

HOUSE BILL REPORT

HB 2043

As Reported by House Committee On:
Regulated Substances & Gaming

Title: An act relating to removing the requirement that a theater may have no more than 120 seats per screen to qualify for a spirits, beer, and wine theater license.

Brief Description: Concerning spirits, beer, and wine theater licenses.

Sponsors: Representatives Corry, Caldier and Reeves.

Brief History:

Committee Activity:

Regulated Substances & Gaming: 1/8/24, 1/18/24 [DPS].

Brief Summary of Substitute Bill

- Authorizes the issuance of a spirits, beer, and wine theater license to a theater that has more than 120 seats per screen if the theater provides scheduled showings of motion pictures with open motion picture captioning meeting specified requirements.

HOUSE COMMITTEE ON REGULATED SUBSTANCES & GAMING

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 10 members: Representatives Kloba, Co-Chair; Wylie, Co-Chair; Stearns, Vice Chair; Chambers, Ranking Minority Member; Caldier, Cheney, Morgan, Orwall, Reeves and Waters.

Staff: Peter Clodfelter (786-7127).

Background:

There is a spirits, beer, and wine theater license, issued to eligible theaters by the Liquor

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and Cannabis Board (LCB). The license authorizes a theater to sell spirits, beer, strong beer, and wine, at retail, for consumption on theater premises. A theater is defined as a place of business where motion pictures or other primarily nonparticipatory entertainment is shown.

A spirits, beer, and wine theater license may only be issued to a theater that has no more than 120 seats per screen and that is maintained in a substantial manner as a place for preparing, cooking, and serving complete meals and providing tabletop accommodations for in-theater dining. The requirements related to complete meals are the same requirements that apply pursuant to the LCB's rules for holders of a spirits, beer, and wine restaurant license.

If the theater premises will be frequented by minors, an alcohol control plan is required. An alcohol control plan is a written, dated, and signed plan submitted to the LCB by an applicant or licensee for the entire theater premises, or rooms or areas within the premises, that shows where and when alcohol is permitted, where and when minors are permitted, and the control measures used to ensure minors are unable to obtain alcohol or be exposed to environments where drinking alcohol predominates. The alcohol control plan must be approved by the LCB and be prominently posted on the premises, prior to minors being allowed.

The maximum penalties in the LCB's rules relating to fines and suspensions of liquor licenses are double for violations by theaters involving minors or the failure to follow the alcohol control plan.

The annual fee for a spirits, beer, and wine theater license is \$2,000. However, between April 2021 and April 2022, there was a 12-month waiver of license fees.

Summary of Substitute Bill:

A theater that otherwise meets all the requirements for a spirits, beer, and wine theater license, but that has more than 120 seats per screen, may be eligible for issuance of the license if the theater provides scheduled showings of motion pictures with open motion picture captioning, so that at least 10 percent of all showings of a motion picture in a 30-day period have open motion picture captioning for any motion picture that is produced and distributed with open motion picture captioning and shown by the theater 10 or more times in a 30-day period.

A technical change is made to strike an obsolete reference to a temporary license fee waiver that is no longer in effect.

Substitute Bill Compared to Original Bill:

The substitute bill partly restores the proposed elimination of the requirement that a theater may have no more than 120 seats per screen to be eligible for the spirits, beer, and wine theater license, but the substitute bill creates an alternative eligibility for theaters that have more than 120 seats per screen.

A theater with more than 120 seats per screen may qualify for the license if the theater provides scheduled showings of motion pictures with open motion picture captioning, so that at least 10 percent of all showings of a motion picture in a 30-day period have open motion picture captioning for any motion picture that is produced and distributed with open motion picture captioning and shown by the theater 10 or more times in a 30-day period.

Appropriation: None.

Fiscal Note: Available. New fiscal note requested on January 18, 2024.

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) Local theaters are frustrated with the arbitrary cap on the number of seats that can be in a theater screening room for a theater to qualify for the spirits, beer, and wine theater license. It is an enjoyable and refreshing atmosphere to have dinner and a drink while at a movie. By removing the seat-per-screen restriction, it will allow theaters to offer bigger screen sizes and additional seats, while offering a full meal and beverage to moviegoers. The industry is more locally owned than many people realize. The pandemic was a challenge for theaters, and this bill will offer support to theaters and remove barriers to growth and success.

(Opposed) None.

Persons Testifying: Representative Chris Corry, prime sponsor.

Persons Signed In To Testify But Not Testifying: None.