
Government Accountability & Oversight Committee

HB 1124

Brief Description: Concerning recommendations for streamlining reporting requirements for taxes and fees on spirits.

Sponsors: Representatives Hurst and Condotta.

Brief Summary of Bill

- Requires the Liquor Control Board and the Department of Revenue to make recommendations to the legislature detailing the statutory changes necessary to: (1) Streamline the collection of liquor taxes, fees, and reports; and (2) require a single state agency to be responsible for the collection of such revenue and information.

Hearing Date: 1/22/13

Staff: Thamas Osborn (786-7129).

Background:

The passage of Initiative 1183 (I-1183) in 2011 resulted in the massive reorganization of the liquor industry in this state, accompanied by significant changes in the regulatory duties, powers, and responsibilities of the Liquor Control Board (LCB). Among the many notable consequences of the I-1183 are the following:

- cessation of state liquor store and liquor distribution operations by June 1, 2012;
- liquidation of state owned and operated facilities related to liquor sales and distribution;
- authorization for the operation of private sector spirits retailers and spirits distributors;
- creation of spirits retailer and spirits distributor licenses;
- revision of regulations regarding wine distribution;
- repeal of the LCB's authority to set prices for spirits, including spirits markup; and
- authorization for the state to set license fees based on sales.

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.

However, notwithstanding the changes brought about by I-1183, the LCB remains the key regulatory body responsible for licensing matters, fee collection, and general oversight of the liquor industry in this state.

Pursuant to statute, state agencies are subject to requirements for filing reports with the House of Representatives, Senate, and the Governor. Such reports must be submitted in electronic format and made easily accessible to legislators, staff, and the public. In addition, upon the requisite submittal of the report, the reporting agency must send a letter by electronic means informing the appropriate legislative committees that the report has been filed.

Summary of Bill:

The LCB and the Department of Revenue are required to make recommendations to the legislature detailing the statutory changes necessary to: (1) Streamline the collection of liquor taxes, fees, and reports; and (2) require a single state agency to be responsible for the collection of such revenue and information. These recommendations are due by September 30, 2013, and must be in compliance with reporting requirements specified in statute.

Appropriation: None.

Fiscal Note: Requested.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.