

# SENATE BILL REPORT

## SB 5272

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As of January 25, 2021

**Title:** An act relating to temporarily waiving certain liquor and cannabis board annual licensing fees.

**Brief Description:** Concerning temporarily waiving certain liquor and cannabis board annual licensing fees.

**Sponsors:** Senators Rolfes, Frockt, Conway, Das, Dhingra, Keiser, Lovelett, Mullet, Nguyen, Nobles, Randall, Saldaña, Stanford, Wilson, C. and Wilson, J..

**Brief History:**

**Committee Activity:** Labor, Commerce & Tribal Affairs: 1/20/21 [w/oRec-WM].  
Ways & Means: 1/25/21.

**Brief Summary of Bill**

- Waives for one year the fees for certain liquor licenses administered by the Liquor and Cannabis Board (LCB).

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### SENATE COMMITTEE ON WAYS & MEANS

**Staff:** Alia Kennedy (786-7405)

**Background:** Liquor licenses for the manufacture, distribution, and retail sale of beer, wine, and spirits are issued by the Liquor and Cannabis Board (LCB). LCB issues liquor licenses and permits for more than 16,500 qualified businesses, such as breweries, wineries, grocery stores, restaurants, and nightclubs. A qualifying business or licensee may also obtain certain license endorsements or special occasion licenses that allow the license holder to serve alcohol for on premise consumption, or at certain specified events, such as banquets or tasting rooms.

License fees tend to range in cost from \$20 to \$2,500, depending on the license type, and

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are generally renewed annually.

**Summary of Bill:** The fees for the following liquor licenses are waived for one year beginning with the effective date of this act:

- distillers, distill/rectify, fruit/wine distillery, craft distillery;
- distillery/craft distillery tasting room;
- domestic wineries;
- domestic breweries;
- microbreweries;
- beer/wine restaurant;
- tavern;
- snack bar;
- spirits/beer/wine restaurant;
- nonprofit arts;
- motel;
- sports entertainment facility;
- public house;
- hotel;
- spirits/beer/wine nightclub;
- beer/wine theater;
- spirits/beer/wine theater;
- senior center; and
- caterers.

The waiver does not apply to any licensee that:

- had their license suspended by LCB for health and safety violations of state COVID-19 guidelines; or
- received an order of restraint or citation from the Department of Labor and Industries for allowing an employee to work where business activity was prohibited in violation of an emergency proclamation of the Governor.

**Appropriation:** None.

**Fiscal Note:** Available.

**Creates Committee/Commission/Task Force that includes Legislative members:** No.

**Effective Date:** The bill contains an emergency clause and takes effect immediately.

**Staff Summary of Public Testimony:** PRO: The intent of this bill is to provide a bit of financial support to businesses. Businesses have been devastated by the COVID-19 shutdowns. Liquor license fees are often one of a businesses largest annual expense. Most businesses have not been able to utilize the liquor license to its full extent or at all over the past year. Small and independent breweries and distillers rely on on-premises sales or sales

to local bars and other establishments for their largest source of revenue. The cost of an annual license fee could pay a business owner's rent or other expense.

**Persons Testifying:** PRO: Senator Christine Rolfes, Prime Sponsor; Katie Doyle, Washington Hospitality Association; Annie McGrath, Washington Brewers Guild; Jim Hedrick, Washington Distillers Guild.

**Persons Signed In To Testify But Not Testifying:** No one.