

HOUSE BILL REPORT

HB 1009

As Reported by House Committee On:
Government Accountability & Oversight

Title: An act relating to liquor self-checkout machines.

Brief Description: Prohibiting certain liquor self-checkout machines.

Sponsors: Representatives Hunt, Appleton, McCoy and Johnson.

Brief History:

Committee Activity:

Government Accountability & Oversight: 1/17/13, 1/29/13 [DPS].

Brief Summary of Substitute Bill

- Authorizes a retailer to sell liquor through the use of self-checkout registers provided specified requirements are met, including those relating to automated monitoring of attempted liquor purchases and mandatory intervention in the transaction by an employee in order to verify identification.

HOUSE COMMITTEE ON GOVERNMENT ACCOUNTABILITY & OVERSIGHT

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 8 members: Representatives Hurst, Chair; Wylie, Vice Chair; Condotta, Ranking Minority Member; Holy, Assistant Ranking Minority Member; Alexander, Blake, Kirby and Shea.

Staff: Thamas Osborn (786-7129).

Background:

It has become increasingly common for grocery stores and other retailers to utilize mechanical self-checkout systems that enable customers to complete retail transactions through integrated, automated scanning devices and payment systems. Such systems allow an unassisted customer to use a machine to scan the price of the item being purchased and then complete the transaction by credit card or cash via an automated payment device. Such

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systems are generally monitored by store personnel so as to enable customer assistance in the event a customer experiences difficulties with the system or a problem arises during the course of the transaction. In addition, many retailers either have employees to monitor transactions involving alcoholic beverages and/or automated systems to signal the attempted purchase of an alcoholic beverage. In such instances, the employee has the opportunity to approach the customer to verify that the customer has the identification necessary to show that he or she is of the legal age for the purchase of alcohol.

Presently, Washington has no statutes regulating the use of such self-checkout systems with respect to the purchase of alcoholic beverages.

Summary of Substitute Bill:

The substitute bill authorizes a retailer to sell liquor through the use of self-checkout registers provided the following requirements are met:

- the self-checkout register must be programmed to automatically halt any transaction involving the sale of liquor;
- the register must then automatically trigger a means of alerting an employee that a liquor-related transaction has been attempted;
- the employee must then personally intervene in the transaction by approaching the customer to verify that he/she has identification legally sufficient to prove that he/she is at least 21 years of age; and
- if the purchaser cannot provide proper identification satisfying the age requirement, then the purchase must be refused and the transaction voided.

Substitute Bill Compared to Original Bill:

The substitute bill makes the following changes to the original bill:

- (1) deletes proposed statutory language prohibiting or limiting the use of self-check out registers for retail liquor transactions; and
- (2) authorizes a retailer to sell liquor through the use of self-checkout registers provided the following requirements are met:
 - the self-checkout register must be programmed to automatically halt any transaction involving the sale of liquor;
 - the register must then automatically trigger a means of alerting an employee that a liquor-related transaction has been attempted;
 - the employee must then personally intervene in the transaction by approaching the customer to verify that he/she has identification legally sufficient to provide proof that he/she is at least 21 years of age; and
 - if the purchaser cannot provide proper identification satisfying the age requirement, then the purchase must be refused and the transaction voided.

Appropriation: None.

Fiscal Note: Not requested.

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

Staff Summary of Public Testimony:

(In support) What this bill is really about is public safety, insofar as it will serve to prevent underage persons from illegally purchasing liquor from automatically operated self-checkout registers. While some retailers have fail-safe systems in place to prevent self-checkout liquor transactions by minors, other retailers do not and it is not uncommon to witness minors successfully purchase liquor via self-checkout machines. In addition, there is evidence to suggest that some self-checkout systems make it easier for minors to find ways to deceive the self-checkout system as a means of stealing liquor. There is a California study showing that teenagers are learning to scam self-checkout systems in order either to steal liquor or purchase it illegally. Currently, many retailers have too few employees monitoring the self-checkout systems, thus making it impossible for the employees to do adequate monitoring of liquor transactions. Those retailers with numerous self-checkout lanes and few monitoring employees are inviting theft and illegal liquor transactions. Self-checkout systems can be designed to automatically stop liquor transactions pending the personal intervention of an employee to check identification. Such systems are already in place in many businesses and they work well. This is a common sense piece of legislation that would reduce underage drinking, reduce theft, and enhance public safety.

(Opposed) In its current form the bill is too extreme and would serve to punish responsible retailers. The scope of the real-world problems with self-checkout machines is greatly exaggerated and generally such automated systems work well with little theft or underage purchases. Also, the current bill language is vague with respect to the exact responsibilities of store employees. Fred Meyer stores, among others, have excellent systems in place that have worked well for a long time. Retailers with good systems already in place should not be included in the scope of the bill.

Persons Testifying: (In support) Don Pierce, Washington Association of Sheriffs and Police Chiefs; Sharon Ness and Joe Mizrahi, United Food Commercial Workers; Seth Dawson, Washington Association of Substance Abuse Prevention; John Lovick, Snohomish County Sheriff's Office; and Rick Garza, Washington Liquor Control Board.

(Opposed) Holly Chisa, Northwest Grocery Association; and Charlie Brown, Fred Meyer Stores.

Persons Signed In To Testify But Not Testifying: None.