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**ENGROSSED SUBSTITUTE HOUSE BILL 1965**

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**State of Washington 64th Legislature 2015 Regular Session**

**By** House Appropriations (originally sponsored by Representatives Hudgins and Ormsby; by request of Liquor Control Board)

AN ACT Relating to a temporary additional fee on licenses and permits issued by the Washington state liquor control board; adding a new section to chapter 66.08 RCW; creating new sections; providing a contingent effective date; and providing expiration dates.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

NEW SECTION. **Sec.**  (1) A nonrefundable additional fee is imposed on all applications and renewals of licenses and permits relating to spirits, wine, and beer required under chapters 66.20 and 66.24 RCW, with the exception of license issuance fees of seventeen percent of revenues owed by spirits retail licensees under RCW 66.24.630(4)(a), and the five to ten percent license issuance fee for spirits distributors under RCW 66.24.055(3). The fee applies to all applications and license modifications received on or after the effective date of this section and renewals where the date of license expiration is on or after June 30, 2015. The fee is equal to six and two tenths percent of the licensing or permit fee due under chapters 66.20 and 66.24 RCW. If the fee is not a whole dollar amount, the fee must be rounded up to the next whole dollar.

(2) This section expires June 30, 2017.

NEW SECTION. **Sec.**  (1) Beginning on the effective date of this act, a nonrefundable additional fee is imposed on all applications and renewals of licenses relating to marijuana required under chapter 69.50 RCW. The fee applies to all applications and license modifications received on or after the effective date of this section and renewals where the date of license expiration is on or after June 30, 2015. The fee is equal to six and two tenths percent of the licensing or permit fee otherwise due under chapter 69.50 RCW. If the fee is not a whole dollar amount, the fee must be rounded up to the next whole dollar.

(2) This section expires June 30, 2017.

NEW SECTION. **Sec.**  A new section is added to chapter 66.08 RCW to read as follows:

(1) The licensing and enforcement system modernization project account is created in the custody of the state treasurer. All receipts from sections 1 and 2 of this act must be deposited into the account. Expenditures from the account may be only used for the expenses of replacing and modernizing the board's licensing, enforcement, and imaging system. The expenditures may be expended for automation of licenses and permits, electronic payments, data warehousing, project management and system testing, consulting, contracting, and staff time, and any necessary data conversion, software, hardware, and related equipment costs. Before making expenditures from the account, the board must conduct a thorough business process examination to ensure the new system provides efficient and effective service delivery. As part of the examination, the board must evaluate and articulate how any new system procurement serves the current and future needs of the internal and external stakeholders, the customers, and the public. Only the director of the board or the director's designee may authorize expenditures from the account. The account is subject to allotment procedures under chapter 43.88 RCW, but an appropriation is not required for expenditures.

(2) This section expires June 30, 2019.

NEW SECTION. **Sec.**  (1) This act takes effect only if, by June 30, 2016, the licensing and enforcement modernization project has received a funding allocation from the information technology pool appropriated in chapter . . ., Laws of 2015 3rd sp. sess. (omnibus operating appropriations act).

(2) The office of financial management must provide notice of the effective date of this act to the liquor and cannabis board, the chief clerk of the house of representatives, the secretary of the senate, the office of the code reviser, and others deemed appropriate by the office.

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