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## Commerce & Gaming Committee

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### HB 1359

**Brief Description:** Reducing liquor license fees temporarily.

**Sponsors:** Representatives Stonier, MacEwen, Robertson, Shewmake, Ormsby and Macri.

**Brief Summary of Bill**

- Temporarily reduces, by half, liquor license fees for specific liquor retailers.
- Applies the temporary license fee reduction to identified licenses that are set to expire or issued in May 2021 and through December 31, 2022.
- Reverts to current license fee amounts beginning in January 2023.

**Hearing Date:** 1/29/21

**Staff:** Peter Clodfelter (786-7127).

**Background:**

Among the retail liquor licenses issued by the Liquor and Cannabis Board (LCB) are the following licenses:

- spirits, beer, and wine restaurant license, with an annual license fee of \$2,000, \$1,600, or \$1,000 depending on the size of the licensee's dedicated dining area and type of service;
- hotel license, with an annual fee of \$2,000;
- spirits, beer, and wine nightclub license, with an annual fee of \$2,000;
- spirits, beer, and wine theater license, with an annual fee of \$2,000; and
- spirits, beer, and wine caterer's license, with an annual fee of \$1,000.

For the original issuance of a liquor license, the LCB sets the expiration date of the license to the last day of the calendar month that is 12 months from the calendar month in which final approval

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of the license is granted. Upon renewal, the expiration of the license may be prorated as necessary pursuant to the Business Licensing Service Act.

The LCB coordinates with the Department of Revenue (DOR) to process liquor license applications through the DOR's Business Licensing Service (BLS). The BLS is a one-stop system for businesses to acquire and maintain the necessary state licenses to conduct business. The DOR assigns an expiration date for each business license, which is the last day of a calendar month. All renewable licenses endorsed on the business license must expire on that date. License fees must be prorated to accommodate the staggering of expiration dates. License fees received by the LCB are deposited in the Liquor Revolving Fund.

**Summary of Bill:**

Legislative findings and intent are included regarding businesses in the hospitality industry. Beginning on May 1, 2021, and through December 31, 2022, the amount of the annual fee for the following liquor licenses is reduced by half:

- spirits, beer, and wine restaurant license;
- hotel license;
- spirits, beer, and wine nightclub license;
- spirits, beer, and wine theater license; and
- spirits, beer, and wine caterer's license.

The temporary license fee reduction expires on December 31, 2022. Licenses set to expire or issued in January 2023 and after are subject to the full fee amount typically owed for the license.

**Appropriation:** None.

**Fiscal Note:** Requested on 1/25/2021.

**Effective Date:** The bill contains an emergency clause and takes effect on May 1, 2021.