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**Consumer Protection & Business  
Committee**

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**HB 1602**

**Brief Description:** Addressing food service options for liquor licensees.

**Sponsors:** Representatives Waters, Peterson, Bronoske and Reed.

**Brief Summary of Bill**

- Authorizes domestic breweries and microbreweries to satisfy food-service requirements of two types of restaurant liquor licenses by subcontracting with one or more individuals or entities.
- Authorizes the use of a domestic brewery or microbrewery's licensed premises for the subcontracted and, where applicable, subleased operation of a mobile food unit, or an independently operated food service provider or establishment that sells food and nonalcoholic beverages to the public and does not hold a retail liquor license.

**Hearing Date:** 1/29/25

**Staff:** Peter Clodfelter (786-7127).

**Background:**

Licensed domestic breweries and microbreweries are not required by law to offer, sell, or serve food to patrons in connection with alcohol sales and service under their brewery license. A domestic brewery or microbrewery may hold up to four retail licenses to operate an on or off-premises tavern; a beer and/or wine restaurant; a spirits, beer, and wine restaurant; or any combination of these retail licenses.

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.*

The spirits, beer, and wine restaurant license and the beer and/or wine restaurant liquor license both require food service in connection with their license privileges. For purposes of liquor laws, a restaurant means an establishment provided with special space and accommodations where, in consideration of payment, food, without lodgings, is habitually furnished to the public, not including drug stores and soda fountains.

Additionally, the establishments must be approved by the Liquor and Cannabis Board (LCB) and the LCB must be satisfied that the establishment is maintained in a substantial manner as a place for preparing, cooking, and serving complete meals. Through rulemaking, the LCB determines requirements for complete meals.

Under the LCB's current rules, a spirits, beer, and wine restaurant licensee must serve at least four complete meals. The current rules define a complete meal as an entree with at least one side dish available to order.

Alternatively, a complete meal is a combination of small plates that are intended to be ordered many at a time or on a rolling basis throughout the meal service. The LCB's current rules further define allowable menu items, entrees, side dishes, and small plates.

The separate beer and/or wine restaurant liquor license is subject to minimum food service requirements. Applicants for the license must establish, to the satisfaction of the LCB, that the premises will operate as a bona fide restaurant. The LCB's current rules define minimum food service requirements.

The LCB's current rules for liquor license applications specify, among other requirements, that the LCB will conduct an investigation to establish the applicant's exclusive right to the real and personal property and to verify the true party or parties of interest.

### **Summary of Bill:**

It is specified that when qualifying for and maintaining a beer and/or wine restaurant license or a spirits, beer, and wine restaurant license, a domestic brewery or a microbrewery may subcontract with one or more individuals or entities to satisfy food service requirements applicable to the restaurant liquor licenses.

It is specified that liquor laws do not prohibit the use of a domestic brewery or microbrewery's licensed premises for the subcontracted and, where applicable, subleased operation of a mobile food unit, or an independently operated food service provider or establishment, by one or more persons or entities, that sells food and nonalcoholic beverages to the public and does not hold a retail liquor license.

However, the premises used by the mobile food unit, or independently operated food service provider or establishment, and the areas of the licensee's premises which staff of the mobile food unit or independently operated food service provider or establishment may access, must be

substantially separated from the storage of nontax-paid alcohol.

Conforming changes and definitional changes are made.

**Appropriation:** None.

**Fiscal Note:** Requested on January 24, 2025.

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