB may issue the hotel license to an applicant regardless of whether he or she already holds any other liquor licenses. The LCB may not issue a hotel license to any applicant offering rooms for guests on an hourly basis. Food and beverage inventory used in separate licensed operations at the hotel may not be shared and must be separately owned and stored by separate licensees.

The holder of a hotel license may:

- sell at retail from locked honor bars in individual units spirits not to exceed 50 milliliters, beer of not more than 12 ounces, and wine in bottles of not more than 385 milliliters. The alcohol can be sold to registered guests for consumption in guest rooms. The hotel licensee must buy all spirits from the LCB. The licensee must also require proof of age of any guest renting a room and requesting use of the honor bar. The guest must execute an affidavit verifying that no one under 21 will have access to alcohol in the honor bar;
- provide alcohol, without additional charge to overnight guests, including wine by the bottle, and by individual serving for on-premises consumption at a specified regular

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- date, time, and place. Self-service of alcohol is prohibited and all alcohol beverages must be served by an alcohol server;
- serve beer in the manufacturer's container or by individual drink to guests through room service or to occupants of private residential units managed by the hotel. The licensee may also sell beer at retail locations within the hotel;
  - sell for on or off-premises consumption wine carrying a label exclusive to the hotel licensee; and
  - place in guest rooms at check-in, a complimentary bottle of beer or wine and refer to this service in promotional material.

The licensed facilities may be owned or leased and operated by the hotel or another party under a contract or joint venture agreement with the licensee. The facilities may also be operated by another party holding a contract or joint venture agreement with the licensee.

The license issued to the hotel is only valid upon the contiguous property of the hotel and where all facilities and grounds at the hotel are owned or leased by the same person or persons.

The hotel licensee may remove from the licensee's liquor stocks liquor for sale and service at event locations at a specified date and place not currently licensed by the LCB. If the event is open to the public, it must be sponsored by a charitable society or organization. Licensees may also cater events on domestic winery premises.

Minors may be allowed in all areas of the hotel where alcohol may be consumed; however, the consumption must be incidental to the primary use of the area. These areas include tennis courts, hotel lobbies, and swimming pool areas. Minors may be allowed in an area normally off limits to minors for special dining occasions but only if the dining will predominate over the alcohol consumption and the license holder has provided the LCB with advance notice of the event.

The annual fee for a hotel license is \$2,000.

**EFFECT OF CHANGES MADE BY RECOMMENDED SUBSTITUTE AS PASSED COMMITTEE (Labor, Commerce, Research & Development):** Original language is restored allowing restaurant patrons to remove a corked bottle of wine from a restaurant.

**Appropriation:** None.

**Fiscal Note:** Available.

**Committee/Commission/Task Force Created:** No.

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

**Staff Summary of Public Testimony:** PRO: This bill will really help clarify what hotels can and cannot do around alcohol service. Most of the provisions already exist in the sections dealing with spirits, beer, and wine restaurant licenses and are just moved to a new section for ease of use.

OTHER: There are concerns about the complimentary offering on page 8. Also, there are concerns about allowing multiple licenses to be held - that is a big policy change and if it happens for hotels it should be allowed for all license holders.

**Persons Testifying:** PRO: TK Bentler, Washington State Hotel and Lodging Association; Tom Decutter, Doubletree Guest Suites; Susan Johnson, Graham & Dunn; Mark Spelbing, Hyatt Hotels.

OTHER: Michael Transue, Washington Restaurant Association.