

SENATE BILL REPORT

SB 6290

As of February 3, 2026

Title: An act relating to reorganizing the liquor and cannabis board into separate liquor and cannabis boards and providing shared agency administration.

Brief Description: Reorganizing the liquor and cannabis board.

Sponsors: Senators King and Conway.

Brief History:

Committee Activity: Labor & Commerce: 2/02/26, 2/03/26.

Brief Summary of Bill

- Separates the Liquor and Cannabis Board (LCB) into two boards, a Liquor Board and a Cannabis Board, that oversee a single state agency.
- Expands each board to consist of five members appointed by the Legislature and Governor, as specified.
- Requires the two boards to jointly employ a director to administer the agency, and requires the director to appoint deputy directors for liquor, tobacco, and vapor programs and for cannabis programs.
- Requires shared agency administration, and authorizes the director to employ and assign staff subject to the needs of each board within its jurisdiction.

SENATE COMMITTEE ON LABOR & COMMERCE

Staff: Marlon Llanes (786-7423)

Background: The Liquor and Cannabis Board (LCB) is a state agency responsible for administering and enforcing state laws governing alcoholic beverages and the licensed

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.

cannabis market, and has additional responsibilities relating to tobacco and vapor products.

Under current law, LCB is governed by a three-member board appointed by the Governor with Senate confirmation. The agency employs staff to carry out licensing, enforcement, and other regulatory functions.

Summary of Bill: Board Reorganization. The Liquor and Cannabis Board (LCB) remains a single state agency but is composed of two separate boards, a Liquor Board and a Cannabis Board. Each board consists of five members. Two members of each board are appointed by the Speaker of the House of Representatives, two members are appointed by the President of the Senate, and one member is appointed by the Governor. The Governor may designate one member of each board as chair. A majority of the members of each board constitutes a quorum for that board. Board member salaries are fixed by the Governor.

Board Members. Board members serve six year terms and hold office until successors are appointed and qualified. Initial appointments are staggered for each board, with one member appointed for a two year term, two members appointed for four year terms, and two members appointed for six year terms. Vacancies are filled by the appointing authority that made the appointment for the unexpired portion of the term. A vacancy does not impair the right of the remaining members to act, except as otherwise provided by law.

A member may be removed for inefficiency, malfeasance, or misfeasance in office upon written charges filed by the appointing authority and adjudicated at a public hearing by a tribunal of three superior court judges designated by the Chief Justice of the Supreme Court; removal disqualifies the member for reappointment. Members must devote their entire time to the duties of office and may not hold any other public office. Before entering upon the duties of office, each member must take and subscribe an oath of office and file a surety bond payable to the state, in the amount of \$50,000, conditioned upon faithful performance of duties.

Leadership Structure. The Liquor Board and Cannabis Board, acting jointly, must employ a director to administer the agency. The director serves both boards and may be removed only upon the affirmative vote of a majority of the members of each board. Each board has authority to set policy and priorities within its jurisdiction, and the director must implement the lawful policies and orders of each board within that board's jurisdiction. The director is the appointing authority for agency employees and may assign employees to support one or both boards, and must ensure each board receives staff support necessary to carry out its duties. The director must appoint two deputy directors: one deputy director for liquor, tobacco, and vapor programs and one deputy director for cannabis programs.

Shared Administration. The director must provide shared administrative services and centralized support functions for both boards, including budget, human resources, information technology, finance, contracting, and public records. The director must develop

and submit a single agency budget request and maintain internal accounting that identifies revenues and expenditures attributable to each board's programs and to shared services, and allocate staff and other resources, including shared services costs, among the boards and shared services after consultation with each board.

Beginning with the first enacted operating budget for the agency after the effective date, the director must establish a baseline internal allocation of the agency's operating expenditures and spending authority between programs and activities within the jurisdiction of each board, calculated using the most recent enacted operating budget and allotment data. The director must use the baseline allocation for internal budgeting, allotment, and cost allocation purposes, including allocation of shared services costs, unless otherwise provided in the enacted operating budget. Nothing in this baseline allocation creates a separate appropriation or modifies amounts appropriated by the Legislature.

Conflict Resolution. When direction from the boards conflicts on a matter that materially affects both boards, the director must request joint direction from the boards. Until joint direction is provided, the director may take actions necessary to maintain continuity of operations and to protect public health and safety. For contested cases and other adjudicative proceedings, the director must ensure appropriate separation between staff engaged in investigation or prosecution of an alleged violation and staff providing decision support to a board.

Successor Authority. The Cannabis Board is the successor for all powers, duties, and functions of the prior board that relate to cannabis under state cannabis laws. The Liquor Board is the successor for all other powers, duties, and functions of the prior board, including powers, duties, and functions relating to tobacco and vapor products, unless specifically assigned to the Cannabis Board by law. Existing rules, orders, contracts, and licenses issued by the prior board remain in effect and are not affected by the division of authority.

Transition. Rules in existence on the effective date remain in effect until amended, repealed, or superseded by the successor board with jurisdiction over the subject matter. Proceedings pending on the effective date must be continued and completed by the successor board with jurisdiction over the subject matter, without prejudice to the parties. Records relating primarily to cannabis must be available to the Cannabis Board, and all other records, including those relating to tobacco and vapor products, must be available to the Liquor Board, with shared access administered by the director. All employees remain employees of LCB, and employment is not interrupted by the act.

Conforming Changes. References in state law to LCB or a substantially similar term must be construed as referring to Liquor Board or Cannabis Board, as applicable. The Office of the Code Reviser is directed to prepare conforming legislation in the next technical corrections bill and to note that the agency's governance has changed as a result of the act. The statute governing the prior three-member board member terms and related provisions

are repealed.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

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

Staff Summary of Public Testimony (2/2/26): PRO: The current three-member board is responsible for two large and very different industries, and separate five-member liquor and cannabis boards allow greater focus on each area. The restructuring is intended to occur without expanding shared administrative functions.

Persons Testifying (Labor & Commerce): PRO: Senator Curtis King, Prime Sponsor.

Persons Signed In To Testify But Not Testifying (Labor & Commerce): PRO: John Worthington; Vicki Christophersen, Washington CannaBusiness Association; Sean Dewitz, Washington Hospitality Association.

CON: Shawn Denae WAGENSELLER, Washington Bud Company; Paula Fillmore-Sardinas, WBBA; Scott Waller, Washington Association for Substance misuse And Violence Prevention (WASAVP).

OTHER: Caitlein Ryan, THE CANNABIS ALLIANCE; Bethany Rondeaux, Washington Cannabis Licensee Association.

Staff Summary of Public Testimony (2/3/26): PRO: The challenge for LCB is capacity, not performance. A single board is not able to adequately modernize alcohol policy and keep pace with cannabis. The three-member structure also limits engagement because stakeholders cannot meet with two board members without triggering open public meeting requirements. Separating LCB into two boards provides more dedicated attention to individual liquor and cannabis issues and supports a stronger, more focused agency.

CON: The bill changes LCB governance from an executive-branch agency accountable to the Governor to boards largely controlled by legislative appointments. This is a fundamental change that should not be rushed and may undermine independence from political pressure. LCB is even-handed, responsive, and open to licensees. Creating separate boards adds unnecessary administrative costs without improving tax collection, compliance, or traceability.

OTHER: LCB has not kept pace with its responsibilities. Today, there are less opportunities for public comment, shortcomings in the traceability system, and the social equity licensing program has fallen short of its goals. LCB reform is a necessary course for correction.

Policy in this area should include a single executive director with divisions for cannabis, liquor, vapor, and tobacco products and formalized coordination with DOH.

Persons Testifying (Labor & Commerce): PRO: Sean DeWitz, Washington Hospitality Association; Vicki Christophersen, Washington CannaBusiness Association.

CON: Scott Waller, Washington Association for Substance misuse And Violence Prevention (WASAVP); Shawn Denae WAGENSELLER, Washington Bud Company.

OTHER: Caitlein Ryan, THE CANNABIS ALLIANCE; Bethany Rondeaux, Washington Cannabis Licensee Association.

Persons Signed In To Testify But Not Testifying (Labor & Commerce): No one.