

SENATE BILL REPORT

SHB 1435

As Reported by Senate Committee On:
Labor, Commerce & Consumer Protection, March 26, 2009

Title: An act relating to licensing administration for cigarettes and tobacco products.

Brief Description: Modifying licensing provisions for cigarettes and tobacco products.

Sponsors: House Committee on Commerce & Labor (originally sponsored by Representatives Condotta and Conway; by request of Liquor Control Board).

Brief History: Passed House: 3/10/09, 96-0.

Committee Activity: Labor, Commerce & Consumer Protection: 3/24/09, 3/26/09 [DP].

SENATE COMMITTEE ON LABOR, COMMERCE & CONSUMER PROTECTION

Majority Report: Do pass.

Signed by Senators Kohl-Welles, Chair; Keiser, Vice Chair; Holmquist, Ranking Minority Member; Franklin, Honeyford, King and Kline.

Staff: Ingrid Mungia (786-7423)

Background: Legislation enacted in 1995 requires anyone selling tobacco products to have a Tobacco Wholesaler or Retailer License through the Department of Revenue's (DOR) Master License System. The license fee for wholesalers is \$650 for the first location and \$115 for each additional place of business. The license fee for retailers is \$93 for each location. A criminal background check is required for a Tobacco Wholesaler License and a Cigarette Wholesaler License.

The Washington State Liquor Control Board's Tobacco Tax Enforcement Unit was formed in June of 1997 to enforce assessment of unpaid tobacco taxes for state collection by DOR. The Tobacco Tax Enforcement Unit ensures that people who sell tobacco in Washington State are properly licensed, have paid the appropriate state taxes, and do not sell tobacco to those under 18 years of age.

Summary of Bill: The Liquor Control Board (Board) is given the administrative authority, currently vested in DOR, to approve, deny, suspend, or revoke retail, wholesale, or distributor cigarette and tobacco products licenses. A criminal background check is required for a wholesaler's, retailer's, and distributor's license. The Board may consider any prior

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criminal conduct of the applicant, including an administrative violation history record with the Board. If the Board makes an initial decision to deny a license or renewal, or suspend or revoke a license, the applicant may request a hearing under the Administrative Procedure Act.

Cigarette and tobacco licenses must be exhibited in the place of business for which they are issued and in the manner currently required for the display of a master license.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

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

Staff Summary of Public Testimony: PRO: This is a Liquor Control Board request bill. This bill gives the Board more tools in regards to enforcement. There is currently a gap in the enforcement abilities and this bill fills the gap.

Persons Testifying: PRO: Representative Condotta, prime sponsor.