

HOUSE BILL REPORT

ESB 5665

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 beer, spirits, and wine by the purchaser licensed to sell beer, spirits, and/or wine for consumption on the licensed premises.

Sponsors: Senators Wilson, Keiser, Conway and King.

Brief History:

Committee Activity:

Commerce & Gaming: 3/20/17, 3/21/17 [DPA].

Brief Summary of Engrossed Bill (As Amended by Committee)

- Authorizes a licensed distributor of beer, spirits, and/or wine to impose a credit card fee on a purchaser licensed to sell beer, spirits, and/or wine for on-premises consumption.

HOUSE COMMITTEE ON COMMERCE & GAMING

Majority Report: Do pass as amended. 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. Electronic fund transfers must be voluntary, conducted pursuant to a written agreement,

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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 Amended Bill:

A licensed distributor of beer, spirits, and/or wine is authorized to impose a credit card fee on a purchaser licensed to sell beer, 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.
- The credit card fee does not exceed the actual fee charged by the credit card issuer for the transaction.

Amended Bill Compared to Engrossed Bill:

The amended 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.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Amended 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 allows the use of credit cards in commercial liquor transactions between distributors and a purchaser licensed to sell beer, spirits, and wine for on-premises consumption. Allowing the use of credit cards would make transactions quicker and more convenient. The Senate version of the bill does not address the amount of credit card fees that may be charged, but the House companion bill limits the fee to the actual amount charged by the credit card vendor. One problem with this approach to limiting the credit card fee amount is that each credit card vendor has a different fee schedule for credit card transactions. There should be an amendment to address this problem.

(Opposed) None.

Persons Testifying: Senator Wilson, prime sponsor; and Ron Main, Association of Washington Spirits and Wine Distributors.

Persons Signed In To Testify But Not Testifying: None.