

HOUSE BILL REPORT

HB 1703

As Reported By House Committee On:

Government Operations

Title: An act relating to accepting payment by state agencies.

Brief Description: Using a personal credit or debit card.

Sponsors: Representatives Cooke, Appelwick and L. Thomas.

Brief History:

Committee Activity:

Government Operations: 2/28/95 [DPS].

HOUSE COMMITTEE ON GOVERNMENT OPERATIONS

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 13 members: Representatives Reams, Chairman; Goldsmith, Vice Chairman; L. Thomas, Vice Chairman; Rust, Ranking Minority Member; Scott, Assistant Ranking Minority Member; Chopp; Hargrove; Honeyford; Hymes; Mulliken; D. Schmidt; Sommers and Van Luven.

Minority Report: Do not pass. Signed by 2 members: Representatives R. Fisher and Wolfe.

Staff: Bonnie Austin (786-7135).

Background: In 1993, the Legislature authorized the Office of Financial Management (OFM) to approve the use of electronic means to transfer funds, including the acceptance of credit and debit cards for payment of taxes, licenses, and fees. OFM is required to adopt rules specifying the manner in which state agencies may use credit cards, and to specifically authorize agency use of credit cards.

Under current law, purchasers of liquor from state liquor stores or agencies must pay for the liquor in cash.

Summary of Substitute Bill: The requirement that liquor purchased from a state liquor store or agency be paid for in cash is repealed.

Substitute Bill Compared to Original: A section is deleted authorizing state agencies to accept payment from credit and debit cards. Language requiring compliance with the state constitution is deleted.

Appropriation: None.

Fiscal Note: Requested on February 23, 1995.

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

Testimony For: Those of us who purchase liquor should be able to use our credit cards. It is far more convenient. This applies to retail purchases only. The use of credit cards is a standard marketing practice. Many other states allow liquor to be purchased with credit cards. Liquor can be purchased from retail licensees and grocery stores with credit cards now. This will increase the safety of employees, because with less cash on hand there will be less incentive to rob liquor stores.

Testimony Against: The state may lose money through purchaser use of bad credit cards.

Testified: Sharon Foster, Wine Institute; Brian Harris, Distilled Spirits Council; and Joe Daniels, UFCW.