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**State Government & Tribal Affairs**  
**Committee**

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**HB 2014**

**Brief Description:** Concerning liquor license fees.

**Sponsors:** Representatives Hunt, Hasegawa, Appleton, Reykdal, Jinkins, Moscoso, Goodman, Dickerson, Fitzgibbon, Kagi and Kenney.

**Brief Summary of Bill**

- Continues the 10.5 percent liquor license fee increase for certain licenses imposed for the 2009-2011 biennium.
- Imposes an additional 5 percent increase for Community Mobilization grants awarded by the Department of Commerce.
- Imposes an additional 5 percent increase for Safe and Drug-Free Schools and Communities grants awarded by the Office of the Superintendent of Public Instruction.

**Hearing Date:** 3/24/11

**Staff:** Joan Elgee (786-7106).

**Background:**

The Liquor Control Board (Board) issues a number of types of retail liquor licenses. For some licenses, there are also endorsements available that allow additional activities. Licensees pay an annual fee to the Board.

The distribution of license fee revenue depends on the type of license. Revenue from spirits, beer, and wine restaurant and private club fees is distributed to the state toxicology program for death investigations, and to the University of Washington, Washington State University, and the Department of Social and Health Services for alcoholism and drug abuse purposes. A portion of the revenue from grocery store, snack bar, and tavern fees is dedicated to alcoholism and drug

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abuse purposes and the remainder goes into the Liquor Revolving Fund (Revolving Fund). The Revolving Fund is used by the Board for administering the liquor provisions. Excess funds from the Revolving Fund are distributed according to a formula to border areas, the General Fund, and cities and counties. The entirety of other retail license fees goes into the Revolving Fund.

In 2009, the Legislature raised certain license fees by 10.5 percent for the 2009-11 biennium. The Legislature directed that the fee increase be expended only for purposes of administration and enforcement of the licenses.

The Community Mobilization Against Substance Abuse and Violence program within the Department of Commerce provides funding to communities to develop targeted and coordinated strategies to reduce the incidence and impact of alcohol, tobacco, or other drug abuse, or violence.

School districts and cooperatives of school districts may receive grants for drug and alcohol abuse prevention and intervention programs for students in kindergarten through twelfth grade, from appropriated funds.

**Summary of Bill:**

The 10.5 percent increase in liquor fees for certain licensees is continued and an additional 10 percent increase is imposed.

License fees are modified as follows:

<b>License</b>	<b>Fee beginning July 1, 2011</b>	<b>Fee July 1, 2009 - July 1, 2011</b>	<b>Fee in bill</b>
<b>Grocery License</b>	\$150	\$166	<i>\$181</i>
Beer and Wine Tasting Endorsement	\$200		<i>\$241</i>
International Exporter Endorsement	\$500	\$553	<i>\$603</i>
<b>Public House License</b>	\$1,000	\$1,105	<i>\$1,205</i>
<b>Beer and/or Wine Specialty Shop License</b>	\$100	\$111	<i>\$121</i>
<b>Snack Bar License</b>	\$125	\$138	<i>\$151</i>
<b>Interstate Common Carrier's License</b>	\$750	\$829	<i>\$904</i>
Duplicate License - Additional Locations	\$5	\$6	<i>\$6</i>
<b>Private Club - Beer and/or Wine License</b>	\$180	\$199	<i>\$217</i>
Sale of Unopened Wine for Off-Premises Consumption Endorsement	\$120	\$133	<i>\$145</i>
Private Club - Spirits, Beer, and Wine License	\$720	\$796	<i>\$868</i>
Non-Club Event Endorsement	\$900	\$995	<i>\$1,085</i>

Sale of Unopened Wine for Off-Premises Consumption Endorsement	\$120	\$133	<i>\$145</i>
<b>Restaurant Beer and/or Wine</b>			
Beer only	\$200	\$221	<i>\$241</i>
Wine only	\$200	\$221	<i>\$241</i>
Beer and Wine	\$400	\$442	<i>\$482</i>
Sale of Beer and/or Wine for Off-Premises Consumption	\$120	\$133	<i>\$145</i>
Caterer's Endorsement	\$350	\$387	<i>\$422</i>
Caterer's Storage at Other Locations Endorsement	\$20	\$22	<i>\$24</i>
<b>Restaurant Spirits, Beer, and Wine (public or private)</b>			
Less than 50% dedicated dining area	\$2,000	\$2,210	<i>\$2,410</i>
50% or more dedicated dining area	\$1,600	\$1,768	<i>\$1,928</i>
Service bar only	\$1,000	\$1,105	<i>\$1,205</i>
Caterer's Endorsement	\$350	\$387	<i>\$422</i>
Caterer's Storage at Other Locations Endorsement	\$20	\$22	<i>\$24</i>
Sale of Unopened Wine for Off-Premises Consumption Endorsement	\$120	\$133	<i>\$145</i>
Kegs-to-go Endorsement	\$120	\$133	<i>\$145</i>
Private Club - Non-Club Event Endorsement	\$900	\$995	<i>\$1,085</i>
Duplicate License -Civic/Convention Center Additional Location	\$10	\$11	<i>\$12</i>
<b>Tavern</b>			
Beer only	\$200	\$221	<i>\$241</i>
Wine only	\$200	\$221	<i>\$241</i>
Both	\$400	\$442	<i>\$482</i>
Sale of Beer and/or Wine for Off-Premises Consumption	\$120	\$133	<i>\$145</i>

Distributions of the increased license fee amounts are as follows:

- 10.5 percent of total license fee revenues may be expended only for purposes of administration and enforcement of the licenses.
- 5 percent of total license fee revenues must be transferred to the General Fund to be used by the Department of Commerce solely for community mobilization grants.
- 5 percent of total license fee revenues must be transferred to the General Fund to be used by the Superintendent of Public Instruction solely for Safe and Drug-Free Schools and Communities grants.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** The bill contains an emergency clause and takes effect on July 1, 2011.