

# HOUSE BILL REPORT

## HB 1058

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### As Passed House:

March 8, 1995

**Title:** An act relating to the repeal of liquor vendors' appeals as authorized by RCW 41.06.150.

**Brief Description:** Affecting the repeal of liquor vendors' appeals as authorized by RCW 41.06.150.

**Sponsors:** Representatives Horn and Sheldon; by request of Liquor Control Board.

### Brief History:

#### Committee Activity:

Commerce & Labor: 1/18/95, 2/8/95 [DP].

#### Floor Activity:

Passed House: 3/8/95, 96-0.

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### HOUSE COMMITTEE ON COMMERCE & LABOR

**Majority Report:** Do pass. Signed by 11 members: Representatives Lisk, Chairman; Hargrove, Vice Chairman; Thompson, Vice Chairman; Romero, Ranking Minority Member; Conway, Assistant Ranking Minority Member; Cairnes; Cody; Cole; Fuhrman; Goldsmith and Horn.

**Staff:** Pam Madson (786-7166).

**Background:** The Washington State Liquor Control Board has authority to appoint liquor vendors in communities where no state liquor store exists. These vendors sell liquor either through existing private retail businesses or as a separate business.

For many purposes, they are considered independent contractors rather than state employees. They are not part of the state retirement system. They currently may not receive health insurance coverage as state employees. Effective January 1, 1994, the IRS has ruled that liquor vendors appointed by the board are treated as independent contractors for tax purposes.

Liquor vendors are exempt from the civil service system. However, those who sell liquor, excluding those who sell in addition to their private retail businesses, do have a statutory right to appeal to the state Personnel Resources Board. The state

Personnel Resources Board sets the policies that govern state employees who are part of the state's civil service system.

**Summary of Bill:** Liquor vendors who are appointed by the Liquor Control Board to sell liquor in communities where no state liquor store exists are no longer subject to the state civil service system and the rules of the state Personnel Resources Board.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** The bill contains an emergency clause and takes effect immediately.

**Testimony For:** This bill takes away a reference in the civil service code that refers to liquor vendors having a right to appeal under the state civil service system. Liquor vendors are those who sell in small communities with no state liquor store. They are also referred to as agency managers. Only the vendors and not their employees could appeal. Their employees are considered private employees. The Internal Revenue Service has ruled the agency managers to be independent contractors.

**Testimony Against:** None.

**Testified:** Carter Mitchell, Liquor Control Board (pro); and Dick Ducharme, Washington Beer and Wine Wholesalers Association (pro).