
SENATE BILL 5845

State of Washington

55th Legislature

1997 Regular Session

By Senators Swecker, Prentice, Sellar, Hargrove, Benton, Schow, Heavey, Wood, Bauer, Winsley, Wojahn, Haugen, Rasmussen, Jacobsen, McCaslin, Anderson, Newhouse, Johnson, Horn, West, Morton, Hochstatter, Sheldon, Goings, Finkbeiner, Rossi, Hale, Roach and Oke

Read first time 02/17/97. Referred to Committee on Ways & Means.

1 AN ACT Relating to offsetting an increase in the beer tax for the
2 health care services account with a corresponding decrease in other
3 beer taxes; amending RCW 66.24.290, 69.50.520, and 66.08.180; providing
4 an effective date; and declaring an emergency.

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

6 **Sec. 1.** RCW 66.24.290 and 1995 c 232 s 4 are each amended to read
7 as follows:

8 (1) Any brewer or beer wholesaler licensed under this title may
9 sell and deliver beer to holders of authorized licenses direct, but to
10 no other person, other than the board; and every such brewer or beer
11 wholesaler shall report all sales to the board monthly, pursuant to the
12 regulations, and shall pay to the board as an added tax for the
13 privilege of manufacturing and selling the beer within the state a tax
14 of ~~((two))~~ one dollar~~((s))~~ and ~~((sixty))~~ thirty cents per barrel of
15 thirty-one gallons on sales to licensees within the state and on sales
16 to licensees within the state of bottled and canned beer shall pay a
17 tax computed in gallons at the rate of ~~((two))~~ one dollar~~((s))~~ and
18 ~~((sixty))~~ thirty cents per barrel of thirty-one gallons. Any brewer or
19 beer wholesaler whose applicable tax payment is not postmarked by the

1 twentieth day following the month of sale will be assessed a penalty at
2 the rate of two percent per month or fraction thereof. Beer shall be
3 sold by brewers and wholesalers in sealed barrels or packages. The
4 moneys collected under this subsection shall be distributed as follows:
5 Twenty percent shall be distributed to counties in the same manner as
6 under RCW 66.08.200; and eighty percent shall be distributed to
7 incorporated cities and towns in the same manner as under RCW
8 66.08.210.

9 ~~(2) ((An additional tax is imposed equal to seven percent~~
10 ~~multiplied by the tax payable under subsection (1) of this section.~~
11 ~~All revenues collected during any month from this additional tax shall~~
12 ~~be transferred to the state general fund by the twenty-fifth day of the~~
13 ~~following month.~~

14 ~~(3))~~ An additional tax is imposed on all beer subject to tax under
15 subsection (1) of this section. The additional tax is equal to ~~((two))~~
16 one dollar~~((s))~~ per barrel of thirty-one gallons. All revenues
17 collected during any month from this additional tax shall be deposited
18 in the violence reduction and drug enforcement account under RCW
19 69.50.520 by the twenty-fifth day of the following month.

20 ~~((+4))~~ (3)(a) An additional tax is imposed on all beer subject to
21 tax under subsection (1) of this section. The additional tax is equal
22 to ninety-six cents per barrel of thirty-one gallons through June 30,
23 1995, two dollars and thirty-nine cents per barrel of thirty-one
24 gallons for the period July 1, 1995, through June 30, 1997, and four
25 dollars and seventy-eight cents per barrel of thirty-one gallons
26 thereafter.

27 (b) The additional tax imposed under this subsection does not apply
28 to the sale of the first sixty thousand barrels of beer each year by
29 breweries that are entitled to a reduced rate of tax under 26 U.S.C.
30 Sec. 5051, as existing on July 1, 1993, or such subsequent date as may
31 be provided by the board by rule consistent with the purposes of this
32 exemption.

33 (c) All revenues collected from the additional tax imposed under
34 this subsection ~~((+4))~~ (3) shall be deposited in the health services
35 account under RCW 43.72.900.

36 ~~((+5))~~ (4) The tax imposed under this section shall not apply to
37 "strong beer" as defined in this title.

1 **Sec. 2.** RCW 69.50.520 and 1995 2nd sp.s. c 18 s 919 are each
2 amended to read as follows:

3 The violence reduction and drug enforcement account is created in
4 the state treasury. All designated receipts from RCW 9.41.110(~~(+7)~~)
5 (8), 66.24.210(4), 66.24.290(~~(+3)~~)(2), 69.50.505(h)(1), 82.08.150(5),
6 82.24.020(2), 82.64.020, and section 420, chapter 271, Laws of 1989
7 shall be deposited into the account. Expenditures from the account may
8 be used only for funding services and programs under chapter 271, Laws
9 of 1989 and chapter 7, Laws of 1994 sp. sess., including state
10 incarceration costs. After July 1, 1997, at least seven and one-half
11 percent of expenditures from the account shall be used for providing
12 grants to community networks under chapter 70.190 RCW by the family
13 policy council.

14 **Sec. 3.** RCW 66.08.180 and 1995 c 398 s 16 are each amended to read
15 as follows:

16 Except as provided in RCW 66.24.290(1), moneys in the liquor
17 revolving fund shall be distributed by the board at least once every
18 three months in accordance with RCW 66.08.190, 66.08.200 and 66.08.210:
19 PROVIDED, That the board shall reserve from distribution such amount
20 not exceeding five hundred thousand dollars as may be necessary for the
21 proper administration of this title.

22 (1) All license fees, penalties and forfeitures derived under this
23 act from class H licenses or class H licensees shall every three months
24 be disbursed by the board as follows:

25 (a) Three hundred thousand dollars per biennium, to the University
26 of Washington for the forensic investigations council to conduct the
27 state toxicological laboratory pursuant to RCW 68.50.107; and

28 (b) Of the remaining funds:

29 (i) 6.06 percent to the University of Washington and 4.04 percent
30 to Washington State University for alcoholism and drug abuse research
31 and for the dissemination of such research; and

32 (ii) 89.9 percent to the general fund to be used by the department
33 of social and health services solely to carry out the purposes of RCW
34 70.96A.050;

35 (2) The first fifty-five dollars per license fee provided in RCW
36 66.24.320 and 66.24.330 up to a maximum of one hundred fifty thousand
37 dollars annually shall be disbursed every three months by the board to
38 the general fund to be used for juvenile alcohol and drug prevention

1 programs for kindergarten through third grade to be administered by the
2 superintendent of public instruction;

3 (3) Twenty percent of the remaining total amount derived from
4 license fees pursuant to RCW 66.24.320, 66.24.330, 66.24.340,
5 66.24.350, 66.24.360, and 66.24.370, shall be transferred to the
6 general fund to be used by the department of social and health services
7 solely to carry out the purposes of RCW 70.96A.050; and

8 (4) One-fourth cent per liter of the tax imposed by RCW 66.24.210
9 shall every three months be disbursed by the board to Washington State
10 University solely for wine and wine grape research, extension programs
11 related to wine and wine grape research, and resident instruction in
12 both wine grape production and the processing aspects of the wine
13 industry in accordance with RCW 28B.30.068. The director of financial
14 management shall prescribe suitable accounting procedures to ensure
15 that the funds transferred to the general fund to be used by the
16 department of social and health services and appropriated are
17 separately accounted for.

18 NEW SECTION. **Sec. 4.** This act is necessary for the immediate
19 preservation of the public peace, health, or safety, or support of the
20 state government and its existing public institutions, and takes effect
21 July 1, 1997.

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