

# FINAL BILL REPORT

## SHB 1379

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Synopsis as Enacted

**Brief Description:** Requiring the liquor control board to implement a retail business plan to improve efficiency and increase revenue.

**Sponsors:** By House Committee on Appropriations (originally sponsored by Representatives Grant, Armstrong, Springer, Hinkle, Fromhold, Walsh, Upthegrove, Bailey, Clibborn, Chase and Simpson).

**House Committee on Commerce & Labor**

**House Committee on Appropriations**

**Senate Committee on Labor, Commerce, Research & Development**

**Senate Committee on Ways & Means**

### **Background:**

Washington is one of 14 states that controls the retail sale of alcohol by using state-owned and contract liquor stores to sell spirits, wine, and beer. The Liquor Control Board (Board) determines the number of liquor stores and their hours of operation. There are 163 state-owned liquor stores and 154 contract liquor stores. The Board determines the hours of operation for liquor stores based on the cost of operations and available funds.

State law provides that state-owned and contract liquor stores may not be open on Sunday, and that the Board may not advertise liquor.

State liquor stores generate over \$612 million a year in sales. State and local governments receive revenue from liquor store profits and liquor taxes. In Fiscal Year 2004, the Board contributed \$250 million to state and local governments.

### **Summary:**

The Liquor Control Board (Board) is directed: (1) to expand store operations to include Sunday sales in selected liquor stores; and (2) to implement a plan of in-store liquor merchandising.

### Sunday Sales

The prohibition on Sunday sales is eliminated.

The Board is required to expand store operations to include the Sunday opening of at least 20 state-operated liquor stores by September 1, 2005. The Board must select stores expected to gross the most revenues on Sunday. The stores must be open a minimum of five hours on Sundays. Contract liquor stores are permitted, but not required to open on Sunday.

The Board may retain a consultant to help determine appropriate stores for the program and monitor the results of the program. The Board must track sales and expenses at stores open on Sunday in comparison to before opening on Sunday, as well as the impact on sales at nearby liquor stores. The Board must report this information to the Legislature by January 31, 2007.

Before determining which state liquor stores will open on Sunday and before permitting contract liquor stores to open on Sunday, the Board must give consideration to the location of the stores with respect to the proximity of places of worship, schools, and public institutions. The Board also must give notice to places of worship, schools, and public institutions within 500 feet of such stores. The Board must give due consideration to motor vehicle accident data in the proximity of the liquor store.

Employees at liquor stores, including contract stores, may not be required to work on their Sabbath for the purpose of selling liquor, if doing so would violate their religious beliefs.

#### Merchandising

The prohibition on liquor advertising by the Board is modified. The prohibition does not apply to in-store liquor merchandising.

The Board must implement an in-store liquor merchandising plan, including point-of-sale advertising and promotional displays. The Board is also directed to implement a plan for in-store merchandising of brands, which may not include provisions for selling liquor-related items not previously authorized.

#### **Votes on Final Passage:**

House	62	34	
Senate	31	17	(Senate amended)
House	66	32	(House concurred)

**Effective:** July 24, 2005