Declares that no retail license of any kind may be issued to: (1) An applicant whose place of business is located within the boundaries of a city or town with a population under twenty thousand, if the total number of retail licenses already issued within the boundaries of the city or town meets or exceeds one license for every five hundred of population, unless the legislative body of the city or town specifically approves the application. The population shall be determined according to the yearly population determination developed by the office of financial management pursuant to RCW 43.62.030; or

(2) An applicant whose place of business is located within a one-half mile radius of a public school, if the total number of retail licenses already issued within the one-half mile radius meets or exceeds one license for every five hundred of population, unless the school board specifically approves the application. The population shall be determined by the county government.