

# SENATE BILL REPORT

## SB 6003

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As Reported By Senate Committee On:  
Commerce, Trade, Housing & Financial Institutions, February 25, 1999

**Title:** An act relating to the reorganization of the liquor control board.

**Brief Description:** Reorganizing the liquor control board.

**Sponsors:** Senators Snyder, Winsley, Prentice, Wojahn, T. Sheldon and Rasmussen; by request of Governor Locke.

**Brief History:**

**Committee Activity:** Commerce, Trade, Housing & Financial Institutions: 2/23/99, 2/25/99 [DPS, DNPS].

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### SENATE COMMITTEE ON COMMERCE, TRADE, HOUSING & FINANCIAL INSTITUTIONS

**Majority Report:** That Substitute Senate Bill No. 6003 be substituted therefor, and the substitute bill do pass.

Signed by Senators Prentice, Chair; Shin, Vice Chair; Gardner, Hale, Rasmussen, T. Sheldon and Winsley.

**Minority Report:** Do not pass substitute.

Signed by Senators Benton and Heavey.

**Staff:** David Pringle (786-7448)

**Background:** The Washington State Liquor Control Board is a three member full-time board appointed for six-year terms by the Governor. The board is responsible for overseeing the sale and distribution of alcohol beverages. This is accomplished through a controlled distribution system, merchandising, education, enforcement, and licensing.

**Summary of Substitute Bill:** The Liquor Control Board is replaced with the Department of Liquor Control in a two-stage process.

During the first stage, between the effective date of this bill and July 1, 2001, the Chair of the Liquor Control Board is the chief executive officer of the Liquor Control Board, and has most administrative duties. The board remains a full-time body, and retains powers over rulemaking, appeals, and licensing.

During the second stage, after July 1, 2001, the board becomes a part-time body and the Governor appoints a full-time director to assume administrative and licensing functions of the renamed Department of Liquor Control.

The part-time board will have two additional members appointed, bringing the board membership to five. The board retains responsibility for rulemaking and hearing appeals of agency actions.

The new director must prepare, update, and execute an integrated liquor plan to achieve efficiencies, ensure quality service, and prevent alcohol abuse.

**Substitute Bill Compared to Original Bill:** The membership of the part-time board is increased to five at the beginning of the second stage of implementation, July 1, 2001.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Effective Date:** Ninety days after adjournment of session in which bill is passed, except for Sections 1 through 5 and Sections 8 through 37, which take effect July 1, 2001.

**Testimony For:** This is a needed modernization of the Liquor Control Board. Operating a large organization with such an unwieldy structure is inefficient, and almost unworkable at times. Having one person in charge simply makes sense. This proposal preserves the lay board as a part-time organization, but leaves it with some significant powers. We do not see any significant staffing changes, except that there will eventually be one chief administrator instead of three.

**Testimony Against:** None.

**Testified:** PRO: Fred Hellberg, Governor's Office; Gene Prince, Chair, Liquor Control Board; Charlie Brydon, Jesse Farias, Liquor Control Board; Dick Ducharme, Washington Beer and Wine Wholesalers Association; Chris Clifford.