

1 **H. B. 3004**

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3 (By Delegates Morgan, Skinner and Barrett)
4 [Introduced March 20, 2013; referred to the
5 Committee on Finance.]
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**FISCAL
NOTE**

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10 A BILL to amend and reenact §60-3A-17 of the Code of West Virginia,
11 1931, as amended, relating to increasing the percentage a
12 liquor retail licensee must charge licensed clubs and the
13 general public to one hundred twenty percent of cost.

14 *Be it enacted by the Legislature of West Virginia:*

15 That §60-3A-17 of the Code of West Virginia, 1931, as amended,
16 be amended and reenacted to read as follows:

17 **ARTICLE 3A. SALES BY RETAIL LIQUOR LICENSEES.**

18 **§60-3A-17. Wholesale prices set by commissioner; retail licensees**
19 **to purchase liquor from state; transportation and**
20 **storage; method of payment.**

21 (a) The commissioner shall fix wholesale prices for the sale
22 of liquor, other than wine, to retail licensees. The commissioner
23 shall sell liquor, other than wine, to retail licensees according

1 to a uniform pricing schedule. The commissioner shall obtain if
2 possible, upon request, any liquor requested by a retail licensee.

3 (b) Wholesale prices shall be established in order to yield a
4 net profit for the general fund of not less than \$6,500,000
5 annually on an annual volume of business equal to the average for
6 the past three years. The net revenue derived from the sale of
7 alcoholic liquors shall be deposited into the General Revenue Fund
8 in the manner provided in section seventeen, article three of this
9 chapter.

10 (c) The commissioner shall specify the maximum wholesale
11 markup percentage which may be applied to the prices paid by the
12 commissioner for all liquor, other than wine, in order to determine
13 the prices at which all liquor, other than wine, will be sold to
14 retail licensees. A retail licensee shall purchase all liquor,
15 other than wine, for resale in this state only from the
16 commissioner, and the provisions of sections twelve and thirteen,
17 article six of this chapter ~~shall~~ do not apply to the
18 transportation of the liquor: *Provided*, That a retail licensee
19 shall purchase wine from a wine distributor who is duly licensed
20 under article eight of this chapter. All liquor, other than wine,
21 purchased by retail licensees shall be stored in the state at the
22 retail outlet or outlets operated by the retail licensee:
23 *Provided, however*, That the commissioner, in his or her discretion,
24 may upon written request permit a retail licensee to store liquor

1 at a site other than the retail outlet or outlets.

2 (d) The sale of liquor by the commissioner to retail licensees
3 shall be paid by electronic funds transfer which shall be initiated
4 by the commissioner on the business day following the retail
5 licensee's order or by money order, certified check or cashier's
6 check which shall be received by the commissioner at least
7 twenty-four hours prior to the shipping of the alcoholic liquors:
8 *Provided*, That if a retail licensee posts with the commissioner an
9 irrevocable letter of credit or bond with surety acceptable to the
10 commissioner from a financial institution acceptable to the
11 commissioner guaranteeing payment of checks, then the commissioner
12 may accept the retail licensee's checks in an amount up to the
13 amount of the letter of credit.

14 (e) (1) A retail licensee may not sell liquor to persons
15 licensed under the provisions of article seven of this chapter at
16 less than one hundred ~~ten~~ twenty percent of the retail licensee's
17 cost as defined in section six, article eleven-a, chapter
18 forty-seven of this code.

19 (2) A retail licensee may not sell liquor to the general
20 public at less than one hundred ~~ten~~ twenty percent of the retail
21 licensee's cost as defined in section six, article eleven-a,
22 chapter forty-seven of this code.

NOTE: The purpose of this bill is to increase the percentage a liquor retail licensee must charge a licensed club and the general public to one hundred twenty percent of cost.

Strike-throughs indicate language that would be stricken from the present law, and underscoring indicates new language that would be added.