

Multiple Agency Fiscal Note Summary

Bill Number: 1765 S HB	Title: Special occasion liquor lic.
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Estimated Cash Receipts

Agency Name	2023-25			2025-27			2027-29		
	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total
Liquor and Cannabis Board	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Total \$	0	0	0	0	0	0	0	0	0

Agency Name	2023-25		2025-27		2027-29	
	GF- State	Total	GF- State	Total	GF- State	Total
Local Gov. Courts						
Loc School dist-SPI						
Local Gov. Other	No fiscal impact					
Local Gov. Total						

Estimated Operating Expenditures

Agency Name	2023-25				2025-27				2027-29			
	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total
Liquor and Cannabis Board	.6	0	0	1,831,119	.2	0	0	64,462	.2	0	0	64,462
Total \$	0.6	0	0	1,831,119	0.2	0	0	64,462	0.2	0	0	64,462

Agency Name	2023-25			2025-27			2027-29		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts									
Loc School dist-SPI									
Local Gov. Other	No fiscal impact								
Local Gov. Total									

Estimated Capital Budget Expenditures

Agency Name	2023-25			2025-27			2027-29		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Liquor and Cannabis Board	.0	0	0	.0	0	0	.0	0	0
Total \$	0.0	0	0	0.0	0	0	0.0	0	0

Agency Name	2023-25			2025-27			2027-29		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Total									
Local Gov. Courts									
Loc School dist-SPI									
Local Gov. Other	No fiscal impact								

Estimated Capital Budget Breakout

NONE

Prepared by: Amy Hatfield, OFM	Phone: (360) 280-7584	Date Published: Final 3/12/2023
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Individual State Agency Fiscal Note

Bill Number: 1765 S HB	Title: Special occasion liquor lic.	Agency: 195-Liquor and Cannabis Board
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

Non-zero but indeterminate cost and/or savings. Please see discussion.

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.8	0.3	0.6	0.2	0.2
Account					
Liquor Revolving Account-State 501-1	1,791,411	39,708	1,831,119	64,462	64,462
Total \$	1,791,411	39,708	1,831,119	64,462	64,462

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.

Legislative Contact: Matt Mazur-Hart	Phone: 360-786-7139	Date: 03/07/2023
Agency Preparation: Colin O Neill	Phone: (360) 664-4552	Date: 03/10/2023
Agency Approval: Aaron Hanson	Phone: 360-664-1701	Date: 03/10/2023
OFM Review: Amy Hatfield	Phone: (360) 280-7584	Date: 03/10/2023

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.

Section 1(8b)(i): If an application for a special occasion license is for an event held by an enhanced special occasion licensee under RCW 66.24.380, the Board is required to provide an informational notice of the application, to the incorporated city or own or the county where the proposed event is to be held.

Section 1(8c): Removes the right of a local jurisdiction to file a written objection against an applicant or the premises of an enhanced special occasion license under RCW 66.24.380.

Section 1(8e): Removes the requirement for the Board to send written notice to a local jurisdiction regarding the granting of an enhanced special occasion license under RCW 66.24.380.

Section 2(2): Any licensee that has held a special occasion license under RCW 66.24.380 for at least 10 years and has not had any enforcement actions taken against the licensee by the Board in the previous five years may apply to the board for an enhanced special occasion license. An enhanced special occasion licensee:

(a) May hold an unlimited number of events each year;

(b) May hold public and nonpublic events without holding any separate license;

(c) Shall notify the board at least 24 hours before an event with the dates, times, and locations of the event; and for informational purposes only, the board shall provide a copy of this notice to the incorporated city or town or the county legislative authority in which the event is to be held.

(d) Does not need approval from the chief executive officer of the incorporated city or town or the county legislative authority of the county in which the event is to be held, but must obtain any event permit required by the applicable city, town, or county to conduct such event.

CHANGES MADE BY THE SUBSTITUTE HOUSE VERSION (SHB)

Section 1(8b)(i): The Board is required to provide an informational notice of the application, to the incorporated city or own or the county where the proposed event is to be held.

Section 2(2c): An enhanced special occasion licensee shall notify the Board at least 24 hours before an event with the dates, times and locations of the event. For informational purposes only, the board shall provide a copy of this notice to the incorporated city or town or the county legislative authority in which the event is to be held.

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.

Section 2(2): Any licensee that has held a special occasion license under RCW 66.24.380 for at least 10 years and has not had any enforcement actions taken against the licensee by the Board in the previous five years may apply to the board for an enhanced special occasion license. An enhanced special occasion licensee may hold an unlimited number of events each year.

The Board estimates that currently 865 non-profits may qualify for the enhanced special occasion license, and an additional 120 beginning in FY25.

However, since special occasion licenses are limited to 12 days per year under current statute, and this grants them an

unlimited number of events per year, it is unknown what the average number of days per year that these new enhanced licenses would choose to operate, above the current 12.

If it was assumed that the average was 5 more days per year, the increased cash receipts would be \$259,500 in FY24 (865 x 5 x \$60) and \$295,500/yr ongoing (985 x 5 x \$60).

If it was assumed that the average was 10 more days per year, the increased cash receipts would be \$519,000 in FY24 (865 x 10 x \$60) and \$591,000/yr ongoing (985 x 10 x \$60).

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.

ASSUMPTIONS:

Section 2(2): Any licensee that has held a special occasion license under RCW 66.24.380 for at least 10 years and has not had any enforcement actions taken against the licensee by the Board in the previous five years may apply to the board for an enhanced special occasion license. An enhanced special occasion licensee may hold an unlimited number of events each year.

The Board estimates that currently 865 non-profits may qualify for the enhanced special occasion license, and an additional 120 beginning in FY25.

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 \$144,000 in FY24. Some examples of changes needed follow:

- A new Special Occasions License – ‘Enhanced Special Occasion License’ requiring a new privilege code. This privilege type would not be routed through BLS, similar to the existing Special Occasions License. This license type would not have a count, the licensee can hold unlimited occasions adhering to the reporting requirement.
- A method for license holders to report Occasions within 24 hours of the Occasion, in the Salesforce Portal. This would require a fee at time of report of each Occasion.
- A annual authorization process (similar to a renewal process, but not automated) where LCB licensing staff would review the license to verify that the licensee still qualifies.

These changes will need to be made during the implementation of the project through project change controls.

LICENSING DIVISION:

The agency anticipates needing the following to review applications to verify the non-profit meets the requirements to hold the license: non-profit eligibility, violation and license history and provide education on events (such as, when alcohol can be

donated, minor restrictions, barriers, and how to submit notification to the Board for events).

FY24 - 0.6 FTE Customer Service Specialist 3 - \$46,580 in FY24 (\$44,213 salary/benefits, \$642 in associated costs, \$1,725 for equipment purchases).

FY25 - 0.1 FTE Customer Service Specialist 3 - \$7,477 (\$7,370 salary/benefits, \$107 in associated costs).

ENFORCEMENT DIVISION:

The Washington State Liquor and Cannabis Board ("Board") keeps detailed statistics on all of its enforcement activities and tracks this activity using a unit of measure called a Field Increment (FI). All direct enforcement activities such as premise checks, inspections and investigations are tracked to determine how many FI's are needed to accomplish each activity. Each FI is equivalent to 1/10th of an hour (6 minutes). For example, if a tavern premise check takes 2 FI's and two officers, it is anticipated that one check will consume 4 FI's. Using historical data to factor out indirect activities such as driving time, training, office time and leave, it has been determined that officers are available for an average of 4,220 FI's each year.

The agency's Enforcement division workload impact will require 0.2 FTE LCB Enforcement Officer 2 (LEO2). See attached "1765 SHB Special occasion liquor licenses - Enforcement Field Increment Calculator.pdf" for details. The bulk of the officer workload will be to provide education.

0.2 FTE LCB Enforcement Officer 2 - \$24,571/yr (\$21,399 salary/benefits, \$3,172 in associated costs).

INFORMATION TECHNOLOGY DIVISION:

NOTE: IT would be unable to implement the bill by the assumed effective date (July 1, 2023).

iSeries work will be extensive, involving flow into the notification system, providing similar data points as the existing Banquet system as well. There would be updates to the existing Banquet permit application and then a redirect to banking which would elicit a need for a new interface contract with banking. Banking interface will also be hampered timewise, as the State Treasurer's Office (STO) has reported a 6 month wait period around any bank interface work.

There is also the time allocation for analysis activities to ensure all aspects of this proposed change are accounted for and documented. Requirements would need to be collected around current data points collected with existing special occasion licenses and ensure they align with those collected and any new data that would need added to requirements. There would need to be documentation and flow charts around the process of license request, acquisition, payment, and reporting needs around these special occasion licenses.

IT COSTS:

Vendor costs (FY24 only):

iSeries: \$111,000

Banquet permit system: \$180,000

BI/SSRS: \$54,000

New web interface/portal: \$414,000

OCIO QA oversight: \$809,600

Ongoing costs:

Amazon Web Services (AWS) hosting: \$7,660/yr.

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	1,791,411	39,708	1,831,119	64,462	64,462
Total \$			1,791,411	39,708	1,831,119	64,462	64,462

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29	
FTE Staff Years	0.8	0.3	0.6	0.2	0.2	
A-Salaries and Wages	45,762	20,466	66,228	30,812	30,812	
B-Employee Benefits	19,850	8,303	28,153	11,986	11,986	
C-Professional Service Contracts	903,000		903,000			
E-Goods and Other Services	818,799	8,639	827,438	17,064	17,064	
G-Travel	2,232	2,232	4,464	4,464	4,464	
J-Capital Outlays	1,768	68	1,836	136	136	
M-Inter Agency/Fund Transfers						
N-Grants, Benefits & Client Services						
P-Debt Service						
S-Interagency Reimbursements						
T-Intra-Agency Reimbursements						
9-						
Total \$		1,791,411	39,708	1,831,119	64,462	64,462

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
Customer Service Specialist 3	50,592	0.6	0.1	0.4		
LCB Enforcement Officer 2	77,028	0.2	0.2	0.2	0.2	0.2
Total FTEs		0.8	0.3	0.6	0.2	0.2

III. D - Expenditures By Program (optional)

Program	FY 2024	FY 2025	2023-25	2025-27	2027-29	
Board Division (010)	144,000		144,000			
Licensing Division (050)	46,580	7,477	54,057			
Enforcement Division (060)	24,571	24,571	49,142	49,142	49,142	
Information Technology Division (070)	1,576,260	7,660	1,583,920	15,320	15,320	
Total \$		1,791,411	39,708	1,831,119	64,462	64,462

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.

Enforcement Field Increment (FI) Calculator

1765 SHB "Special occasion liquor licenses"

FY24

	Number of events	Time Factor	Staffing Factor	FI Total
Non RVP Member Support and Education	87	7	1	606
Complaint Investigations Liquor	9	15	1	169
Premises Check Misc. Retail Licenses	43	2	1	112

Factors	Values
Special Occasion Licenses	865
Non RVP Member Support and Education	10%
Complaint Investigations Liquor	1%
Premises Check Misc. Retail Licenses	5%

Total FI's	887
Total Field Increments per FTE	4,220
FTE's required	0.21
Round	0.20

FY25+

	Number of events	Time Factor	Staffing Factor	FI Total
Non RVP Member Support and Education	99	7	1	690
Complaint Investigations Liquor	10	15	1	192
Premises Check Misc. Retail Licenses	49	2	1	128

Factors	Values
Special Occasion Licenses	985
Non RVP Member Support and Education	10%
Complaint Investigations Liquor	1%
Premises Check Misc. Retail Licenses	5%

Total FI's	1,010
Total Field Increments per FTE	4,220
FTE's required	0.24
Round	0.20

LOCAL GOVERNMENT FISCAL NOTE

Department of Commerce

Bill Number: 1765 S HB

Title: Special occasion liquor lic.

Part I: Jurisdiction-Location, type or status of political subdivision defines range of fiscal impacts.

Legislation Impacts:

- Cities:
- Counties:
- Special Districts:
- Specific jurisdictions only:
- Variance occurs due to:

Part II: Estimates

- No fiscal impacts.
- Expenditures represent one-time costs:
- Legislation provides local option:
- Key variables cannot be estimated with certainty at this time:

Estimated revenue impacts to:

None

Estimated expenditure impacts to:

None

Part III: Preparation and Approval

Fiscal Note Analyst: Kristine Williams	Phone: (564) 669-3002	Date: 03/10/2023
Leg. Committee Contact: Matt Mazur-Hart	Phone: 360-786-7139	Date: 03/07/2023
Agency Approval: Alice Zillah	Phone: 360-725-5035	Date: 03/10/2023
OFM Review: Amy Hatfield	Phone: (360) 280-7584	Date: 03/12/2023

Part IV: Analysis

A. SUMMARY OF BILL

Description of the bill with an emphasis on how it impacts local government.

This note is on 1765 S HB and compares changes to 1765 HB.

CHANGES BETWEEN THIS VERSION AND THE PREVIOUS BILL VERSION:

This version of the bill includes amendments which require the liquor and cannabis board to provide informational notices to local governments when an enhanced special occasion license application is filed and also when subsequent event notices are submitted to the board. These changes include:

Sec.1 of the prior bill version is amended to require the liquor and cannabis board to provide informational notices to cities, towns, and counties when an application for an enhanced special occasion license is filed by a non-profit organization.

Sec.2 of the prior bill version is amended to require the board to provide a copy of the event notifications submitted by enhanced special occasion licensees to cities, towns, and county legislative authorities.

These changes do not affect the fiscal impacts discussed below.

SUMMARY OF CURRENT BILL:

This bill would create a new enhanced liquor license which would help streamline the application process for qualified, non-profit organizations.

This legislation would take effect 90 days after adjournment of the session in which the bill is passed.

B. SUMMARY OF EXPENDITURE IMPACTS

Expenditure impacts of the legislation on local governments with the expenditure provisions identified by section number and when appropriate, the detail of expenditures. Delineated between city, county and special district impacts.

This legislation has no impact on local government expenditures. These liquor license applications will be processed by the liquor and cannabis board.

C. SUMMARY OF REVENUE IMPACTS

Revenue impacts of the legislation on local governments, with the revenue provisions identified by section number, and when appropriate, the detail of revenue sources. Delineated between city, county and special district impacts.

This legislation has no impact on local government revenue. Applicants would still be required to obtain the required city or county event permits to conduct events using an enhanced special occasion liquor license.

SOURCES

Washington Association of Sheriffs and Police Chiefs

Local Government Fiscal Note HB 1765 (2023)