
SUBSTITUTE HOUSE BILL 2131

State of Washington

58th Legislature

2004 Regular Session

By House Committee on Commerce & Labor (originally sponsored by Representatives Grant, Chandler, Upthegrove, Clements, Cooper, Armstrong and Morris)

READ FIRST TIME 02/06/04.

1 AN ACT Relating to retail sales by the liquor control board fully
2 implementing a retail business plan; amending RCW 66.08.026, 66.08.060,
3 66.16.041, and 66.08.030; adding new sections to chapter 66.08 RCW;
4 adding a new section to chapter 66.16 RCW; repealing RCW 66.16.080; and
5 providing an expiration date.

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

7 NEW SECTION. **Sec. 1.** A new section is added to chapter 66.08 RCW
8 to read as follows:

9 The legislature finds that the liquor control board has developed
10 a retail services business plan to provide greater efficiency of
11 operations and to maximize revenues to the state. The legislature
12 intends to examine whether expanding liquor store operations to include
13 Sundays would provide additional revenue and provide increased customer
14 convenience.

15 NEW SECTION. **Sec. 2.** A new section is added to chapter 66.08 RCW
16 to read as follows:

17 The board shall devise a retail business plan, or amend an existing
18 retail business plan, to implement strategies to improve the efficiency

1 of retail sales operations and maximize revenue-generating
2 opportunities. Strategies to be implemented shall include, but are not
3 limited to expanding store operations to include Sunday sales in
4 selected liquor stores until February 1, 2006.

5 This section expires February 1, 2006.

6 NEW SECTION. **Sec. 3.** A new section is added to chapter 66.08 RCW
7 to read as follows:

8 (1) By September 1, 2004, the board shall implement a pilot program
9 to expand operations in at least twenty state-operated retail stores to
10 include Sundays. The board shall select at least sixteen of the stores
11 to participate in the pilot program based on a regional area determined
12 by the board, and at least four additional stores in major metropolitan
13 areas. The four additional stores in major metropolitan areas will be
14 chosen, insofar as is possible, based on what stores are expected to
15 gross the most revenues on Sunday by considering factors including, but
16 not limited to, population density, proximity to shopping centers, and
17 proximity to other businesses that are open on Sunday. The selected
18 stores shall be open for retail business a minimum of five hours on
19 Sunday. The board shall track gross sales and expenses of the selected
20 stores and compare them to previous years' sales and projected sales
21 and expenses before opening on Sunday. The board shall also examine
22 the sales of state and contract liquor stores in proximity to those
23 stores opened on Sundays to determine whether Sunday openings has
24 reduced the sales of other state and contract liquor stores that are
25 not open on Sundays. The board shall present this information to the
26 appropriate policy and fiscal committees of the legislature by January
27 31, 2006.

28 (2) Subject to section 7(2) of this act, the board shall permit,
29 but may not require, agency vendor liquor stores to open for business
30 on Sunday.

31 **Sec. 4.** RCW 66.08.026 and 2001 c 313 s 1 are each amended to read
32 as follows:

33 All administrative expenses of the board incurred on and after
34 April 1, 1963, shall be appropriated and paid from the liquor revolving
35 fund. These administrative expenses shall include, but not be limited
36 to: The salaries and expenses of the board and its employees, the cost

1 of establishing, leasing, maintaining, and operating state liquor
2 stores and warehouses, legal services, pilot projects, annual or other
3 audits, and other general costs of conducting the business of the
4 board, and the costs of supplying, installing, and maintaining
5 equipment used in state liquor stores and agency liquor vendor stores
6 for the purchase of liquor (~~by nonlicensees~~) using debit or credit
7 cards. The administrative expenses shall not, however, be deemed to
8 include costs of liquor and lottery tickets purchased, the cost of
9 transportation and delivery to the point of distribution, other costs
10 pertaining to the acquisition and receipt of liquor and lottery
11 tickets, packaging and repackaging of liquor, agency commissions for
12 agency liquor vendor stores, transaction fees associated with credit or
13 debit card purchases for liquor in state liquor stores and in the
14 stores of agency liquor vendors pursuant to RCW 66.16.040 and
15 66.16.041, sales tax, and those amounts distributed pursuant to RCW
16 66.08.180, 66.08.190, 66.08.200, 66.08.210 and 66.08.220. Agency
17 commissions for agency liquor vendor stores shall be established by the
18 liquor control board after consultation with and approval by the
19 director of the office of financial management. All expenditures and
20 payment of obligations authorized by this section are subject to the
21 allotment requirements of chapter 43.88 RCW.

22 **Sec. 5.** RCW 66.08.060 and 1933 ex.s. c 62 s 43 are each amended to
23 read as follows:

24 (1) The board shall not advertise liquor in any form or through any
25 medium whatsoever.

26 (2) The board shall have power to adopt any and all reasonable
27 (~~regulations~~) rules as to the kind, character, and location of
28 advertising of liquor.

29 **Sec. 6.** RCW 66.16.041 and 1998 c 265 s 3 are each amended to read
30 as follows:

31 (1) The state liquor control board shall accept bank credit card
32 and debit cards (~~from nonlicensees~~) for purchases in state liquor
33 stores, under such rules as the board may adopt. The board shall
34 authorize liquor vendors appointed under RCW 66.08.050 to accept bank
35 credit cards and debit cards for liquor purchases under this title,
36 under such rules as the board may adopt.

1 (2) If a liquor vendor operating an agency store chooses to use
2 credit or debit cards for liquor purchases (~~(by nonlicensees)~~), the
3 board shall provide equipment and installation and maintenance of the
4 equipment necessary to implement the use of credit and debit cards.
5 Any equipment provided by the board to an agency liquor vendor store
6 for this purpose may be used only for the purchase of liquor.

7 ~~((3) If the revenues and expenditures associated with implementing
8 the use of credit and debit cards for the purchase of alcohol by
9 nonlicensees from state liquor stores and agency stores operated by
10 liquor vendors results in a reduction of the liquor revolving fund
11 balance for fiscal year 1999 and the 1999-01 biennium, the board shall
12 consider increasing the price of alcohol products to offset the
13 reduction.~~

14 ~~(4) The board shall provide a report evaluating the implementation
15 of this section, including revenue and expenditures, to the appropriate
16 committees of the legislature by December 1, 1998.)~~

17 NEW SECTION. **Sec. 7.** A new section is added to chapter 66.08 RCW
18 to read as follows:

19 (1) Before the board determines which state liquor stores will be
20 open on Sundays, it shall give: (a) Due consideration to the location
21 of the liquor store with respect to the proximity of places of worship,
22 schools, and public institutions; and (b) written notice by certified
23 mail of the proposed Sunday opening, including proposed Sunday opening
24 hours, to places of worship, schools, and public institutions within
25 five hundred feet of the liquor store proposed to be open on Sunday.

26 (2) Before permitting an agency vendor liquor store to open for
27 business on Sunday, the board must meet the due consideration and
28 written notice requirements established in subsection (1) of this
29 section.

30 (3) The board may not open a state-operated liquor store on Sundays
31 if the state-operated liquor store is within five hundred feet of the
32 premises of any tax-supported public elementary or secondary school
33 measured along the most direct route over or across established public
34 walks, streets, or other public passageway from the outer property line
35 of the school grounds to the nearest public entrance of the state-
36 operated liquor store, and if, after receipt by the school or public
37 institution of the notice as provided in subsection (1) of this

1 section, the board receives written notice, within twenty days after
2 posting such notice, from an official representative or representatives
3 of the school within five hundred feet of the state-operated liquor
4 store, indicating to the board that there is an objection to the Sunday
5 opening because of proximity to a school.

6 (4) For the purpose of this section, "place of worship" means a
7 building erected for and used exclusively for religious worship and
8 schooling or other related religious activity.

9 (5) It is the intent under this section that no state-operated
10 liquor store be opened on Sunday where doing so would, in the judgment
11 of the board, adversely affect a private school meeting the
12 requirements for private schools under Title 28A RCW and is within five
13 hundred feet of the proposed licensee. The board shall fully consider
14 and give substantial weight to objections filed by private schools. If
15 a state-operated liquor store is opened on Sundays despite the
16 proximity of a private school, the board shall state in a letter
17 addressed to the private school the board's reasons for opening the
18 store on Sundays.

19 **Sec. 8.** RCW 66.08.030 and 2002 c 119 s 2 are each amended to read
20 as follows:

21 (1) For the purpose of carrying into effect the provisions of this
22 title according to their true intent or of supplying any deficiency
23 therein, the board may make such (~~(regulations)~~) rules not inconsistent
24 with the spirit of this title as are deemed necessary or advisable.
25 All (~~(regulations so made)~~) rules shall be a public record and shall be
26 filed in the office of the code reviser, and (~~(thereupon)~~) shall have
27 the same force and effect as if incorporated in this title. (~~(Such~~
28 ~~regulations)~~) These rules, together with a copy of this title, shall be
29 published in pamphlets and shall be distributed as directed by the
30 board.

31 (2) Without (~~(thereby)~~) limiting the generality of the provisions
32 contained in subsection (1) of this section, it is declared that the
33 power of the board to make (~~(regulations)~~) rules in the manner set out
34 in that subsection shall extend to:

35 (a) Regulating the equipment and management of stores and
36 warehouses in which state liquor is sold or kept, and prescribing the

1 books and records to be kept therein and the reports to be made thereon
2 to the board;

3 (b) Prescribing the duties of the employees of the board, and
4 regulating their conduct in the discharge of their duties;

5 (c) Governing the purchase of liquor by the state and the
6 furnishing of liquor to stores established under this title;

7 (d) Determining the classes, varieties, and brands of liquor to be
8 kept for sale at any store;

9 (e) Prescribing(~~(, subject to RCW 66.16.080,)~~) the hours during
10 which the state liquor stores shall be kept open for the sale of
11 liquor;

12 (f) Providing for the issuing and distributing of price lists
13 showing the price to be paid by purchasers for each variety of liquor
14 kept for sale under this title;

15 (g) Prescribing an official seal and official labels and stamps and
16 determining the manner in which they shall be attached to every package
17 of liquor sold or sealed under this title, including the prescribing of
18 different official seals or different official labels for different
19 classes of liquor;

20 (h) Providing for the payment by the board in whole or in part of
21 the carrying charges on liquor shipped by freight or express;

22 (i) Prescribing forms to be used for purposes of this title or the
23 (~~regulations~~) rules, and the terms and conditions to be contained in
24 permits and licenses issued under this title, and the qualifications
25 for receiving a permit or license issued under this title, including a
26 criminal history record information check. The board may submit the
27 criminal history record information check to the Washington state
28 patrol and to the identification division of the federal bureau of
29 investigation in order that these agencies may search their records for
30 prior arrests and convictions of the individual or individuals who
31 filled out the forms. The board shall require fingerprinting of any
32 applicant whose criminal history record information check is submitted
33 to the federal bureau of investigation;

34 (j) Prescribing the fees payable in respect of permits and licenses
35 issued under this title for which no fees are prescribed in this title,
36 and prescribing the fees for anything done or permitted to be done
37 under the (~~regulations~~) rules;

1 (k) Prescribing the kinds and quantities of liquor which may be
2 kept on hand by the holder of a special permit for the purposes named
3 in the permit, regulating the manner in which the same shall be kept
4 and disposed of, and providing for the inspection of the same at any
5 time at the instance of the board;

6 (l) Regulating the sale of liquor kept by the holders of licenses
7 which entitle the holder to purchase and keep liquor for sale;

8 (m) Prescribing the records of purchases or sales of liquor kept by
9 the holders of licenses, and the reports to be made thereon to the
10 board, and providing for inspection of the records so kept;

11 (n) Prescribing the kinds and quantities of liquor for which a
12 prescription may be given, and the number of prescriptions which may be
13 given to the same patient within a stated period;

14 (o) Prescribing the manner of giving and serving notices required
15 by this title or the ((~~regulations~~)) rules, where not otherwise
16 provided for in this title;

17 (p) Regulating premises in which liquor is kept for export from the
18 state, or from which liquor is exported, prescribing the books and
19 records to be kept therein and the reports to be made thereon to the
20 board, and providing for the inspection of the premises and the books,
21 records and the liquor so kept;

22 (q) Prescribing the conditions and qualifications requisite for the
23 obtaining of club licenses and the books and records to be kept and the
24 returns to be made by clubs, prescribing the manner of licensing clubs
25 in any municipality or other locality, and providing for the inspection
26 of clubs;

27 (r) Prescribing the conditions, accommodations, and qualifications
28 requisite for the obtaining of licenses to sell beer and wines, and
29 regulating the sale of beer and wines ((~~thereunder~~));

30 (s) Specifying and regulating the time and periods when, and the
31 manner, methods, and means by which manufacturers shall deliver liquor
32 within the state; and the time and periods when, and the manner,
33 methods, and means by which liquor may lawfully be conveyed or carried
34 within the state;

35 (t) Providing for the making of returns by brewers of their sales
36 of beer shipped within the state, or from the state, showing the gross
37 amount of ((~~such~~)) the sales and providing for the inspection of

1 brewers' books and records, and for the checking of the accuracy of any
2 ((such)) returns;

3 (u) Providing for the making of returns by the wholesalers of beer
4 whose breweries are located beyond the boundaries of the state;

5 (v) Providing for the making of returns by any other liquor
6 manufacturers, showing the gross amount of liquor produced or
7 purchased, the amount sold within and exported from the state, and to
8 whom so sold or exported, and providing for the inspection of the
9 premises of any ((such)) liquor manufacturers, their books and records,
10 and for the checking of any ((such)) return;

11 (w) Providing for the giving of fidelity bonds by any or all of the
12 employees of the board(~~(:—PROVIDED, That)~~). However, the premiums
13 (~~(therefor)~~) shall be paid by the board;

14 (x) Providing for the shipment by mail or common carrier of liquor
15 to any person holding a permit and residing in any unit which has, by
16 election pursuant to this title, prohibited the sale of liquor therein;

17 (y) Prescribing methods of manufacture, conditions of sanitation,
18 standards of ingredients, quality and identity of alcoholic beverages
19 manufactured, sold, bottled, or handled by licensees and the board; and
20 conducting from time to time, in the interest of the public health and
21 general welfare, scientific studies and research relating to alcoholic
22 beverages and the use and effect thereof;

23 (z) Seizing, confiscating, and destroying all alcoholic beverages
24 manufactured, sold, or offered for sale within this state which do not
25 conform in all respects to the standards prescribed by this title or
26 the ((regulations)) rules of the board(~~(:—PROVIDED, Nothing herein~~
27 ~~contained shall be construed as authorizing)~~). The liquor board ((to))
28 may not prescribe, alter, limit, or in any way change the present law
29 as to the quantity or percentage of alcohol used in the manufacturing
30 of wine or other alcoholic beverages.

31 NEW SECTION. Sec. 9. A new section is added to chapter 66.16 RCW
32 to read as follows:

33 Beginning February 2, 2006, no sale or delivery of liquor shall be
34 made on or from the premises of any state liquor store, nor shall any
35 store be open for the sale of liquor, on Sunday, unless the board
36 determines that unique circumstances exist which necessitate Sunday

1 liquor sales by vendors appointed under RCW 66.08.050(2) of products of
2 their own manufacture, not to exceed one case of liquor per customer.

3 NEW SECTION. **Sec. 10.** RCW 66.16.080 (Sunday closing) and 1988 c
4 101 s 1 & 1933 ex.s. c 62 s 11 are each repealed.

5 NEW SECTION. **Sec. 11.** If any provision of this act or its
6 application to any person or circumstance is held invalid, the
7 remainder of the act or the application of the provision to other
8 persons or circumstances is not affected.

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