

SENATE BILL REPORT

SHB 1781

As Reported By Senate Committee On:
Ways & Means, April 2, 2001

Title: An act relating to payment of agency commissions for agency liquor vendor stores.

Brief Description: Making payment of agency commissions for agency liquor vendor stores.

Sponsors: By House Committee on Appropriations (originally sponsored by Representatives H. Sommers, Sehlin, Clements, Conway and Kenney; by request of Liquor Control Board).

Brief History:

Committee Activity: Ways & Means: 4/2/01 [DP].

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass.

Signed by Senators Brown, Chair; Constantine, Vice Chair; Fairley, Vice Chair; Fraser, Hewitt, Honeyford, Kline, Kohl-Welles, Long, Parlette, Rasmussen, Regala, Roach, Rossi, Sheahan, B. Sheldon, Snyder, Spanel, Thibaudeau, Winsley and Zarelli.

Staff: Erin Hannan (786-7708)

Background: The retail sale of liquor is conducted in two ways. First, the Liquor Control Board (LCB) operates state-run retail stores. Second, the LCB has entered into agency agreements with vendors to sell liquor in areas that do not have state-run stores. Agency vendors are compensated by commissions. Administrative expenses of the LCB, including commissions, are paid through the Liquor Revolving Fund. Currently, expenditures for agency commissions are appropriated.

Summary of Bill: Agency commissions for agency liquor vendor stores are nonappropriated. The LCB may make expenditures for this purpose without an appropriation; however, all of the expenditures from the Liquor Revolving Fund are allotted. Agency commissions are established by the LCB after consultation with and approval by the director of the Office of Financial Management.

Appropriation: None.

Fiscal Note: Available.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: The LCB contracts with 156 agency liquor vendor stores. When sales volumes increase beyond the appropriated amount, the LCB must take cuts to the agency budget in order to pay the contractually obligated commissions, or it asks for additional

appropriation authority in a supplemental budget. This legislation enables the LCB to pay the contractually obligated commissions resulting from increased sales volumes.

Testimony Against: None.

Testified: Kathy Kreiter, Washington State Liquor Control Board member (pro).