

FINAL BILL REPORT

2SHB 1515

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Synopsis as Enacted

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

Sponsors: House Committee on Appropriations (originally sponsored by Representatives Reed, Walen, Berry, Cortes, Peterson, Richards, Ryu, Macri, Hill and Scott).

House Committee on Consumer Protection & Business
House Committee on Appropriations
Senate Committee on Labor & Commerce
Senate Committee on Ways & Means

Background:

Outdoor and Extended Indoor Alcohol Service in Public Spaces.

Certain liquor licensees may engage in alcohol service in public spaces. For outdoor alcohol service and extended indoor alcohol service in public spaces, a licensee must request approval from the Liquor and Cannabis Board's (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 alcohol service area.
- The 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 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 alcohol service area must have an attendant, waitstaff, or server dedicated to the

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area when patrons are present.

- If there are food service requirements for the licensee, then the required food service must be available in any alcohol service area.

For multiple licensees to share an 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 service area is located on public space, the licensees sharing the space must meet all requirements for alcohol service in public spaces and shared use of the alcohol 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 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.
- 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 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.

Special Occasion License.

The special occasion license is for not-for-profit societies or organizations to sell spirits, beer, and wine by the individual serving for on-premises consumption at a specified event. The fee is \$60 per day and they are generally limited to 12 calendar days per year.

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:

Expanded Outdoor Alcohol Service in Public Spaces.

Through December 31, 2027, a city, town, county, or port authority may request, and the

LCB may approve, expanded outdoor alcohol service for liquor licensees within the whole jurisdiction or within a specific area or areas of the jurisdiction. 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, county, or port authority that has been approved by the LCB for expanded outdoor alcohol service, the following authorizations and requirements apply:

- All outdoor alcohol service areas may be enclosed, at the licensee's discretion, by means of a permanent or movable barrier or by means of a permanent fence-free demarcation.
- For an outdoor alcohol service area enclosed by means of a permanent or movable barrier of a minimum height specified by the LCB, the permanent or movable barrier is not required to meet minimum height requirements on sloped site conditions.
- 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 local jurisdiction.
- 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; and snack bars.

A city, town, county, or port authority that requests and is approved for this type of expanded outdoor alcohol service must provide, and document the provision of:

- adequate local resources, including law enforcement patrols in the area to ensure safe operations of activities and the safety of the community; and
- services to keep the area of the jurisdiction in which the activities occur clean and free of litter or other remnants of the use of public spaces for expanded outdoor alcohol service.

Events on a Publicly Owned Civic Campus in Certain Cities.

A city with a population of more than 220,000 may request, and the LCB may approve, expanded alcohol service during events on a publicly owned civic campus in the city, subject to requirements. No more than 25 events per year, up to seven of which may be multiday events, may be authorized for each individual local government jurisdiction.

Expanded Alcohol Service Areas. Multiple licensees located on the publicly owned civic

campus may share an alcohol service area encompassing the entire publicly owned civic campus or part of the publicly owned civic campus, 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;
- signage is conspicuously posted during the event notifying the public that the area is in use as an expanded alcohol service area and public notice of the upcoming use of the area as an expanded alcohol service area was conspicuously posted at least seven days in advance; and
- all participating licensees submit a joint operating plan to the LCB for approval.

At the LCB's discretion, violations of the notice requirements can be cause for denial of approval of events, and violations of the signage requirements can also be cause for denial of a license of the participating licensees or denial of participation in future events.

Shared Indoor Alcohol Service Area. Multiple licensees located on a publicly owned civic campus that has been approved 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, 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 new authorization, 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 occasion licensees. For special occasion licensees participating in the events, participation is not counted toward the licensees' limit of 12 calendar days per year and the LCB may establish an additional daily fee on participation.

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, even if the sponsor of the event for which catering services are being provided is a for-profit business.

Single Multiday Event in Certain Jurisdictions.

A city, town, county, or port authority that has been designated as a fan zone or host city from an international self-regulatory governing body of a sports association, or a nonprofit organization authorized by such an entity, may request, and the LCB may approve, expanded outdoor and indoor alcohol service for liquor licensees within an area or areas of the jurisdiction. The authorization may be used to allow expanded alcohol sales and service only during a single multiday event in each approved jurisdiction in either of the months of June or July of 2026.

The activity of expanded outdoor and indoor alcohol service may be conducted by the same licensees and under the same authorizations and requirements as for events on a publicly owned civic campus in a city with a population of more than 220,000. However, instead of the campus operator providing notice and ensuring security and physical barriers, it is the local jurisdiction through a designated official providing notice and the local jurisdiction ensuring security and physical barriers.

Liquor and Cannabis Board Rules and Fees.

The LCB must adopt or revise rules to allow for outdoor service of alcohol by certain licensees to be consistent with the new authorizations. 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.

The LCB must impose a fee on licensees seeking to operate under the authorization for expanded alcohol service, or local governments applying for the authorization, to cover but not exceed the LCB's administrative and enforcement costs.

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.

Public Engagement Review and Reports.

By September 1, 2026, a city, town, county, or port authority that has requested and been approved by the LCB for expanded alcohol service, and that uses the authorization, must conduct a public engagement review by contacting local organizations, individual residents, businesses, and others in the local community where expanded alcohol sales and service

occurred or is occurring, to gain a balanced understanding of how the activities were or are being experienced by people in the community. The public engagement review must include an examination of:

- whether adequate local resources, including law enforcement patrols in the area, were or are provided during times that expanded alcohol service was or is offered, to ensure community safety;
- whether services were or are provided to keep the area of the jurisdiction in which the activities occurred or are occurring clean and free of litter or other remnants of the use of public spaces for expanded alcohol service; and
- the costs and benefits to the community of expanded alcohol sales and service perceived by residents throughout the community.

A local jurisdiction conducting a review must submit the results in a report to the LCB by September 1, 2026.

Additionally, a publicly owned civic campus in a city with a population of more than 220,000 that is approved for and uses the authorization for events must report to the Legislature and the LCB by January 1, 2027, and include a description of the activities conducted, the benefits realized, and the challenges encountered, while implementing the legislation.

Votes on Final Passage:

House	83	13	
Senate	37	12	(Senate amended)
House	80	16	(House concurred)

Effective: July 27, 2025