

SENATE BILL REPORT

SB 5291

As of February 2, 2023

Title: An act relating to the timely issuance of certain liquor licenses, renewals, and endorsements.

Brief Description: Concerning liquor licenses.

Sponsors: Senators Schoesler, Dozier, Mullet, King, Wagoner, Liias and Rolfes.

Brief History:

Committee Activity: Labor & Commerce: 2/02/23.

Brief Summary of Bill

- Requires the Liquor and Cannabis Board (LCB) to issue a decision on an application for certain liquor licenses, renewals, or endorsements within 30 days or the application is approved by default.
- Permits LCB an additional 30 days to issue a decision if it determines good cause exists and it issues a temporary license during the extended time period.

SENATE COMMITTEE ON LABOR & COMMERCE

Staff: Matt Shepard-Koningsor (786-7627)

Background: Liquor License Application Process. The Liquor and Cannabis Board (LCB) issues various liquor licenses to qualified applicants wishing to engage in the manufacture, distribution, or retail sale of liquor in Washington State. LCB coordinates with the Department of Revenue to process license applications through its Business Licensing Service. When considering applications and renewals of liquor licenses, LCB sends notice of the application for initial licensure or renewal to the chief executive officer of the incorporated city or town, if the application is for a license within an incorporated city or

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town, or to the county legislative authority, if the application is for a license outside of an incorporated city or town. The local government may file written objections with LCB against the applicant or against the premises for which the new or renewal license applies, and may request a hearing where LCB must present and defend its initial decision.

Before LCB issues any liquor license, it must give due consideration to the proposed location with respect to the proximity of churches, schools, and public institutions. Churches are defined as buildings erected for and used exclusively for religious worship and schooling or other connected activity. Public institutions are defined as institutions of higher education, parks, community centers, libraries, and transit centers. LCB must send written notice of the application to identified public institutions, churches, and schools within 500 feet of the proposed location. If a tax-supported public elementary or secondary school within 500 feet of the proposed location files a specified written objection within 20 days after receiving notice, LCB may not issue the license. There are other provisions regarding issuing a license to a proposed location within 500 feet of a private school, where the issuance of the license would adversely affect the private school meeting certain requirements.

Temporary Liquor Licenses. LCB may issue a temporary retail or distributor license to an applicant during a pending application period, which is valid for 60 days unless LCB extends the temporary license for an additional 60 days.

Summary of Bill: LCB must issue a decision on an application for a liquor license, renewal, or endorsement on the following liquor licenses within 30 days of receiving the application or it is approved by default:

- beer and/or wine restaurant licenses, and an associated combination licenses to sell beer and/or wine for off-premises consumption;
- tavern licenses, and an associated combination licenses to sell beer and/or wine for off-premises consumption;
- snack bar licenses;
- spirits, beer, and wine restaurant licenses, and associated endorsements to sell Soju and cater spirits, beer, and wine;
- private club licenses selling spirits, beer, and wine, or only beer and wine;
- bowling establishment licenses to extend its premises for the sale, service, and consumption of liquor;
- bottle club licenses; and
- theater licenses selling beer, strong beer, and wine, or in combination with spirits.

LCB may extend the 30-day time period by an additional 30 days if it determines good cause exists, and issues a temporary license to the applicant during the extension. If LCB fails to issue a decision within the additional 30-day time period, the temporary license must be converted into a permanent license and is approved by default.

Appropriation: None.

Fiscal Note: Available.

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

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony: PRO: During the interim, two small, minority-owned businesses struggled for months to obtain a simple liquor license from LCB. In the real world, if you are wanting to sell your pizza parlor, you need to time your sale so you are not stuck with a pizza parlor without a liquor license. This bill helps small businesses. The fiscal note is questionable.

OTHER: State law has a meticulous process for liquor licensure. LCB has to notify local governments and they have 20 days to respond. Notice to churches and schools has to be done by certified mail. Some of these things can be modernized with today's technology.

Persons Testifying: PRO: Senator Mark Schoesler, Prime Sponsor.

OTHER: Marc Webster, Washington State Liquor and Cannabis Board.

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