

FINAL BILL REPORT

HB 1124

C 95 L 13
Synopsis as Enacted

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

Sponsors: Representatives Hurst and Condotta.

House Committee on Government Accountability & Oversight
House Committee on Finance
Senate Committee on Commerce & Labor

Background:

The passage of Initiative 1183 (I-1183) in 2011 resulted in the 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 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.

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 turn, the Department of Revenue (DOR) continues to be responsible for both the collection of liquor taxes and the regulatory oversight of the liquor taxation system.

Pursuant to statute, state agencies are subject to requirements for filing reports with the House of Representatives, the 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

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.

electronic means informing the appropriate legislative committees that the report has been filed.

Summary:

The LCB and the DOR 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.

Votes on Final Passage:

House	98	0
Senate	48	0

Effective: July 28, 2013