HOUSE BILL 1515

State of Washington 69th Legislature 2025 Regular Session

By Representatives Reed, Walen, Berry, Cortes, Peterson, Richards, Ryu, Macri, Hill, and Scott

Read first time 01/22/25. Referred to Committee on Consumer Protection & Business.

AN ACT Relating to modernizing the regulation of alcohol service in public spaces; amending RCW 66.24.710, 66.08.030, 66.44.100, and 66.24.690; adding a new section to chapter 66.08 RCW; adding a new section to chapter 66.24 RCW; creating a new section; and prescribing penalties.

6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

7 NEW SECTION. Sec. 1. (1) The legislature finds that updating and modernizing the regulation of alcohol service in public spaces by 8 9 building upon the regulatory framework established in agency rules governing this activity will benefit the citizens of Washington, the 10 11 restaurant and hospitality industry, nonprofit organizations, as well 12 as local and state government in Washington, and will help prepare 13 Washington to successfully host a major international sports event in 14 2026.

15 (2) The legislature intends that passage and implementation of 16 this act will allow for event environments that emphasize safe crowd 17 management of high volumes of people, a pleasant event experience 18 that maximizes mobility for event guests, especially families, and 19 maintains safe operations that ensure alcohol is not accessed or 20 consumed by persons under age 21 and alcohol does not leave the 21 premises. 1 (3) Therefore, the legislature intends to authorize local governments to request from the liquor and cannabis board, and for 2 the board to reasonably approve, that expanded outdoor alcohol 3 service in public spaces be allowed for liquor licensees in their 4 jurisdictions, and to authorize certain cities to request from the 5 6 liquor and cannabis board, and for the board to reasonably approve, that expanded outdoor and indoor alcohol service in public spaces be 7 allowed for liquor licensees operating during events on publicly 8 owned civic campuses subject to the requirements of this act. 9

10 <u>NEW SECTION.</u> Sec. 2. A new section is added to chapter 66.08 11 RCW to read as follows:

(1) (a) A city, town, or county may request, and the board 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, as provided in (b) and (c) of this subsection (1). If requested by a county, the approval may only be for unincorporated areas of the county.

(b) For licensees identified in (c) of this subsection (1) who have requested approval from and been authorized by the board'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 board for expanded outdoor alcohol service, the following authorizations and requirements apply:

(i) An outdoor alcohol service area may be enclosed by means of a
permanent or movable barrier of a minimum height specified by the
board, 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;

(ii) For an outdoor alcohol service area enclosed by means of a permanent or movable barrier of a minimum height specified by the board, 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;

(iii) 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;

38 (iv) Licensees may share use of an outdoor alcohol service area 39 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 of the board. 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; and

8 (v) An employee of the licensee must be assigned to, but is not 9 required to be in, the outdoor alcohol service area at all times that 10 patrons are present. A direct line of sight is not required from 11 inside the licensed premises to the outdoor alcohol service area.

12 (c) The authorization in this subsection (1) is available to the 13 following liquor licensees: Beer and wine restaurants; spirits, beer, 14 and wine restaurants; taverns; domestic wineries; domestic breweries 15 and microbreweries; distilleries; snack bars; and private clubs 16 licensed under RCW 66.24.450 and 66.24.452.

(2) (a) A city with a population of more than 400,000 may request, and the board may approve, expanded alcohol service during events on a publicly owned civic campus in the city, as provided in (b) through (e) of this subsection (2).

(b) Multiple licensees located on a publicly owned civic campus in a city with a population of more than 400,000 that has been approved under (a) of this subsection (2) 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:

26 (i) The board approves of the event perimeter enclosing the 27 alcohol service area;

28 (ii) Security and physical barriers are provided at all entry 29 points to the event;

30 (iii) The campus operator notifies the board within a minimum 31 time required by the board in rule before the event begins; and

32 (iv) All participating licensees submit a joint operating plan to the board for approval, in a format designated by the board, that 33 describes: (A) How the licensees will prevent the sale and service of 34 alcohol to persons under 21 years of age and those who appear to be 35 intoxicated; (B) the ratio of alcohol service staff and security 36 staff to the anticipated number of attendees, subject to a ratio 37 requirement that may be set by the board; (C) training provided to 38 39 staff who serve, regulate, or supervise the service of alcohol including that alcohol server training is required for all such 40

staff; (D) the licensees' policy on the number of alcoholic beverages 1 that will be served to an individual patron during one transaction, 2 subject to a limit determined by the board; (E) an explanation of the 3 alcoholic beverage containers that will be used to ensure they are 4 significantly different from containers used from nonalcoholic 5 6 beverages; (F) the barriers or demarcations to be used for an alcohol 7 service area or event perimeter; and (G) other information required by the board in rule. 8

9 (c) Multiple licensees located on a publicly owned civic campus 10 in a city with a population of more than 400,000 that has been 11 approved under (a) of this subsection (2) may share an indoor alcohol 12 service area at certain times authorized by the campus operator, so 13 long as:

(i) The campus operator notifies the board at least seven days in advance of the date licensees intend to begin operating the shared indoor alcohol service area;

(ii) The campus operator ensures security and physical barriers are provided at all entry points to the indoor alcohol service area; and

(iii) The licensees submit a joint operating plan to the board for approval meeting the requirements of (b)(iv) of this subsection (2).

(d) With respect to multiple licensees sharing an alcohol service area as authorized under (b) or (c) of this subsection (2), 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.

30 (e) During the times a licensee is operating under the 31 authorization in subsection (2) of this section, the licensee may:

32 (i) Operate without a permit from their local jurisdiction that 33 may otherwise be required to allow the business to use the public 34 space as an alcohol service area;

(ii) Share an alcohol service area with another licensee: (A) Without individually requesting approval from the board's licensing division; and (B) regardless of whether the licensees' property parcels or buildings are located in direct physical proximity to one another; and 1 (iii) Sell and serve alcohol to customers from an alcohol service 2 area without offering food service menu options, except that any 3 required food service must still be provided within the licensed 4 premises, and in any preexisting alcohol service area operated by the 5 licensee under the board's rules that does not rely on the 6 authorization in this section, if the preexisting alcohol service 7 area remains in place during an event.

8 (3) The authorization in subsection (2) of this section is 9 available to: Beer and wine restaurants; spirits, beer, and wine 10 restaurants; taverns; domestic wineries; domestic breweries and 11 microbreweries; distilleries; snack bars; and special community event 12 licensees under section 3 of this act.

(4) A caterer's license shall be issued to an eligible applicant under RCW 66.24.690 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 not a society or organization as defined in RCW 66.24.375, if license and regulatory requirements are otherwise met.

19 (5) The definitions in this subsection apply throughout this 20 section unless the context clearly requires otherwise.

(a) "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.

(b) "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.

(c) "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 for acres in size on the effective date of this section.

33 <u>NEW SECTION.</u> Sec. 3. A new section is added to chapter 66.24 34 RCW to read as follows:

(1) (a) There is a retailer's license to be designated as 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,

1 at a specified date and place, in a city, town, or county meeting the 2 requirements of (b) of this subsection (1); fee \$60 per day.

3 (b) A license under this section is available only for the holder 4 to operate during events on publicly owned civic campuses, as defined 5 in section 2 of this act, in cities with a population of more than 6 400,000 approved by the board under section 2(2) of this act. The 7 not-for-profit society or organization is not limited in the number 8 of calendar days per year of sales under a special community event 9 license.

10 (2) The licensee may sell spirits, beer, and/or wine in original, 11 unopened containers for off-premises consumption if permission is 12 obtained from the board before the event.

(3) 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 board before the event.

(4) Sales, service, and consumption of spirits, beer, and wine is allowed in all alcohol service areas at events approved under section 2(2) of this act, including an alcohol service area encompassing the entire publicly owned civic campus, or part of the publicly owned civic campus, as defined in section 2 of this act.

(5) Liquor sold under this special community event license mustbe purchased from a licensee of the board.

24 (6) Any violation of this section is a class 1 civil infraction 25 under chapter 7.80 RCW.

26 Sec. 4. RCW 66.24.710 and 2023 c 279 s 1 are each amended to 27 read as follows:

(1) (a) Except as provided in (b) of this subsection, the following licensees may sell alcohol products at retail for takeout or delivery or both under liquor and cannabis board licenses and endorsements: Beer and wine restaurants; spirits, beer, and wine restaurants; taverns; domestic wineries; domestic breweries and microbreweries; distilleries; snack bars; nonprofit arts licensees; and caterers.

35 (b) No alcohol products may be sold by delivery under this 36 section after July 1, 2025.

37 (2) Spirits, beer, and wine restaurant licensees may sell
 38 premixed cocktails for takeout and, until July 1, 2025, for delivery.
 39 The board may establish by rule the manner in which premixed

1 cocktails for off-premises consumption must be provided. This
2 subsection does not authorize the sale of bottles of spirits by
3 licensees for off-premises consumption.

4 (3) Spirits, beer, and wine restaurant licensees may sell wine by 5 the glass or premixed wine and spirits cocktails for takeout and, 6 until July 1, 2025, delivery. Beer and wine restaurant licensees may 7 sell wine or premixed wine drinks by the glass for takeout and, until 8 July 1, 2025, delivery. The board may establish by rule the manner in 9 which wine by the glass and premixed cocktails for off-premises 10 consumption must be provided.

(4) Licensees that were authorized by statute or rule before January 1, 2020, to sell growlers for on-premises consumption may sell growlers for off-premises consumption through takeout or, until July 1, 2025, delivery. Sale of growlers under this subsection must meet federal alcohol and tobacco tax and trade bureau requirements.

(5) (a) Licensees must obtain from the board an endorsement to their license in order to conduct activities authorized under subsections (1) through (4) of this section. The board may adopt rules governing the manner in which the activities authorized under this section must be conducted. Licensees must not be charged a fee in order to obtain an endorsement required under this section.

(b) (i) Alcohol delivery under this section must be performed by an employee of an alcohol delivery endorsement holder who is 21 years of age or older and possesses a class 12 permit, in accordance with RCW 66.20.310.

(ii) Delivery services conducted by beer and wine restaurant licensees and spirits, beer, and wine restaurant licensees under this section must be accompanied by a purchased meal prepared and sold by the license holder.

30 (c) Alcohol sold for takeout by beer and wine restaurant 31 licensees and spirits, beer, and wine restaurant licensees under this 32 section must be accompanied by a purchased meal prepared and sold by 33 the license holder.

34 (d) Any alcohol product sold for takeout or delivery under this 35 section must be in a factory sealed container or a tamper-resistant 36 container.

37 (6) Beer and wine specialty shops licensed under RCW 66.24.371
38 and domestic breweries and microbreweries may sell prefilled growlers
39 for off-premises consumption through takeout and, until July 1, 2025,
40 delivery, provided that prefilled growlers are sold the same day they

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1 are prepared for sale and not stored overnight for sale on future 2 days.

(7) ((The)) Subject to sections 2 and 3 of this act, the board 3 must adopt or revise current rules to allow for outdoor service of 4 alcohol by on-premises licensees holding licenses issued by the board 5 6 for the following license types: Beer and wine restaurants; spirits, beer, and wine restaurants; taverns; domestic wineries; domestic 7 breweries and microbreweries; distilleries; snack bars; ((and)) 8 private clubs licensed under RCW 66.24.450 and 66.24.452; and special 9 community event licensees under section 3 of this act. The board may 10 adopt requirements providing for clear accountability at locations 11 12 where multiple licensees use a shared space for serving customers, and at locations where a licensee or licensees use a shared space 13 with another business or businesses that do not engage in the sale or 14 service of alcohol under section 2 of this act. 15

16 (8) Upon delivery of any alcohol product authorized to be 17 delivered under this section, the signature of the person age 21 or 18 over receiving the delivery must be obtained.

19 (9) ((<u>The definitions in this subsection apply throughout this</u> 20 section unless the context clearly requires otherwise.

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(a) "Board" means the liquor and cannabis board.

(b) "Growlers")) For the purposes of this section, "growlers" means sanitary containers brought to the premises by the purchaser or furnished by the licensee and filled by the retailer at the time of sale.

26 Sec. 5. RCW 66.08.030 and 2014 c 63 s 2 are each amended to read 27 as follows:

The power of the board to ((make regulations)) adopt rules under chapter 34.05 RCW extends to:

(1) Prescribing the duties of the employees of the board, andregulating their conduct in the discharge of their duties;

32 (2) Prescribing an official seal and official labels and stamps 33 and determining the manner in which they must be attached to every 34 package of liquor sold or sealed under this title, including the 35 prescribing of different official seals or different official labels 36 for different classes of liquor;

(3) Prescribing forms to be used for purposes of this title or the regulations, and the terms and conditions to be contained in permits and licenses issued under this title, and the qualifications

for receiving a permit or license issued under this title, including 1 a criminal history record information check. The board may submit the 2 criminal history record information check to the Washington state 3 patrol and to the identification division of the federal bureau of 4 investigation in order that these agencies may search their records 5 6 for prior arrests and convictions of the individual or individuals who filled out the forms. The board must require fingerprinting of 7 any applicant whose criminal history record information check is 8 submitted to the federal bureau of investigation; 9

10 (4) Prescribing the fees payable in respect of permits and 11 licenses issued under this title for which no fees are prescribed in 12 this title, and prescribing the fees for anything done or permitted 13 to be done under the regulations;

(5) Prescribing the kinds and quantities of liquor which may be kept on hand by the holder of a special permit for the purposes named in the permit, regulating the manner in which the same is kept and disposed of, and providing for the inspection of the same at any time at the instance of the board;

(6) Regulating the sale of liquor kept by the holders of licenseswhich entitle the holder to purchase and keep liquor for sale;

(7) Prescribing the records of purchases or sales of liquor kept
by the holders of licenses, and the reports to be made thereon to the
board, and providing for inspection of the records so kept;

(8) Prescribing the kinds and quantities of liquor for which a
prescription may be given, and the number of prescriptions which may
be given to the same patient within a stated period;

(9) Prescribing the manner of giving and serving notices required
by this title or the regulations, where not otherwise provided for in
this title;

30 (10) Regulating premises in which liquor is kept for export from 31 the state, or from which liquor is exported, prescribing the books 32 and records to be kept therein and the reports to be made thereon to 33 the board, and providing for the inspection of the premises and the 34 books, records and the liquor so kept;

(11) Prescribing the conditions and qualifications requisite for the obtaining of club licenses and the books and records to be kept and the returns to be made by clubs, prescribing the manner of licensing clubs in any municipality or other locality, and providing for the inspection of clubs;

1 (12) ((Prescribing)) Subject to sections 2 and 3 of this act, 2 prescribing the conditions, accommodations, and qualifications 3 requisite for the obtaining of licenses to sell beer, wines, and 4 spirits, and regulating the sale of beer, wines, and spirits 5 thereunder;

6 (13) Specifying and regulating the time and periods when, and the 7 manner, methods and means by which manufacturers must deliver liquor 8 within the state; and the time and periods when, and the manner, 9 methods and means by which liquor may lawfully be conveyed or carried 10 within the state;

(14) Providing for the making of returns by brewers of their sales of beer shipped within the state, or from the state, showing the gross amount of such sales and providing for the inspection of brewers' books and records, and for the checking of the accuracy of any such returns;

16 (15) Providing for the making of returns by the wholesalers of 17 beer whose breweries are located beyond the boundaries of the state;

(16) Providing for the making of returns by any other liquor manufacturers, showing the gross amount of liquor produced or purchased, the amount sold within and exported from the state, and to whom so sold or exported, and providing for the inspection of the premises of any such liquor manufacturers, their books and records, and for the checking of any such return;

(17) Providing for the giving of fidelity bonds by any or all of the employees of the board. However, the premiums therefor must be paid by the board;

(18) Providing for the shipment of liquor to any person holding a permit and residing in any unit which has, by election pursuant to this title, prohibited the sale of liquor therein;

(19) Prescribing methods of manufacture, conditions 30 of 31 sanitation, standards of ingredients, quality and identity of 32 alcoholic beverages manufactured, sold, bottled, or handled by licensees and the board; and conducting from time to time, in the 33 interest of the public health and general welfare, scientific studies 34 and research relating to alcoholic beverages and the use and effect 35 36 thereof;

37 (20) Seizing, confiscating and destroying all alcoholic beverages 38 manufactured, sold or offered for sale within this state which do not 39 conform in all respects to the standards prescribed by this title or 40 the regulations of the board. However, nothing herein contained may

be construed as authorizing the ((liquor)) board to prescribe, alter, limit or in any way change the present law as to the quantity or percentage of alcohol used in the manufacturing of wine or other alcoholic beverages;

5 (21) Monitoring and regulating the practices of license holders 6 as necessary in order to prevent the theft and illegal trafficking of 7 liquor pursuant to RCW 66.28.350; and

8 (22) Imposing reasonable requirements on licensees' operations of 9 alcohol service areas and the sale, service, and consumption of 10 alcohol, consistent with RCW 66.24.710 and sections 2 and 3 of this 11 act.

12 Sec. 6. RCW 66.44.100 and 1999 c 189 s 3 are each amended to 13 read as follows:

Except as permitted by this title, <u>including as allowed under</u> <u>sections 2 and 3 of this act</u>, no person shall open the package containing liquor or consume liquor in a public place. Every person who violates any provision of this section shall be guilty of a class 3 civil infraction under chapter 7.80 RCW.

19 Sec. 7. RCW 66.24.690 and 2021 c 6 s 19 are each amended to read 20 as follows:

21 (1) There shall be a caterer's license to sell spirits, beer, and wine, by the individual serving, at retail, for consumption on the 22 23 premises at an event location that is either owned, leased, or 24 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 25 26 public, except as provided in section 2(4) of this act, it must be 27 sponsored by a society or organization as defined in RCW 66.24.375. If attendance at the event is limited to members or invited guests of 28 29 the sponsoring individual, society, or organization, the requirement 30 that the sponsor must be a society or organization as defined in RCW 31 66.24.375 is waived. The licensee must serve food as required by rules of the board. 32

33 (2)(a) The annual fee is two hundred dollars for the beer 34 license, two hundred dollars for the wine license, or four hundred 35 dollars for a combination beer and wine license. The annual fee for a 36 combined beer, wine, and spirits license is one thousand dollars. 1 (b) The annual fees in (a) of this subsection are waived during 2 the 12-month period beginning with the second calendar month after 3 February 28, 2021, for:

4 (i) Licenses that expire during the 12-month waiver period under 5 this subsection (2)(b); and

6 (ii) Licenses issued to persons previously licensed under this 7 section at any time during the 12-month period prior to the 12-month 8 waiver period under this subsection (2)(b).

9 (c) The waivers in (b) of this subsection do not apply to any 10 licensee that:

11 (i) Had their license suspended by the board for health and 12 safety violations of state COVID-19 guidelines; or

(ii) Received an order of immediate restraint or citation from the department of labor and industries for allowing an employee to perform work where business activity was prohibited in violation of an emergency proclamation of the governor under RCW 43.06.220.

17 (d) Upon request of the department of revenue, the board and the 18 department of labor and industries must both provide a list of 19 persons that they have determined to be ineligible for a fee waiver 20 under (b) of this subsection for the reasons described in (c) of this 21 subsection. Unless otherwise agreed, any list must be received by the 22 department of revenue no later than 15 calendar days after the 23 request is made.

(3) The holder of this license shall notify the board or its 24 25 designee of the date, time, place, and location of any catered event at which liquor will be served, sold, or consumed. The board shall 26 create rules detailing notification requirements. Upon request, the 27 licensee shall provide to the board all necessary or requested 28 information concerning the individual, society, or organization that 29 will be holding the catered function at which the caterer's liquor 30 31 license will be utilized.

32 (4) The holder of this license may, under conditions established 33 by the board, store liquor on other premises operated by the licensee 34 so long as the other premises are owned or controlled by a leasehold 35 interest by that licensee.

36 (5) The holder of this license is prohibited from catering events 37 at locations that are already licensed to sell liquor under this 38 chapter. 1 (6) The holder of this license is responsible for all sales, 2 service, and consumption of alcohol at the location of the catered 3 event.

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