
HOUSE BILL 2038

State of Washington

62nd Legislature

2011 Regular Session

By Representatives Fitzgibbon and Darneille

1 AN ACT Relating to increasing state revenues by authorizing the
2 sale of liquor-related products in state liquor stores; and amending
3 RCW 66.08.026, 66.08.165, and 66.16.010.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 **Sec. 1.** RCW 66.08.026 and 2008 c 67 s 1 are each amended to read
6 as follows:

7 Administrative expenses of the board shall be appropriated and paid
8 from the liquor revolving fund. These administrative expenses shall
9 include, but not be limited to: The salaries and expenses of the board
10 and its employees, the cost of opening additional state liquor stores
11 and warehouses, legal services, pilot projects, annual or other audits,
12 and other general costs of conducting the business of the board. The
13 administrative expenses shall not include costs of liquor, liquor-
14 related products, and lottery tickets purchased, the cost of
15 transportation and delivery to the point of distribution, the cost of
16 operating, maintaining, relocating, and leasing state liquor stores and
17 warehouses, other costs pertaining to the acquisition and receipt of
18 liquor and lottery tickets, agency commissions for contract liquor
19 stores, transaction fees associated with credit or debit card purchases

1 for liquor in state liquor stores and in contract liquor stores
2 pursuant to RCW 66.16.040 and 66.16.041, sales tax, and those amounts
3 distributed pursuant to RCW 66.08.180, 66.08.190, 66.08.200, 66.08.210
4 and 66.08.220. Agency commissions for contract liquor stores shall be
5 established by the liquor control board after consultation with and
6 approval by the director of the office of financial management. All
7 expenditures and payment of obligations authorized by this section are
8 subject to the allotment requirements of chapter 43.88 RCW.

9 **Sec. 2.** RCW 66.08.165 and 2005 c 231 s 1 are each amended to read
10 as follows:

11 The board shall, consistent with, and in addition to, the existing
12 retail business plan, implement strategies to improve the efficiency of
13 retail sales operations and maximize revenue-generating opportunities.
14 Strategies to be implemented shall include, but are not limited to:

15 (1) Expanding store operations to include Sunday sales in selected
16 liquor stores. Sunday sales are optional for liquor vendors operating
17 agency stores;

18 (2) Implementing a plan of in-store liquor merchandising, including
19 point-of-sale advertising, and product specific point-of-sale
20 promotional displays and carousels, including displays designed and
21 provided by vendors; and

22 (3) Implementing a plan for in-store liquor merchandising of
23 brands. ~~((The plan may not include provisions for selling liquor-~~
24 ~~related items other than those items previously authorized.))~~

25 **Sec. 3.** RCW 66.16.010 and 2005 c 518 s 935 are each amended to
26 read as follows:

27 (1) There shall be established at such places throughout the state
28 as the liquor control board, constituted under this title, shall deem
29 advisable, stores to be known as "state liquor stores," for the sale of
30 liquor and liquor-related products in accordance with the provisions of
31 this title and the regulations: PROVIDED, That the prices of all
32 liquor shall be fixed by the board from time to time so that the net
33 annual revenue received by the board therefrom shall not exceed thirty-
34 five percent. Effective no later than July 1, 2005, the liquor control
35 board shall add an equivalent surcharge of \$0.42 per liter on all
36 retail sales of spirits, excluding licensee, military, and tribal

1 sales. The intent of this surcharge is to raise revenue for the
2 general fund-state for the 2003-2005 and 2005-2007 bienniums. The
3 board shall remove the surcharge June 30, 2007.

4 (2) The liquor control board may, from time to time, fix the
5 special price at which pure ethyl alcohol may be sold to physicians and
6 dentists and institutions regularly conducted as hospitals, for use or
7 consumption only in such hospitals; and may also fix the special price
8 at which pure ethyl alcohol may be sold to schools, colleges and
9 universities within the state for use for scientific purposes.
10 Regularly conducted hospitals may have right to purchase pure ethyl
11 alcohol on a federal permit.

12 (3) The liquor control board may also fix the special price at
13 which pure ethyl alcohol may be sold to any department, branch or
14 institution of the state of Washington, federal government, or to any
15 person engaged in a manufacturing or industrial business or in
16 scientific pursuits requiring alcohol for use therein.

17 (4) The liquor control board may also fix a special price at which
18 pure ethyl alcohol may be sold to any private individual, and shall
19 make regulations governing such sale of alcohol to private individuals
20 as shall promote, as nearly as may be, the minimum purchase of such
21 alcohol by such persons.

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