
Commerce & Labor Committee

HB 2131

Brief Description: Concerning retail sales by the liquor control board.

Sponsors: Representatives Grant, Chandler, Upthegrove, Clements, Cooper, Armstrong and Morris.

Brief Summary of Bill

- Establishes and implements a retail sales plan for state liquor stores that includes Sunday operations, extended hours, and merchandising.

Hearing Date: 3/4/03

Staff: Matt Cooper (786-7106).

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) is responsible for controlling the distribution and sale of alcohol and licenses retailers to sell beer and wine for off-premises consumption.

The Board has the authority to manage the liquor distribution and retail systems, including the authority to determine the number of liquor stores and their hours of operation. There are 157 state-owned liquor stores and 155 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 liquor stores may not be open on Sunday (RCW 66.16.080), and that the Board may not advertise liquor.

The state liquor stores generate over \$500 million dollars a year in sales. The state and local governments receive revenue from the liquor store profits and liquor taxes. In fiscal year 2001 the Board contributed 41.1 percent of gross sales (\$206.9 million) to state and local governments.

Summary of Bill:

The Board must devise a retail sales plan for state liquor stores. The plan must include expanded hours of operation for retail stores, point of sale advertising, point of sale displays, in-store merchandising, and sale of liquor related products.

The Board must implement a plan to expand the hours of operation of liquor stores to include being open on Sundays. Sunday operations will be phased in at state-owned liquor stores starting with the largest stores. Sunday operations are not phased in for contract liquor stores. The Board may not raise the surcharge or mark-up on alcohol beyond January 1, 2003, levels, until the 100 largest state-owned stores are operating on Sundays.

There are several exemptions created to the advertising ban. Signs placed in liquor stores that are visible from outside the store, information on store locations and hours of operation, and in-store point of sale and promotional displays are exempt from the ban on advertising.

Rules Authority: The bill contains provisions requiring the Board to make rules concerning hours of operation, advertising, and merchandising.

Appropriation: None.

Fiscal Note: Requested on March 3, 2003.

Effective Date: The bill takes effect 90 days after adjournment of session in which bill is passed.