

Individual State Agency Fiscal Note

Revised

Bill Number: 5291 S 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	0.0	5.4	2.7	5.0	5.0
Account					
Liquor Revolving Account-State 501-1	0	929,394	929,394	848,342	848,342
Total \$	0	929,394	929,394	848,342	848,342

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 9a removes the certified mail requirement when the Board sends notice of a pending liquor license application to churches, schools, and public institutions.

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 45 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 (75 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

Subsection 14: Clarifies that Board notifications of pending liquor license applications may be issued concurrently.

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 in FY 2025. 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 FY25. 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:

4.0 FTE Licensing Specialist - \$343,252/yr (\$332,172 salary/benefits, \$11,080 in associated costs). Onetime costs in FY25 of \$24,420 for equipment purchases.

1.0 FTE Customer Service Specialist 3 - \$80,919/yr (\$78,149 salary/benefits, \$2,770 in associated costs). Onetime costs in FY25 of \$6,105 for equipment purchases.

INFORMATION TECHNOLOGY DIVISION:

The agency will have IT division costs in FY25 to implement this bill.

Vendor costs: 360 hours x \$150/hr to modify the iSeries = \$54,000

Staff time: 0.4 FTE IT App Development - Senior/Specialist - \$62,113 (\$61,685 salary/benefits, \$428 in associated costs).

OCIO Oversight (see note below): 1,280 hrs x \$160/hr = \$204,800

IT Investments – Approval and Oversight. The Office of the Chief Information Officer (OCIO) defines a major technology investment as one having a total cost that includes a combined level of effort of more than \$500,000 OR has a duration longer than 4-months.

If the agency fiscal note analysis anticipates one or both of these criteria being met, the agency is required under OCIO Policy #121 to submit an online self-assessment via OCIO’s Information Technology Assessment Tool (ITPA) speaking to effort size, risk and expected impact on citizens and state operations. If the agency assumes that OCIO’s formal decision is to place the project/effort under formal OCIO oversight, the agency would be required under OCIO Policy #132 to have external Quality Assurance (QA) services present at all stages of the project, from feasibility through implementation.

The agency currently estimates that cost at \$160/hr over the estimated lifetime of the project/effort.

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	0	929,394	929,394	848,342	848,342
Total \$			0	929,394	929,394	848,342	848,342

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years		5.4	2.7	5.0	5.0
A-Salaries and Wages		338,595	338,595	575,448	575,448
B-Employee Benefits		137,196	137,196	245,194	245,194
C-Professional Service Contracts		408,800	408,800		
E-Goods and Other Services		14,103	14,103	26,300	26,300
G-Travel					
J-Capital Outlays		30,700	30,700	1,400	1,400
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	0	929,394	929,394	848,342	848,342

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	54,204		1.0	0.5	1.0	1.0
IT App Development - Senior/Specialist	127,176		0.4	0.2		
Licensing Specialist	58,380		4.0	2.0	4.0	4.0
Total FTEs			5.4	2.7	5.0	5.0

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)		454,696	454,696	848,342	848,342
Information Technology Division (070)		324,698	324,698		
Total \$		929,394	929,394	848,342	848,342

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.

Rulemaking will be needed to define what documents will be required to be submitted along with an application, and when the 45-day timeline begins.