

# SENATE BILL REPORT

## EHB 1602

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As of March 25, 2025

**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:** Passed House: 3/10/25, 95-0.

**Committee Activity:** Labor & Commerce: 3/25/25.

### Brief Summary of Bill

- Authorizes domestic breweries and microbreweries to subcontract with a person or entity to satisfy food service requirements for certain restaurant liquor licenses.
- Authorizes domestic breweries and microbreweries to subcontract or sublease the brewery's licensed premises to certain food service providers that do not hold a liquor license.

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### SENATE COMMITTEE ON LABOR & COMMERCE

**Staff:** Marlon Llanes (786-7423)

**Background:** Breweries. Licensed domestic breweries and microbreweries are not required to offer, sell, or serve food to patrons in connection with alcohol sales and service under a brewery license. A domestic brewery or microbrewery may hold up to four retail licenses to operate any of the following:

- 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.*

If a brewery applies for a spirits, beer, and wine restaurant license or a beer and/or wine restaurant license, the brewery must meet certain food service requirements.

Food Service Requirements for Certain Liquor Licenses. To qualify for the spirits, beer, and wine restaurant license, an establishment must be approved by the Liquor and Cannabis Board (LCB). LCB must be satisfied that the establishment is maintained in a substantial manner as a place for preparing, cooking, and serving complete meals. An establishment must also comply with LCB rules. For example, LCB must determine that the premises will operate as a bona fide restaurant and the establishment must serve at least four complete meals.

To qualify for the beer and/or wine restaurant license, an establishment must, among other things, provide minimum food service and be open to the public a specified number of hours and days.

Definitions. "Bona fide restaurant" means a business where LCB can clearly determine that the primary purpose of the business is the service of complete meals.

"Complete meal" means an entree with at least one side dish available to order or a combination of small plates that are intended to be ordered many at a time or on a rolling basis throughout the meal service.

"Minimum food service" means that menu items such as sandwiches, salad, soup, pizza, hamburgers, fries, savory pies, tacos, dumplings, fried rice, and other similar items are available to order.

"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.

**Summary of Bill:** A domestic brewery and microbrewery are authorized to subcontract with a person or entity to satisfy food service requirements when qualifying for and maintaining a spirits, beer, and wine restaurant license or beer and/or wine restaurant license.

A domestic brewery and microbrewery are not prohibited from subcontracting or subleasing the brewery's licensed premises to a person or entity that operates a mobile food unit, or an independently operated food service provider, that sells food and nonalcoholic beverages to the public and does not hold a retail liquor license. A brewery is allowed to subcontract or sublease for this purpose only if the following conditions are met:

- the premises used by the mobile food unit or independently operated food service provider, including areas that staff may access, are substantially separated from the storage of nontax-paid alcohol;

- the mobile food unit or independently operated food service provider is responsible for the kitchen space identified in the contract and for compliance with the applicable local health department regulations, including kitchen and food service permits;
- a diagram of the kitchen plan, and an agreement that the kitchen will be subcontracted or subleased, is included in the contract; and
- the brewery includes in the contract a notification that the other party to the agreement is responsible for the entire subcontracted or subleased space and must hold necessary kitchen and food service permits from the applicable local jurisdiction.

The definitions of restaurant for the purposes of liquor laws are modified to include a domestic brewery and microbrewery that contracts with another establishment to provide food service, and to allow a brewery to satisfy food service requirements by subcontracting with a person or entity.

**Appropriation:** None.

**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:** PRO: This bill will allow breweries to meet existing food service requirements by partnering with local food vendors, food trucks, and caterers, instead of having to run their own kitchens. It will improve the experience for customers and help small businesses by creating new partnership opportunities. This creates a lower cost of entry for entrepreneurs in the food industry.

**Persons Testifying:** PRO: Representative Kevin Waters, Prime Sponsor; Daniel Olson, Washington Brewers Guild; Michael Perozzo, Vice Beer LLC.

**Persons Signed In To Testify But Not Testifying:** No one.