



Local impacts of Statewide “Liquor Initiatives”

How do the City of Richland and its residents benefit from liquor sales under the current system?

- Currently, the State of Washington is both the distributor and retailer of hard liquor or “spirits.”
- The State charges a mark-up on liquor sales and imposes a liquor tax; cities receive shares of both these revenue sources.
- Liquor profits: After the State covers the cost of its liquor operations, it divides the remaining revenue with 50% to the State, 40% to cities and 10% to counties. The State distributes cities and counties’ shares on a per capita basis. ***In 2010, the estimated amount per capita is \$8.21, which will provide \$390,000 to the City of Richland.***
- Liquor taxes: The State divides excise taxes from liquor sales with 65% to the State, 28% to cities and 7% to counties. The State also distributes these funds on a per capita basis. ***The estimated per capita amount for 2010 is \$4.95, which will provide \$234,680 to Richland.***
- The City uses both funding sources to support general government services, including public safety (police and fire), parks, transportation, library, development and administration.

What would the initiatives do?

Initiative 1100	Initiative 1105
Privatizes distribution and retail sales.	Privatizes distribution and retail sales.
Does not require a separate distributor, so retailers may also be distributors.	Requires retailers to purchase from licensed distributors.
Allows for volume discounts on liquor, beer and wine sales.	Allows for volume discounts on liquor sales.
Allows any retailer currently selling beer or wine to sell liquor. (Currently, the State licenses 5,200 such outlets.)	Directs Washington State Liquor Control Board to develop criteria for issuing retail liquor licenses.
	Repeals all liquor taxes and directs the Liquor Control Board to develop a recommendation to the State Legislature for a new tax structure that would generate the same amount of revenue plus \$100 million over five years.

How would the initiatives impact Richland?

Initiative 1100	Initiative 1105
Eliminates liquor profits of approximately \$390,000 per year	Eliminates liquor profits of approximately \$390,000 per year
	Eliminates liquor taxes of approximately \$234,680 per year
Associated reduction in city revenue would force reduction in general government services	Associated reduction in city revenue would force reduction in general government services
Allows for more liquor outlets	Potentially allows for more liquor outlets