

SENATE BILL REPORT

SB 5399

As Reported by Senate Committee On:
Labor & Commerce, February 14, 2025

Title: An act relating to the timely issuance of certain liquor licenses, renewals, and endorsements.

Brief Description: Concerning liquor licenses.

Sponsors: Senators Schoesler, Conway, Chapman, Dozier, Riccelli, Shewmake and Wilson, J..

Brief History:

Committee Activity: Labor & Commerce: 2/10/25, 2/14/25 [DP-WM, DNP, w/oRec].

Brief Summary of Bill

- Requires the Liquor and Cannabis Board (LCB) to issue a decision on an application for certain liquor licenses, renewals, or endorsements within 45 days or the application is approved by default.
- Permits LCB an additional 30 days to issue a decision if it determines good cause exists for the extension and issues a temporary license.

SENATE COMMITTEE ON LABOR & COMMERCE

Majority Report: Do pass and be referred to Committee on Ways & Means.

Signed by Senators Conway, Vice Chair; King, Ranking Member; Braun, MacEwen and Schoesler.

Minority Report: Do not pass.

Signed by Senator Stanford.

Minority Report: That it be referred without recommendation.

Signed by Senators Saldaña, Chair; Alvarado and Ramos.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.

Staff: Marlon Llanes (786-7423)

Background: Liquor License Application Process. The Liquor and Cannabis Board (LCB) issues various liquor licenses to qualified applicants wishing to engage in the manufacture, distribution, or retail sale of liquor. LCB coordinates with the Department of Revenue to process license applications through its Business Licensing Service.

When considering applications and renewals of liquor licenses, LCB sends notice of the application for initial licensure or renewal to the chief executive officer of the incorporated city or town, or the county legislative authority. The local government may file written objections with LCB against the applicant or against the premises for which the new or renewal license applies, and may request a hearing where LCB must present and defend its initial decision.

Before LCB issues any liquor license, it must give due consideration to the proposed location with respect to the proximity of churches, schools, and public institutions. LCB must send written notice, with receipt verification, of the application to identified public institutions, churches, and schools within 500 feet of the proposed location.

Temporary Liquor Licenses. LCB may issue a temporary retail or distributor license to an applicant during a pending application period, which is valid for 60 days unless LCB extends the temporary license for an additional 60 days.

Definitions. "Churches" means buildings erected for and used exclusively for religious worship and schooling or other connected activity. "Public institutions" means institutions of higher education, parks, community centers, libraries, and transit centers.

Summary of Bill: LCB must issue a decision on an application for a liquor license, renewal, or endorsement on the following liquor licenses within 45 days of receiving the application and certain required documentation or it is approved by default:

- beer and/or wine or both restaurant licenses, and an associated combination license to sell beer and/or wine for off-premises consumption;
- tavern licenses, and an associated combination license to sell beer and/or wine for off-premises consumption;
- snack bar licenses;
- spirits, beer, and wine restaurant licenses, and associated endorsements to sell soju and cater liquor;
- private club licenses selling spirits, beer, and wine, or only beer and wine;
- bowling establishment licenses to extend its premises for the sale, service, and consumption of liquor; and
- theater licenses selling beer, strong beer, and wine, or in combination with spirits.

LCB may extend the time period by an additional 30 days if it determines good cause for the extension to exist and issues a temporary license to the applicant during the extension.

Good cause may include time for LCB to review objections to a liquor license, renewal, or endorsement.

If LCB fails to issue a decision on an application within the additional 30-day timeframe, the temporary license must be converted into a permanent license and the application is approved by default.

LCB is not required to use receipt verification when it sends a notice of a pending application to public institutions, churches, and schools.

LCB may issue any required notifications concurrently.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony: PRO: This is a regulatory reform bill. The current structure of liquor licensing laws and requirements can be challenging for operators to navigate. The structure is hindering the economic growth potential in Washington.

Persons Testifying: PRO: Senator Mark Schoesler, Prime Sponsor; Sean DeWitz.

Persons Signed In To Testify But Not Testifying: No one.