

| То:      | David Postman, Board Chair<br>Ollie Garrett, Board Member<br>Russ Hauge, Board Member  |
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| From:    | Kathy Hoffman, Policy and Rules Manager  |
| Date:    | September 29, 2021   |
| Сору:    | Rick Garza, Agency Director<br>Toni Hood, Deputy Director<br>Justin Nordhorn, Policy and External Affairs Director<br>Becky Smith, Licensing and Regulation Director<br>Chandra Brady, Director of Enforcement and Education |
| Subject: | Request for approval to rescind Liquor Control Board Policy<br>Number 00-4 concerning exceptions to licensee fee refund<br>Regulation (concerning WAC 314-12-040).   |

The purpose of this policy was to establish a standard procedure for refunding liquor license fees to license holders who through no fault of their own, may be prohibited from continuing the sale of liquor because a court decision, revision in state law, or a revision in local laws, ordinances or regulations of a city, county or other governmental jurisdiction where the licensed premises is located.

This policy went into effect on June 29, 2000 – more than 21 years ago. Although the statement notes that the Board was in the process of extensive rule revision at the time, this policy was not incorporated into rule. Policy and Rules staff consulted with both the Licensing and Enforcement divisions, and both indicated that the policy was not needed. Specifically, Licensing staff indicated that the policy had not been used in 18 years.

For these reasons, Liquor Control Board Policy Number 00-4 is no longer necessary.

If the Board approves rescission of Liquor Control Board Policy Number 00-4, the agency will send notice to stakeholders, and remove it from the LCB website.

The Board approves/disapproves the rescission of Liquor Control Board Policy Number 00-4.

\_\_X\_ Approve \_\_\_\_ Disapprove

David Postman, Chair

<u>9.29.2021</u> Date

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\_\_X\_ Approve \_\_\_\_ Disapprove

Ollie Garrett, Board Member

<u>9.29.2021</u> Date

Not Present

\_\_\_\_\_ Approve \_\_\_\_\_ Disapprove

Russ Hauge, Board Member

<u>9.29.2021</u> Date



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## **Liquor Control Board Policy Number 00-4**

Subject of policy: Exceptions to License Fee Refund Regulation

Effective date: June 29, 2000

Scope of policy: Licensing & Regulation Division Employees and Financial Division Employees

Contact information: David E. Goyette

Director, Licensing & Regulation Division

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| Approved: Stigne Collence       | ſ |
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| Eugene Prince, Chairman         |   |
| Vera Ing, Board Member          |   |
| Katherine Kreiter, Board Member |   |

## **Purpose statement:**

The purpose of the proposed policy is to establish a standard procedure for refunding license fees to license holders who, through no fault of their own, are prohibited from continuing the sale of liquor because of a court decision, a change in state law or, changes in the laws, ordinances or regulations of the city, county, or other governmental jurisdiction in which the licensed premises is located.

Exceptions to License Fee Refund Regulation Page 2 of 2

## **Relevant Rules and Laws:**

- WAC 314-12-040(1) states: "Unless otherwise provided by law there will be no prorating of any license fee . . . ."
- RCW 66.24.420(1)(b) states: "The annual fee for the license when issued to any other spirits, beer, and wine restaurant licensee outside of incorporated cities and towns shall be prorated according to the calendar quarters or portion thereof during which the licensee is open for business, except in case of suspension or revocation of the license."

## **Policy statement:**

The Board is currently engaged in an extensive revision of its regulations. Pending a review of WAC 314-12-040, the Board will adopt the following policy that creates an exception to the subject rule language under specific conditions as follows:

When a current liquor licensee, who through no fault of their own, must discontinue the sale of liquor due to the enactment of a court decision, a change in state law or, the enactment of laws, ordinances, or regulations of a governmental jurisdiction in which the premises is located, the Board may consider refunding the unused portion of the license fee based on calendar quarters or portions used. For example, when a licensee receives or renews a tavern license in March of a given year and subsequently must discontinue the sale of liquor in April of the same year, the licensee would be eligible upon Board approval to receive a refund representing the prorated fee for two calendar quarters. The licensee will be considered to have used a portion of the first calendar quarter (January, February, March) and a portion of the second calendar quarter (April, May, June).