SENATE BILL REPORT

ESSB 6357

AS PASSED SENATE, FEBRUARY 11, 1994

Brief Description: Creating the liquor control agency.

SPONSORS: Senate Committee on Government Operations (originally sponsored by Senator Quigley)

SENATE COMMITTEE ON GOVERNMENT OPERATIONS

Majority Report: That Substitute Senate Bill No. 6357 be substituted therefor, and the substitute bill do pass.
Signed by Senators Haugen, Chairman; Drew, Vice Chairman; McCaslin, Oke and Winsley.

Staff: Diane Smith (786-7410)

Hearing Dates: February 3, 1994; February 4, 1994

BACKGROUND:

The Liquor Control Board generally controls, manages and supervises all liquor stores. The board's functions are carried into effect by regulations made by the board. These regulations are a public record with the same force and effect as statute. The board consists of three members appointed by the Governor with the consent of the Senate. They serve six-year terms.

SUMMARY:

A new agency is not created; rather, the name liquor control agency is created, to which are transferred the administrative and rule-making functions of the three-person Liquor Control Board. The director of the liquor control agency heads the new administrative structure for the functions formerly performed by the Liquor Control Board. The director is appointed by the Governor and serves at the Governor's pleasure subject to confirmation by the Senate. The director's powers and duties are described. The director is to prepare a liquor plan. Various statutory references to the Liquor Control Board are amended to refer to the liquor control agency.

A five-member liquor control review board is created to be appointed by the Governor for six-year staggered terms beginning July 1, 1995. It will hear appeals from the agency director's decisions on licensing, penalties, siting of stores and choice of liquor to be sold. The board is compensated by per diem, may be removed for stated reasons and meets in Olympia. Final decisions of the review board are appealed under the Administrative Procedure Act.

The director must meet certain competency and experience requirements.

Appropriation: none

Revenue: none

Fiscal Note: requested January 24, 1994

Effective Date: July 1, 1995

TESTIMONY FOR:

The bill provides efficiency, flexibility and responsiveness to a declining market. It provides accountability by establishing one head of a $350 million a year business, instead of three heads. Three should be a board to hear appeals.

TESTIMONY AGAINST:

The board now operates under a veil of secrecy which would be exacerbated by this bill. The appeal process needs to stay in place.

TESTIFIED: Robert Smith (con); Mike Murphy, WSLCB (pro); Kit Hawkins, Restaurant Assn. (con); Jack Rabourn, WSLCB (pro); Joe Daniels, UFCW 1001 (pro)