

SB 6220 - S AMD 525

By Senators Conway, Hewitt

WITHDRAWN 03/05/2014

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) and (c) of this subsection and subject to
24 (~~(c)~~) (d) of this subsection, each spirits distributor licensee must
25 pay to the board, for deposit into the liquor revolving fund, a license
26 issuance 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) The fee required under this subsection (3) is only required to
13 be paid by the spirits distributor that is the first in the state to
14 possess the spirits.

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

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

36 ((+e)) (f) No spirits inventory may be subject to calculation of
37 more than a single spirits distributor license issuance fee.

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

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

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

EFFECT: Requires the party that first possesses spirits in the state to pay the spirits distributor fee.

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