

HOUSE BILL REPORT

HB 2341

As Reported By House Committee On:

Commerce & Labor

Title: An act relating to studying and testing the use of credit cards in state liquor stores.

Brief Description: Relating to the use of credit cards in state liquor stores.

Sponsors: Representatives Cooke, Appelwick and L. Thomas.

Brief History:

Committee Activity:

Commerce & Labor: 1/31/96, 2/1/96 [DP].

HOUSE COMMITTEE ON COMMERCE & LABOR

Majority Report: Do pass. Signed by 10 members: Representatives McMorris, Chairman; Thompson, Vice Chairman; Romero, Ranking Minority Member; Conway, Assistant Ranking Minority Member; Cairnes; Cody; Cole; Goldsmith; Horn and Lisk.

Minority Report: Do not pass. Signed by 2 members: Representatives Hargrove, Vice Chairman; and Fuhrman.

Staff: Pam Madson (786-7166).

Background: The only retail outlet for the purchase of spirituous liquor in its original sealed container to be consumed off the premises is a state liquor store. Under current law, an individual purchasing beer, wine, or spirituous (hard) liquor from a state liquor store must pay cash for the alcohol.

Beer and wine may be purchased from a licensed retailer using a credit card. Beer, wine, and spirituous liquor may be purchased by credit card when consumed by the drink on the premises of a retail establishment.

Summary of Bill: The Liquor Control Board is authorized to establish a pilot project that allows individuals to use credit cards to purchase beer, wine, or spirituous (hard) liquor from state liquor stores. The project may include up to 20 stores. The Liquor Control Board is required to complete a 12-month study of the pilot project and report the results to the Legislature. The project may continue until the Legislature acts to

expand the project to all stores or to discontinue the pilot project. The expenses of the project incurred by the Liquor Control Board are considered administrative expenses and are appropriated from the Liquor Revolving Fund.

Appropriation: None.

Fiscal Note: Requested on January 29, 1996.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: Allowing the use of credit cards at state liquor stores on a test basis will give the state more information about the impact of making this change. It is a convenience for the consumer to be able to use a credit card at the liquor store. Tourists are often surprised and inconvenienced when they discover at the time of purchase that they cannot use credit cards for the purchase. Only two states do not allow the use of credit cards. It also puts staff at the liquor stores in an uncomfortable position to inform customers they cannot use credit cards for the purchase. The Liquor Control Board anticipates that the project review would cover the period October 1996 to September 1997, with a report to the Legislature in 1998. Use of credit cards is not expected to increase consumption. It is expected that customers will buy a more expensive brand of alcohol than they might otherwise. The project does not have an automatic end date. Once the project gets started and the start-up costs are incurred, the decision to stop the use of credit cards would best be made after review and a decision by the Legislature not to continue.

Testimony Against: None.

Testified: Representative Suzette Cooke, prime sponsor; Carter Mitchell, Washington State Liquor Control Board; and Brian Harris, Distilled Spirits Council of the United States.