

SENATE BILL REPORT

HB 1058

As Reported By Senate Committee On:
Labor, Commerce & Trade, March 30, 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: Labor, Commerce & Trade: 3/21/95, 3/30/95 [DP].

SENATE COMMITTEE ON LABOR, COMMERCE & TRADE

Majority Report: Do pass.

Signed by Senators Pelz, Chair; Heavey, Vice Chair; Deccio, Franklin, Fraser, Hale, Newhouse, Palmer and Wojahn.

Staff: Traci Ratzliff (786-7452)

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 makes state law consistent with a recent Internal Revenue Service ruling that liquor vendors and employees of liquor vendors are not state employees.

Testimony Against: None.

Testified: Carter Mitchell, Liquor Control Board (pro).