

SENATE BILL REPORT

SB 5173

As Reported By Senate Committee On:
Commerce & Labor, February 28, 1997
Ways & Means, March 10, 1997

Title: An act relating to improving the liquor license schematic of the state of Washington.

Brief Description: Improving the liquor license schematic of the state of Washington.

Sponsors: Senators Schow, Prentice and Horn; by request of Liquor Control Board.

Brief History:

Committee Activity: Commerce & Labor: 1/30/97, 2/28/97 [DPS-WM].
Ways & Means: 3/7/97, 3/10/97 [DPS (COL)]

SENATE COMMITTEE ON COMMERCE & LABOR

Majority Report: That Substitute Senate Bill No. 5173 be substituted therefor, and the substitute bill do pass and be referred to Committee on Ways & Means.

Signed by Senators Schow, Chair; Horn, Vice Chair; Anderson, Franklin, Fraser, Heavey and Newhouse.

Staff: Traci Ratzliff (786-7452)

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: That Substitute Senate Bill No. 5173 as recommended by Committee on Commerce & Labor be substituted therefor, and the substitute bill do pass.

Signed by Senators West, Chair; Deccio, Vice Chair; Strannigan, Vice Chair; Bauer, Brown, Fraser, Hochstatter, Kohl, Long, McDonald, Rossi, Schow, Spanel, Swecker, Winsley and Zarelli.

Staff: Bryon Moore (786-7726)

Background: Under current law, the Liquor Control Board issues licenses to those who manufacture, distribute, or sell to the public, beer, wine or liquor in this state. Those licensees desiring the privilege to conduct a mixture of activities, such as selling beer and wine at retail, are currently required to obtain multiple liquor licenses.

The current alphabet-based– licensing structure has often been cumbersome to operate and confusing to the public, licensees or potential licensees.

The fees charged for liquor licenses are statutorily set.

Summary of Substitute Bill: The current licensing structure is modified to eliminate the current alphabet-based license scheme. It is replaced with a licensing structure that names the specific type of privilege or privileges granted to a licensee. For example, a restaurant where beer, wine or spirits are sold at retail is issued a full service restaurant license.

In addition, a number of types of licenses that are traditionally obtained together by licensees, are combined into one type of license. As a result, many licensees are no longer required to obtain several different licenses to conduct business but are required to obtain only one license. For example, a restaurant where beer and wine are sold for on-premise consumption is required to obtain only a beer and wine restaurant license, instead of two separate licenses, a beer retailer's license and a wine retailer's license.

Fees for the new liquor licenses are statutorily established. The fees for several licenses are increased, in part to reflect the combining of two or more licenses and/or to reflect increased costs of issuing/regulating such licenses or licensees.

Substitute Bill Compared to Original Bill: A number of the licensing fees are adjusted to address concerns raised regarding the increases that would have been experienced by certain licensees, as a result of the new licensing scheme.

Appropriation: None.

Fiscal Note: Requested on January 20, 1997.

Effective Date: The bill takes effect July 1, 1998.

Testimony For (Commerce & Labor): This bill will make the liquor licensing process easier for licensees and provide more flexibility for licensees as they grow and change their practices.

Testimony Against (Commerce & Labor): We don't think the new fee structure established in the bill is fair and equitable. Some licensees will see a fee increase and others will actually experience a reduction.

Testified (Commerce & Labor): PRO: Carter Mitchell, Chuck Dalrymple, Liquor Control Board; CON: Dick Ducharme, Phil Wayt, Wine & Beer Wholesalers; Vito Chiechi, Licensed Beverage Assn.

Testimony For (Ways & Means): This is a needed modification to the liquor licensing structure. The fee structure is an agreed-to change.

Testimony Against (Ways & Means): None.

Testified (Ways & Means): Senator Ray Schow, prime sponsor (pro); Carter Mitchell, Liquor Control Board.