

HOUSE BILL ANALYSIS

SSB 6253

Brief Description: Reimbursing state liquor stores and agency liquor vendors for costs of credit and debit sales of liquor.

Sponsors: Senators Schow, Horn, Swecker, Rasmussen, Goings and T. Sheldon.

Hearing: February 19, 1998

BACKGROUND:

In 1997, the Liquor Control Board was authorized to allow the use of credit and debit cards by non licensees for purchases of liquor in all state liquor stores and agency liquor stores. The board was given rule-making authority to implement the use of credit and debit cards at both state liquor stores and agency liquor stores.

The board was authorized to use money from the liquor revolving fund to pay transaction fees associated with credit card purchases. It was unclear whether this authority included transaction fees for debit card purchases. The law was silent on the payment of other costs associated with credit and debit card purchases incurred by liquor vendors operating agency liquor stores.

As of December 1997, all state liquor stores were equipped to use credit and debit cards for retail liquor purchases. The board has initiated the rule-making process for implementing the use of credit and debit cards by liquor vendors in agency stores. Pending adoption of rules, those liquor vendors who wish to use credit and debit cards for liquor purchases may do so at their own expense.

Agency liquor stores are located in areas of the state where no state liquor store exists. The board may appoint a person as a liquor vendor who sells spirits either through an existing private retail business such as a drug store or grocery store or as a separate business. Liquor vendors operating agency stores are considered independent contractors.

A report evaluating the implementation of this program was due January 1, 1998.

SUMMARY OF BILL:

Transaction fees for debit as well as credit card purchases must be paid by the Liquor Control Board for both state liquor stores and agency liquor stores operated by liquor vendors.

For those liquor vendors operating agency liquor stores who choose to use credit and debit cards for liquor purchases by non licensees, the board must provide the equipment and the installation and maintenance of equipment necessary to implement the use of credit and debit cards. Equipment that is provided by the board may be used only for the purchase of liquor by non licensees.

RULES AUTHORITY: The bill does not contain provisions addressing the rule making powers of an agency.

FISCAL NOTE: Requested February 18, 1998. Fiscal note on HB 3065 available.

EFFECTIVE DATE: Ninety days after adjournment of session in which bill is passed.