

FINAL BILL REPORT

SSB 5364

C 281 L 99

Synopsis as Enacted

Brief Description: Administering and designating liquor licenses.

Sponsors: Senate Committee on Commerce, Trade, Housing & Financial Institutions (originally sponsored by Senators Prentice, Winsley and Shin; by request of Liquor Control Board).

Senate Committee on Commerce, Trade, Housing & Financial Institutions
House Committee on Commerce & Labor

Background: The Liquor Control Board licenses those who manufacture, distribute, or sell to the public beer, wine, or liquor. During 1997 and 1998, the Legislature eliminated an alphabet based licensing structure and replaced it with a licensing structure that names the specific privilege or privileges granted to the licensee. For example, a restaurant that sells spirits, beer, and wine by the drink is issued a spirits, beer, and wine restaurant license.

The Liquor Control Board must set aside 10 percent of gross liquor sales made to certain licensees. However, there is a conflicting statute which requires the board to give a 15 percent discount to licensees who purchase liquor directly from the board. The set aside statute does not take into account the 15 percent discount and requires the board to set aside income not received because of the discount.

The board requires wine warehouse licensees to post a wine tax surety bond in the amount of \$5,000. The law also requires a tax to be paid on any beer sold in Washington whether manufactured inside or outside the state. The board requires a surety bond for this beer tax. The board sets the amount of the bond.

Summary: Many technical changes are made to delete outdated alphabetical licensing references and replace them with new terms describing the specific privilege granted to the licensee. The Liquor Control Board pays 10 percent of gross sales less a 15 percent discount to the liquor revolving fund. Instead of automatically requiring tax surety bonds, the board decides on a case by case basis whether a wine warehouse license is required to have a tax surety bond, and whether a surety bond is required for taxes on beer.

Votes on Final Passage:

Senate	47	0	
House	96	0	(House amended)
Senate			(Senate refused to concur)
House	95	0	(House receded)

Effective: July 25, 1999