

SENATE BILL REPORT

SHB 2686

As Reported By Senate Committee On:
Commerce & Trade, February 25, 2004

Title: An act relating to inspection of books, documents, and records pertaining to the transportation or possession of cigarettes.

Brief Description: Authorizing inspection of records regarding transportation of cigarettes.

Sponsors: House Committee on Commerce & Labor (originally sponsored by Representatives Hudgins, Condotta and Conway; by request of Liquor Control Board).

Brief History:

Committee Activity: Commerce & Trade: 2/25/04 [DP].

SENATE COMMITTEE ON COMMERCE & TRADE

Majority Report: Do pass.

Signed by Senators Honeyford, Chair; Hewitt, Vice Chair; Franklin, Keiser and Mulliken.

Staff: Jennifer Strus (786-7316)

Background: The Liquor Control Board (board) is responsible for enforcement of the state's tax on cigarettes.

The board is authorized to inspect records and books of licensed businesses in enforcing liquor control laws. They also have authority to inspect records of those who sell cigarettes by mail order to enforce the tobacco access to minors code. They do not have this authority with regard to enforcement of the tobacco tax.

In the absence of authority to inspect shipping invoices of shipping companies and rental agreements of rental companies, the board must obtain a search warrant for records in individual situations. To get the warrant, the board must conduct surveillance to determine whether the unstamped cigarettes are going to a legitimate destination, such as a wholesaler.

Summary of Bill: For the purpose of enforcing the cigarette tax, the board has authority to inspect the records of any person transporting cigarettes in Washington. They are also given this authority with regard to records of common or contract carriers that have to do with possession or transportation of cigarettes.

It is a gross misdemeanor, and cause for seizure of cigarettes, to refuse to allow the board or its agents to inspect records.

Appropriation: None.

Fiscal Note: Available.

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

Testimony For: This bill will allow the Liquor Control Board to inspect the records of smaller carriers of cigarettes to ensure they are following the law.

Testimony Against: None.

Testified: PRO: Rep. Zack Hudgins, prime sponsor.