

# SENATE BILL REPORT

## SB 6338

---

As Reported By Senate Committee On:  
Commerce, Trade, Housing & Financial Institutions, February 3, 2000

**Title:** An act relating to a liquor agencies advisory committee.

**Brief Description:** Creating a liquor agencies advisory committee.

**Sponsors:** Senators T. Sheldon, Swecker, Honeyford and Rasmussen.

**Brief History:**

**Committee Activity:** Commerce, Trade, Housing & Financial Institutions: 2/1/2000, 2/3/200 [DP].

---

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

**Majority Report:** Do pass.

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

**Staff:** Catherine Mele (786-7470)

**Background:** The Liquor Control Board owns and operates liquor stores in Washington. The law allows the board to appoint liquor agency contract vendors in communities where no state liquor stores exist. These agency contract vendors sell liquor either through existing private retail businesses or as a separate business. Each vendor must sign a contract with the state to operate. The contract states the terms of the fees and the commission structure between the vendor and the state.

Recently, there have been concerns about the method of determining fees and commissions in the contracts negotiated between the liquor agency contract vendors and the Liquor Control Board.

**Summary of Bill:** A liquor agencies advisory committee is created. The committee consists of two members of the Liquor Control Board, two representatives of the liquor agencies, and two members from each of the Senate and House commerce committees. The committee meets at least twice a year, or as often as needed.

The committee must make recommendations regarding revisions to liquor agency fee and commission structures when requested by the legislative commerce committees or by the advisory committee's own initiative. The committee must prepare an annual analysis of liquor agencies fees and commissions. Every second year the committee must make recommendations for fee and commission revisions to the legislative commerce committees. The advisory committee may make recommendations for fee and commission revisions more

frequently than every two years if justified by the annual analysis and requested by the advisory committee.

**Appropriation:** None.

**Fiscal Note:** Requested on January 28, 2000.

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

**Testimony For:** The private liquor agency vendors need an ability to communicate with the Legislature and the Liquor Control Board. An advisory committee would benefit these agency private vendors because it will facilitate discussion and policies about private liquor sales. Rural areas of the state have many private agency vendors that sell liquor in these areas. An advisory committee will make relationships better, and help small business in Washington state.

**Testimony With Concerns:** This is an issue regarding compensation because the Liquor Control Board has not increased commissions or fees. The Legislature already has an ability to control compensation of agency vendors through the budget process.

**Testimony Against:** None.

**Testified:** Ken Heim (pro); Jim Miller (pro); Rick Garza, Liquor Control Board (concerns).