

SENATE BILL REPORT

2SHB 1515

As Reported by Senate Committee On:
Labor & Commerce, March 31, 2025
Ways & Means, April 8, 2025

Title: An act relating to modernizing the regulation of alcohol service in public spaces.

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).

Brief History: Passed House: 3/8/25, 83-13.

Committee Activity: Labor & Commerce: 3/25/25, 3/31/25 [DPA-WM, DNP, w/oRec].
Ways & Means: 4/05/25, 4/08/25 [DPA, DNP, w/oRec].

Brief Summary of Amended Bill

- Authorizes the Liquor and Cannabis Board (LCB) to, until December 31, 2027, approve a local government's request for expanded outdoor alcohol service for certain liquor licensees.
- Authorizes LCB to, until December 31, 2027, approve certain cities' request for expanded outdoor and indoor alcohol service in public spaces for liquor licensees operating during specified events, including a single multiday event in June or July of 2026.
- Authorizes LCB to impose fees on certain licensees and local governments to cover relevant administrative and enforcement costs for expanded alcohol service.
- Requires local governments that implemented expanded alcohol service to conduct a public engagement review or submit a report.

SENATE COMMITTEE ON LABOR & COMMERCE

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.

Majority Report: Do pass as amended and be referred to Committee on Ways & Means.
Signed by Senators Saldaña, Chair; Conway, Vice Chair; King, Ranking Member;
Alvarado, MacEwen and Ramos.

Minority Report: Do not pass.
Signed by Senator Stanford.

Minority Report: That it be referred without recommendation.
Signed by Senators Braun and Schoesler.

Staff: Marlon Llanes (786-7423)

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass as amended.

Signed by Senators Robinson, Chair; Frame, Vice Chair, Finance; Gildon, Ranking Member, Operating; Torres, Assistant Ranking Member, Operating; Schoesler, Ranking Member, Capital; Dozier, Assistant Ranking Member, Capital; Braun, Cleveland, Conway, Hansen, Pedersen, Riccelli, Saldaña, Wagoner, Warnick, Wellman and Wilson, C..

Minority Report: Do not pass.
Signed by Senators Hasegawa and Muzzall.

Minority Report: That it be referred without recommendation.
Signed by Senators Stanford, Vice Chair, Operating; Trudeau, Vice Chair, Capital; Boehnke, Dhingra and Kauffman.

Staff: Corban Nemeth (786-7736)

Background: Outdoor and Extended Indoor Alcohol Service. The Liquor and Cannabis Board (LCB) regulates alcohol service in private and public spaces by certain liquor licensees. To qualify for outdoor alcohol service and extended indoor alcohol service in public spaces, a licensee must request approval from 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, with specified exceptions;
- openings into and out of the alcohol service area may not exceed ten feet and, if there is more than one opening along one side, the total combined opening may not exceed ten feet;
- the alcohol service area must have an attendant, waitstaff, or server dedicated to the area when patrons are present; and

- if there are food service requirements for the licensee, then the 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 LCB's licensing division and meet the following requirements:

- 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; and
- 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 a licensee's specific conduct or action.

Caterer's License. The caterer's license allows the sale of spirits, beer, and wine for on-premises consumption at an event location owned, leased, or operated either by the caterer or the sponsor of the event. If the event is open to the public, it must be sponsored by a society or organization, which includes certain nonprofit organizations and a local wine industry association. A licensee must comply with LCB's rules relating to serving food.

Special Occasion License. The special occasion license allows nonprofit societies or organizations to sell spirits, beer, and wine for on-premises consumption at specified events. The fee for a license is \$60 per day, and a licensee is limited to 12 single-day events 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 of Amended Bill: Expanded Outdoor Alcohol Service. A city, town, county, or port authority (local government) may, until December 31, 2027, request, and LCB may approve, expanded outdoor alcohol service for liquor licensees. If requested by a county, the approval may only be for unincorporated areas of the county.

A local government that requests and is approved for expanded outdoor alcohol service must provide the following:

- 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.

The following liquor licensees may request expanded outdoor alcohol service:

- beer and wine restaurants;
- domestic breweries and microbreweries;
- domestic wineries;
- distilleries;
- snack bars;
- spirits, beer, and wine restaurants; and
- taverns.

If a licensee is approved for expanded outdoor alcohol service and is located within the jurisdiction that has been approved by LCB, 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 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 government;
- licensees may share use of an outdoor alcohol service area with other licensees, and share use with businesses that do not engage in the sale or service of alcohol, subject to certain requirements. 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 a licensee's specific conduct or action, in which case the violation or enforcement applies only to those identified licensees; and
- 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.

Events on a Publicly Owned Civic Campus in Certain Cities. A city with a population of more than 220,000 may, until December 31, 2027, request, and LCB may approve, expanded alcohol service during events on a publicly owned civic campus in the city. LCB may authorize up to 25 events per year, up to seven of which may be multiday events.

Expanded Alcohol Service Areas. Multiple licensees located on a publicly owned civic campus in a city with a population of more than 220,000 that has been approved by LCB may share an alcohol service area encompassing the entirety or a part of the publicly owned

civic campus, if the following conditions are met:

- 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 LCB within a minimum time required by LCB in rule 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 was conspicuously posted at least seven days in advance; and
- all participating licensees submit a joint operating plan to LCB for approval that describes: (1) how the licensees will prevent the sale and service of alcohol to persons under 21 years of age and those who appear to be intoxicated, (2) the ratio of alcohol service staff and security staff to the anticipated number of attendees, subject to a ratio requirement that may be set by LCB, (3) training provided to staff who serve, regulate, or supervise the service of alcohol, and requiring alcohol server training for all such staff, (4) the licensees' policy on the number of alcoholic beverages that will be served to an individual patron during one transaction, subject to a limit determined by LCB, (5) an explanation of the alcoholic beverage containers that will be used to ensure they are significantly different from containers used from nonalcoholic beverages, (6) the barriers or demarcations to be used for an alcohol service area or event perimeter, and (7) other information required under rules set by LCB.

At LCB's discretion, violations of the requirements related to notifications and signage may be cause for denial of approval of events. Violations related to signage may 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 in a city with a population of more than 220,000 may share an indoor alcohol service area at certain times authorized by the campus operator, if the following conditions are met:

- the campus operator notifies 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 LCB that conforms with specified requirements.

With respect to multiple licensees sharing an alcohol service area as authorized by LCB, 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 a licensee's specific conduct or action, in which case the violation or enforcement applies only to those identified licensees.

During the times a licensee has been approved by LCB for expanded alcohol service, 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: (1) without individually requesting approval from LCB's licensing division, and (2) 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 LCB's rules, if the preexisting alcohol service area remains in place during an event.

The following liquor licensees may request expanded alcohol service during events on a publicly owned civic campus in the city, or for a fan zone or host city:

- beer and wine restaurants;
- domestic breweries and microbreweries;
- domestic wineries;
- distilleries;
- snack bars;
- special occasion licensees;
- spirits, beer, and wine restaurants; and
- taverns.

A caterer's license must be issued to an applicant eligible under law for an event open to the public and held on a publicly owned civic campus in a city with a population of more than 220,000, or in a fan zone or host city, even if the sponsor of the event for which catering services are being provided is not a society or organization as defined under liquor laws, if license and regulatory requirements are otherwise met.

For special occasion licensees participating in 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.

Single Multiday Event in a Fan Zone or Host City. A local government 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 the local government, may request, and LCB may approve, expanded outdoor and indoor alcohol service for liquor licensees.

The authorization to designate a jurisdiction as a fan zone or host city may be used to allow expanded alcohol sales and service during a single multiday event in each approved jurisdiction in the months of June or July of 2026.

The expanded 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, with the local government assuming the duties of the campus operator.

Liquor and Cannabis Board Rules and Fees. LCB is authorized to adopt rules that impose reasonable requirements on licensees' operations of alcohol service areas and the sale, service, and consumption of alcohol.

LCB must impose a fee on any or all of the following licensees and local governments to cover but not exceed LCB's relevant administrative and enforcement costs:

- licensee seeking the privileges of expanded outdoor alcohol service;
- local governments applying for expanded outdoor alcohol service privileges for licensees;
- a city with a population of more than 220,000 applying for expanded alcohol service privileges for licensees during events on a publicly owned civic campus; or
- a local government designated as a fan zone or host city applying for expanded alcohol service privileges for licensees during an event in June or July of 2026.

Opening or Consuming Liquor in Public. The prohibition on opening a package containing liquor or consuming liquor in a public place does not apply to expanded alcohol service authorized under this bill.

Public Engagement Review and Reports. By September 1, 2026, a local government that has been approved for and uses expanded alcohol service privileges 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, to gain a balanced understanding of how the activities were being experienced by people in the community. The local government must submit a report to LCB that includes the following:

- whether adequate local resources, including law enforcement patrols in the area, were provided to ensure community safety;
- whether services were provided to keep the area of the jurisdiction in which the activities occurred 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 publicly owned civic campus that has been approved for and uses expanded alcohol service privileges must submit a report to the Legislature and LCB by January 1, 2027, including a description of the activities conducted, the benefits realized, and challenges encountered.

Definitions. The bill defines the following terms:

- "alcohol service area" means an area in which liquor may be sold, served, and consumed as authorized under this title and rules of the board;

- "campus operator" means the person who has primary responsibility for making managerial or executive decisions relating to operations and activities at a publicly owned civic campus or the person's designee; and
- "publicly owned civic campus" means the buildings, facilities, grounds, lands, and spaces owned by a city and designated as a city center, and used for civic, arts, cultural, sports, and other community and family events and activities, being not more than 100 acres in size on the effective date of this section.

EFFECT OF WAYS & MEANS COMMITTEE AMENDMENT(S):

- Requires, rather than permits, LCB to impose a fee in order to cover but not exceed the board's administrative and enforcement costs related to activities authorized under the bill.
- Clarifies that adequate local resources, including law enforcement patrols in the area, are provided and are not limited to times that outdoor alcohol service is offered under the bill.

EFFECT OF LABOR & COMMERCE COMMITTEE AMENDMENT(S):

- Authorizes LCB to approve a request for expanded alcohol service during events on a publicly owned civic campus in a city with a population of more than 220,000, rather than 400,000.
- Modifies the definition of publicly owned civic campus to mean the buildings, facilities, grounds, lands, and spaces owned by a city and designated as a city center, and used for civic, arts, cultural, sports, and other community and family events and activities, that is not more than 100 acres in size, rather than 75 acres.
- Extends LCB's authorization to approve a local government's request for expanded outdoor alcohol service in public spaces from December 31, 2026, to December 31, 2027.

Appropriation: The bill contains a null and void clause requiring specific funding be provided in an omnibus appropriation act.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony on Second Substitute House Bill (Labor & Commerce): *The committee recommended a different version of the bill than what was heard.* PRO: This is a highly regulated plan that has been developed with LCB's guidance to ensure that it works within their regulatory scheme and can be managed in a safe manner. The bill provides a safer and more practical approach to alcohol service at large

events. Confining alcohol service to beer gardens can unintentionally create public safety challenges, including crowding and rushed consumption. This bill allows local jurisdictions to maintain control.

Persons Testifying (Labor & Commerce): PRO: Representative Julia Reed, Prime Sponsor; Zack Zappone, City of Spokane Council Member; Marc Jones, Seattle Center; Michael Hogan, Port of Bellingham; Gloria Connors, SeaFWC26 Local Organizing Committee; Sean DeWitz, Washington Hospitality Association.

Persons Signed In To Testify But Not Testifying (Labor & Commerce): No one.

Staff Summary of Public Testimony on Bill as Amended by Labor & Commerce (Ways & Means): *The committee recommended a different version of the bill than what was heard.* PRO: The outdoor dining provisions of this bill are a COVID-era innovation that is often requested to be brought back. This bill modernizes what guests have come to expect, which is to sit outside and enjoy their food. This bill maintains local control by requiring cities and unincorporated areas to get LCB approval. This bill will improve public safety and the guest experience at large ticketed events. Restricting alcohol sales to beer gardens often creates bottlenecks, crowding, and rushes consumption, which increases risks rather than preventing them. This bill will be vital for Seattle and the nine World Cup fan zone cities to accommodate large crowds from across the world. Both police and parks in our jurisdiction are supportive of the permitting and licensing components of the bill.

Persons Testifying (Ways & Means): PRO: Samir Junejo, City of Seattle; Alex Scott; Sean DeWitz, Washington Hospitality Association.

Persons Signed In To Testify But Not Testifying (Ways & Means): No one.