
**Consumer Protection & Business
Committee**

HB 1515

Brief Description: Modernizing the regulation of alcohol service in public spaces.

Sponsors: Representatives Reed, Walen, Berry, Cortes, Peterson, Richards, Ryu, Macri, Hill and Scott.

Brief Summary of Bill

- Authorizes a city, town, or county to request, and the Liquor and Cannabis Board (LCB) to approve, expanded outdoor alcohol service for certain liquor licensees, subject to requirements.
- Authorizes a city with a population of more than 400,000 to request, and the LCB to approve, expanded outdoor and indoor alcohol service during events on a publicly owned civic campus in the city, subject to requirements, and creates a special community event liquor license.
- Authorizes rulemaking by the LCB, excludes the authorized activities from the prohibition on opening a package containing liquor or consuming liquor in a public place, and modifies the caterer's license.

Hearing Date: 1/29/25

Staff: Peter Clodfelter (786-7127).

Background:

Outdoor and Indoor Alcohol Service.

The Liquor and Cannabis Board's (LCB's) current rules regulate alcohol service in private spaces and public spaces by certain liquor licensees. Under the LCB's current rules, for outdoor alcohol

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service in public spaces, a licensee must request approval from the LCB's licensing division and meet the following requirements:

- The licensed business must have a permit from their local jurisdiction allowing the business to use the public space as a service area.
- The licensee must have a building that provides indoor dining or production in order to qualify for an outdoor alcohol service area.
- The outdoor alcohol service area must be enclosed with a permanent or movable barrier with a minimum of 42 inches in height, except that licensees with outdoor alcohol service areas contiguous to the licensed premises may use a permanent fence-free demarcation instead of a permanent or movable barrier with a minimum of 42 inches in height. However, this exception does not apply to beer gardens, standing-room-only venues, and permitted special events.
- Openings into and out of the outdoor alcohol service area may not exceed 10 feet and, if there is more than one opening along one side, the total combined opening may not exceed 10 feet.
- The outdoor alcohol service area must have an attendant, wait staff, or server dedicated to the area when patrons are present.
- If there are food service requirements for the licensee, then the required food service must be available in any outdoor alcohol service area.

For multiple licensees to share an outdoor alcohol service area, the licensees must request approval from the LCB's licensing division and meet requirements including:

- The licensees' property parcels or buildings must be located in direct physical proximity to one another.
- If the shared outdoor alcohol service area is located on public space, the licensees sharing the space must meet all requirements for outdoor alcohol service in public spaces and shared use of the outdoor service area must be authorized by the licensees' local jurisdiction permits.
- The licensees must maintain separate storage of products and separate financial records for the shared outdoor alcohol service area.
- The licensees must use distinctly marked glassware or serving containers to identify the source of any alcohol product being consumed.
- The licensees must complete an operating plan for the shared outdoor alcohol service area.
- A licensee may not permit the removal of alcohol in an open container, except to reenter the licensed premises where the alcohol was purchased.
- If multiple licensees use a shared outdoor alcohol service area, all participating licensees are jointly responsible for any violation or enforcement issues unless it can be demonstrated that the violation or enforcement issue was due to one or more licensee's specific conduct or action.

Caterer's License.

The caterer's license allows the sale of spirits, beer, and wine, by the individual serving, at retail, for consumption on the premises at an event location that is owned, leased, or operated either by the caterer or the sponsor of the event for which catering services are being provided. If the

event is open to the public, it must be sponsored by a society or organization, which is defined to include certain nonprofit organizations and a local wine industry association. The licensee must serve food as required by the rules of the LCB.

Opening or Consuming Liquor in Public.

Except as permitted by law, it is a class 3 civil infraction for a person to open a package containing liquor or consume liquor in a public place.

Summary of Bill:

Expanded Outdoor Alcohol Service.

A city, town, or county may request, and the LCB may approve, expanded outdoor alcohol service for liquor licensees within the whole city, town, or county, or within a specific area or areas of the city, town, or county. If requested by a county, the approval may only be for unincorporated areas of the county.

For authorized licensees who have requested approval from and been authorized by the LCB's licensing division to conduct outdoor alcohol service, and who are located within an area of a city, town, or county that has been approved by the LCB for expanded outdoor alcohol service, the following authorizations and requirements apply:

- An outdoor alcohol service area may be enclosed by means of a permanent or movable barrier of a minimum height specified by the LCB, or by means of a permanent fence-free demarcation, for all types of events including beer gardens, standing-room-only venues, and permitted special events.
- For an outdoor alcohol service area enclosed by means of a permanent or movable barrier, no permanent or movable barrier is required to enclose any parts of the perimeter of the outdoor alcohol service area on sloped site conditions where such conditions reasonably prevent access by persons.
- The openings into and out of an outdoor alcohol service area may be up to a maximum distance apart as determined appropriate by the applicable city, town, or county.
- Licensees may share use of an outdoor alcohol service area with other licensees and licensees may share use of an outdoor alcohol service area with businesses that do not engage in the sale or service of alcohol, subject to requirements.
- An employee of the licensee must be assigned to, but is not required to be in, the outdoor alcohol service area at all times that patrons are present.
- A direct line of sight is not required from inside the licensed premises to the outdoor alcohol service area.

The authorization is available to the following liquor licensees: beer and wine restaurants; spirits, beer, and wine restaurants; taverns; domestic wineries; domestic breweries and microbreweries; distilleries; snack bars; and private clubs.

Events on a Publicly Owned Civic Campus in Certain Cities.

A city with a population of more than 400,000 may request, and the LCB may approve,

expanded alcohol service during events on a publicly owned civic campus in the city.

Expanded Alcohol Service Areas. Multiple licensees located on a publicly owned civic campus in a city with a population of more than 400,000 that has been approved by the LCB may share an alcohol service area encompassing the entire publicly owned civic campus, or part of the publicly owned civic campus, during an event, so long as:

- the LCB approves of the event perimeter enclosing the alcohol service area;
- security and physical barriers are provided at all entry points to the event;
- the campus operator notifies the LCB within a minimum time required by the LCB before the event begins; and
- all participating licensees submit a joint operating plan to the LCB for approval.

Shared Indoor Alcohol Service Area. Multiple licensees located on a publicly owned civic campus in a city with a population of more than 400,000 that has been approved by the LCB may share an indoor alcohol service area at certain times authorized by the campus operator, so long as:

- the campus operator notifies the LCB at least seven days in advance of the date licensees intend to begin operating the shared indoor alcohol service area;
- the campus operator ensures security and physical barriers are provided at all entry points to the indoor alcohol service area; and
- the licensees submit a joint operating plan to the LCB for approval.

If multiple licensees share an alcohol service area, all participating licensees are jointly responsible for any violation or enforcement issues unless it can be demonstrated that the violation or enforcement issue was due to one or more licensee's specific conduct or action, in which case the violation or enforcement applies only to those identified licensees.

During the times a licensee is operating at an event on an approved publicly owned civic campus, the licensee may:

- operate without a permit from their local jurisdiction that may otherwise be required to allow the business to use the public space as an alcohol service area;
- share an alcohol service area with another licensee without individually requesting approval from the LCB's licensing division, regardless of whether the licensees' property parcels or buildings are located in direct physical proximity to one another; and
- sell and serve alcohol to customers from an alcohol service area without offering food service menu options, except that any required food service must still be provided within the licensed premises, and in any preexisting alcohol service area operated by the licensee under the LCB's rules that does not rely on the authorization in this section, if the preexisting alcohol service area remains in place during an event.

The authorization is available to: beer and wine restaurants; spirits, beer, and wine restaurants; taverns; domestic wineries; domestic breweries and microbreweries; distilleries; snack bars; and special community event licensees.

Additionally, a caterer's license must be issued to an eligible applicant for an event open to the public and held on a publicly owned civic campus in a city with a population of more than 400,000, even if the sponsor of the event for which catering services are being provided is a for-profit business.

Special Community Event License.

A new retailer's license is created, designated a special community event license, to be issued to a not-for-profit society or organization to sell spirits, beer, and wine by the individual serving for on-premises consumption at a specified event, at a specified date and place, for a fee of \$60 per day. A license is available only for the holder to operate during events on publicly owned civic campuses in cities with a population of more than 400,000 approved by the LCB. The not-for-profit society or organization is not limited in the number of calendar days per year of sales under the license.

The licensee may sell spirits, beer, and/or wine in original, unopened containers for off-premises consumption if permission is obtained from the LCB before the event. In addition to offering the sale of wine by the individual serving for on-premises consumption, the licensee may sell wine in original, unopened containers for on-premises consumption if permission is obtained from the LCB before the event. Sales, service, and consumption of spirits, beer, and wine is allowed in all alcohol service areas at approved events, including an alcohol service area encompassing the entire publicly owned civic campus, or part of the publicly owned civic campus.

Liquor and Cannabis Board Rules.

The LCB must adopt or revise rules to allow for outdoor service of alcohol by certain licensees to be consistent with the new authorizations and license. The LCB's rule-making authority is extended to include imposing reasonable requirements on licensees' operations of alcohol service areas and the sale, service, and consumption of alcohol.

Opening or Consuming Liquor in Public.

An exclusion to the prohibition on opening a package containing liquor or consuming liquor in a public place is added for the new authorized activities.

Appropriation: None.

Fiscal Note: Requested on January 23, 2024.

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