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HOUSE BILL 2062

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State of Washington

58th Legislature

2003 Regular Session

By Representatives Grant, Chandler, Upthegrove, Clements, Cooper, Armstrong and Morris

Read first time 02/21/2003. Referred to Committee on Commerce & Labor.

1 AN ACT Relating to the liquor control board fully implementing a  
2 retail business plan; amending RCW 66.08.030 and 66.08.060; adding new  
3 sections to chapter 66.08 RCW; creating a new section; and repealing  
4 RCW 66.16.080.

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

6 NEW SECTION. **Sec. 1.** The legislature intends that the liquor  
7 control board shall generate additional revenues to increase  
8 distributions to state and local governments from the liquor revolving  
9 fund. Pursuant to RCW 66.08.190, fifty percent of the funds are  
10 distributed to local governments and fifty percent are distributed to  
11 the state general fund. The legislature further intends that the  
12 liquor control board optimize retail outlet resources to serve the  
13 public through implementing a retail business plan by expanding hours  
14 of sales to include Sundays, and devising and implementing additional  
15 strategies and programs to maximize revenue-generating opportunities.

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

18 The board shall immediately devise a retail business plan to

1 implement strategies to improve retail sales operations and maximize  
2 revenue-generating opportunities. Strategies to be implemented shall  
3 include but are not limited to:

4 (1) Expanding hours of retail sales operations by including Sunday  
5 sales in liquor stores according to section 3 of this act;

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

10 (3) Implementing a plan for in-store merchandising of brands and  
11 gift packs; and

12 (4) Sales of liquor related items and products.

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

15 (1) By November 1, 2003, the board shall implement a plan to open  
16 for business on Sunday at least fifty state-operated retail stores that  
17 had gross sales of two million dollars or more during calendar year  
18 2002 and will implement the board's retail business plan.

19 (2) By July 1, 2004, the board shall implement a plan to open for  
20 business on Sunday at least fifty additional state-operated retail  
21 stores that had gross sales of two million dollars or more during  
22 calendar year 2002 and will implement the board's retail business plan.

23 (3) By November 1, 2004, the board shall implement a plan to open  
24 for business on Sunday the remainder of those state-operated stores  
25 that will best implement the board's retail business plan.

26 (4) The board shall allow all agency retail stores to open for  
27 business on Sunday.

28 (5) The board shall not raise retail prices pursuant to RCW  
29 66.16.010 beyond the surcharges and percentage markup in effect on  
30 January 1, 2003, until the board has implemented subsections (1) and  
31 (2) of this section.

32 **Sec. 4.** RCW 66.08.030 and 2002 c 119 s 2 are each amended to read  
33 as follows:

34 (1) For the purpose of carrying into effect the provisions of this  
35 title according to their true intent or of supplying any deficiency  
36 therein, the board may make such (~~regulations~~) rules not inconsistent

1 with the spirit of this title as are deemed necessary or advisable.  
2 All (~~regulations so made~~) rules shall be a public record and shall be  
3 filed in the office of the code reviser, and (~~thereupon~~) shall have  
4 the same force and effect as if incorporated in this title. (~~Such~~  
5 ~~regulations~~) These rules, together with a copy of this title, shall be  
6 published in pamphlets and shall be distributed as directed by the  
7 board.

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

12 (a) Regulating the equipment and management of stores and  
13 warehouses in which state liquor is sold or kept, and prescribing the  
14 books and records to be kept therein and the reports to be made thereon  
15 to the board;

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

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

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

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

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

28 (g) Prescribing an official seal and official labels and stamps and  
29 determining the manner in which they shall be attached to every package  
30 of liquor sold or sealed under this title, including the prescribing of  
31 different official seals or different official labels for different  
32 classes of liquor;

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

35 (i) Prescribing forms to be used for purposes of this title or the  
36 (~~regulations~~) rules, and the terms and conditions to be contained in  
37 permits and licenses issued under this title, and the qualifications  
38 for receiving a permit or license issued under this title, including a

1 criminal history record information check. The board may submit the  
2 criminal history record information check to the Washington state  
3 patrol and to the identification division of the federal bureau of  
4 investigation in order that these agencies may search their records for  
5 prior arrests and convictions of the individual or individuals who  
6 filled out the forms. The board shall require fingerprinting of any  
7 applicant whose criminal history record information check is submitted  
8 to the federal bureau of investigation;

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

13 (k) Prescribing the kinds and quantities of liquor which may be  
14 kept on hand by the holder of a special permit for the purposes named  
15 in the permit, regulating the manner in which the same shall be kept  
16 and disposed of, and providing for the inspection of the same at any  
17 time at the instance of the board;

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

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

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

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

29 (p) Regulating premises in which liquor is kept for export from the  
30 state, or from which liquor is exported, prescribing the books and  
31 records to be kept therein and the reports to be made thereon to the  
32 board, and providing for the inspection of the premises and the books,  
33 records and the liquor so kept;

34 (q) Prescribing the conditions and qualifications requisite for the  
35 obtaining of club licenses and the books and records to be kept and the  
36 returns to be made by clubs, prescribing the manner of licensing clubs  
37 in any municipality or other locality, and providing for the inspection  
38 of clubs;

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

4 (s) Specifying and regulating the time and periods when, and the  
5 manner, methods, and means by which manufacturers shall deliver liquor  
6 within the state; and the time and periods when, and the manner,  
7 methods, and means by which liquor may lawfully be conveyed or carried  
8 within the state;

9 (t) Providing for the making of returns by brewers of their sales  
10 of beer shipped within the state, or from the state, showing the gross  
11 amount of (~~(such)~~) the sales and providing for the inspection of  
12 brewers' books and records, and for the checking of the accuracy of any  
13 (~~(such)~~) returns;

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

16 (v) Providing for the making of returns by any other liquor  
17 manufacturers, showing the gross amount of liquor produced or  
18 purchased, the amount sold within and exported from the state, and to  
19 whom so sold or exported, and providing for the inspection of the  
20 premises of any (~~(such)~~) liquor manufacturers, their books and records,  
21 and for the checking of any (~~(such)~~) return;

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

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

28 (y) Prescribing methods of manufacture, conditions of sanitation,  
29 standards of ingredients, quality and identity of alcoholic beverages  
30 manufactured, sold, bottled, or handled by licensees and the board; and  
31 conducting from time to time, in the interest of the public health and  
32 general welfare, scientific studies and research relating to alcoholic  
33 beverages and the use and effect thereof;

34 (z) Seizing, confiscating, and destroying all alcoholic beverages  
35 manufactured, sold, or offered for sale within this state which do not  
36 conform in all respects to the standards prescribed by this title or  
37 the (~~(regulations)~~) rules of the board(~~(:—PROVIDED, Nothing herein~~  
38 ~~contained shall be construed as authorizing)~~). The liquor board (~~(to)~~)

1 may not prescribe, alter, limit, or in any way change the present law  
2 as to the quantity or percentage of alcohol used in the manufacturing  
3 of wine or other alcoholic beverages.

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

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

8 (2) The following is not considered advertising for the purposes of  
9 this section:

10 (a) Placement of signs that are visible through the window of  
11 retail stores;

12 (b) Use of media designed to be informational regarding locations  
13 or hours of operation of retail outlets; and

14 (c) In-store merchandising, including point-of-sale advertising,  
15 and product specific point-of-sale promotional displays and carousels,  
16 including displays designed and provided by vendors.

17 (3) The board shall have power to adopt any and all reasonable  
18 ((regulations)) rules as to the kind, character, and location of  
19 advertising of liquor.

20 NEW SECTION. **Sec. 6.** RCW 66.16.080 (Sunday closing) and 1988 c  
21 101 s 1 & 1933 ex.s. c 62 s 11 are each repealed.

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