

HOUSE BILL REPORT

HB 2973

As Reported By House Committee On:
Commerce & Labor

Title: An act relating to clarifying the role of the liquor control board to hear appeals relating to the seizure and forfeiture of cigarettes.

Brief Description: Clarifying the role of the liquor control board to hear appeals related to the seizure and forfeiture of cigarettes.

Sponsors: Representative McMorris.

Brief History:

Committee Activity:

Commerce & Labor: 2/4/98, 2/5/98 [DPS].

HOUSE COMMITTEE ON COMMERCE & LABOR

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 7 members: Representatives McMorris, Chairman; Honeyford, Vice Chairman; Wood, Assistant Ranking Minority Member; Boldt; Clements; Cole and Hatfield.

Staff: Pam Madson (786-7166).

Background: In 1997, primary enforcement authority for cigarette and tobacco tax laws was transferred from the Department of Revenue to the Liquor Control Board. To facilitate enforcement of these laws, the Department of Revenue must appoint enforcement officers of the Liquor Control Board as authorized agents of the Department of Revenue. Both agencies may participate in seizure of the cigarettes that do not comply with state law. The Department of Revenue is designated as the agency to conduct proceedings involving the forfeiture of legally seized items.

Based on the transfer of authority, both agencies entered into an interagency agreement to clarify each agency's responsibility under the new law. The agreement gives the Liquor Control Board the responsibility to handle seized property and to hear claims that arise regarding the disposition of seized property. Clarification is sought to allow the board to process forfeiture actions involving seized property.

Summary of Substitute Bill: The Liquor Control Board, along with the Department of Revenue, is authorized to process forfeiture actions involving seized property. Such action includes conducting hearings that arise over claims involving seized property.

Substitute Bill Compared to Original Bill: A technical clarification is made by adding the term "board" and removing the term "seizing agency". An emergency clause is added.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date of Substitute Bill: The bill contains an emergency clause and takes effect immediately.

Testimony For: When the Liquor Control Board was given the enforcement of the tobacco tax laws in 1997, the board entered into an agreement with the Department of Revenue to define each agencies responsibilities. Language in the agreement gave authority to conduct seizure hearings to the board. Because the statute uses the term department, it has provided an opportunity for argument and challenge in the seizure cases that have been held so far. This potential for uncertainty should be eliminated. The board supports the proposed amendments.

Testimony Against: None

Testified: Gary Gilbert, Liquor Control Board