

# HOUSE BILL REPORT

## 3SHB 1359

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### As Passed Legislature

**Title:** An act relating to temporarily reducing liquor license fees.

**Brief Description:** Temporarily reducing liquor license fees.

**Sponsors:** House Committee on Commerce & Gaming (originally sponsored by Representatives Stonier, MacEwen, Robertson, Shewmake, Ormsby and Macri).

**Brief History:**

**Committee Activity:**

Commerce & Gaming: 1/29/21, 2/5/21 [DPS], 2/3/22 [DP3S];  
Appropriations: 2/19/21, 2/22/21 [DP2S(w/o sub COG)], 2/7/22 [ DP3S(COG)].

**Floor Activity:**

Passed House: 2/25/21, 95-3.  
Passed House: 2/14/22, 95-2.  
Senate Amended.  
Passed Senate: 3/10/22, 49-0.  
House Concurred.  
Passed House: 3/10/22, 95-3.  
Passed Legislature.

**Brief Summary of Third Substitute Bill**

- Temporarily reduces, by half, liquor license fees for specific liquor manufacturers and retailers.
- Applies the temporary license fee reduction to identified licenses set to expire or issued in the time period of April 1, 2022, through December 31, 2023.
- Reverts to current license fee amounts beginning in January 2024.

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### HOUSE COMMITTEE ON COMMERCE & GAMING

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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.*

**Majority Report:** The third substitute bill be substituted therefor and the third substitute bill do pass. Signed by 8 members: Representatives Kloba, Chair; Wicks, Vice Chair; MacEwen, Ranking Minority Member; Robertson, Assistant Ranking Minority Member; Chambers, Kirby, Vick and Wylie.

**Minority Report:** Without recommendation. Signed by 1 member: Representative Morgan.

**Staff:** Peter Clodfelter (786-7127)

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## HOUSE COMMITTEE ON APPROPRIATIONS

**Majority Report:** The third substitute bill by Committee on Commerce & Gaming be substituted therefor and the third substitute bill do pass. Signed by 33 members: Representatives Ormsby, Chair; Bergquist, Vice Chair; Gregerson, Vice Chair; Macri, Vice Chair; Stokesbary, Ranking Minority Member; Chambers, Assistant Ranking Minority Member; Corry, Assistant Ranking Minority Member; MacEwen, Assistant Ranking Minority Member; Boehnke, Caldier, Chandler, Chopp, Cody, Dolan, Dye, Fitzgibbon, Frame, Hansen, Harris, Hoff, Jacobsen, Johnson, J., Lekanoff, Pollet, Rude, Ryu, Schmick, Senn, Springer, Steele, Stonier, Sullivan and Tharinger.

**Staff:** Linda Merelle (786-7092).

### Background:

Among the liquor licenses issued by the Liquor and Cannabis Board (LCB) are the following licenses:

- spirits, beer, and wine restaurant license, with an annual license fee of \$2,000, \$1,600, or \$1,000 depending on the size of the licensee's dedicated dining area and type of service;
- hotel license, with an annual fee of \$2,000;
- spirits, beer, and wine nightclub license, with an annual fee of \$2,000;
- spirits, beer, and wine theater license, with an annual fee of \$2,000;
- spirits, beer, and wine caterer's license, with an annual fee of \$1,000;
- distiller license, with an annual fee of \$2,000;
- distiller off-site tasting room license, with an annual fee of \$2,000 per tasting room;
- domestic winery license, with an annual fee of \$100 if producing less than 250,000 liters per year or \$400 if producing 250,000 liters or more per year;
- domestic brewery license, with an annual fee of \$2,000;
- microbrewery license, with an annual fee of \$100;
- beer and/or wine restaurant license, with an annual fee of \$200 for the beer license, \$200 for the wine license, or \$400 for a combination beer and wine license;
- tavern license, with an annual fee of \$200 for the beer license, \$200 for the wine license, or \$400 for a combination beer and wine license;
- snack bar license, with an annual fee of \$125;

- nonprofit arts organization license, with an annual fee of \$250;
- motel license, with an annual fee of \$500;
- sports entertainment facility license, with an annual fee of \$2,500;
- public house license, with an annual fee of \$1,000;
- beer and/or wine theater license, with an annual fee of \$400; and
- senior center license, with an annual fee of \$720.

For the original issuance of a liquor license, the LCB sets the expiration date of the license to the last day of the calendar month that is 12 months from the calendar month in which final approval of the license is granted. Upon renewal, the expiration of the license may be prorated as necessary pursuant to the Business Licensing Service Act.

The LCB coordinates with the Department of Revenue (DOR) to process liquor license applications through the DOR's Business Licensing Service (BLS). The BLS is a one-stop system for businesses to acquire and maintain the necessary state licenses to conduct business. The DOR assigns an expiration date for each business license, which is the last day of a calendar month. All renewable licenses endorsed on the business license must expire on that date. License fees must be prorated to accommodate the staggering of expiration dates. License fees received by the LCB are deposited in the Liquor Revolving Fund.

### **Summary of Third Substitute Bill:**

Beginning on April 1, 2022, and through December 31, 2023, the amount of the annual fee for the following liquor licenses is reduced by half:

- spirits, beer, and wine restaurant license;
- hotel license;
- spirits, beer, and wine nightclub license;
- spirits, beer, and wine theater license;
- spirits, beer, and wine caterer's license;
- distiller license;
- distiller off-site tasting room license;
- domestic winery license;
- domestic brewery license;
- microbrewery license;
- beer and/or wine restaurant license;
- tavern license;
- snack bar license;
- nonprofit arts organization license;
- motel license;
- sports entertainment facility license;
- public house license;
- beer and/or wine theater license; and
- senior center license.

The temporary license fee reduction expires on December 31, 2023. Licenses set to expire or issued in January 2024 and after are subject to the full fee amount typically owed for the license.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** The bill contains an emergency clause and takes effect on April 1, 2022.

**Staff Summary of Public Testimony (Commerce & Gaming):**

See House Bill Report in the 2021 legislative session.

**Staff Summary of Public Testimony (Appropriations):**

See House Bill Report in the 2021 legislative session.

**Persons Testifying (Commerce & Gaming):** See House Bill Report from 2021 legislative session.

**Persons Testifying (Appropriations):** See House Bill Report in the 2021 Legislative Session.

**Persons Signed In To Testify But Not Testifying (Commerce & Gaming):** See House Bill Report from 2021 legislative session.

**Persons Signed In To Testify But Not Testifying (Appropriations):** See House Bill Report in the 2021 Legislative Session.