

SB 6220 - S AMD 587

By Senator Honeyford

NOT ADOPTED 03/04/2014

1 On page 1, after line 9, insert the following:

2 "Sec. 2. RCW 66.24.055 and 2013 2nd sp.s. c 12 s 1 are each
3 amended to read as follows:

4 (1) There is a license for spirits distributors to:

5 (a) Sell spirits purchased from manufacturers, distillers, or
6 suppliers including, without limitation, licensed Washington
7 distilleries, licensed spirits importers, other Washington spirits
8 distributors, or suppliers of foreign spirits located outside of the
9 United States, to spirits retailers including, without limitation,
10 spirits retail licensees, special occasion license holders, interstate
11 common carrier license holders, restaurant spirits retailer license
12 holders, spirits, beer, and wine private club license holders, hotel
13 license holders, sports entertainment facility license holders, and
14 spirits, beer, and wine nightclub license holders, and to other spirits
15 distributors; (~~and~~)

16 (b) Sell spirits in their original containers to consumers from the
17 distributors' licensed premises; and

18 (c) Export the same from the state.

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

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

1 (i) In each of the first twenty-seven months of licensure, ten
2 percent of the total revenue from all the licensee's sales of spirits
3 made during the month for which the fee is due, respectively; and

4 (ii) In the twenty-eighth month of licensure and each month
5 thereafter, five percent of the total revenue from all the licensee's
6 sales of spirits made during the month for which the fee is due,
7 respectively.

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

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

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

15 (c) By March 31, 2013, all persons holding spirits distributor
16 licenses on or before March 31, 2013, must have paid collectively one
17 hundred fifty million dollars or more in spirits distributor license
18 fees. If the collective payment through March 31, 2013, totals less
19 than one hundred fifty million dollars, the board must, according to
20 rules adopted by the board for the purpose, collect by May 31, 2013, as
21 additional spirits distributor license fees the difference between one
22 hundred fifty million dollars and the actual receipts, allocated among
23 persons holding spirits distributor licenses at any time on or before
24 March 31, 2013, ratably according to their spirits sales made during
25 calendar year 2012. Any amount by which such payments exceed one
26 hundred fifty million dollars by March 31, 2013, must be credited to
27 future license issuance fee obligations of spirits distributor
28 licensees according to rules adopted by the board.

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

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

37 (4) In addition to the payment set forth in subsection (3) of this

1 section, each spirits distributor licensee renewing its annual license
2 must pay an annual license renewal fee of one thousand three hundred
3 twenty dollars for each licensed location.

4 (5) There is no minimum facility size or capacity for spirits
5 distributor licenses, and no limit on the number of such licenses
6 issued to qualified applicants. License applicants must provide
7 physical security of the product that is substantially as effective as
8 the physical security of the distribution facilities currently operated
9 by the board with respect to preventing pilferage. License issuances
10 and renewals are subject to RCW 66.24.010 and the regulations
11 promulgated thereunder, including without limitation rights of cities,
12 towns, county legislative authorities, the public, churches, schools,
13 and public institutions to object to or prevent issuance of local
14 liquor licenses. However, existing distributor premises licensed to
15 sell beer and/or wine are deemed to be premises "now licensed" under
16 RCW 66.24.010(9)(a) for the purpose of processing applications for
17 spirits distributor licenses."

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18 On page 1, line 2, after "resale;" insert "amending RCW 66.24.055;"

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