

HOUSE BILL REPORT

HB 1602

As Reported by House Committee On:
Consumer Protection & Business

Title: An act relating to food service options for liquor licensees.

Brief Description: Addressing food service options for liquor licensees.

Sponsors: Representatives Waters, Peterson, Bronoske and Reed.

Brief History:

Committee Activity:

Consumer Protection & Business: 1/29/25, 2/11/25 [DP].

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.

HOUSE COMMITTEE ON CONSUMER PROTECTION & BUSINESS

Majority Report: Do pass. Signed by 15 members: Representatives Walen, Chair; McClintock, Ranking Minority Member; Dufault, Assistant Ranking Minority Member; Abbarno, Berry, Corry, Donaghy, Fosse, Kloba, Morgan, Reeves, Ryu, Santos, Steele and Volz.

Staff: Peter Clodfelter (786-7127).

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.

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.

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: Available.

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

Staff Summary of Public Testimony:

(In support) The bill will help small breweries and improve public safety. Currently, breweries seeking to open additional locations must obtain a license for a beer and wine restaurant or a spirits, beer, and wine restaurant, a requirement of which is to provide food service. However, for many breweries, running a kitchen is not realistic. Small breweries are focused on making great beer, and there can be substantial staffing and costs to run a full-service restaurant. The bill will allow breweries to meet the existing food service requirements by partnering with local vendors, caterers, and food trucks instead of having to run their own kitchen. This ensures a variety of food options for customers while enjoying a beer, and helps small businesses and food vendors by creating new partnership opportunities. This will be especially helpful in rural areas, where there can be shortages of kitchen labor. The bill will provide a better customer experience with more variety of foods. It will enable breweries to stay competitive and attract more visitors without adding unnecessary operational burdens.

(Opposed) None.

Persons Testifying: Representative Kevin Waters, prime sponsor; Daniel Olson, Washington Brewers Guild; and Justin Leigh, Dwinell Country Ales.

Persons Signed In To Testify But Not Testifying: None.