

SENATE BILL REPORT

SB 5551

As Amended by House, April 10, 2007

Title: An act relating to enforcement of liquor and tobacco laws.

Brief Description: Enhancing enforcement of liquor and tobacco laws.

Sponsors: Senators Prentice, Kohl-Welles, Clements and Rasmussen; by request of Liquor Control Board.

Brief History:

Committee Activity: Labor, Commerce, Research & Development: 2/08/07, 2/19/07 [DP].
Passed Senate: 3/14/07, 48-0.

SENATE COMMITTEE ON LABOR, COMMERCE, RESEARCH & DEVELOPMENT

Majority Report: Do pass.

Signed by Senators Kohl-Welles, Chair; Keiser, Vice Chair; Clements, Ranking Minority Member; Franklin, Holmquist and Murray.

Staff: Jennifer Strus (786-7316)

Background: The Liquor Control Board (LCB) has inspection authority to obtain information from licensees and common carriers about any matter related to the administration and enforcement of the state liquor laws. The LCB also enforces the tax laws pertaining to cigarettes and other tobacco products. The LCB may inspect the books and records of common carriers when enforcing the tax laws related to tobacco products but not to cigarettes. The LCB also has no authority to inspect books and records of vehicle rental agencies.

The LCB has no authority to issue administrative subpoenas to obtain books and records relating to the transportation and importation of contraband cigarettes and tobacco products or to determine whether liquor violations have occurred.

Summary of Bill: The LCB has authority to inspect the books and records of common carriers in enforcing the cigarette tax law, and to inspect books and records of vehicle rental agencies used to transport cigarettes and other tobacco products. The LCB also has authority to issue subpoenas to compel the production of books and records during an investigation of alleged violations of both the liquor and tobacco tax laws.

Appropriation: None.

Fiscal Note: Available.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

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: There are lots of people using rental vehicles to move contraband cigarettes and the LCB does not currently have any authority to search those vehicles. Providing that authority would be very helpful in combating this problem.

Persons Testifying: PRO: Rick Garza, LCB.

House Amendment(s): Provides a business and occupation tax exemption for the stamping allowance provided to licensed cigarette wholesalers and retailers for their services in affixing cigarette tax stamps. Provides a credit for other tobacco products tax paid for tobacco products sold to the U.S. or its agencies or to federally recognized Indian tribes and tribal entities.