

Chapter 314-13 WAC

RETAIL LICENSEES PURCHASING BEER, WINE, AND SPIRITS

WAC

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WAC 314-13-005 What is the purpose of chapter 314-13 WAC? The purpose of chapter 314-13 WAC is to outline the procedures for retail licensees to purchase beer, wine, and/or spirituous liquor for resale.

[Statutory Authority: RCW 66.08.030, 66.08.010, 66.16.040, 01-06-015, § 314-13-005, filed 2/26/01, effective 3/29/01.]

WAC 314-13-010 Who can retail licensees purchase beer, wine, and spirits from?

	Definition	Who licensees can purchase from
Beer	RCW 66.04.010(3)	<ul style="list-style-type: none"> • A licensed Washington distributor (including a licensed Washington brewery that distributes its own product) • A licensed certificate of approval holder with a direct shipping to Washington retailer endorsement • Washington state liquor control board store or agency
Wine	RCW 66.04.010(39)	<ul style="list-style-type: none"> • A licensed Washington distributor (including a licensed Washington winery that distributes its own product) • A licensed certificate of approval holder with a direct shipping to Washington retailer endorsement • Washington state liquor control board state-run or contract liquor store
Spirits	RCW 66.04.010(35)	A Washington state liquor control board state-run or contract liquor store

[Statutory Authority: RCW 66.08.030, 66.20.360 through [66.20].380, 66.20.390, 66.24.170, 66.24.206, 66.24.210, 66.24.240, 66.24.244, 66.24.270, 66.24.290, 66.28.170, 66.28.180, and 42.56.270. 07-02-076, § 314-13-010, filed 12/29/06, effective 1/29/07. Statutory Authority: RCW 66.08.030, 66.08.010, 66.16.040, 01-06-015, § 314-13-010, filed 2/26/01, effective 3/29/01.]

(8/4/10)

WAC 314-13-015 What method of payment can a retailer use to purchase beer or wine from an industry member? Per RCW 66.28.010(1), a retail licensee must pay cash for beer and wine prior to or at the time of delivery by an industry member. The board will recognize the following forms of payment as cash payment for the purposes of this title, under the conditions outlined in this rule and in WAC 314-13-020.

- (1) **Checks**, under the provisions of WAC 314-13-020.
- (2) **Credit/debit cards**, under the following provisions:
 - (a) The credit or debit card transaction agreement must be voluntary on the part of both the retailer and the industry member, and there must be no discrimination for nonparticipation in credit or debit card transactions.
 - (b) A sale must be initiated by an irrevocable invoice or sale order before or at the time of delivery.
 - (c) Both parties must bear their respective banking costs or other costs associated with the credit or debit card service.
 - (d) Both parties must maintain records of transactions and have the records readily available for board review.
 - (e) The credit or debit card charge must be initiated by the industry member no later than the first business day following delivery.
- (3) **Electronic funds transfer (EFT)**, under the following provisions:
 - (a) The EFT agreement must be voluntary on the part of both the retailer and the industry member, and there must be no discrimination for nonparticipation in EFT.
 - (b) Prior to any EFT transaction, the retail licensee must enter into a written agreement with the industry member specifying the terms and conditions for EFT as payment for alcohol or nonalcohol beverages.
 - (c) A sale must be initiated by an irrevocable invoice or sale order before or at the time of delivery.
 - (d) Both parties must bear their respective banking costs or other costs associated with EFT service.
 - (e) Both parties must maintain records of transactions and have the records readily available for board review.
 - (f) The electronic funds transfer must be initiated by the retailer or industry member no later than the first business day following delivery and must be paid as promptly as is reasonably practical, and in no event later than five business days following delivery. Any attempt by a retailer to delay payment on EFT transactions for any period of time beyond the minimum as is reasonably practical will be considered an unlawful attempt to purchase products on credit.
- (4) **Prepaid accounts**. Both parties must keep accurate accounting records of prepaid accounts to ensure a cash deposit is not overextended, which is considered an extension of credit.

[Statutory Authority: RCW 66.08.030 and 66.28.320. 10-01-090, § 314-13-015, filed 12/16/09, effective 1/16/10. Statutory Authority: RCW 66.08.030,

66.08.010, 66.16.040. 01-06-015, § 314-13-015, filed 2/26/01, effective 3/29/01.]

WAC 314-13-020 What if a check, EFT transaction, or credit/debit card transaction is reported as having nonsufficient funds (NSF)? Any transaction reported as having nonsufficient funds (NSF) will be considered an extension of credit, in violation of RCW 66.28.010(1). If a transaction is reported as NSF:

(1) The retailer must pay the full amount of the transaction to the industry member by 3 p.m. on the first business day following receipt of the NSF report.

(2) If the retailer does not make payment by this time, the industry member must report the NSF transaction to the their local board enforcement office by 5 p.m. the next business day following receipt of the NSF report.

(3) The local board enforcement office will contact the retailer, who will have until 3 p.m. the next business day to pay the NSF transaction. If the retailer does not pay the industry member by this time, the board will issue an administrative violation notice to the retailer.

(4) Until the NSF transaction is paid:

(a) The industry member who received the NSF transaction will not deliver any beer or wine to the retailer; and

(b) It is the responsibility of the retailer to not receive any beer or wine from any industry member.

[Statutory Authority: RCW 66.08.030 and 66.28.320. 10-01-090, § 314-13-020, filed 12/16/09, effective 1/16/10. Statutory Authority: RCW 66.08.030, 66.08.010, 66.16.040. 01-06-015, § 314-13-020, filed 2/26/01, effective 3/29/01.]

WAC 314-13-025 How do retail licensees purchase spirituous liquor at a discount from the board? (1) In order to acquire spirituous liquor for resale, the following licensees must purchase spirituous liquor from the board at a fifteen percent discount:

- (a) Spirits, beer, and wine restaurants;
- (b) Spirits, beer, and wine private clubs;
- (c) Spirits, beer, and wine nightclubs; and
- (d) Sports/entertainment facilities.

(2) When purchasing spirituous liquor, the licensee must present the tear-off portion of the business' master license that shows its liquor endorsement.

(3) This discounted spirituous liquor may only be used for resale on the licensed premises (see WAC 314-70-010 for instructions on when a business discontinues).

(a) Possession of discounted liquor off of the licensed premises will be *prima facie* evidence of a violation of this rule, unless:

(i) The liquor is en route from the point of purchase to the licensed premises; or

(ii) The liquor is en route from the licensed premises of a beer and/or wine restaurant or a spirits, beer, and wine restaurant with a caterer's endorsement to an approved event being catered by the licensee.

(b) Any spirituous liquor on the licensed premises must be liquor purchased at a discount from the board, except:

(i) Under the authority of a banquet permit, see chapter 314-18 WAC; or

(ii) Liquor bottles if they are used as part of the decor, and any bottles containing liquor are locked in a display case and are not for sale.

[Statutory Authority: RCW 66.08.030 and 66.28.320. 10-01-090, § 314-13-025, filed 12/16/09, effective 1/16/10. Statutory Authority: RCW 66.08.030, 66.08.010, 66.16.040. 01-06-015, § 314-13-025, filed 2/26/01, effective 3/29/01.]

WAC 314-13-030 What method of payment can a retailer use to purchase spirituous liquor from the board?

(1) Per RCW 66.16.040, retailers may pay for spirituous liquor purchased from the board with any of the following:

(a) Cash;

(b) Establishment owner's personal or business check as long as checks are honored by the bank when presented and are not used as a device for obtaining or extending credit;

(c) Corporate credit card; or

(d) Licensee or establishment owner's bank debit card.

(2) State liquor stores will accept corporate credit cards or licensee or establishment owner's bank debit cards under the following conditions:

(a) Licensees will provide the store with a current list of employees who have signature rights on a corporate credit card purchase. It is the licensee's responsibility to ensure the list is current.

(b) The credit card sales draft must be signed by a person on the signature rights list.

(c) The signature on the sales draft must match the signature on the signature rights list. If the signature does not match, photo identification will be requested. If the identity of the cardholder cannot be verified, the sale cannot be made unless another form of payment is used.

(d) The credit card sales draft must be signed in the liquor store.

[Statutory Authority: RCW 66.16.041 and 66.08.030. 10-16-154, § 314-13-030, filed 8/4/10, effective 9/4/10. Statutory Authority: RCW 66.08.030, 66.08.010, 66.16.040. 01-06-015, § 314-13-030, filed 2/26/01, effective 3/29/01.]

WAC 314-13-040 Do retail licensees have to sell liquor at a certain price? Retail liquor licensees must sell beer, wine, and spirituous liquor at or above the licensee's acquisition cost.

[Statutory Authority: RCW 66.08.030, 66.08.010, 66.16.040. 01-06-015, § 314-13-040, filed 2/26/01, effective 3/29/01.]