

SENATE BILL REPORT

HB 2794

As Reported By Senate Committee On:
Commerce & Trade, February 26, 2004

Title: An act relating to allowing licensees to pay for liquor using debit and credit cards.

Brief Description: Allowing licensees to pay for liquor using debit and credit cards.

Sponsors: Representatives Condotta and Wood.

Brief History:

Committee Activity: Commerce & Trade: 2/26/04 [DP].

SENATE COMMITTEE ON COMMERCE & TRADE

Majority Report: Do pass.

Signed by Senators Honeyford, Chair; Hewitt, Vice Chair; Franklin, Keiser and Mulliken.

Staff: Jennifer Strus (786-7316)

Background: Washington operates 154 liquor stores directly and contracts with vendors to operate an additional 157. Spirits (hard liquor) may be sold only in these stores.

In 1997, the Legislature authorized individual consumers to purchase liquor at state-operated liquor stores by using a credit or debit card. Individual consumers are anyone other than a liquor licensee. The legislation also permitted vendor-operated liquor stores to accept credit and debit cards from non-licensees. The following year, the Legislature directed the Liquor Control Board (Board) to pay, through the Liquor Revolving Fund, for the acquisition and maintenance of credit card machines at liquor stores.

There are 3,056 restaurants licensed by the Board to sell beer, wine, and spirits for on-premises consumption. Currently, restaurants and other organizations licensed by the Board either pay cash for purchases from state liquor stores or enter into a check signing agreement with the Board.

Summary of Bill: Purchases made at state operated liquor stores by licensees may be paid for using a credit or debit card. Liquor vendors may also accept credit and debit cards for liquor purchased by licensees. Credit card equipment purchased and maintained with money from the Liquor Revolving Fund may be used for purchases by licensees.

Appropriation: None.

Fiscal Note: Available.

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

Testimony For: In 1997, the Legislature amended the law to allow consumers (nonlicensees) to purchase beer, wine and spirits using a debit or credit card. This bill just extends that right to licensees. It is a convenience issue for many in the restaurant business.

Testimony Against: None.

Testified: PRO: Rep. Cary Condotta, prime sponsor; Michael Transue, Washington State Restaurant Association; Steve Gano, Wells Fargo Bank.