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**Commerce & Labor Committee**

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**HB 1409**

**Brief Description:** Revising provisions relating to contract liquor stores.

**Sponsors:** Representatives Condotta, Wood and Conway; by request of Liquor Control Board.

**Brief Summary of Bill**

- Changes references in state liquor laws from "agencies and vendors" to "contract liquor stores and contract liquor store managers".

**Hearing Date:** 2/2/05

**Staff:** Rebekah Ward (786-7106).

**Background:**

The Liquor Control Board (Board) currently owns and operates some three hundred and eleven liquor stores, and contracts with individual businesses for the sale of spirits in other stores. There are 154 "agency" or "contract liquor" stores. The managers of these stores are "vendors".

Prior to 1994, contract liquor store managers were considered state employees, and were referred to in state law as "vendors" and their stores as "agencies". A 1994 Internal Revenue Service ruling changed their status to independent contractors. As a result, the Board, in agreement with the contract managers, changed their designation to "contract liquor store managers" and their stores to "contract liquor stores."

**Summary of Bill:**

The terms "vendors" and "agency store managers" are changed to reflect the contractual relationship between the Board and the contract liquor stores. These changes make the terms consistent with the 1994 Internal Revenue Service ruling that changed the status of contract liquor to independent contractors.

**Rules Authority:** The bill contains no provisions requiring regarding agency rulemaking.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** The bill takes effect 90 days after adjournment of session in which bill is passed.