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**SUBSTITUTE HOUSE BILL 2043**

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**State of Washington**

**68th Legislature**

**2024 Regular Session**

**By** House Regulated Substances & Gaming (originally sponsored by Representatives Corry, Caldier, and Reeves)

1 AN ACT Relating to removing the requirement that a theater may  
2 have no more than 120 seats per screen to qualify for a spirits,  
3 beer, and wine theater license; and amending RCW 66.24.655.

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

5 **Sec. 1.** RCW 66.24.655 and 2021 c 6 s 17 are each amended to read  
6 as follows:

7 (1) ~~((a))~~ There is a theater license to sell spirits, beer,  
8 including strong beer, or wine, or all, at retail, for consumption on  
9 theater premises. A spirits, beer, and wine theater license may be  
10 issued only to theaters that ~~((have no more than one hundred twenty  
11 seats per screen and that))~~ are maintained in a substantial manner as  
12 a place for preparing, cooking, and serving complete meals and  
13 providing tabletop accommodations for in-theater dining and that  
14 either have no more than 120 seats per screen or provide scheduled  
15 showings of motion pictures with open motion picture captioning so  
16 that at least 10 percent of all showings of a motion picture in a 30-  
17 day period have open motion picture captioning, for any motion  
18 picture that is produced and distributed with open motion picture  
19 captioning and shown by the theater 10 or more times in a 30-day  
20 period. Requirements for complete meals are the same as those adopted  
21 by the board in rules pursuant to chapter 34.05 RCW for a spirits,

1 beer, and wine restaurant license authorized by RCW 66.24.400. The  
2 annual fee for a spirits, beer, and wine theater license is (~~two~~  
3 ~~thousand dollars~~) \$2,000.

4 ~~((b) The annual fee in (a) of this subsection is waived during~~  
5 ~~the 12-month period beginning with the second calendar month after~~  
6 ~~February 28, 2021, for:~~

7 ~~(i) Licenses that expire during the 12-month waiver period under~~  
8 ~~this subsection (1)(b); and~~

9 ~~(ii) Licenses issued to persons previously licensed under this~~  
10 ~~section at any time during the 12-month period prior to the 12-month~~  
11 ~~waiver period under this subsection (1)(b).~~

12 ~~(c) The waiver in (b) of this subsection does not apply to any~~  
13 ~~licensee that:~~

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

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

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

27 (2) If the theater premises is to be frequented by minors, an  
28 alcohol control plan must be submitted to the board at the time of  
29 application. The alcohol control plan must be approved by the board  
30 and be prominently posted on the premises, prior to minors being  
31 allowed.

32 (3) For the purposes of this section:

33 (a) "Alcohol control plan" means a written, dated, and signed  
34 plan submitted to the board by an applicant or licensee for the  
35 entire theater premises, or rooms or areas therein, that shows where  
36 and when alcohol is permitted, where and when minors are permitted,  
37 and the control measures used to ensure that minors are not able to  
38 obtain alcohol or be exposed to environments where drinking alcohol  
39 predominates.

1 (b) "Theater" means a place of business where motion pictures or  
2 other primarily nonparticipatory entertainment are shown.

3 (4) The board must adopt rules regarding alcohol control plans  
4 and necessary control measures to ensure that minors are not able to  
5 obtain alcohol or be exposed to areas where drinking alcohol  
6 predominates. All alcohol control plans must include a requirement  
7 that any person involved in the serving of spirits, beer, and/or wine  
8 must have completed a mandatory alcohol server training program.

9 (5) (a) A licensee that is an entity that is exempt from taxation  
10 under Title 26 U.S.C. Sec. 501(c)(3) of the federal internal revenue  
11 code of 1986, as amended as of January 1, 2013, may enter into  
12 arrangements with a spirits, beer, or wine manufacturer, importer, or  
13 distributor for brand advertising at the theater or promotion of  
14 events held at the theater. The financial arrangements providing for  
15 the brand advertising or promotion of events may not be used as an  
16 inducement to purchase the products of the manufacturer, importer, or  
17 distributor entering into the arrangement and such arrangements may  
18 not result in the exclusion of brands or products of other companies.

19 (b) The arrangements allowed under this subsection (5) are an  
20 exception to arrangements prohibited under RCW 66.28.305. The board  
21 must monitor the impacts of these arrangements. The board may conduct  
22 audits of a licensee and the affiliated business to determine  
23 compliance with this subsection (5). Audits may include, but are not  
24 limited to: Product selection at the facility; purchase patterns of  
25 the licensee; contracts with the spirits, beer, or wine manufacturer,  
26 importer, or distributor; and the amount allocated or used for  
27 spirits, beer, or wine advertising by the licensee, affiliated  
28 business, manufacturer, importer, or distributor under the  
29 arrangements.

30 (6) The maximum penalties prescribed by the board in WAC  
31 314-29-020 relating to fines and suspensions are double for  
32 violations involving minors or the failure to follow the alcohol  
33 control plan with respect to theaters licensed under this section.

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