

# HOUSE BILL REPORT

## SSB 5664

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**As Reported By House Committee On:**  
Commerce & Labor

**Title:** An act relating to credit and debit card purchases in state liquor stores.

**Brief Description:** Allowing credit and debit card purchases in state liquor stores.

**Sponsors:** Senate Committee on Commerce & Labor (originally sponsored by Senators Horn, Bauer, Sheldon and Schow).

**Brief History:**

**Committee Activity:**

Commerce & Labor: 4/2/97, 4/3/97 [DP].

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### HOUSE COMMITTEE ON COMMERCE & LABOR

**Majority Report:** Do pass. Signed by 8 members: Representatives McMorris, Chairman; Honeyford, Vice Chairman; Conway, Ranking Minority Member; Wood, Assistant Ranking Minority Member; Clements; Cole; Hatfield and Lisk.

**Minority Report:** Do not pass. Signed by 1 member: Representative Boldt.

**Staff:** Pam Madson (786-7166).

**Background:** An individual purchasing beer, wine, or spirituous liquor from a state liquor store must pay for the purchase in cash and may not use credit cards. In 1996, the Legislature authorized a pilot project allowing individuals to use credit and debit cards to purchase liquor in up to 20 liquor stores throughout the state. The Board must complete the study and provide a report to the Legislature by January 1, 1998.

**Summary of Bill:** Individuals may use credit or debit cards to purchase liquor at all state liquor stores including stores appointed as vendors in areas of the state where no state liquor store exists. The Liquor Control Board must evaluate this new option for purchasing liquor and report to the Legislature by January 1, 1998. The board is authorized to use funds from the liquor revolving fund for the transaction fees associated with credit card purchases.

**Appropriation:** None.

**Fiscal Note:** Requested on April 1, 1997.

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

**Testimony For:** A pilot project currently underway through the Liquor Control Board is showing preliminarily that customers who choose to use credit cards buy better brands and larger size containers. This means they may make fewer trips to the liquor store. It has improved customer service in that customers appreciate the convenience of using credit cards. It reduces the amount of cash on hand in the store making less of a target for crime. There is no negative affect on revenue. All but two states currently allow purchase of liquor with credit cards. This is a good bill for the industry. The state is losing revenue to surrounding states and losing tax revenue.

**Testimony Against:** None.

**Testified:** Senator Jim Horn, prime sponsor; Tamara Warnke and Brian Harris, Distilled Spirits Council of the U.S.; Andy Cavanaugh, White Rock Distillers; Mike Donaldson, Washington State Liquor Control Board; and Jim Halstrom, Joseph E. Seagrams and Sons, Inc.