

# FINAL BILL REPORT

## SB 5551

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Synopsis as Enacted

**Brief Description:** Enhancing enforcement of liquor and tobacco laws.

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

**Senate Committee on Labor, Commerce, Research & Development**

**House Committee on Commerce & Labor**

**House Committee on Finance**

**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:** 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.

Licensed cigarette wholesalers and retailers are allowed a business and occupation tax exemption for the stamping allowance. This exemption is provided for their services in affixing cigarette tax stamps. A credit is provided for other tobacco products tax paid for tobacco products sold to the United States or its agencies or to federally recognized Indian tribes and tribal entities.

**Votes on Final Passage:**

Senate	48	0	
House	98	0	(House amended)
Senate	46	0	(Senate concurred)

**Effective:** July 22, 2007