
Commerce & Gaming Committee

HB 1965

Brief Description: Implementing a temporary additional fee on licenses and permits issued by the Washington state liquor control board.

Sponsors: Representatives Hudgins and Ormsby; by request of Liquor Control Board.

Brief Summary of Bill

- Imposes a temporary additional fee on most liquor licenses and permits issued by the Liquor Control Board.
- Imposes a temporary additional fee on marijuana licenses.
- Requires that the additional fees be used for modernizing the Liquor Control Board's licensing, enforcement, and imaging systems.

Hearing Date: 2/9/15

Staff: David Rubenstein (786-7153).

Background:

The Liquor Control Board (Board) issues various licenses and permits relating to the production, distribution and retail sale of beer, wine, and spirits. It also issues licenses for the production, processing, and retail sale of marijuana under the Controlled Substances Act. Each license and permit issued by the Board carries a fee, which is either fixed (as in the case of microbrewery licenses, for example) or varied depending on sales (as in the case of the spirits retail license fee).

Summary of Bill:

A nonrefundable additional fee is imposed on all applications and renewals of licenses and permits relating to spirits, beer, and wine. The fee is equal to 11 percent of the licensing or permit fee that is otherwise due. The 17 percent spirits retail license fee and the 5 to 10 percent spirits distributor license fee are exempt from the additional fee.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

A nonrefundable additional fee is imposed on all applications and renewals of licenses relating to marijuana under the Controlled Substances Act. The fee is equal to 11 percent of the license fee that is otherwise due.

In both cases, the fees apply to all applications and license modifications received after May 15, 2015, and to renewals of licenses expiring after June 15, 2015. Both fees expire June 30, 2017.

The Licensing and Enforcement System Modernization Project Account is created to receive the fees. Expenditures from the account may be used only for the cost of replacing and modernizing the Board's licensing, enforcement, and imaging systems. Improvements may include:

- automation of licenses and permits;
- electronic payments;
- data warehousing;
- project management and system testing;
- consulting;
- contracting;
- staff time; and
- necessary data conversion, software, hardware, and other equipment costs.

The Director of the Board must authorize expenditures.

The fund is subject to generally applicable allotment procedures, but appropriation is not required for expenditures. The fund expires June 30, 2019.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill contains an emergency clause and takes effect on May 15, 2015.