

FINAL BILL REPORT

E2SHB 1807

C 186 L 15
Synopsis as Enacted

Brief Description: Assisting small businesses licensed to sell spirits in Washington state.

Sponsors: House Committee on Appropriations (originally sponsored by Representatives Condotta and Hurst).

House Committee on Commerce & Gaming
House Committee on Appropriations
Senate Committee on Commerce & Labor

Background:

Spirits Retail Licensees.

Businesses licensed by the Liquor Control Board (LCB) to sell spirits at the retail level are designated as "spirits retail licensees." Such licensees generally fall into two categories: (1) grocery stores and other large retail establishments encompassing at least 10,000 feet of retail space; and (2) smaller liquor stores that are either former state-owned liquor stores or former "contract liquor stores" that sold liquor on behalf of the state pursuant to contracts with the LCB prior to the passage of Initiative Measure No. 1183 in 2011.

License Issuance Fee.

All spirits retail licensees must pay an annual license issuance fee to the LCB. Large spirits retail licensees, with retail space exceeding 10,000 square feet, must pay a license issuance fee equivalent to 17 percent of all spirit sales revenues. Beginning on June 30, 2013, former state liquor stores and former contract liquor stores were granted a limited exemption from the payment of the 17 percent license issuance fee for specified types of spirits sales. Specifically, such stores are exempt from payment of the 17 percent fee with respect to spirits sales to those retailers licensed to sell spirits for consumption on the premises (i.e., bars and restaurants).

Spirits Delivery Locations.

A spirits retail licensee must accept delivery of spirits shipments either at its licensed premises or at one or more warehouse facilities that have been registered with the LCB.

Summary:

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.

The LCB may not assess a monetary penalty exceeding 1 percent of the balance due against a licensee that fails to timely pay the license issuance fee.

For the purpose of negotiating volume discounts, a group of spirits retail licensees may accept delivery of spirits at their individual licensed premises, or at any one of the individual licensees premises, at a warehouse facility registered with the LCB.

Votes on Final Passage:

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|--------|----|---|-------------------|
| House | 98 | 0 | |
| Senate | 48 | 1 | (Senate amended) |
| House | 98 | 0 | (House concurred) |

Effective: July 24, 2015