Washington State
House of Representatives
Office of Program Research

BILL ANALYSIS

Commerce & Labor Committee

HB 2205

Brief Description: Addressing the structure and authority of the liquor control board.

Sponsors: Representatives Conway and Chase; by request of Governor Gregoire.

Brief Summary of Bill

- Changes the Liquor Control Board (Board) from an agency administered by salaried Board members to an agency administered by a director with the oversight of part-time Board members.

Hearing Date: 2/17/09

Staff: Joan Elgee (786-7106)

Background:

The Liquor Control Board (Board) is charged with the administration of the Washington State Liquor Act (Act). As an agency, the Board operates the state liquor stores; oversees contract liquor stores; issues liquor licenses and permits; regulates the manufacture, distribution and sale of beer and wine; enforces liquor and tobacco laws; conducts education; and collects taxes. The Board has authority to adopt rules to carry the Act into effect.

Board members are appointed by the Governor, with the consent of the Senate, for six-year terms. The Governor may appoint one of the members as Chair of the Board. Board members must devote their entire time to the duties of the office, may not hold any other office, and are salaried. Since 2002 Board members have worked 60-percent time. An Administrative Director is responsible for the day-to-day operations.

Part-time state boards and commissions are divided into five groups based primarily on the duties and functions of the board or commission. Those in the class four group: (1) have rule-making authority, perform quasi-judicial functions, or have responsibility for the administration or policy direction of a state agency or program; (2) have duties determined by the Legislature to

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be of overriding sensitivity and importance to the public welfare and the operation of state government; and (3) require service from its members representing a significant demand on their time that is normally in excess of 100 hours of meeting time per year.

Summary of Bill:

The Liquor Control Board (Board) is changed from an agency administered by salaried Board members to an agency administered by a director with the oversight of part-time Board members. An Office of Director of the Board (Director) is created. The Director is appointed by the Governor with the consent of the Senate and serves at the pleasure of the Governor.

The Director is responsible for the supervision and administration of the operation of the Board. The Director must also: (1) appoint a deputy and assistant directors, and other employees as may be required; (2) purchase, lease, contract, or otherwise acquire any goods, services, and products; (3) approve liquor purchase orders; (4) approve licenses and permits and enforce the Act and the Board's rules; (5) assign duties, coordinate agency operations, and establish performance standards and timelines; (6) authorize the expenditures of funds and approve disbursements of excess funds from the Liquor Revolving Fund; and (7) perform all other matters and things necessary to carry out the purposes and provisions of the chapter or as delegated by the Board. The Director must also confer regularly with the Board members, make information and documents available, and advise and make recommendations to the Board members.

The Board members must meet at least monthly and at such other times as called by the Chair of the Board (Chair) or upon written request to the Chair by two Board members. The restriction on Board members holding other offices is deleted. Board members provide oversight over the Director and approve all rules. Board members are class four members for purposes of compensation and receive $100 for each day the member attends an official meeting or performs duties approved by the Chair, as well as travel expenses.

Rules Authority: The bill contains provisions addressing the rule-making authority of the Liquor Control Board.

Appropriation: None.

Fiscal Note: Requested on 2/13/09.

Effective Date: The bill contains an emergency clause and takes effect July 1, 2009.