

SB 6220 - S AMD 526
By Senator Keiser

NOT ADOPTED 03/04/2014

1 On page 1, after line 9, insert the following:

2 "Sec. 2. RCW 66.24.055 and 2013 2nd sp.s. c 12 s 1 are each
3 amended to read as follows:

4 (1) There is a license for spirits distributors to (a) sell spirits
5 purchased from manufacturers, distillers, or suppliers including,
6 without limitation, licensed Washington distilleries, licensed spirits
7 importers, other Washington spirits distributors, or suppliers of
8 foreign spirits located outside of the United States, to spirits
9 retailers including, without limitation, spirits retail licensees,
10 special occasion license holders, interstate common carrier license
11 holders, restaurant spirits retailer license holders, spirits, beer,
12 and wine private club license holders, hotel license holders, sports
13 entertainment facility license holders, and spirits, beer, and wine
14 nightclub license holders, and to other spirits distributors; and (b)
15 export the same from the state.

16 (2) By January 1, 2012, the board must issue spirits distributor
17 licenses to all applicants who, upon December 8, 2011, have the right
18 to purchase spirits from a spirits manufacturer, spirits distiller, or
19 other spirits supplier for resale in the state, or are agents of such
20 supplier authorized to sell to licensees in the state, unless the board
21 determines that issuance of a license to such applicant is not in the
22 public interest.

23 (3)(a) As limited by (b) of this subsection and subject to (c) of
24 this subsection, each spirits distributor licensee must pay to the
25 board, for deposit into the liquor revolving fund, a license issuance
26 fee calculated as follows:

27 (i) In each of the first twenty-seven months of licensure, ten
28 percent of the total revenue from all the licensee's sales of spirits
29 made during the month for which the fee is due, respectively; and

1 (ii) In the twenty-eighth month of licensure and each month
2 thereafter, five percent of the total revenue from all the licensee's
3 sales of spirits made during the month for which the fee is due,
4 respectively.

5 (b) The fee required under this subsection (3) is calculated only
6 on sales of items which the licensee was the first spirits distributor
7 in the state to have received:

8 (i) In the case of spirits manufactured in the state, from the
9 distiller; or

10 (ii) In the case of spirits manufactured outside the state, from an
11 authorized out-of-state supplier.

12 (c) By March 31, 2013, all persons holding spirits distributor
13 licenses on or before March 31, 2013, must have paid collectively one
14 hundred fifty million dollars or more in spirits distributor license
15 fees. If the collective payment through March 31, 2013, totals less
16 than one hundred fifty million dollars, the board must, according to
17 rules adopted by the board for the purpose, collect by May 31, 2013, as
18 additional spirits distributor license fees the difference between one
19 hundred fifty million dollars and the actual receipts, allocated among
20 persons holding spirits distributor licenses at any time on or before
21 March 31, 2013, ratably according to their spirits sales made during
22 calendar year 2012. Any amount by which such payments exceed one
23 hundred fifty million dollars by March 31, 2013, must be credited to
24 future license issuance fee obligations of spirits distributor
25 licensees according to rules adopted by the board.

26 (d) A retail licensee selling for resale must pay a distributor
27 license fee under the terms and conditions in this section on resales
28 of spirits the licensee has purchased on which no other distributor
29 license fee has been paid. The board must establish rules setting
30 forth the frequency and timing of such payments and reporting of sales
31 dollar volume by the licensee, with payments due quarterly in arrears.

32 (e) No spirits inventory may be subject to calculation of more than
33 a single spirits distributor license issuance fee.

34 (4) In addition to the payment set forth in subsection (3) of this
35 section, each spirits distributor licensee renewing its annual license
36 must pay an annual license renewal fee of one thousand three hundred
37 twenty dollars for each licensed location.

1 (5) There is no minimum facility size or capacity for spirits
2 distributor licenses, and no limit on the number of such licenses
3 issued to qualified applicants. License applicants must provide
4 physical security of the product that is substantially as effective as
5 the physical security of the distribution facilities currently operated
6 by the board with respect to preventing pilferage. License issuances
7 and renewals are subject to RCW 66.24.010 and the regulations
8 promulgated thereunder, including without limitation rights of cities,
9 towns, county legislative authorities, the public, churches, schools,
10 and public institutions to object to or prevent issuance of local
11 liquor licenses. However, existing distributor premises licensed to
12 sell beer and/or wine are deemed to be premises "now licensed" under
13 RCW 66.24.010(9)(a) for the purpose of processing applications for
14 spirits distributor licenses.

15 (6) A retailer may not deliver spirits to a restaurant, unless the
16 retailer is also licensed as a spirits distributor under this section."

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17 On page 1, line 1 of the title, after "retail" strike the remainder
18 of the title and insert "and spirits distributor license fees; amending
19 RCW 66.24.055; and adding a new section to chapter 66.24 RCW."

EFFECT: Prohibits delivery of spirits by retailers to restaurants
unless the retailer is also a licensed distributor.

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