
SENATE BILL 5240

State of Washington

65th Legislature

2017 Regular Session

By Senators Mullet, Zeiger, Rivers, Angel, Takko, Hasegawa, and Warnick

1 AN ACT Relating to gradually increasing the local government
2 share of excess liquor revenues; amending RCW 66.08.190; and creating
3 a new section.

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

5 NEW SECTION. **Sec. 1.** (1) The legislature finds that the state
6 of Washington has been sharing liquor revenues with local governments
7 for the past eight decades. The legislature further finds that
8 alcohol consumption is a contributing factor in driving under the
9 influence, certain criminal offenses, underage drinking, and
10 misdemeanor offenses such as violations of open container laws;
11 therefore, it is imperative that local governments receive an
12 adequate share of liquor revenues to offset the cost these factors
13 have on local communities. The legislature further finds that a
14 preponderance of the law enforcement efforts to address offenses
15 associated with excess alcohol consumption are at the local level.

16 (2) The legislature further finds that, in 2011, when voters
17 approved Initiative Measure No. 1183 to privatize liquor sales, they
18 did so with the expectation that funding for local public safety
19 efforts related to alcohol would be increased. The legislature
20 further finds that the passage of Engrossed Substitute House Bill No.
21 2823 in the 2012 2nd sp. sess. had the opposite effect, capping

1 specific liquor revenue distributions to cities and counties and
2 changing what had been a percentage-based distribution formula to a
3 flat annual amount that does not grow with increased liquor sale
4 revenues.

5 (3) Therefore, the legislature intends to honor the will of the
6 voters by removing the statutory cap on excess liquor revenues and
7 gradually returning the distributions to cities and counties. The
8 legislature intends to use a phased-in approach, over several years.
9 The legislature finds this is the most cost-effective way to increase
10 excess liquor revenues for local governments, while mitigating the
11 impact to the general fund by avoiding a large one-time expenditure,
12 spreading the restoration of revenues over several years.

13 **Sec. 2.** RCW 66.08.190 and 2012 2nd sp.s. c 5 s 8 are each
14 amended to read as follows:

15 (1) Prior to making distributions described in subsection (2) of
16 this section, amounts must be retained to support allotments under
17 RCW 43.88.110 from any legislative appropriation for municipal
18 research and services. The legislative appropriation for such
19 services must be in the amount specified under RCW 66.24.065.

20 (2)(a) When excess funds are distributed during the months of
21 June, September, December, and March of each year, all moneys subject
22 to distribution must be disbursed to border areas, counties, cities,
23 and towns as provided in RCW 66.24.065 plus the following additional
24 amounts:

25 (i) Five million dollars in fiscal year 2022;

26 (ii) Ten million dollars in fiscal year 2023;

27 (iii) Fifteen million dollars in fiscal year 2024; and

28 (iv) Twenty million dollars in fiscal year 2025.

29 (b) The additional amounts provided in (a)(i) through (iv) of
30 this subsection must be distributed as follows:

31 (i) Three-tenths of one percent to border areas under RCW
32 66.08.195; and

33 (ii) Of the remaining moneys:

34 (A) Twenty percent must be distributed to counties in the same
35 manner as under RCW 66.08.200; and

36 (B) Eighty percent must be distributed to incorporated cities and
37 towns in the same manner as under RCW 66.08.210.

1 (3) The amount remaining after distributions under subsections
2 (1) and (2) of this section must be deposited into the general fund.

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