
SENATE BILL 6828

State of Washington 56th Legislature 2000 Regular Session

By Senators Thibaudeau and Prentice; by request of Governor Locke

Read first time 02/03/2000. Referred to Committee on Ways & Means.

1 AN ACT Relating to authorizing a credit of tribal taxes against
2 state taxes on liquor subject to agreements regarding the state and
3 tribal tax systems; amending RCW 66.08.050; adding a new section to
4 chapter 43.06 RCW; adding a new section to chapter 82.08 RCW; creating
5 a new section; and declaring an emergency.

6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

7 NEW SECTION. **Sec. 1.** The legislature intends to further the
8 government-to-government relationship between the state of Washington
9 and the federally recognized Indian tribes in the state of Washington
10 by authorizing the governor to enter into cooperative agreements with
11 federally recognized Indian tribes in the state of Washington
12 concerning the taxation of liquor. The legislature finds that these
13 agreements will provide a means to address issues of alcohol on
14 reservations, maintain revenue for essential government services,
15 maintain jobs in local communities, and strengthen the relationship
16 between Indian tribes and the state of Washington.

17 NEW SECTION. **Sec. 2.** A new section is added to chapter 43.06 RCW
18 to read as follows:

1 (1) The governor may enter into cooperative agreements with any
2 federally recognized Indian tribe in the state of Washington concerning
3 the taxation of liquor within that tribe's reservation boundaries or
4 upon trust land. All cooperative agreements shall meet the
5 requirements for cooperative agreements under this section.

6 (2) A cooperative agreement shall provide that the tribal liquor
7 tax is credited against the state taxes under chapters 82.08 and 82.12
8 RCW.

9 (3) An agreement under this section must include provisions for:

10 (a) Collection procedures for the taxes. The department of
11 revenue, at no cost to the tribe, shall collect the tribal tax for
12 distribution to the tribe;

13 (b) Details of the tribal tax, including agreement regarding the
14 measure and base of the tax. This subsection (3)(b) is intended to
15 make the state and tribal tax systems uniform for simplification
16 purposes in order to reduce collection costs and minimize the burden on
17 businesses;

18 (c) The tribal tax rate, such that the tribe will maintain its tax
19 at a rate equal to or lower than an amount that produces no more than
20 an amount equivalent to the state distribution from the taxes under
21 chapters 82.08 and 82.12 RCW regarding liquor as defined in RCW
22 66.04.010;

23 (d) Dedicated use of tribal liquor tax revenue for substance abuse
24 programs, alcohol-related law enforcement activities, and other public
25 health purposes; and

26 (e) Agreement that the tribal tax is in lieu of all other fees and
27 taxes on liquor and that the tribe agrees to not license or tax liquor
28 in any other manner except as prescribed in the agreement under this
29 section.

30 (4) Cooperative agreements will provide for the submission of
31 disputes to an arbitrator or mediator and may provide for submission of
32 disputes regarding the interpretation and administration of their
33 provisions for judicial resolution, but a limited waiver of sovereign
34 immunity and consent by the state for the resolution shall be
35 conditioned upon a similar limited waiver of sovereign immunity by the
36 Indian tribe, which waiver shall be approved or otherwise confirmed by
37 the United States as may be required by law and to the extent permitted
38 by law.

1 (5) The governor may delegate the power to negotiate cooperative
2 agreements under this section to the department of revenue and the
3 liquor control board jointly.

4 (6) For purposes of this section "federally recognized Indian tribe
5 or nation" or "tribe" means an Indian tribal entity that is recognized
6 as an Indian tribe by the United States secretary of the interior.

7 NEW SECTION. **Sec. 3.** A new section is added to chapter 82.08 RCW
8 to read as follows:

9 Subject to section 2 of this act, a tax enacted by a federally
10 recognized Indian tribe applicable to liquor that is also subject to
11 tax under this chapter shall be credited against the tax imposed under
12 this chapter. The tax shall be credited against the state share of the
13 distribution and shall not reduce the proceeds for distribution to
14 local governments.

15 **Sec. 4.** RCW 66.08.050 and 1997 c 228 s 1 are each amended to read
16 as follows:

17 The board, subject to the provisions of this title and the rules,
18 shall:

19 (1) Determine the localities within which state liquor stores shall
20 be established throughout the state, and the number and situation of
21 the stores within each locality;

22 (2) Appoint in cities and towns and other communities, in which no
23 state liquor store is located, liquor vendors. In addition, the board
24 may appoint, in its discretion, a manufacturer that also manufactures
25 liquor products other than wine under a license under this title, as a
26 vendor for the purpose of sale of liquor products of its own
27 manufacture on the licensed premises only. Such liquor vendors shall
28 be agents of the board and be authorized to sell liquor to such
29 persons, firms or corporations as provided for the sale of liquor from
30 a state liquor store, and such vendors shall be subject to such
31 additional rules and regulations consistent with this title as the
32 board may require;

33 (3) Establish all necessary warehouses for the storing and
34 bottling, diluting and rectifying of stocks of liquors for the purposes
35 of this title;

36 (4) Provide for the leasing for periods not to exceed ten years of
37 all premises required for the conduct of the business; and for

1 remodeling the same, and the procuring of their furnishings, fixtures,
2 and supplies; and for obtaining options of renewal of such leases by
3 the lessee. The terms of such leases in all other respects shall be
4 subject to the direction of the board;

5 (5) Determine the nature, form and capacity of all packages to be
6 used for containing liquor kept for sale under this title;

7 (6) Execute or cause to be executed, all contracts, papers, and
8 documents in the name of the board, under such regulations as the board
9 may fix;

10 (7) Pay all customs, duties, excises, charges and obligations
11 whatsoever relating to the business of the board;

12 (8) Require bonds from all employees in the discretion of the
13 board, and to determine the amount of fidelity bond of each such
14 employee;

15 (9) Perform services for the state lottery commission to such
16 extent, and for such compensation, as may be mutually agreed upon
17 between the board and the commission;

18 (10) Accept and deposit into the general fund-local account and
19 disburse, subject to appropriation, federal grants or other funds or
20 donations from any source for the purpose of improving public awareness
21 of the health risks associated with alcohol consumption by youth and
22 the abuse of alcohol by adults in Washington state. The board's
23 alcohol awareness program shall cooperate with federal and state
24 agencies, interested organizations, and individuals to effect an active
25 public beverage alcohol awareness program;

26 (11) Perform all other matters and things, whether similar to the
27 foregoing or not, to carry out the provisions of this title, and shall
28 have full power to do each and every act necessary to the conduct of
29 its business, including all buying, selling, preparation and approval
30 of forms, and every other function of the business whatsoever, subject
31 only to audit by the state auditor: PROVIDED, That the board shall
32 have no authority to regulate the content of spoken language on
33 licensed premises where wine and other liquors are served and where
34 there is not a clear and present danger of disorderly conduct being
35 provoked by such language;

36 (12) Enter into cooperative agreements, jointly with the department
37 of revenue, on behalf of the governor under section 2 of this act.

1 NEW SECTION. **Sec. 5.** This act is necessary for the immediate
2 preservation of the public peace, health, or safety, or support of the
3 state government and its existing public institutions, and takes effect
4 immediately.

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