
SENATE BILL 6578

State of Washington

62nd Legislature

2012 Regular Session

By Senators Hobbs, Swecker, Hargrove, Pridemore, Keiser, Delvin, and Kline

Read first time 02/02/12. Referred to Committee on Ways & Means.

1 AN ACT Relating to providing funding for chemical dependency
2 treatment; amending RCW 66.24.055; adding a new section to chapter
3 74.50 RCW; providing an effective date; and declaring an emergency.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 **Sec. 1.** RCW 66.24.055 and 2012 c 2 s 105 (Initiative Measure No.
6 1183) are each amended to read as follows:

7 (1) There is a license for spirits distributors to (a) sell spirits
8 purchased from manufacturers, distillers, or suppliers including,
9 without limitation, licensed Washington distilleries, licensed spirits
10 importers, other Washington spirits distributors, or suppliers of
11 foreign spirits located outside of the United States, to spirits
12 retailers including, without limitation, spirits retail licensees,
13 special occasion license holders, interstate common carrier license
14 holders, restaurant spirits retailer license holders, spirits, beer,
15 and wine private club license holders, hotel license holders, sports
16 entertainment facility license holders, and spirits, beer, and wine
17 nightclub license holders, and to other spirits distributors; and (b)
18 export the same from the state.

1 (2) By January 1, 2012, the board must issue spirits distributor
2 licenses to all applicants who, upon December 8, 2011, have the right
3 to purchase spirits from a spirits manufacturer, spirits distiller, or
4 other spirits supplier for resale in the state, or are agents of such
5 supplier authorized to sell to licensees in the state, unless the board
6 determines that issuance of a license to such applicant is not in the
7 public interest.

8 (3)(a) As limited by (b) of this subsection and subject to (c) of
9 this subsection, each spirits distributor licensee must pay to the
10 board (~~for deposit into the liquor revolving fund,~~) a license
11 issuance fee (~~calculated as follows:~~

12 ~~(i) In each of the first two years of licensure,~~) of ten percent
13 of the total revenue from all the licensee's sales of spirits made
14 during the year for which the fee is due(~~, respectively; and~~

15 ~~(ii) In the third year of licensure and each year thereafter, five~~
16 ~~percent of the total revenue from all the licensee's sales of spirits~~
17 ~~made during the year for which the fee is due, respectively)).~~ Fifty
18 percent of the funds collected under this subsection (3)(a) must be
19 deposited in the liquor revolving fund, thirty percent must be
20 deposited into the chemical dependency treatment account created in
21 section 3 of this act, and twenty percent must be deposited into the
22 criminal justice treatment account under RCW 70.96A.350.

23 (b) The fee required under this subsection (3) is calculated only
24 on sales of items which the licensee was the first spirits distributor
25 in the state to have received:

26 (i) In the case of spirits manufactured in the state, from the
27 distiller; or

28 (ii) In the case of spirits manufactured outside the state, from an
29 authorized out-of-state supplier.

30 (c) By March 31, 2013, all persons holding spirits distributor
31 licenses on or before March 31, 2013, must have paid collectively one
32 hundred fifty million dollars or more in spirits distributor license
33 fees. If the collective payment through March 31, 2013, totals less
34 than one hundred fifty million dollars, the board must, according to
35 rules adopted by the board for the purpose, collect by May 31, 2013, as
36 additional spirits distributor license fees the difference between one
37 hundred fifty million dollars and the actual receipts, allocated among
38 persons holding spirits distributor licenses at any time on or before

1 March 31, 2013, ratably according to their spirits sales made during
2 calendar year 2012. Any amount by which such payments exceed one
3 hundred fifty million dollars by March 31, 2013, must be credited to
4 future license issuance fee obligations of spirits distributor
5 licensees according to rules adopted by the board.

6 (d) A retail licensee selling for resale must pay a distributor
7 license fee under the terms and conditions in this section on resales
8 of spirits the licensee has purchased on which no other distributor
9 license fee has been paid. The board must establish rules setting
10 forth the frequency and timing of such payments and reporting of sales
11 dollar volume by the licensee, with payments due quarterly in arrears.

12 (e) No spirits inventory may be subject to calculation of more than
13 a single spirits distributor license issuance fee.

14 (4) In addition to the payment set forth in subsection (3) of this
15 section, each spirits distributor licensee renewing its annual license
16 must pay an annual license renewal fee of one thousand three hundred
17 twenty dollars for each licensed location.

18 (5) There is no minimum facility size or capacity for spirits
19 distributor licenses, and no limit on the number of such licenses
20 issued to qualified applicants. License applicants must provide
21 physical security of the product that is substantially as effective as
22 the physical security of the distribution facilities currently operated
23 by the board with respect to preventing pilferage. License issuances
24 and renewals are subject to RCW 66.24.010 and the regulations
25 promulgated thereunder, including without limitation rights of cities,
26 towns, county legislative authorities, the public, churches, schools,
27 and public institutions to object to or prevent issuance of local
28 liquor licenses. However, existing distributor premises licensed to
29 sell beer and/or wine are deemed to be premises "now licensed" under
30 RCW 66.24.010(9)(a) for the purpose of processing applications for
31 spirits distributor licenses.

32 NEW SECTION. **Sec. 2.** A new section is added to chapter 74.50 RCW
33 to read as follows:

34 The chemical dependency treatment account is created in the state
35 treasury, subject to appropriation. Funds from license fees for
36 spirits retailers and spirits distributors must be deposited into the

1 account, as provided in RCW 66.24.055. Expenditures from the account
2 may only be used for programs and services provided for in this
3 chapter.

4 NEW SECTION. **Sec. 3.** This act is necessary for the immediate
5 preservation of the public peace, health, or safety, or support of the
6 state government and its existing public institutions, and takes effect
7 March 1, 2012.

--- END ---