

HOUSE BILL REPORT

HB 1765

As Reported by House Committee On:
Regulated Substances & Gaming

Title: An act relating to special occasion liquor licenses for not-for-profit societies or organizations.

Brief Description: Concerning special occasion liquor licenses.

Sponsors: Representatives Steele, Chapman and Volz.

Brief History:

Committee Activity:

Regulated Substances & Gaming: 2/13/23, 2/16/23 [DPS].

Brief Summary of Substitute Bill

- Creates an enhanced special occasion license for existing special occasion licensees that meet certain requirements.
- Allows an enhanced special occasion licensee to hold an unlimited number of events that are open to the public and reduces the notice and approval requirements for the Liquor and Cannabis Board and local municipalities.

HOUSE COMMITTEE ON REGULATED SUBSTANCES & GAMING

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 11 members: Representatives Kloba, Co-Chair; Wylie, Co-Chair; Stearns, Vice Chair; Chambers, Ranking Minority Member; Robertson, Assistant Ranking Minority Member; Cheney, Morgan, Orwall, Reeves, Walsh and Waters.

Staff: Matt Sterling (786-7289).

Background:

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.

Special Occasion License.

There is a retailer's license designated as a special occasion license that is issued by the Liquor and Cannabis Board (LCB) to a not-for-profit society or organization. The licensee is authorized to sell spirits, beer, and wine by the individual serving for on-premises consumption at a specified event, such as at picnics or other special occasions, at a specified date and place. There is a fee of \$60 per day for each event and the licensee is limited to 12 single-day events per calendar year. Licensees may not sell alcohol below cost and may not provide complimentary or free alcohol at any special occasion events.

The licensee may sell wine in the original, unopened containers for on-premises consumption and spirits, beer, and wine in the original, unopened containers for off-premises consumption if the LCB grants permission for such sales prior to the event. Sale, service, and consumption of all spirits, beer, and wine must be confined to specified premises or designated areas. All liquor that is sold under a special occasion license must be purchased from a licensee of the LCB.

All proceeds from the sale of alcohol at a special occasion license event must go directly back into the nonprofit organization with the license. The proceeds may not be paid directly or indirectly to members, officers, or trustees of the organization and no profits from the sale of alcohol may go to a promoter or a promotions company.

Any violation of the provisions for special occasion licenses is a class 1 civil infraction with a maximum penalty of \$250.

Notice Provided to Municipalities.

Generally, before the LCB may issue a new or renewal license to any liquor license applicant, the LCB must give notice of the application to the chief executive officer of the city or town or to the legislative authority of the county where the applicant or proposed event is located. The applicable city, town, or county may file with the LCB any written objections against the applicant or against the premises and request a public hearing for the new or renewal license application. When the LCB grants a liquor license, including a special occasion license, the LCB must send written notification to the applicable city, town, or county where the applicant or proposed event is located.

Summary of Substitute Bill:

Enhanced Special Occasion License.

Any licensee that has held a special occasion license for at least 10 years and has not had any enforcement actions taken against the licensee by the Liquor and Cannabis Board (LCB) in the previous five years may apply to the LCB for an enhanced special occasion license. An enhanced special occasion licensee:

- may hold an unlimited number of events each year;
- may hold public and private events without holding any separate license;

- is required to notify the LCB at least 24 hours before an event with the dates, times, and locations of the event; and
- does not need approval from the chief executive officer of the city or town or the legislative authority of the county in which the event is to be held. A licensee must obtain any event permit that is required by the applicable city, town, or county to conduct the event.

Notice Provided to Municipalities.

The LCB is required to provide an informational notice of an application for an enhanced special occasion license to the city, town, or county where the proposed event would take place. The city, town, or county where the proposed event is located is not authorized to submit written objections or request a public hearing on the application. When the LCB approves an application for an enhanced special occasion license, the LCB is required to send an informational notification to the city, town, or county where the proposed event is located.

Substitute Bill Compared to Original Bill:

The substitute bill requires the Liquor and Cannabis Board (LCB) to provide an informational notice of an application for an enhanced special occasion license to the city, town, or county where the licensed event is to be held when the application is submitted to the LCB. The LCB is also required to provide notice to the city, town, or county where the licensed event is to be held upon the granting of the enhanced special occasion license.

Appropriation: None.

Fiscal Note: Available.

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

Staff Summary of Public Testimony:

(In support) This bill is the result of years of practical experience in the nonprofit world. Over the years, we have had great success working with the Liquor and Cannabis Board (LCB), but there have been some issues when applications get held up and that can put events in jeopardy. This bill creates a relationship with the LCB for nonprofits that have acted in good faith for a decade and want an enhanced license, they would be able to have a more efficient licensure process. This bill does not change the LCB's on site enforcement, the fees collected, or any of the responsibilities on the event side. The events are still permitted by the city or county, so you are still working through requirements on that side. This bill rewards those nonprofits that have been working with the LCB and doing everything the right way. This bill would hopefully take some pressure off of the LCB to

provide more time and an opportunity to examine new applications more thoroughly. Only being able to have 12 events limits the opportunities for nonprofits and the bill would allow for more events to benefit the local folks and the nonprofit. This bill creates a streamlined approach to special occasion licenses and the nonprofits are happy to pay the fees associated with the application. This bill would benefit a lot of communities throughout Washington by allowing for more events like wine walks, golf tournaments, and winter festivals.

(Opposed) None.

Persons Testifying: Representative Mike Steele, prime sponsor; and Phil Megenhardt, Bold Hat Productions.

Persons Signed In To Testify But Not Testifying: None.