
ENGROSSED SUBSTITUTE SENATE BILL 5982

State of Washington

58th Legislature

2003 Regular Session

By Senate Committee on Ways & Means (originally sponsored by Senators Prentice, Hewitt, Doumit, Horn and Reardon)

READ FIRST TIME 03/10/03.

1 AN ACT Relating to the liquor control board fully implementing a
2 retail business plan; amending RCW 66.08.026, 66.08.060, and 66.16.041;
3 adding new sections to chapter 66.08 RCW; repealing RCW 66.16.080;
4 making an appropriation; providing an effective date; and declaring an
5 emergency.

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:

4 (1) Expanding store operations to include Sunday sales in selected
5 liquor stores. Sunday sales are optional for liquor vendors operating
6 agency stores;

7 (2) Implementing a plan of in-store liquor merchandising, including
8 point-of-sale advertising, and product specific point-of-sale
9 promotional displays and carousels, including displays designed and
10 provided by vendors; and

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

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

16 By September 1, 2003, the board shall expand operations in at least
17 twenty state-operated retail stores to include Sundays. The board
18 shall select the stores that are expected to gross the most revenues on
19 Sunday by considering factors including, but not limited to, population
20 density, proximity to shopping centers, and proximity to other
21 businesses that are open on Sunday. The selected stores shall be open
22 for retail business a minimum of five hours on Sunday. The board shall
23 track gross sales and expenses of the selected stores and compare them
24 to previous years' sales and projected sales and expenses before
25 opening on Sunday. The board shall also examine the sales of state and
26 contract liquor stores in proximity to those stores opened on Sundays
27 to determine whether Sunday openings has reduced the sales of other
28 state and contract liquor stores that are not open on Sundays. The
29 board shall present this information to the appropriate policy and
30 fiscal committees of the legislature by January 31, 2004.

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) In-store liquor merchandising is not advertising for the
27 purposes of this section.

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

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

33 (1) The state liquor control board shall accept bank credit card
34 and debit cards (~~(from nonlicensees)~~) for purchases in state liquor
35 stores, under such rules as the board may adopt. The board shall

1 authorize liquor vendors appointed under RCW 66.08.050 to accept bank
2 credit cards and debit cards for liquor purchases under this title,
3 under such rules as the board may adopt.

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

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

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

20 NEW SECTION. Sec. 7. A new section is added to chapter 66.08 RCW
21 to read as follows:

22 In addition to the criteria stated in section 3 of this act, when
23 choosing which stores to open on Sundays, the board shall follow the
24 same criteria and procedures with respect to places of worship as
25 established in RCW 66.24.010(9) for retail licensees.

26 NEW SECTION. Sec. 8. The sum of nine hundred sixty-one thousand
27 dollars, or as much thereof as may be necessary, is appropriated for
28 the biennium ending June 30, 2005, from the liquor revolving account to
29 the liquor control board for the purposes of implementing this act.

30 NEW SECTION. Sec. 9. RCW 66.16.080 (Sunday closing) and 1988 c
31 101 s 1 & 1933 ex.s. c 62 s 11 are each repealed.

32 NEW SECTION. Sec. 10. If any provision of this act or its
33 application to any person or circumstance is held invalid, the

1 remainder of the act or the application of the provision to other
2 persons or circumstances is not affected.

3 NEW SECTION. **Sec. 11.** This act is necessary for the immediate
4 preservation of the public peace, health, or safety, or support of the
5 state government and its existing public institutions, and takes effect
6 July 1, 2003.

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