
SENATE BILL 6554

State of Washington

62nd Legislature

2012 Regular Session

By Senator Kastama

Read first time 01/31/12. Referred to Committee on Labor, Commerce & Consumer Protection.

1 AN ACT Relating to the consolidation of the liquor control board
2 into the gambling commission; amending RCW 9.46.0221, 9.46.040,
3 9.46.060, 9.46.071, 9.46.085, 9.46.360, and 9.46.400; adding a new
4 section to chapter 9.46 RCW; creating a new section; and repealing RCW
5 66.08.012.

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

7 NEW SECTION. **Sec. 1.** The legislature realizes fiscal efficiencies
8 by consolidating similar state agency functions where possible. The
9 legislature recognizes that the management functions and services
10 provided by the gambling commission and the Washington state liquor
11 control board are similar in the following areas: Agency
12 administration, human resource and personnel management, and management
13 of enforcement of state laws and agency rules. It is the intent of the
14 legislature to realize efficiencies by combining these two agencies
15 into one and reducing by half the number of top level administrators in
16 the newly created agency. Reduction of top level administration shall
17 include a reduction in the number of paid commissioners or paid board
18 members, upper level managers and staff reporting to the newly created
19 commission, and agency directors in the following areas: Agency

1 administration, human resource and personnel management, and management
2 of enforcement personnel. It is the intent of the legislature to
3 realize additional efficiencies by transferring those functions of the
4 liquor control board having to do with collection of taxes and other
5 licensing, audit, and regulatory functions to the department of
6 revenue.

7 **Sec. 2.** RCW 9.46.0221 and 1987 c 4 s 7 are each amended to read as
8 follows:

9 "Commission," as used in this chapter, means the Washington state
10 gambling and liquor commission created in RCW 9.46.040.

11 **Sec. 3.** RCW 9.46.040 and 1974 ex.s. c 155 s 12 are each amended to
12 read as follows:

13 There shall be a commission, known as the "Washington state
14 gambling and liquor commission," consisting of five members appointed
15 by the governor with the consent of the senate. The members of the
16 commission shall be appointed within thirty days of July 16, 1973 for
17 terms beginning July 1, 1973, and expiring as follows: One member of
18 the commission for a term expiring July 1, 1975; one member of the
19 commission for a term expiring July 1, 1976; one member of the
20 commission for a term expiring July 1, 1977; one member of the
21 commission for a term expiring July 1, 1978; and one member of the
22 commission for a term expiring July 1, 1979; each as the governor so
23 determines. Their successors, all of whom shall be citizen members
24 appointed by the governor with the consent of the senate, upon being
25 appointed and qualified, shall serve six year terms: PROVIDED, That no
26 member of the commission who has served a full six year term shall be
27 eligible for reappointment. In case of a vacancy, it shall be filled
28 by appointment by the governor for the unexpired portion of the term in
29 which said vacancy occurs. No vacancy in the membership of the
30 commission shall impair the right of the remaining member or members to
31 act, except as in RCW 9.46.050(2) provided.

32 In addition to the members of the commission there shall be four ex
33 officio members without vote from the legislature consisting of: (1)
34 Two members of the senate, one from the majority political party and
35 one from the minority political party, both to be appointed by the
36 president of the senate; (2) two members of the house of

1 representatives, one from the majority political party and one from the
2 minority political party, both to be appointed by the speaker of the
3 house of representatives; such appointments shall be for the term of
4 two years or for the period in which the appointee serves as a
5 legislator, whichever expires first; members may be reappointed;
6 vacancies shall be filled in the same manner as original appointments
7 are made. Such ex officio members who shall collect data deemed
8 essential to future legislative proposals and exchange information with
9 the board shall be deemed engaged in legislative business while in
10 attendance upon the business of the board and shall be limited to such
11 allowances therefor as otherwise provided in RCW 44.04.120, the same to
12 be paid from the "gambling revolving fund" as being expenses relative
13 to commission business.

14 **Sec. 4.** RCW 9.46.060 and 1973 1st ex.s. c 218 s 6 are each amended
15 to read as follows:

16 (1) The attorney general shall be general counsel for the state
17 gambling and liquor commission and shall assign such assistants as may
18 be necessary in carrying out the purposes and provisions of this
19 chapter, which shall include instituting and prosecuting any actions
20 and proceedings necessary thereto.

21 (2) The state auditor shall audit the books, records, and affairs
22 of the commission annually. The commission shall pay to the state
23 treasurer for the credit of the state auditor such funds as may be
24 necessary to defray the costs of such audits. The commission may
25 provide for additional audits by certified public accountants. All
26 such audits shall be public records of the state.

27 The payment for legal services and audits as authorized in this
28 section shall be paid upon authorization of the commission from moneys
29 in the gambling revolving fund.

30 **Sec. 5.** RCW 9.46.071 and 2005 c 369 s 9 are each amended to read
31 as follows:

32 (1) The legislature recognizes that some individuals in this state
33 are problem or pathological gamblers. Because the state promotes and
34 regulates gambling through the activities of the state lottery
35 commission, the Washington horse racing commission, and the Washington
36 state gambling and liquor commission, the state has the responsibility

1 to continue to provide resources for the support of services for
2 problem and pathological gamblers. Therefore, the Washington state
3 gambling and liquor commission, the Washington horse racing commission,
4 and the state lottery commission shall jointly develop informational
5 signs concerning problem and pathological gambling which include a
6 toll-free hot line number for problem and pathological gamblers. The
7 signs shall be placed in the establishments of gambling licensees,
8 horse racing licensees, and lottery retailers. In addition, the
9 Washington state gambling and liquor commission, the Washington horse
10 racing commission, and the state lottery commission may also contract
11 with other qualified entities to provide public awareness, training,
12 and other services to ensure the intent of this section is fulfilled.

13 (2)(a) During any period in which RCW 82.04.285(2) is in effect,
14 the commission may not increase fees payable by licensees under its
15 jurisdiction for the purpose of funding services for problem and
16 pathological gambling. Any fee imposed or increased by the commission,
17 for the purpose of funding these services, before July 1, 2005, shall
18 have no force and effect after July 1, 2005.

19 (b) During any period in which RCW 82.04.285(2) is not in effect:

20 (i) The commission, the Washington state horse racing commission,
21 and the state lottery commission may contract for services, in addition
22 to those authorized in subsection (1) of this section, to assist in
23 providing for treatment of problem and pathological gambling; and

24 (ii) The commission may increase fees payable by (~~licenses~~
25 ~~{licensees}~~) licensees under its jurisdiction for the purpose of
26 funding the services authorized in this section for problem and
27 pathological gamblers.

28 **Sec. 6.** RCW 9.46.085 and 1986 c 4 s 1 are each amended to read as
29 follows:

30 A member or employee of the gambling and liquor commission shall
31 not:

32 (1) Serve as an officer or manager of any corporation or
33 organization which conducts a lottery or gambling activity;

34 (2) Receive or share in, directly or indirectly, the gross profits
35 of any gambling activity regulated by the commission;

36 (3) Be beneficially interested in any contract for the manufacture

1 or sale of gambling devices, the conduct of (~~the~~) a gambling
2 activity, or the provision of independent consultant services in
3 connection with a gambling activity.

4 **Sec. 7.** RCW 9.46.360 and 1992 c 172 s 2 are each amended to read
5 as follows:

6 (1) The negotiation process for compacts with federally recognized
7 Indian tribes for conducting class III gaming, as defined in the Indian
8 Gaming Regulatory Act, 25 U.S.C. Sec. 2701 et seq., on federal Indian
9 lands is governed by this section.

10 (2) The gambling and liquor commission through the director or the
11 director's designee shall negotiate compacts for class III gaming on
12 behalf of the state with federally recognized Indian tribes in the
13 state of Washington.

14 (3) When a tentative agreement with an Indian tribe on a proposed
15 compact is reached, the director shall immediately transmit a copy of
16 the proposed compact to all voting and ex officio members of the
17 gambling and liquor commission and to the standing committees
18 designated pursuant to subsection (5) of this section.

19 (4) Notwithstanding RCW 9.46.040, the four ex officio members of
20 the gambling and liquor commission shall be deemed voting members of
21 the gambling and liquor commission for the sole purpose of voting on
22 proposed compacts submitted under this section.

23 (5) Within thirty days after receiving a proposed compact from the
24 director, one standing committee from each house of the legislature
25 shall hold a public hearing on the proposed compact and forward its
26 respective comments to the gambling and liquor commission. The
27 president of the senate shall designate the senate standing committee
28 that is to carry out the duties of this section, and the speaker of the
29 house of representatives shall designate the house standing committee
30 that is to carry out the duties of this section. The designated
31 committees shall continue to perform under this section until the
32 president of the senate or the speaker of the house of representatives,
33 as the case may be, designates a different standing committee.

34 (6) The gambling and liquor commission may hold public hearings on
35 the proposed compact any time after receiving a copy of the compact
36 from the director. Within forty-five days after receiving the proposed
37 compact from the director, the gambling and liquor commission,

1 including the four ex officio members, shall vote on whether to return
2 the proposed compact to the director with instructions for further
3 negotiation or to forward the proposed compact to the governor for
4 review and final execution.

5 (7) Notwithstanding provisions in this section to the contrary, if
6 the director forwards a proposed compact to the gambling and liquor
7 commission and the designated standing committees within ten days
8 before the beginning of a regular session of the legislature, or during
9 a regular or special session of the legislature, the thirty-day time
10 limit set forth in subsection (5) of this section and the forty-five
11 day limit set forth in subsection (6) of this section are each forty-
12 five days and sixty days, respectively.

13 (8) Funding for the negotiation process under this section must
14 come from the gambling revolving fund.

15 (9) In addition to the powers granted under this chapter, the
16 commission, consistent with the terms of any compact, is authorized and
17 empowered to enforce the provisions of any compact between a federally
18 recognized Indian tribe and the state of Washington.

19 **Sec. 8.** RCW 9.46.400 and 1996 c 101 s 3 are each amended to read
20 as follows:

21 Any raffle authorized by the fish and wildlife commission involving
22 hunting big game animals or wild turkeys shall not be subject to any
23 provisions of this chapter other than RCW 9.46.010 and this section or
24 to any rules or regulations of the gambling and liquor commission.

25 NEW SECTION. **Sec. 9.** A new section is added to chapter 9.46 RCW
26 to read as follows:

27 (1) The Washington state liquor control board is hereby abolished
28 and its powers, duties, and functions are hereby transferred to the
29 gambling and liquor commission. All references to the director or the
30 Washington state liquor control board in the Revised Code of Washington
31 shall be construed to mean the director or the gambling and liquor
32 commission.

33 (2)(a) All reports, documents, surveys, books, records, files,
34 papers, or written material in the possession of the Washington state
35 liquor control board shall be delivered to the custody of the gambling
36 and liquor commission. All cabinets, furniture, office equipment,

1 motor vehicles, and other tangible property employed by the Washington
2 state liquor control board shall be made available to the gambling and
3 liquor commission. All funds, credits, or other assets held by the
4 Washington state liquor control board shall be assigned to the gambling
5 and liquor commission.

6 (b) Any appropriations made to the Washington state liquor control
7 board shall, on the effective date of this section, be transferred and
8 credited to the gambling and liquor commission.

9 (c) If any question arises as to the transfer of any personnel,
10 funds, books, documents, records, papers, files, equipment, or other
11 tangible property used or held in the exercise of the powers and the
12 performance of the duties and functions transferred, the director of
13 financial management shall make a determination as to the proper
14 allocation and certify the same to the state agencies concerned.

15 (3) All employees of the Washington state liquor control board are
16 transferred to the jurisdiction of the gambling and liquor commission.
17 All employees classified under chapter 41.06 RCW, the state civil
18 service law, are assigned to the gambling and liquor commission to
19 perform their usual duties upon the same terms as formerly, without any
20 loss of rights, subject to any action that may be appropriate
21 thereafter in accordance with the laws and rules governing state civil
22 service.

23 (4) All rules and all pending business before the Washington state
24 liquor control board shall be continued and acted upon by the gambling
25 and liquor commission. All existing contracts and obligations shall
26 remain in full force and shall be performed by the gambling and liquor
27 commission.

28 (5) The transfer of the powers, duties, functions, and personnel of
29 the Washington state liquor control board shall not affect the validity
30 of any act performed before the effective date of this section.

31 (6) If apportionments of budgeted funds are required because of the
32 transfers directed by this section, the director of financial
33 management shall certify the apportionments to the agencies affected,
34 the state auditor, and the state treasurer. Each of these shall make
35 the appropriate transfer and adjustments in funds and appropriation
36 accounts and equipment records in accordance with the certification.

37 (7) All classified employees of the Washington state liquor control
38 board assigned to the gambling and liquor commission under this section

1 whose positions are within an existing bargaining unit description at
2 the gambling and liquor commission shall become a part of the existing
3 bargaining unit at the gambling and liquor commission and shall be
4 considered an appropriate inclusion or modification of the existing
5 bargaining unit under the provisions of chapter 41.80 RCW.

6 NEW SECTION. **Sec. 10.** RCW 66.08.012 (Creation of board--
7 Chairman--Quorum--Salary) and 1961 c 307 s 7, 1949 c 5 s 8, 1945 c 208
8 s 1, 1937 c 225 s 1, & 1933 ex.s. c 62 s 63 are each repealed.

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