SENATE BILL 5399

State of Washington 69th Legislature 2025 Regular Session

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

Read first time 01/21/25. Referred to Committee on Labor & Commerce.

- 1 AN ACT Relating to the timely issuance of certain liquor
- 2 licenses, renewals, and endorsements; and amending RCW 66.24.010.
- 3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 4 **Sec. 1.** RCW 66.24.010 and 2019 c 370 s 1 are each amended to 5 read as follows:
- 6 (1) Every license must be issued in the name of the applicant, 7 and the holder thereof may not allow any other person to use the 8 license.
- (2) For the purpose of considering any application for a license, 9 10 or the renewal of a license, the board may cause an inspection of the 11 premises to be made, and may inquire into all matters in connection 12 with the construction and operation of the premises. For the purpose 13 of reviewing any application for a license and for considering the 14 denial, suspension, revocation, or renewal or denial thereof, of any license, the board may consider any prior criminal conduct of the 15 16 applicant including an administrative violation history record with 17 the board and a criminal history record information check. The board may submit the criminal history record information check to the 18 19 Washington state patrol and to the identification division of the 20 federal bureau of investigation in order that these agencies may 21 search their records for prior arrests and convictions of the

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individual or individuals who filled out the forms. The board must require fingerprinting of any applicant whose criminal history record information check is submitted to the federal investigation. The provisions of RCW 9.95.240 and of chapter 9.96A RCW do not apply to such cases. Subject to the provisions of this section, the board may, in its discretion, grant or deny the renewal or license applied for. Denial may be based on, without limitation, the existence of chronic illegal activity documented in objections submitted pursuant to subsections (8)(d) and (12) of this section. Authority to approve an uncontested or unopposed license may be granted by the board to any staff member the board designates in writing. Conditions for granting such authority must be adopted by rule. No retail license of any kind may be issued to:

(a) A person doing business as a sole proprietor who has not resided in the state for at least one month prior to receiving a license, except in cases of licenses issued to dining places on railroads, boats, or aircraft;

- (b) A copartnership, unless all of the members thereof are qualified to obtain a license, as provided in this section;
- (c) A person whose place of business is conducted by a manager or agent, unless such manager or agent possesses the same qualifications required of the licensee;
- (d) A corporation or a limited liability company, unless it was created under the laws of the state of Washington or holds a certificate of authority to transact business in the state of Washington.
- (3)(a) The board may, in its discretion, subject to the provisions of RCW 66.08.150, suspend or cancel any license; and all rights of the licensee to keep or sell liquor thereunder must be suspended or terminated, as the case may be.
- (b) The board must immediately suspend the license or certificate of a person who has been certified pursuant to RCW 74.20A.320 by the department of social and health services as a person who is not in compliance with a support order. If the person has continued to meet all other requirements for reinstatement during the suspension, reissuance of the license or certificate is automatic upon the board's receipt of a release issued by the department of social and health services stating that the licensee is in compliance with the order.

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(c) Upon written notification by the department of revenue in accordance with RCW 82.08.155 that a person is more than thirty days delinquent in reporting or remitting spirits taxes to the department, the board must suspend all spirits licenses held by that person. The board must also refuse to renew any existing spirits license of, or issue any new spirits license to, the person or any other applicant controlled directly or indirectly by that person. The board may not reinstate a person's spirits license or renew or issue a new spirits license to that person, or an applicant controlled directly or indirectly by that person, until such time as the department of revenue notifies the board that the person is current in reporting and remitting spirits taxes or that the department consents to the reinstatement or renewal of the person's spirits license or the issuance of a new spirits license to the person. For purposes of this section: (i) "Spirits license" means any license issued by the board under the authority of this chapter that authorizes the licensee to sell spirits; and (ii) "spirits taxes" has the same meaning as in RCW 82.08.155.

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- (d) The board may request the appointment of administrative law judges under chapter 34.12 RCW who must have power to administer oaths, issue subpoenas for the attendance of witnesses and the production of papers, books, accounts, documents, and testimony, examine witnesses, and to receive testimony in any inquiry, investigation, hearing, or proceeding in any part of the state, under such rules and regulations as the board may adopt.
- (e) Witnesses are allowed fees and mileage each way to and from any such inquiry, investigation, hearing, or proceeding at the rate authorized by RCW 34.05.446. Fees need not be paid in advance of appearance of witnesses to testify or to produce books, records, or other legal evidence.
- (f) In case of disobedience of any person to comply with the order of the board or a subpoena issued by the board, or any of its members, or administrative law judges, or on the refusal of a witness to testify to any matter regarding which he or she may be lawfully interrogated, the judge of the superior court of the county in which the person resides, on application of any member of the board or administrative law judge, must compel obedience by contempt proceedings, as in the case of disobedience of the requirements of a subpoena issued from said court or a refusal to testify therein.

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(4) Upon receipt of notice of the suspension or cancellation of a license, the licensee must forthwith deliver up the license to the board. Where the license has been suspended only, the board must return the license to the licensee at the expiration or termination of the period of suspension. The board must notify all vendors in the city or place where the licensee has its premises of the suspension or cancellation of the license; and no employee may allow or cause any liquor to be delivered to or for any person at the premises of that licensee.

- (5) (a) For the original issuance of a liquor license, including the approval of a conditional license as provided in (b) of this subsection, the board must set the expiration date of the license to the last day of the calendar month that is twelve months from the calendar month in which final approval of the license is granted. Upon renewal, the expiration date of the license, including licenses approved under (b) of this subsection, may subsequently be prorated as necessary in accordance with chapter 19.02 RCW.
- (b)(i) When an applicant for a liquor license is qualified for approval of the license in every way except having executed a lease or purchase agreement for the proposed licensed premises, the board must grant conditional approval to the applicant.
- (ii) Upon notification to the board of execution of the lease or purchase agreement putting the applicant in control of the premises, the board must immediately grant final approval of the license issuance, and the licensee may immediately begin exercising all privileges provided under the license, except as otherwise provided under this title.
- (iii) For the purposes of this title, the term "license" includes "conditional license."
- (6) Every license issued under this section is subject to all conditions and restrictions imposed by this title or by rules adopted by the board. All conditions and restrictions imposed by the board in the issuance of an individual license may be listed on the face of the individual license along with the trade name, address, and expiration date. Conditions and restrictions imposed by the board may also be included in official correspondence separate from the license. All spirits licenses are subject to the condition that the spirits license holder must report and remit to the department of revenue all spirits taxes by the date due.

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(7) Every licensee must post and keep posted its license, or licenses, and any additional correspondence containing conditions and restrictions imposed by the board in a conspicuous place on the premises.

- (8) (a) Unless (b) of this subsection applies, before the board issues a new or renewal license to an applicant it must give notice of such application to the chief executive officer of the incorporated city or town, if the application is for a license within an incorporated city or town, or to the county legislative authority, if the application is for a license outside the boundaries of incorporated cities or towns.
- (b) If the application for a special occasion license is for an event held during a county, district, or area fair as defined by RCW 15.76.120, and the county, district, or area fair is located on property owned by the county but located within an incorporated city or town, the county legislative authority must be the entity notified by the board under (a) of this subsection. The board must send a duplicate notice to the incorporated city or town within which the fair is located.
- (c) The incorporated city or town through the official or employee selected by it, or the county legislative authority or the official or employee selected by it, has the right to file with the board within twenty days after the date of transmittal of such notice for applications, or at least thirty days prior to the expiration date for renewals, written objections against the applicant or against the premises for which the new or renewal license is asked. The board may extend the time period for submitting written objections.
- (d) The written objections must include a statement of all facts upon which such objections are based, and in case written objections are filed, the city or town or county legislative authority may request and the board may in its discretion hold a hearing subject to the applicable provisions of Title 34 RCW. If the board makes an initial decision to deny a license or renewal based on the written objections of an incorporated city or town or county legislative authority, the applicant may request a hearing subject to the applicable provisions of Title 34 RCW. If such a hearing is held at the request of the applicant, board representatives must present and defend the board's initial decision to deny a license or renewal.

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(e) Upon the granting of a license under this title the board must send written notification to the chief executive officer of the incorporated city or town in which the license is granted, or to the county legislative authority if the license is granted outside the boundaries of incorporated cities or towns. When the license is for a special occasion license for an event held during a county, district, or area fair as defined by RCW 15.76.120, and the county, district, or area fair is located on county-owned property but located within an incorporated city or town, the written notification must be sent to both the incorporated city or town and the county legislative authority.

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(9) (a) Before the board issues any license to any applicant, it shall give (i) due consideration to the location of the business to be conducted under such license with respect to the proximity of churches, schools, and public institutions and (ii) written notice((7 with receipt verification,)) of the application to institutions identified by the board as appropriate to receive such notice, churches, and schools within five hundred feet of the premises to be licensed. The board may not issue a liquor license for either on-premises or off-premises consumption covering any premises not now licensed, if such premises are within five hundred feet of the premises of any tax-supported public elementary or secondary school measured along the most direct route over or across established public walks, streets, or other public passageway from the main entrance of the school to the nearest public entrance of the premises proposed for license, and if, after receipt by the school of the notice as provided in this subsection, the board receives written objection, within twenty days after receiving such notice, from an official representative or representatives of the school within five hundred feet of said proposed licensed premises, indicating to the board that there is an objection to the issuance of such license because of proximity to a school. The board may extend the time period for submitting objections. For the purpose of this section, "church" means a building erected for and used exclusively for religious worship and schooling or other activity in connection therewith. For the purpose of this section, "public institution" means institutions of higher education, parks, community centers, libraries, and transit centers.

(b) No liquor license may be issued or reissued by the board to any motor sports facility or licensee operating within the motor

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sports facility unless the motor sports facility enforces a program reasonably calculated to prevent alcohol or alcoholic beverages not purchased within the facility from entering the facility and such program is approved by local law enforcement agencies.

- (c) It is the intent under this subsection (9) that a retail license may not be issued by the board where doing so would, in the judgment of the board, adversely affect a private school meeting the requirements for private schools under Title 28A RCW, which school is within five hundred feet of the proposed licensee. The board must fully consider and give substantial weight to objections filed by private schools. If a license is issued despite the proximity of a private school, the board must state in a letter addressed to the private school the board's reasons for issuing the license.
- (10) The restrictions set forth in subsection (9) of this section do not prohibit the board from authorizing the assumption of existing licenses now located within the restricted area by other persons or licenses or relocations of existing licensed premises within the restricted area. In no case may the licensed premises be moved closer to a church or school than it was before the assumption or relocation.
- (11) (a) Nothing in this section prohibits the board, in its discretion, from issuing a temporary retail or distributor license to an applicant to operate the retail or distributor premises during the period the application for the license is pending. The board may establish a fee for a temporary license by rule.
- (b) A temporary license issued by the board under this section must be for a period not to exceed sixty days. A temporary license may be extended at the discretion of the board for additional periods of sixty days upon payment of an additional fee and upon compliance with all conditions required in this section.
- (c) Refusal by the board to issue or extend a temporary license shall not entitle the applicant to request a hearing. A temporary license may be canceled or suspended summarily at any time if the board determines that good cause for cancellation or suspension exists. RCW 66.08.130 applies to temporary licenses.
- (d) Application for a temporary license must be on such form as the board shall prescribe. If an application for a temporary license is withdrawn before issuance or is refused by the board, the fee which accompanied such application must be refunded in full.

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- 1 (12) In determining whether to grant or deny a license or renewal of any license, the board must give substantial weight to objections 2 from an incorporated city or town or county legislative authority 3 based upon chronic illegal activity associated with the applicant's 4 operations of the premises proposed to be licensed or the applicant's 5 6 operation of any other licensed premises, or the conduct of the applicant's patrons inside or outside the licensed premises. "Chronic 7 illegal activity" means (a) a pervasive pattern of activity that 8 threatens the public health, safety, and welfare of the city, town, 9 10 or county including, but not limited to, open container violations, 11 assaults, disturbances, disorderly conduct, or other criminal law 12 violations, or as documented in crime statistics, police reports, emergency medical response data, calls for service, field data, or 13 similar records of a law enforcement agency for the city, town, 14 county, or any other municipal corporation or any state agency; or 15 16 (b) an unreasonably high number of citations for violations of RCW 17 46.61.502 associated with the applicant's or licensee's operation of 18 any licensed premises as indicated by the reported statements given 19 to law enforcement upon arrest.
 - (13) (a) Except as provided in (b) of this subsection, the board must issue a decision on an application for a liquor license, renewal, or endorsement under RCW 66.24.320 through 66.24.354, 66.24.400 through 66.24.455, 66.24.650, or 66.24.655 within 45 days of receiving the application and documentation under subsection (6) of this section and related rules, or the application is approved by default.

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- (b) The board may extend the time period allowed in (a) of this subsection by an additional 30 days if it:
- (i) Determines good cause for the extension exists, which may include time for the board to review objections to a liquor license, renewal, or endorsement under this section; and
- (ii) Issues a temporary license to the applicant during the extension.
- 34 (c) If the board fails to issue a decision on an application 35 within the additional 30 days allowed in (b) of this subsection, the 36 temporary license must be converted into a permanent license and is 37 approved by default.

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- 1 (14) Any notifications required under this section may be issued
- 2 <u>concurrently.</u>

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