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**SUBSTITUTE HOUSE BILL 2974**

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**State of Washington**

**65th Legislature**

**2018 Regular Session**

**By** House Commerce & Gaming (originally sponsored by Representatives Young, Sawyer, Condotta, Jenkin, Kirby, and Vick)

1 AN ACT Relating to authorizing spirits, beer, and wine theater  
2 licensees to have one additional screen, but with no more than three  
3 hundred seats, at which alcohol may be served under the terms of the  
4 license; and amending RCW 66.24.655.

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

6 **Sec. 1.** RCW 66.24.655 and 2013 c 237 s 1 are each amended to  
7 read as follows:

8 (1) There is a theater license to sell spirits, beer, including  
9 strong beer, or wine, or all, at retail, for consumption on theater  
10 premises. Except as otherwise provided in this subsection, a spirits,  
11 beer, and wine theater license may be issued ((only)) to theaters  
12 that have no more than one hundred twenty seats per screen and that  
13 are maintained in a substantial manner as a place for preparing,  
14 cooking, and serving complete meals and providing tabletop  
15 accommodations for in-theater dining. A theater that otherwise meets  
16 the requirements of this section may have one additional screen with  
17 no more than three hundred seats at which alcohol may be served under  
18 the terms of the license, if the theater utilizes an IMAX projection  
19 screen in at least one of its auditoriums and has at least ten  
20 screens at the theater at which alcohol is served to customers.  
21 Nothing in this subsection (1) prohibits an IMAX projection screen

1 from being the one additional screen with no more than three hundred  
2 seats at which alcohol may be served under the terms of the license.  
3 Requirements for complete meals are the same as those adopted by the  
4 board in rules pursuant to chapter 34.05 RCW for a spirits, beer, and  
5 wine restaurant license authorized by RCW 66.24.400. The annual fee  
6 for a spirits, beer, and wine theater license is two thousand  
7 dollars.

8 (2) If the theater premises is to be frequented by minors, an  
9 alcohol control plan must be submitted to the board at the time of  
10 application. The alcohol control plan must be approved by the board  
11 and be prominently posted on the premises, prior to minors being  
12 allowed.

13 (3) For the purposes of this section:

14 (a) "Alcohol control plan" means a written, dated, and signed  
15 plan submitted to the board by an applicant or licensee for the  
16 entire theater premises, or rooms or areas therein, that shows where  
17 and when alcohol is permitted, where and when minors are permitted,  
18 and the control measures used to ensure that minors are not able to  
19 obtain alcohol or be exposed to environments where drinking alcohol  
20 predominates.

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

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

29 (5)(a) A licensee that is an entity that is exempt from taxation  
30 under Title 26 U.S.C. Sec. 501(c)(3) of the federal internal revenue  
31 code of 1986, as amended as of January 1, 2013, may enter into  
32 arrangements with a spirits, beer, or wine manufacturer, importer, or  
33 distributor for brand advertising at the theater or promotion of  
34 events held at the theater. The financial arrangements providing for  
35 the brand advertising or promotion of events may not be used as an  
36 inducement to purchase the products of the manufacturer, importer, or  
37 distributor entering into the arrangement and such arrangements may  
38 not result in the exclusion of brands or products of other companies.

39 (b) The arrangements allowed under this subsection (5) are an  
40 exception to arrangements prohibited under RCW 66.28.305. The board

1 must monitor the impacts of these arrangements. The board may conduct  
2 audits of a licensee and the affiliated business to determine  
3 compliance with this subsection (5). Audits may include, but are not  
4 limited to: Product selection at the facility; purchase patterns of  
5 the licensee; contracts with the spirits, beer, or wine manufacturer,  
6 importer, or distributor; and the amount allocated or used for  
7 spirits, beer, or wine advertising by the licensee, affiliated  
8 business, manufacturer, importer, or distributor under the  
9 arrangements.

10 (6) The maximum penalties prescribed by the board in WAC  
11 314-29-020 relating to fines and suspensions are double for  
12 violations involving minors or the failure to follow the alcohol  
13 control plan with respect to theaters licensed under this section.

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