
State Government & Tribal Affairs
Committee

HB 1372

Brief Description: Concerning methods of payment for purposes of the alcohol beverage control statutes.

Sponsors: Representatives Condotta, Warnick, Finn, Fagan and Armstrong.

Brief Summary of Bill

- Provides that payment specifications for retailers to purchase liquor using electronic fund transfers, such as payments within five days of delivery, apply to other payment methods, such as checks.

Hearing Date: 2/17/11

Staff: Joan Elgee (786-7106).

Background:

The liquor tied house laws regulate the relationship between industry members (liquor manufacturers and distributors) and retailers. Under the "moneys' worth" piece, no industry member may advance money or moneys' worth to a retailer. This law has been interpreted to require payment by cash and prohibit the extension of credit to retailers.

Legislation enacted in 2009 specified that checks, credit or debit cards, prepaid accounts, electronic fund transfers, and other similar methods approved by the Board may be used as cash payment. Electronic fund transfers (EFTs) 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 Bill:

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 specifications for electronic fund transfers for purchases by retailers apply to checks, credit or debit cards, and other similar methods of payment as approved by the Board. These methods 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 practical, but no later than five business days following delivery.

Appropriation: None.

Fiscal Note: Not requested.

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