

Individual State Agency Fiscal Note

Bill Number: 5291 SB	Title: Liquor licenses	Agency: 195-Liquor and Cannabis Board
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	16.5	16.5	16.5	16.5	16.5
Account					
Liquor Revolving Account-State 501-1	1,640,050	1,386,265	3,026,315	2,772,530	2,772,530
Total \$	1,640,050	1,386,265	3,026,315	2,772,530	2,772,530

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

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Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

Subsection 13 adds a new paragraph to RCW 66.24.010 stating that the Board must issue a decision on an application for a liquor license, renewal, or endorsement under certain RCW's within 30 days of receiving the application or the application is approved by default. The Board may extend the time period allowed by an additional 30 days if it a) determines good cause exists for the extension, AND b) issues a temporary license to the applicant during the 30-day extension. If the Board fails to issue a decision on the application within the additional 30 days (60 days total), the temporary license must be converted into a permanent license and is approved by default.

The RCW's and license types listed are:

- 66.24.320 Beer and/or wine restaurant license
- 66.24.330 Tavern license
- 66.24.350 Snack bar license
- 66.24.354 Combined license—Sale of beer and wine for consumption on and off premises

- 66.24.400 Liquor by the drink, spirits, beer, and wine restaurant license—Liquor by the bottle for hotel or club guests—Soju endorsement
- 66.24.410 Liquor by the drink, spirits, beer, and wine restaurant license—Terms defined
- 66.24.420 Liquor by the drink, spirits, beer, and wine restaurant license—Schedule of fees—Location—Number of licenses—Caterer's endorsement
- 66.24.425 Liquor by the drink, spirits, beer, and wine restaurant license—Restaurants not serving the general public
- 66.24.450 Liquor by the drink, spirits, beer, and wine private club license—Qualifications—Fee
- 66.24.452 Private club beer and wine license
- 66.24.455 Bowling establishments—Extension of premises to concourse and lane areas—Beer and/or wine restaurant, tavern, snack bar, spirits, beer, and wine restaurant, spirits, beer, and wine private club, or beer and wine private club licensees
- 66.24.480 Bottle clubs

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

BOARD DIVISION:

The Washington State Liquor and Cannabis Board ("Board") is currently in the middle of a project to upgrade the agency's internal licensing and enforcement systems. The Licensing, Enforcement, Education, and Administrative Data Systems (LEEADS) is expected to go live July 1, 2024. There are change request costs associated with this legislation that will have to be submitted to the vendor. The estimated costs for these change requests is \$150,000 in FY24. Some examples of changes needed follow:

- Drop down field to be populated by a licensing specialist determining good cause for the temporary extension.
- Ability to auto issue a temporary permit based off of the date that is 30 days from receipt of application if the status has

not been changed to denied, approved or withdrawn.

- Ability to auto issue full license based off of the date that is 30 days from receipt of application, if drop down field for ‘good cause’ is not populated and if the status has not been changed to denied, approved or withdrawn.
- Ability to auto issue full license from temporary status 60 days after receipt of the application.
- Ability to prevent auto issue by change of status.
- Creation of a new status reason code that would be attached to in progress liquor applications that fall under this bill, allowing differentiation of pending applications.
- Additional reporting specific to the licensing team being able to pull and filter all liquor licenses that have a date in the additional 30-day extension field and in the 30 days from receipt of application (field names TBD).

LICENSING DIVISION:

The average processing time for these specific license types (restaurants, taverns, snack bars, private clubs and theaters) from application received to approval is 90 days. The agency currently has 12 Licensing Specialists, 2 Licensing Specialist Seniors and 2 Licensing Supervisors that process these types of applications. To decrease processing times to 30/60 days, the agency anticipates needing the following FTE’s:

- 12.0 FTE Licensing Specialist - \$972,804/yr (\$939,564 salary/benefits, \$33,240 in associated costs). Onetime costs in FY24 of \$73,260 for equipment purchases.
- 2.0 FTE Licensing Specialist Senior - \$172,090/yr (\$166,550 salary/benefits, \$5,540 in associated costs). Onetime costs in FY24 of \$12,210 for equipment purchases.
- 2.0 FTE Licensing Specialist Supervisor - \$182,758/yr (\$177,218 salary/benefits, \$5,540 in associated costs). Onetime costs in FY24 of \$12,210 for equipment purchases.

The bill does not address the current statutory requirements for licensure, including the 20-day local authority notification (60-days if the proposed location is in an Alcohol Impact Area), 14-day public posting notification, and 20-day certified letter notification to churches, schools and public institutions.

Due to the short timeline for applicants to provide documents and without enough time to review and verify the application meets licensing requirements, temporary and permanent licensees may be issued before they have been thoroughly reviewed. The agency anticipates an increase in denials and withdraws for applications. To support this work, the agency anticipates needing:

- 0.5 FTE Compliance and Adjudication Manager (WMS Band 2) - \$58,613/yr (\$57,228 salary/benefits, \$1,385 in associated costs). Onetime costs in FY24 of \$6,105 for equipment purchases.

INFORMATION TECHNOLOGY DIVISION:

For the division, the estimate is indeterminate due to the complexity and scope of changes needed in iSeries. Changes to the iSeries required would not be able to be implemented by the effective date of the bill so implementation would be July 1, 2024 when LEADS goes live. (see Board Division response).

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
501-1	Liquor Revolving Account	State	1,640,050	1,386,265	3,026,315	2,772,530	2,772,530
Total \$			1,640,050	1,386,265	3,026,315	2,772,530	2,772,530

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	16.5	16.5	16.5	16.5	16.5
A-Salaries and Wages	941,765	941,765	1,883,530	1,883,530	1,883,530
B-Employee Benefits	398,795	398,795	797,590	797,590	797,590
C-Professional Service Contracts	150,000		150,000		
E-Goods and Other Services	45,180	43,395	88,575	86,790	86,790
G-Travel					
J-Capital Outlays	104,310	2,310	106,620	4,620	4,620
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	1,640,050	1,386,265	3,026,315	2,772,530	2,772,530

III. C - Operating FTE Detail: *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA*

Job Classification	Salary	FY 2024	FY 2025	2023-25	2025-27	2027-29
Licensing Specialist	54,492	12.0	12.0	12.0	12.0	12.0
Licensing Specialist Senior	58,704	2.0	2.0	2.0	2.0	2.0
Licensing Specialist Supervisor	63,216	2.0	2.0	2.0	2.0	2.0
WMS Band 2	88,042	0.5	0.5	0.5	0.5	0.5
Total FTEs		16.5	16.5	16.5	16.5	16.5

III. D - Expenditures By Program (optional)

Program	FY 2024	FY 2025	2023-25	2025-27	2027-29
Board Division (010)	150,000		150,000		
Licensing Division (050)	1,490,050	1,386,265	2,876,315	2,772,530	2,772,530
Total \$	1,640,050	1,386,265	3,026,315	2,772,530	2,772,530

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.