

# SENATE BILL REPORT

## ESB 5665

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As Amended by House, April 11, 2017

**Title:** An act relating to the use of credit cards for purchases of spirits and wine by a purchaser licensed to sell spirits and/or wine for consumption on the licensed premises.

**Brief Description:** Concerning the use of credit cards for purchases of beer, spirits, and wine by the purchaser licensed to sell beer, spirits, and/or wine for consumption on the licensed premises.

**Sponsors:** Senators Wilson, Keiser, Conway and King.

**Brief History:**

**Committee Activity:** Commerce, Labor & Sports: 2/13/17, 2/15/17 [DP].

**Floor Activity:**

Passed Senate: 3/06/17, 49-0.

Passed House: 4/11/17, 97-0.

**Brief Summary of Engrossed Bill**

- Authorizes a licensed distributor of beer, spirits, and/or wine to impose a credit card fee on a purchaser licensed to sell beer, spirits and/or wine for on-premises consumption.

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### SENATE COMMITTEE ON COMMERCE, LABOR & SPORTS

**Majority Report:** Do pass.

Signed by Senators Baumgartner, Chair; Braun, Vice Chair; Keiser, Ranking Minority Member; Conway, Hasegawa, King, Rossi, Saldaña and Wilson.

**Staff:** Richard Rodger (786-7461)

**Background:** Checks, credit or debit cards, prepaid accounts, electronic fund transfers, and other similar methods approved by the Liquor and Cannabis Board may be used as cash payment with respect to transactions among liquor retailers, manufacturers, importers, or distributors. Electronic fund transfers must be voluntary, conducted pursuant to a written agreement, initiated no later than the first business day following delivery, and completed as promptly as is reasonably practical, but no later than five business days following delivery.

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*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.*

**Summary of Engrossed Bill:** A licensed distributor of beer, spirits, and/or wine is authorized to impose a credit card fee on a purchaser licensed to sell beer, spirits and/or wine for on-premises consumption provided:

- the decision to make payment by credit card is voluntary; and
- the credit card fee is explicitly disclosed as a separate line item on the distributor's invoice.

**Appropriation:** None.

**Fiscal Note:** Available.

**Creates Committee/Commission/Task Force that includes Legislative members:** No.

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

**Staff Summary of Public Testimony on Original Bill:** PRO: This bill provides a more useable option for an on-premises licensee to use a credit card for their purchases from spirits and wine distributors. Current law allows for credit cards to be used, but the purchaser should be responsible for paying related fees. We are happy to report that we are all in agreement on this bill. The bill could be broadened to include beer transactions and sales to off-premises licensees.

**Persons Testifying:** PRO: Senator Lynda Wilson, Prime Sponsor; Scott Hazlegrove, WA Beer & Wine Distributors Association; Ron Main, Association of Washington Spirits and Wine Distributors; Julia Gorton, Washington Hospitality Association.

**Persons Signed In To Testify But Not Testifying:** No one.

**EFFECT OF HOUSE AMENDMENT(S):** Establishes a standard for calculating the maximum credit card fee that may be imposed by a liquor distributor in a sales transaction with a purchaser licensed to sell spirits, beer, and/or wine for consumption on the licensed premises. The aggregate of all credit card fees passed on to the customers during a specified period, may not exceed the fees imposed by credit card issuers during that period.