

# SENATE BILL REPORT

## SB 5258

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As of January 31, 2012

**Title:** An act relating to methods of payment for purposes of the alcohol beverage control statutes.

**Brief Description:** Concerning methods of payment for purposes of the alcohol beverage control statutes.

**Sponsors:** Senators Kline, Honeyford, Holmquist Newbry and Schoesler.

**Brief History:**

**Committee Activity:** Labor, Commerce & Consumer Protection: 1/27/11, 1/31/12.

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### SENATE COMMITTEE ON LABOR, COMMERCE & CONSUMER PROTECTION

**Staff:** Edith Rice (786-7444)

**Background:** Legislation enacted in 2009 provided that checks, credit or debit cards, electronic funds transfers (EFTs), and other similar methods of payment can be used as cash payments. For this to occur the EFTs must be voluntary, conducted pursuant to a written agreement, initiated no later than the first business day following delivery, and completed as promptly as is practical but no later than five business days following delivery. Current law prohibits industry members from advancing or receiving monies or monies' worth under any agreement, business practice, or arrangement.

**Summary of Bill:** The bill as referred to committee not considered.

**Summary of Bill (Proposed Substitute):** Checks not received at the time of delivery will be treated as cash payments for the purposes of complying with the Alcoholic Beverage Control Act, as long as they meet the same criteria as credit and debit cards, prepaid accounts, electronic funds transfers, etc. The Liquor Control Board will not enforce collection for insufficient funds.

**Appropriation:** None.

**Fiscal Note:** Available.

**Committee/Commission/Task Force Created:** No.

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

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

**Staff Summary of Public Testimony:** PRO: The ban on credit is an inconvenience for small wineries, this is a business courtesy, the same as an electronic benefits transfer.

CON: This will affect our bargaining power, we represent 95 percent of all wine produced in Washington and oppose a change in the law. This will put us at risk with nonpayment. We need to be able to get money at the time of delivery. Current law is not inconvenient. This would be a benefit to large retailers who can afford to wait on payment.

**Persons Testifying:** PRO: Paul Beveridge, Family Wineries of WA State; John Bell, FWWS.

CON: Jean Leonard, WA Wine Institute; Martin Clubb, L'Ecole No 41 Winery; Gaye McNutt, Cadence Winery; Ann Anderson, Walter Dacon Wines; T. K. Bentler, WA Brewers Guild; Ron Main, WA Beer and Wine Distributors.