SUBSTITUTE HOUSE BILL 2363

State of Washington 68th Legislature 2024 Regular Session

By House Regulated Substances & Gaming (originally sponsored by Representatives Chambers, Walen, Robertson, Morgan, and Reed)

READ FIRST TIME 01/31/24.

AN ACT Relating to authorizing off-site and pop-up retail sales, service, and consumption of alcohol; and adding a new section to chapter 66.24 RCW.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 <u>NEW SECTION.</u> Sec. 1. A new section is added to chapter 66.24 6 RCW to read as follows:

7 (1) There is a license endorsement at an annual cost of \$50 8 available to:

licensed Domestic breweries RCW 66.24.240 9 (a) under and 10 microbreweries licensed under RCW 66.24.244 to authorize off-site and 11 pop-up retail sales, service, and consumption of beer for on-premises 12 and off-premises consumption, under the terms of the domestic brewery 13 license or microbrewery license, as applicable, subject to the 14 requirements in this section; and

(b) Domestic wineries licensed under RCW 66.24.170 to authorize off-site and pop-up retail sales, service, and consumption of wine for on-premises and off-premises consumption, under the terms of the domestic winery license, subject to the requirements of this section.

A domestic brewery, microbrewery, or domestic winery with a
 license endorsement under RCW 66.24.246 may engage in the privilege

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1 authorized under the separate endorsement in RCW 66.24.246 from an 2 off-site or pop-up location authorized under this section.

3 (3) A domestic brewery, microbrewery, or domestic winery with an
4 endorsement under this section:

5 (a) Must apply to the board for authorization to conduct off-site 6 or pop-up activities at a proposed location and receive authorization 7 from the board before operating at any location;

8 (b) May not operate at more than one off-site or pop-up location 9 at a single time;

10 (c) May not hold more than 12 events per year that are conducted 11 under the off-site and pop-up endorsement, provided that each single 12 event may be up to four consecutive days in duration;

13 (d) Must operate an off-site or pop-up location only:

14 (i) Outdoors in an area zoned for a use compatible with the15 operation of a food truck; or

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(ii) Indoors within a building;

17 (e) Must ensure an enclosed boundary is established with ropes, a 18 fence, or by other physical barrier around the designated area in 19 which off-site or pop-up retail sales, service, and consumption is 20 offered and that the sale, service, and consumption of beer and wine 21 authorized in this section is confined to the designated area only;

22 (f) May sell beer or wine to adults age 21 or over for on-premises consumption, in the designated area, under the terms of 23 the domestic brewery license, microbrewery license, or domestic 24 25 winery license, as applicable, or under the endorsement in RCW 66.24.246 for licensees holding that endorsement. A customer may 26 remove any portion of bottled wine sold by a domestic winery for on-27 28 premises consumption in the designated area that is recorked or 29 recapped in its original container;

30 (g) May sell beer or wine from the designated area to adults age 31 21 or over for off-premises consumption under the terms of the 32 domestic brewery license, microbrewery license, or domestic winery 33 license, as applicable; and

34 (h) Must ensure any person selling or serving beer or wine for 35 on-premises consumption holds a class 12 or class 13 alcohol server 36 permit.

37 (4) (a) An endorsement issued under this section does not count
38 toward any additional retail locations or off-site tasting rooms
39 authorized under RCW 66.24.240, 66.24.244, or 66.24.170.

1 (b) Nothing in this section requires food service in conjunction 2 with alcohol sales or service.

3 (5)(a) Before the board approves an endorsement holder to operate 4 off-site or pop-up activities at a proposed location, the board must 5 give notice of the endorsement holder's request to operate to the 6 chief executive officer of the incorporated city or town, if the 7 application is for a location within an incorporated city or town, or 8 to the county legislative authority, if the application is for a 9 location outside the boundaries of incorporated cities or towns.

10 (b) The incorporated city or town through the official or 11 employee selected by it, or the county legislative authority or the 12 official or employee selected by it, has the right to file with the 13 board within 20 days after the date of transmittal of such notice, 14 written objections against the applicant or against the location for 15 which the approval is asked.

16 (c) The written objections must include a statement of all facts 17 upon which such objections are based, and in case written objections 18 are filed from the incorporated city or town through the official or 19 employee selected by it, or the county legislative authority or the 20 official or employee selected by it, the board shall disapprove the 21 request for operation of off-site or pop-up activities at the 22 proposed location.

(d) Upon the granting of approval to an endorsement holder to operate off-site or pop-up activities at a location, the board must send written notification to the chief executive officer of the incorporated city or town in which the approved location is located, or to the county legislative authority if the approved location is outside the boundaries of incorporated cities or towns.

29 (6) (a) Before the board approves an endorsement holder to operate off-site or pop-up activities at a proposed location, the board shall 30 31 give (i) due consideration to the proposed location with respect to 32 the proximity of churches, schools, and public institutions and (ii) written notice, with receipt verification, of the request to operate 33 to public institutions identified by the board as appropriate to 34 receive such notice, churches, and schools, any of which are within 35 500 feet of the proposed location. Except as provided in (b) of this 36 subsection, the board may not approve an endorsement holder to 37 operate from any proposed location if such location is within 500 38 39 feet of the premises of any tax-supported public elementary or secondary school, or any private school under Title 28A RCW, measured 40

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along the most direct route over or across established public walks, 1 2 streets, or other public passageway from the main entrance of the school to the nearest public entrance of the proposed location, and 3 if, after receipt by the school of the notice as provided in this 4 subsection, the board receives written objection, within 20 days 5 6 after receiving such notice, from an official representative or representatives of the school within 500 feet of said proposed 7 location, indicating to the board that there is an objection to the 8 approval of the proposed location because of proximity to a school. 9

10 (b)(i) If any existing liquor licensee is located within 500 feet 11 of a tax-supported public elementary or secondary school or private 12 school under Title 28A RCW, then the board may approve an endorsement 13 holder's request to operate at the proposed location within 500 feet 14 of the school over the objection.

(ii) Except as otherwise provided in this subsection (6), the board has discretion in granting approval of or denying approval of an endorsement holder's request to operate off-site or pop-up activities at a proposed location over objections from schools, churches, and public institutions who are notified pursuant to this section.

21 (7) The definitions in this subsection apply throughout this 22 section unless the context clearly requires otherwise:

(a) "Church" means a building erected for and used exclusively for religious worship and schooling or other activity in connection therewith.

(b) "Off-site and pop-up retail sales, service, and consumption" or "off-site or pop-up activities" means the retail sale, service, and consumption of beer or wine at a location off of the licensed production facility for which the domestic brewery, microbrewery, or domestic winery has permission or legal authority to possess and use for the sale, service, and consumption of beer or wine.

32 (c) "Public institution" means institutions of higher education,33 parks, community centers, libraries, and transit centers.

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