HOUSE BILL 2363

State of Washington 68th Legislature 2024 Regular Session

By Representatives Chambers, Walen, Robertson, Morgan, and Reed

Read first time 01/15/24. Referred to Committee on Regulated Substances & Gaming.

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:

9 (a) Domestic breweries licensed under RCW 66.24.240 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.

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

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 notify the board at least 14 days before operating at 6 any off-site or pop-up location and may not operate at more than one 7 off-site or pop-up location at a single time;

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

9 (i) Outdoors in an area zoned for a use compatible with the 10 operation of a food truck; or

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(ii) Indoors within a building;

12 (c) Must ensure an enclosed boundary is established with ropes, a 13 fence, or by other physical barrier around the designated area in 14 which off-site or pop-up retail sales, service, and consumption is 15 offered and that the sale, service, and consumption of beer and wine 16 authorized in this section is confined to the designated area only;

17 (d) May sell beer or wine to adults age 21 or over for on-premises consumption, in the designated area, under the terms of 18 the domestic brewery license, microbrewery license, or domestic 19 winery license, as applicable, or under the endorsement in RCW 20 21 66.24.246 for licensees holding that endorsement. A customer may remove any portion of bottled wine sold by a domestic winery for on-22 premises consumption in the designated area that is recorked or 23 recapped in its original container; 24

(e) May sell beer or wine from the designated area to adults age 26 21 or over for off-premises consumption under the terms of the 27 domestic brewery license, microbrewery license, or domestic winery 28 license, as applicable; and

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

32 (4) (a) An endorsement issued under this section does not count 33 toward any additional retail locations or off-site tasting rooms 34 authorized under RCW 66.24.240, 66.24.244, or 66.24.170.

35 (b) Nothing in this section requires food service in conjunction 36 with alcohol sales or service.

37 (5)(a) An endorsement holder shall give due consideration to the 38 location where the licensee will conduct off-site and pop-up retail 39 sales, service, and consumption, with respect to the proximity of 1 churches and public institutions, as those terms are used and defined 2 in RCW 66.24.010, and schools as used in RCW 66.24.010.

(b) Upon receiving notice as provided in subsection (3)(a) of 3 this section of an endorsement holder's plans to operate off-site or 4 pop-up service, sales, and consumption, the board must provide 5 6 written notice, with receipt verification, of the endorsement holder's notice, to public institutions, as defined in RCW 66.24.010, 7 that are identified by the board as appropriate to receive such 8 notice, to churches, and to schools, any of which entities are within 9 500 feet of the location. If the board receives written objections 10 within 14 days after receiving such notice, from an official 11 representative or representatives of the entity, indicating to the 12 board that there is an objection to the location or the operation by 13 the endorsement holder, then the board shall proceed as follows: 14

(i) If the objection is from a tax-supported public elementary of secondary school or any private school under Title 28A RCW, the board shall notify the endorsement holder and the endorsement holder shall immediately cease operating at that location; or

19 (ii) If the objection is from a church or public institution, as defined in RCW 66.24.010, and the licensee continues to operate over 20 21 the objections, then at the time of renewal of the endorsement the board may, in its discretion, deny an endorsement holder's renewal of 22 the endorsement after first providing the endorsement holder an 23 opportunity for a hearing where board representatives must present 24 25 and defend the board's initial decision to deny renewal of an endorsement under this section, and representatives of the church or 26 public institution present their objections. 27

28 (c) Upon receiving notice as provided in subsection (3)(a) of this section of an endorsement holder's plans to operate off-site or 29 pop-up service, sales, and consumption, the board must send written 30 31 notification to the chief executive officer of the incorporated city 32 or town in which the location is situated, or to the county legislative authority if the location is outside the boundaries of 33 incorporated cities or towns. The incorporated city or town or county 34 legislative authority may submit written objections within 14 days 35 after the date of transmittal of the notice, against the endorsement 36 holder or against the location for which the operations will occur or 37 are occurring. If an endorsement holder continues operating at a 38 39 location for which written objections have been filed under this 40 subsection, the board may in its discretion deny an endorsement

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holder's renewal of the endorsement under this section after first providing the endorsement holder an opportunity for a hearing where board representatives must present and defend the board's initial decision to deny renewal of an endorsement under this section and a representative of the city, town, or county, presents their objections.

7 (6) For purposes of this section, "off-site and pop-up retail 8 sales, service, and consumption" means the retail sale, service, and 9 consumption of beer or wine at a location off of the licensed 10 production facility for which the domestic brewery, microbrewery, or 11 domestic winery has permission or legal authority to possess and use 12 for the sale, service, and consumption of beer or wine.

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