
ENGROSSED SECOND SUBSTITUTE HOUSE BILL 2131

State of Washington

58th Legislature

2004 Regular Session

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

READ FIRST TIME 02/10/04.

1 AN ACT Relating to retail sales by the liquor control board fully
2 implementing a retail business plan; amending RCW 66.08.060 and
3 66.08.030; adding new sections to chapter 66.08 RCW; adding new
4 sections to chapter 66.16 RCW; and repealing RCW 66.16.080.

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

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

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

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

16 The board shall devise a retail business plan, or amend an existing
17 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 until July 1, 2007. Sunday sales are optional for liquor
6 vendors operating agency stores until July 1, 2007;

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, 2004, the board shall implement a pilot program to
17 expand operations in at least twenty state-operated retail stores to
18 include Sundays. The board shall select at least sixteen of the stores
19 to participate in the pilot program based on a regional area determined
20 by the board, and at least four additional stores in major metropolitan
21 areas. The four additional stores in major metropolitan areas will be
22 chosen, insofar as is possible, based on what stores are expected to
23 gross the most revenues on Sunday by considering factors including, but
24 not limited to, population density, proximity to shopping centers, and
25 proximity to other businesses that are open on Sunday. In implementing
26 this program, if the board determines it would be beneficial to retain
27 a consultant to assist the board in determining appropriate stores for
28 the pilot program and monitoring the results of the program, the agency
29 is authorized to do so. The selected stores shall be open for retail
30 business a minimum of five hours on Sunday. The board shall track
31 gross sales and expenses of the selected stores and compare them to
32 previous years' sales and projected sales and expenses before opening
33 on Sunday. The board shall also examine the sales of state and
34 contract liquor stores in proximity to those stores opened on Sundays
35 to determine whether Sunday openings has reduced the sales of other
36 state and contract liquor stores that are not open on Sundays. The

1 board shall present this information to the appropriate policy and
2 fiscal committees of the legislature by December 1, 2006.

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

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

7 (2) In-store liquor merchandising is not advertising for the
8 purposes of this section.

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

12 NEW SECTION. **Sec. 5.** A new section is added to chapter 66.08 RCW
13 to read as follows:

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

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

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

1 store, indicating to the board that there is an objection to the Sunday
2 opening because of proximity to a school.

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

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

16 **Sec. 6.** RCW 66.08.030 and 2002 c 119 s 2 are each amended to read
17 as follows:

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

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

32 (a) Regulating the equipment and management of stores and
33 warehouses in which state liquor is sold or kept, and prescribing the
34 books and records to be kept therein and the reports to be made thereon
35 to the board;

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

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

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

5 (e) Prescribing, subject to (~~RCW 66.16.080~~) section 8 of this
6 act, the hours during which the state liquor stores shall be kept open
7 for the sale of liquor;

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

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

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

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

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

34 (k) Prescribing the kinds and quantities of liquor which may be
35 kept on hand by the holder of a special permit for the purposes named
36 in the permit, regulating the manner in which the same shall be kept
37 and disposed of, and providing for the inspection of the same at any
38 time at the instance of the board;

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

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

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

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

12 (p) Regulating premises in which liquor is kept for export from the
13 state, or from which liquor is exported, prescribing the books and
14 records to be kept therein and the reports to be made thereon to the
15 board, and providing for the inspection of the premises and the books,
16 records and the liquor so kept;

17 (q) Prescribing the conditions and qualifications requisite for the
18 obtaining of club licenses and the books and records to be kept and the
19 returns to be made by clubs, prescribing the manner of licensing clubs
20 in any municipality or other locality, and providing for the inspection
21 of clubs;

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

25 (s) Specifying and regulating the time and periods when, and the
26 manner, methods, and means by which manufacturers shall deliver liquor
27 within the state; and the time and periods when, and the manner,
28 methods, and means by which liquor may lawfully be conveyed or carried
29 within the state;

30 (t) Providing for the making of returns by brewers of their sales
31 of beer shipped within the state, or from the state, showing the gross
32 amount of (~~such~~) the sales and providing for the inspection of
33 brewers' books and records, and for the checking of the accuracy of any
34 (~~such~~) returns;

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

37 (v) Providing for the making of returns by any other liquor
38 manufacturers, showing the gross amount of liquor produced or

1 purchased, the amount sold within and exported from the state, and to
2 whom so sold or exported, and providing for the inspection of the
3 premises of any (~~such~~) liquor manufacturers, their books and records,
4 and for the checking of any (~~such~~) return;

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

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

11 (y) Prescribing methods of manufacture, conditions of sanitation,
12 standards of ingredients, quality and identity of alcoholic beverages
13 manufactured, sold, bottled, or handled by licensees and the board; and
14 conducting from time to time, in the interest of the public health and
15 general welfare, scientific studies and research relating to alcoholic
16 beverages and the use and effect thereof;

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

25 NEW SECTION. Sec. 7. A new section is added to chapter 66.16 RCW
26 to read as follows:

27 Employees in state liquor stores, including agency vendor liquor
28 stores, may not be required to work on their Sabbath if doing so would
29 violate their religious beliefs.

30 NEW SECTION. Sec. 8. A new section is added to chapter 66.16 RCW
31 to read as follows:

32 Beginning July 1, 2007, no sale or delivery of liquor shall be made
33 on or from the premises of any state liquor store, nor shall any store
34 be open for the sale of liquor, on Sunday, unless the board determines
35 that unique circumstances exist which necessitate Sunday liquor sales

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

3 NEW SECTION. **Sec. 9.** 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. 10.** 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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