

HOUSE BILL REPORT

HB 1893

As Reported by House Committee On: Commerce & Gaming

Title: An act relating to the use of credit cards for purchases of spirits and wine by a purchaser licensed to sell spirits and/or wine for consumption on the licensed premises.

Brief Description: Concerning the use of credit cards for purchases of spirits and wine by a purchaser licensed to sell spirits and/or wine for consumption on the licensed premises.

Sponsors: Representatives Vick, Kirby, Dolan, Doglio, Haler and McDonald.

Brief History:

Committee Activity:

Commerce & Gaming: 2/9/17, 2/13/17 [DPS].

Brief Summary of Substitute Bill

- Authorizes a licensed distributor of spirits and/or wine to impose a credit card fee on a purchaser licensed to sell spirits and/or wine for on-premises consumption.
- Requires that the credit card fee be limited to the actual amount of the fee charged by the credit card issuer for the transaction.

HOUSE COMMITTEE ON COMMERCE & GAMING

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 11 members: Representatives Sawyer, Chair; Kloba, Vice Chair; Condotta, Ranking Minority Member; Vick, Assistant Ranking Minority Member; Barkis, Blake, Farrell, Jenkin, Kirby, Ryu and Young.

Staff: Thamas Osborn (786-7129).

Background:

Checks, credit or debit cards, prepaid accounts, electronic fund transfers, and other similar methods approved by the Liquor and Cannabis Board may be used as cash payment with respect to transactions among liquor retailers, manufacturers, importers, or distributors.

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 fund transfers must be voluntary, conducted pursuant to a written agreement, initiated no later than the first business day following delivery, and completed as promptly as is reasonably practical, but no later than five business days following delivery.

Summary of Substitute Bill:

The substitute bill authorizes a licensed distributor of spirits and/or wine to impose a credit card fee on a purchaser licensed to sell spirits and/or wine for on-premises consumption provided:

- the decision to make payment by credit card is voluntary;
- the credit card fee is explicitly disclosed as a separate line item on the distributor's invoice; and
- the dollar amount of the fee is the same as the actual fee charged by the credit card issuer for the transaction.

Substitute Bill Compared to Original Bill:

The substitute bill makes the following changes to the original bill:

- limits the amount of the credit card fee that may be imposed to the actual fee charged by the credit card issuer for the transaction.
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Appropriation: None.

Fiscal Note: Available.

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

Staff Summary of Public Testimony:

(In support) This bill would allow liquor distributors to charge a credit card fee to those restaurants that opt to use a credit card to pay for liquor purchases. It requires the distributor to include the dollar amount of the credit card transaction fee as a line item on the sales invoice. The bill simply requires that the distributor explicitly disclose the amount of the credit card fees being charged. Using credit cards for payment is convenient for many restaurants and this bill would make the process more transparent. This benefits both distributors and restaurants. The bill should be amended so as to limit the amount of the credit card fee that may be imposed to the actual fee charged by the credit card issuer for the transaction. It should also be amended so as to extend these credit card requirements to wholesale liquor sales between other commercial liquor businesses.

(Opposed) None.

Persons Testifying: Representative Vick, prime sponsor; Julia Gorton, Washington Hospitality Association; and Bill Stauffacher and Ron Main, Association of Washington Spirits and Wine Distributors.

Persons Signed In To Testify But Not Testifying: None.