

Chapter 314-20 WAC

BEER—BREWERS, HOLDERS, IMPORTERS, ETC.

WAC

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effective 10/3/98; Rule 45, filed 6/13/63.] Repealed by 00-17-065, filed 8/9/00, effective 9/9/00. Statutory Authority: RCW 66.08.030, 66.24.210, 66.24.230, 66.24.290, 66.24.305, 66.24.270, 66.24.215, 66.24.580, 66.24.206.
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 314-20-150 Beer importers—Responsibility—Taxes—Stamps. [Rule 54, filed 6/13/63.] Repealed by 00-17-065, filed 8/9/00, effective 9/9/00. Statutory Authority: RCW 66.08.030, 66.24.210, 66.24.230, 66.24.290, 66.24.305, 66.24.270, 66.24.215, 66.24.580, 66.24.206.
 314-20-180 Partial beer tax exemption. [Statutory Authority: RCW 66.08.030. 93-15-023, § 314-20-180, filed 7/12/93, effective 8/12/93.] Repealed by 00-17-065, filed 8/9/00, effective 9/9/00. Statutory Authority: RCW 66.08.030, 66.24.210, 66.24.230, 66.24.290, 66.24.305, 66.24.270, 66.24.215, 66.24.580, 66.24.206.

DISPOSITION OF SECTIONS FORMERLY CODIFIED IN THIS CHAPTER

314-20-010 Brewers—Importers—Distributors—Monthly reports—Tax refund procedures. [Statutory Authority: RCW 66.08.030, 15.88.030, 19.126.020, 66.04.010, 66.08.180, 66.16.100, 66.20.010, 66.20.300, 66.20.310, 66.24.150, 66.24.170, 66.24.185, 66.24.200, 66.24.206, 66.24.210, 66.24.230, 66.24.240, 66.24.244, 66.24.250, 66.24.375, 66.24.380, 66.24.395, 66.24.400, 66.24.420, 66.24.425, 66.24.440, 66.24.450, 66.24.455, 66.24.495, 66.24.540, 66.28.010, 66.28.040, 66.28.050, 66.28.170, 66.28.180, 66.28.190, 66.28.200, 66.28.310, 66.44.190, 66.44.310, 66.98.060 and 82.08.150. 98-18-097, § 314-20-010, filed 9/2/98, effective 10/3/98. Statutory Authority: RCW 66.08.030. 84-09-023 (Order 138, Resolution No. 147), § 314-20-010, filed 4/11/84. Statutory Authority: RCW 66.08.030 and 66.98.070. 81-22-026 (Order 85, Resolution No. 94), § 314-20-010, filed 10/28/81; Order 40, § 314-20-010, filed 8/21/75; Order 8, § 314-20-010, filed 11/24/69, effective 12/26/69; Rule 37, filed 6/13/63.] Repealed by 00-17-065, filed 8/9/00, effective 9/9/00. Statutory Authority: RCW 66.08.030, 66.24.210, 66.24.230, 66.24.290, 66.24.305, 66.24.270, 66.24.215, 66.24.580, 66.24.206.
 314-20-040 Beer in transit stamps—General. [Order 42, § 314-20-040, filed 11/6/75; Rule 40, filed 6/13/63.] Repealed by 00-17-065, filed 8/9/00, effective 9/9/00. Statutory Authority: RCW 66.08.030, 66.24.210, 66.24.230, 66.24.290, 66.24.305, 66.24.270, 66.24.215, 66.24.580, 66.24.206.
 314-20-060 Beer distributors and importers—Reports—Stamps. [Statutory Authority: RCW 66.08.030, 15.88.030, 19.126.020, 66.04.010, 66.08.180, 66.16.100, 66.20.-010, 66.20.300, 66.20.310, 66.24.150, 66.24.170, 66.24.185, 66.24.200, 66.24.206, 66.24.210, 66.24.230, 66.24.240, 66.24.244, 66.24.250, 66.24.375, 66.24.380, 66.24.395, 66.24.400, 66.24.420, 66.24.425, 66.24.440, 66.24.450, 66.24.455, 66.24.495, 66.24.540, 66.28.010, 66.28.040, 66.28.050, 66.28.170, 66.28.180, 66.28.190, 66.28.200, 66.28.310, 66.44.190, 66.44.310, 66.98.060 and 82.08.150. 98-18-097, § 314-20-060, filed 9/2/98,

WAC 314-20-001 Definitions. Per RCW 66.04.010(2), an "authorized representative" means a person who:

- (1) Is required to have a federal basic permit issued by the alcohol and tobacco tax and trade bureau;
- (2) Has its business located in the United States outside of the state of Washington;
- (3) Acquires ownership of beer that is produced anywhere outside Washington by a brewery who does not distribute those brands for transportation into and resale in the state of Washington;
- (4) Is appointed by the brewery referenced in subsection (3) of this section as its authorized representative for marketing and selling its products within the United States or within Washington state, in accordance with a written agreement between the authorized representative and the brewery.

[Statutory Authority: RCW 66.08.030 and 66.28.320. 10-01-090, § 314-20-001, filed 12/16/09, effective 1/16/10. Statutory Authority: RCW 66.08.030, 2004 c 160. 04-24-097, § 314-20-001, filed 12/1/04, effective 1/1/05.]

WAC 314-20-005 Application procedure—Beer distributor's or importer's license. Any person making appli-

cation for a new beer distributor's or importer's license shall submit to the board, as a condition precedent to the board considering the application, such information as may be requested by the board and shall additionally submit a written commitment from a manufacturer or importer that the product the applicant proposes to distribute is available to him should a license be issued.

The decision as to whether a license will or will not be issued in a particular case is, pursuant to RCW 66.24.010, a matter of board discretion. The submission of the above information and written commitment shall not be construed as creating a vested right in the applicant to have a license issued.

[Statutory Authority: RCW 66.08.030, 15.88.030, 19.126.020, 66.04.010, 66.08.180, 66.16.100, 66.20.010, 66.20.300, 66.20.310, 66.24.150, 66.24.170, 66.24.185, 66.24.200, 66.24.206, 66.24.210, 66.24.230, 66.24.240, 66.24.244, 66.24.250, 66.24.375, 66.24.380, 66.24.395, 66.24.400, 66.24.420, 66.24.425, 66.24.440, 66.24.450, 66.24.455, 66.24.495, 66.24.540, 66.28.010, 66.28.040, 66.28.050, 66.28.170, 66.28.180, 66.28.190, 66.28.200, 66.28.310, 66.44.190, 66.44.310, 66.98.060 and 82.08.150. 98-18-097, § 314-20-005, filed 9/2/98, effective 10/3/98; Order 55, § 314-20-005, filed 5/31/77.]

WAC 314-20-015 Licensed brewers—Retail sales of beer on brewery premises—Beer served without charge on premises—Spirit, beer and wine restaurant operation.

(1) A licensed brewer holding a proper retail license, pursuant to chapter 66.24 RCW, may sell beer of its own production at retail on the brewery premises[.]

(2) In selling beer at retail, as provided in subsection (1) of this regulation, a brewer shall conduct such operation in conformity with the statutes and regulations applicable to holders of such beer retailers' licenses. The brewer shall maintain records of such retail operation separate from other brewery records.

(3) Upon written authorization of the board, pursuant to RCW 66.04.011, beer of a licensed brewer's own production may be consumed in designated parks and picnic areas adjacent to and held by the same ownership as the licensed brewer.

(4) A licensed brewer or a lessee of a licensed brewer operating a spirit, beer and wine restaurant, licensed pursuant to RCW 66.28.010, shall conduct such operation in conformity with the statutes and regulations which apply to holders of such spirit, beer and wine restaurant licenses.

(5) A brewer may serve its own beer and beer not of its own production without charge on the brewery premises, as authorized by RCW 66.28.040.

(6) No retail license or fee is required for the holder of a brewer's license to serve beer without charge on the brewery premises as set forth in subsection (5) of this regulation. Before exercising this privilege, however, such brewer shall obtain approval of the proposed service area and facilities from the board. Such brewer shall maintain a separate record of all beer so served.

(7) A brewer is required to obtain the appropriate retail license to sell beer, wine, or spirits on the brewery premises that is not of its own production.

[Statutory Authority: RCW 66.08.030, 66.24.210, 66.24.230, 66.24.290, 66.24.305, 66.24.270, 66.24.215, 66.24.580, 66.24.206. 00-17-065, § 314-20-015, filed 8/9/00, effective 9/9/00. Statutory Authority: RCW 66.08.030, 15.88.030, 19.126.020, 66.04.010, 66.08.180, 66.16.100, 66.20.010, 66.20.300, 66.20.310, 66.24.150, 66.24.170, 66.24.185, 66.24.200, 66.24.206,

66.24.210, 66.24.230, 66.24.240, 66.24.244, 66.24.250, 66.24.375, 66.24.380, 66.24.395, 66.24.400, 66.24.420, 66.24.425, 66.24.440, 66.24.450, 66.24.455, 66.24.495, 66.24.540, 66.28.010, 66.28.040, 66.28.050, 66.28.170, 66.28.180, 66.28.190, 66.28.200, 66.28.310, 66.44.190, 66.44.310, 66.98.060 and 82.08.150. 98-18-097, § 314-20-015, filed 9/2/98, effective 10/3/98. Statutory Authority: RCW 66.08.030. 93-11-028, § 314-20-015, filed 5/10/93, effective 6/10/93. Statutory Authority: RCW 66.08.030 and 66.98.070. 81-22-026 (Order 85, Resolution No. 94), § 314-20-015, filed 10/28/81; Order 61, § 314-20-015, filed 12/6/77; Order 40, § 314-20-015, Rule 37.5, filed 8/21/75.]

Reviser's note: RCW 34.05.395 requires the use of underlining and deletion marks to indicate amendments to existing rules, and deems ineffectual changes not filed by the agency in this manner. The bracketed material in the above section does not appear to conform to the statutory requirement.

WAC 314-20-017 Brewery and microbrewery retail liquor licenses—Selling kegs and containers. A brewery or microbrewery licensed under RCW 66.24.240 or 66.24.244 may hold up to two retail liquor licenses to operate a spirits, beer, and wine restaurant, a tavern, a beer and/or wine restaurant, or any combination thereof.

(1) Definitions.

(a) For the purposes of this section, a "container" is a sealable receptacle, such as a carton, jug, growler or keg, and has no minimum holding requirement. A "keg" is a container holding four gallons or more.

(b) "Malt liquor" is a specific type of "beer" (as explained in RCW 66.04.010).

(c) "Beer" includes malt liquor and flavored malt beverages (as explained in RCW 66.04.010).

(2) Applicable to retail licenses for spirits, beer, and wine restaurants, beer and/or wine restaurants, and taverns.

(a) A retail license is separate from a brewery or microbrewery license.

(b) All containers of beer must be sold from the retail premises.

(c) A retail location may be located on or off the brewery or microbrewery premises.

(3) A brewery-operated or microbrewery-operated spirits, beer, and wine restaurant may sell containers of beer of its own production without a kegs-to-go endorsement provided that it sells this beer for off-premises consumption only. A brewery or microbrewery may supply the container or use a container brought to the premises by a customer.

(4) A brewery-operated or microbrewery-operated spirits, beer, and wine restaurant may sell kegs of malt liquor of another brewery's or microbrewery's production provided that it:

(a) Sells this malt liquor for off-premises consumption only;

(b) Has a kegs-to-go endorsement; and

(c) Supplies the kegs.

(5) A tavern or beer and/or wine restaurant that is operated by a brewery or microbrewery and has an off-premises beer and wine retailer's privilege may:

(a) Sell kegs of malt liquor for either on-premises or off-premises consumption. The malt liquor may be of the licensee's own production or the production of another brewery or microbrewery; and

(b) Sell containers of beer for either on-premises or off-premises consumption provided that the customer supplies the container. The beer may be of the licensee's own production or the production of another brewery or microbrewery.

[Statutory Authority: RCW 66.08.030, 66.24.240, 66.24.244, 09-02-009, § 314-20-017, filed 12/29/08, effective 1/29/09.]

WAC 314-20-020 Beer labels—Certificate of label approval required—Labels to be submitted. (1) Every bottle or can containing beer intended for sale in the state of Washington shall bear a label in compliance with RCW 66.28.120. No beer shall be imported or sold within the state of Washington until the licensed brewery, or certificate of approval holder, shall have obtained from the board a certificate of label approval for such beer.

(2) A request for certificate of label approval must be submitted on a form prescribed by the board which is one copy of the federal certificate of label approval for such beer, issued by the Bureau of Alcohol, Tobacco, and Firearms, U.S. Treasury Department.

(3) Any change in label or product which requires reissuance of federal certificate of label approval, must also be submitted to the board, in accordance with the foregoing provisions of this regulation.

(4) No label shall be used that is misleading.

(5) Every producer, importer, distributor of beer, or beer certificate of approval holder shall, upon request of the board or its authorized representative, furnish without cost to the board, samples of any brand of beer upon its premises for the purpose of analysis in order to determine whether the beer conforms to commercial standards.

(6) No label will be approved which is designed to be especially appealing to children or other persons under legal age to consume. Persons who appear to be under legal age to consume may be depicted on a label when, in the discretion of the board, the depiction is dignified and does not promote illegal consumption of liquor.

(7) For strong beer, the label must contain the beer's alcohol content, stated in terms of percentage of alcohol by volume. Per RCW 66.04.010, strong beer means any malt beverage that contains more than eight percent of alcohol by weight, which is approximately ten percent of alcohol by volume.

[Statutory Authority: RCW 66.08.030, 2004 c 160, 04-24-097, § 314-20-020, filed 12/1/04, effective 1/1/05. Statutory Authority: RCW 66.08.030, 66.04.010, 66.28.120, 04-06-007, § 314-20-020, filed 2/20/04, effective 3/22/04. Statutory Authority: RCW 66.08.030, 15.88.030, 19.126.020, 66.04.010, 66.08.180, 66.16.100, 66.20.010, 66.20.300, 66.20.310, 66.24-150, 66.24.170, 66.24.185, 66.24.200, 66.24.206, 66.24.210, 66.24.230, 66.24.240, 66.24.244, 66.24.250, 66.24.375, 66.24.380, 66.24.395, 66.24-400, 66.24.420, 66.24.425, 66.24.440, 66.24.450, 66.24.455, 66.24.495, 66.24.540, 66.28.010, 66.28.040, 66.28.050, 66.28.170, 66.28.180, 66.28.190, 66.28.200, 66.28.310, 66.44.190, 66.44.310, 66.98.060 and 82.08.150, 98-18-097, § 314-20-020, filed 9/2/98, effective 10/3/98. Statutory Authority: RCW 66.08.030, 92-03-109, § 314-20-020, filed 1/21/92, effective 2/21/92. Statutory Authority: RCW 66.08.030 and 66.28.160, 91-08-022, § 314-20-020, filed 3/27/91, effective 4/27/91. Statutory Authority: RCW 66.08.030, 90-18-008, § 314-20-020, filed 8/24/90, effective 1/1/92; 89-02-015 (Order 275, Resolution No. 284), § 314-20-020, filed 12/28/88. Statutory Authority: RCW 66.08.030 and 66.28.120, 88-14-131 (Order 255, Resolution No. 264), § 314-20-020, filed 7/6/88. Statutory Authority: RCW 66.28.120 and 66.28.110, 87-21-036 (Order 230, Resolution No. 239), § 314-20-020, filed 10/13/87. Statutory Authority: RCW 66.28.120, 87-08-015 (Order 215, Resolution No. 224), § 314-20-020, filed 3/24/87; Order 42, § 314-20-020, filed 11/6/75; Order 19, § 314-20-020, filed 8/10/72; Rule 38, filed 6/13/63.]

WAC 314-20-022 Alcohol energy drinks. (1) No product that combines beer, strong beer, or malt liquor with caf-

feine, guarana, taurine, or other similar substances, which are commonly referred to as "alcohol energy drinks," may be imported into the state, produced, manufactured, distributed, sold or offered for sale by a licensed retailer in the state of Washington.

(2) Beer, strong beer, or malt liquor with coffee, chocolate, or other natural substances used for flavorings, are not prohibited under this section.

[Statutory Authority: RCW 66.08.010, 66.08.030, 66.24.261, and 66.28-120, 11-06-070, § 314-20-022, filed 3/2/11, effective 4/2/11.]

WAC 314-20-030 Packages—Classification. (1) No manufacturer, distributor, importer, or beer certificate of approval holder shall sell beer for use in the state of Washington in any packages or containers differing in sizes and case quantities from the manufacturer's original packages.

(2) Net contents—Packaged beer. Net contents shall be stated in a clearly legible manner on the label in fluid ounces or as follows:

(a) If less than 1 pint, in fluid ounces, or fractions of a pint;

(b) If 1 pint, 1 quart, or 1 gallon, the net contents shall be so stated;

(c) If more than 1 pint, but less than 1 quart, the net contents shall be stated in fractions of a quart, or in pints and fluid ounces;

(d) If more than 1 quart, but less than 1 gallon, the net contents shall be stated in fractions of a gallon, or in quarts, pints, and fluid ounces;

(e) If more than 1 gallon, the net contents shall be stated in gallons and fractions thereof;

(f) The net contents need not be stated on any label if the net contents are displayed by having the same blown, branded, or burned in the container in letters or figures in such manner as to be plainly legible under ordinary circumstances and such statement is not obscured in any manner in whole or in part.

(3) Container size limitations—Barrels. Whole barrels (31 gallons), 1/2 barrels (15.5 gallons), 1/4 barrels (7.75 gallons), 1/6 barrels (5.16 gallons). Packaged beer—Maximum capacity for individual containers, 170 fluid ounces: Provided, however, That the board may, in its discretion, authorize other container and/or barrel size packages which have been approved for marketing within the United States by the Bureau of Alcohol, Tobacco, and Firearms, United States Treasury Department: Provided further, That the board may, in its discretion, authorize a brewery with spirit, beer and wine restaurant privileges to dispense beer directly from conditioning tanks/vessels to the spirit, beer and wine restaurant area provided the taxes have been paid prior to dispensing.

(4) The net contents of individual containers shall be stated on the outside of any multicontainer package where the individual container label or bottle size is not visible to the consumer at the point of purchase.

(5) Gift packages. A beer importer or beer wholesaler may prepare and sell "gift packages" consisting of containers of beer differing in case quantities from the manufacturer's original case capacities provided the tax has been paid on the previously purchased beer in accordance with RCW 66.24-290 and provided written approval by the board has been obtained.

[Statutory Authority: RCW 66.08.030, 2004 c 160, 04-24-097, § 314-20-030, filed 12/1/04, effective 1/1/05. Statutory Authority: RCW 66.08.030, 15.88.030, 19.126.020, 66.04.010, 66.08.180, 66.16.100, 66.20.010, 66.20-300, 66.20.310, 66.24.150, 66.24.170, 66.24.185, 66.24.200, 66.24.206, 66.24.210, 66.24.230, 66.24.240, 66.24.244, 66.24.250, 66.24.375, 66.24-380, 66.24.395, 66.24.400, 66.24.420, 66.24.425, 66.24.440, 66.24.450, 66.24.455, 66.24.495, 66.24.540, 66.28.010, 66.28.040, 66.28.050, 66.28.170, 66.28.180, 66.28.190, 66.28.200, 66.28.310, 66.44.190, 66.44-310, 66.98.060 and 82.08.150. 98-18-097, § 314-20-030, filed 9/2/98, effective 10/3/98. Statutory Authority: RCW 66.08.030, 93-10-070, § 314-20-030, filed 5/3/93, effective 6/3/93; 89-06-013 (Order 278, Resolution No. 287), § 314-20-030, filed 2/23/89; 89-01-005 (Order 272, Resolution No. 281), § 314-20-030, filed 12/8/88. Statutory Authority: RCW 66.08.050, 86-22-050 (Order 201, Resolution No. 210), § 314-20-030, filed 11/4/86. Statutory Authority: RCW 66.08.030, 86-01-026 (Order 171, Resolution No. 180), § 314-20-030, filed 12/11/85. Statutory Authority: RCW 66.08.030 and 66.98.070, 83-24-061 (Order 135, Resolution No. 144), § 314-20-030, filed 12/7/83, effective 2/15/84; 78-02-031 (Order 64), § 314-20-030, Rule 39, filed 1/17/78; Order 49, § 314-20-030, filed 8/26/76, effective 9/26/76; Order 19, § 314-20-030, filed 8/10/72; Rule 39, filed 6/13/63.]

WAC 314-20-050 Beer distributors—Importers—Brewers—Records—Preservation. (1) Breweries, microbreweries, beer certificate of approval holders, and beer distributors must keep beer accounts separate and independent from other accounts and maintain proper records in a form approved by the board, showing all transactions in beer.

(2) Breweries, microbreweries, beer distributors, and beer importers must in case of beer exported or beer sold, transferred or shipped to another distributor, preserve all bills of lading or other evidence of shipment for a period of three years after such exportation, and must in the case of sales to retailers preserve all sales slips and keep the same on file in the office of the wholesaler for at least three years after each sale.

(3) Each brewery, beer distributor, and beer importer may maintain microfilm records containing reproductions (including microfiche) of any record, document, or report if first approved by the board. Request for approval shall be directed to the financial division of the Washington state liquor control board and must include the following information:

- (a) Records proposed to be reproduced.
- (b) Reproduction process.
- (c) Manner of preserving the reproduction.
- (d) Facilities provided for examining or viewing such reproduction.

If the request is approved, the licensee shall provide for the examining, viewing, and reproduction of such records the same as if they were the original records.

(4) If the brewery, beer distributor, or beer importer keeps records within an automated data processing (ADP) system, the system must include a method for producing legible records that will provide the same information required of that type of record within this section. The ADP system is acceptable if it complies with the following guidelines:

(a) Provides an audit trail so that details (invoices and vouchers) underlying the summary accounting data may be identified and made available upon request.

(b) Provides the opportunity to trace any transaction back to the original source or forward to a final total. If print-outs of transactions are not made when they are processed, the system must have the ability to reconstruct these transactions.

(c) Has available a full description of the ADP portion of the accounting system. This should show the applications being performed, the procedures employed in each application, and the controls used to ensure accurate and reliable processing.

(5) The provisions contained in subsections (3) and (4) of this section do not eliminate the requirement to maintain source documents, but they do allow the source documents to be maintained in some other location.

[Statutory Authority: RCW 66.08.030 and 66.28.320, 10-01-090, § 314-20-050, filed 12/16/09, effective 1/16/10. 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, § 314-20-050, filed 12/29/06, effective 1/29/07. Statutory Authority: RCW 66.08.030, 15.88.030, 19.126.020, 66.04.010, 66.08.180, 66.16.100, 66.20.010, 66.20.300, 66.20.310, 66.24.150, 66.24-170, 66.24.185, 66.24.200, 66.24.206, 66.24.210, 66.24.230, 66.24.240, 66.24.244, 66.24.250, 66.24.375, 66.24.380, 66.24.395, 66.24.400, 66.24-420, 66.24.425, 66.24.440, 66.24.450, 66.24.455, 66.24.495, 66.24.540, 66.28.010, 66.28.040, 66.28.050, 66.28.170, 66.28.180, 66.28.190, 66.28-200, 66.28.310, 66.44.190, 66.44.310, 66.98.060 and 82.08.150. 98-18-097, § 314-20-050, filed 9/2/98, effective 10/3/98. Statutory Authority: RCW 66.08.030, 87-20-013 (Order 229, Resolution No. 238), § 314-20-050, filed 9/29/87; Rule 44, filed 6/13/63.]

WAC 314-20-055 Microbrewery warehouse license.

(1) A licensee holding a microbrewery license under RCW 66.24.244 and acting as a distributor of its own products may apply for a microbrewery warehouse license. There is no fee for this license.

(2) A microbrewery warehouse is a premises located off the microbrewery premises that is used for the storage and distribution of the microbrewery's own products.

(3) There may be no retail sales from the microbrewery warehouse.

[Statutory Authority: RCW 66.08.030, 66.24.240, 66.24.244, 09-02-009, § 314-20-055, filed 12/29/08, effective 1/29/09.]

WAC 314-20-070 Claims for defective keg beer—Replacement of overaged packaged beer—Procedures.

(1) In the case of beer in barrels, beer which is not in salable condition due to defective beer or a defective container may be returned by the retailer to the beer distributor for a claim adjustment. The brewer or supplier may make a credit adjustment to the distributor for such claim;

(2) No claim adjustment shall be accepted unless the same shall be made by the retailer within ten days after the defect in the beer or container has been discovered;

(3) All documentary evidence relating to the claim shall be preserved by the retailer, beer distributor, brewer, or beer importer for two years after the date of the claim;

(4) No brewer, beer distributor, or beer importer shall allow, or shall any retailer make claim for adjustment for defective keg beer unless the container or the beer is in fact defective;

(5) In the case of package beer, other than beer in barrels, beer which is not in a salable condition or overaged may be returned by a retail licensee to the beer distributor from whom the beer was purchased, provided it is immediately replaced by the beer distributor with an identical quantity, type and brand of beer: Provided further, That if the brand of beer is not presently in the beer distributor's stock and is not

available to the distributor in the immediate future, a cash refund may be made to the retail licensee;

(6) Beer different from that ordered which has been delivered in error to a retail licensee may be returned to a beer distributor and either replaced with that beer which was ordered or a cash refund may be made: Provided, That the error in delivery shall be discovered and corrected within eight days of the date the delivery was made;

(7) Distributors who replace unsalable or overaged packaged beer as provided in subsection (5) of this section, shall maintain complete records of all such transactions, with such records to be readily available for inspection by authorized employees of the board;

(8) Salable or unsalable beer may be returned by a retail licensee or by a governmental agency who has seized the same to the beer distributor selling such beer in the event the retailer goes out of the business of selling beer at retail, and in such case a cash refund may be made upon return of the beer, provided that consent of the board is first had and obtained;

(9) Except as provided herein, no other adjustment, by way of cash refund or otherwise, shall be made by the beer distributor, brewer or beer importer.

[Statutory Authority: RCW 66.08.030, 15.88.030, 19.126.020, 66.04.010, 66.08.180, 66.16.100, 66.20.010, 66.20.300, 66.20.310, 66.24.150, 66.24.170, 66.24.185, 66.24.200, 66.24.206, 66.24.210, 66.24.230, 66.24.240, 66.24.244, 66.24.250, 66.24.375, 66.24.380, 66.24.395, 66.24.400, 66.24.420, 66.24.425, 66.24.440, 66.24.450, 66.24.455, 66.24.495, 66.24.540, 66.28.010, 66.28.040, 66.28.050, 66.28.170, 66.28.180, 66.28.190, 66.28.200, 66.28.310, 66.44.190, 66.44.310, 66.98.060 and 82.08.150. 98-18-097, § 314-20-070, filed 9/2/98, effective 10/3/98. Statutory Authority: RCW 66.08.030, 93-10-092, § 314-20-070, filed 5/4/93, effective 6/4/93; 92-14-028, § 314-20-070, filed 6/22/92, effective 7/23/92. Statutory Authority: RCW 66.08.030 and 66.98.070. 82-17-022 (Order 109, Resolution No. 118), § 314-20-070, filed 8/9/82; Order 49, § 314-20-070, filed 8/26/76, effective 9/26/76; Rule 46, filed 6/13/63.]

WAC 314-20-080 Sales to vessels. (1) Tax paid beer may be sold direct by beer distributors to:

(a) Vessels engaged in foreign commerce and operating on regular schedules.

(b) Vessels engaged in interstate commerce and operating on regular schedules.

(c) Vessels commonly known as "tramps," engaged in interstate and/or foreign commerce but not operating on regular schedules and taking cargo when and where it offers and to any port.

(2) Beer may not be sold direct by beer distributors to any other class of boat or vessel unless the boat or vessel is in possession of a proper retail license.

[Statutory Authority: RCW 66.08.030, 15.88.030, 19.126.020, 66.04.010, 66.08.180, 66.16.100, 66.20.010, 66.20.300, 66.20.310, 66.24.150, 66.24.170, 66.24.185, 66.24.200, 66.24.206, 66.24.210, 66.24.230, 66.24.240, 66.24.244, 66.24.250, 66.24.375, 66.24.380, 66.24.395, 66.24.400, 66.24.420, 66.24.425, 66.24.440, 66.24.450, 66.24.455, 66.24.495, 66.24.540, 66.28.010, 66.28.040, 66.28.050, 66.28.170, 66.28.180, 66.28.190, 66.28.200, 66.28.310, 66.44.190, 66.44.310, 66.98.060 and 82.08.150. 98-18-097, § 314-20-080, filed 9/2/98, effective 10/3/98; Rule 47, filed 6/13/63.]

WAC 314-20-090 Cash sales. No beer distributor nor brewer or beer importer holding a beer distributor's license shall sell or deliver beer to any retailer except for cash paid at the time of the delivery thereof: Provided, That cash may be paid prior to the delivery of beer sold to any retailer. Failure by licensees to keep accurate accounting records which result

in the extension of credit, in violation of RCW 66.28.010 through the use of a prior cash deposit which is overextended may result in administrative action being taken against the liquor license.

[Statutory Authority: RCW 66.08.030, 15.88.030, 19.126.020, 66.04.010, 66.08.180, 66.16.100, 66.20.010, 66.20.300, 66.20.310, 66.24.150, 66.24.170, 66.24.185, 66.24.200, 66.24.206, 66.24.210, 66.24.230, 66.24.240, 66.24.244, 66.24.250, 66.24.375, 66.24.380, 66.24.395, 66.24.400, 66.24.420, 66.24.425, 66.24.440, 66.24.450, 66.24.455, 66.24.495, 66.24.540, 66.28.010, 66.28.040, 66.28.050, 66.28.170, 66.28.180, 66.28.190, 66.28.200, 66.28.310, 66.44.190, 66.44.310, 66.98.060 and 82.08.150. 98-18-097, § 314-20-090, filed 9/2/98, effective 10/3/98. Statutory Authority: RCW 66.08.030, 88-23-101 (Order 270, Resolution No. 279), § 314-20-090, filed 11/22/88; Order 24, § 314-20-090, filed 6/28/73; Rule 48, filed 6/13/63.]

WAC 314-20-095 What are the requirements for contract production between microbreweries? This section clarifies the language for contract production found in RCW 66.24.244. For the purposes of this section, contract production is when one microbrewer, referred to as the "contractor," produces and packages beer for another microbrewer, referred to as the "contractee." This beer is referred to as the "product."

(1) The contractee is the product owner. As such, the contractee may distribute and retail the product.

(2) The contractor is required to physically transport all contracted product to the contractee. The contractor is not allowed to distribute or retail the product.

(3) The contractor must submit a copy of the contract to the board prior to production. Any changes in the contract must also be submitted to the board prior to subsequent production. The board may require additional information.

(4) The contractor is required to obtain federal label approval, and the contractee is required to obtain state label approval.

(5) State taxes listed under RCW 66.24.290.

(a) The contractor is not responsible for the taxes.

(b) The contractee is responsible for the taxes when the contractee is acting as its own distributor or retailer for the product.

(c) When the contractee uses a distributor to distribute the product, then the distributor is responsible for the taxes.

(6) Maintaining qualification as a microbrewery. Each microbrewery, whether in the capacity of a contractor or contractee, is allowed to produce under sixty thousand barrels of total product per year. Total product, in this instance, includes product (a) owned and produced by the microbrewery; (b) owned by the microbrewery but produced by another microbrewery; and (c) produced by the microbrewery on behalf of another microbrewery.

(7) Reporting and recordkeeping.

(a) The contractor must include the product produced when it reports its monthly production to the board.

(b) The contractee must include the sale of the product when it submits its monthly sales report to the board. The board may also require the contractee to include the product when the contractee reports its monthly production to the board.

(c) The contractor's and the contractee's recordkeeping documents must include the product information for each contract. The information must show the quantities produced.

[Statutory Authority: RCW 66.08.030, 66.24.240, 66.24.244, 09-02-009, § 314-20-095, filed 12/29/08, effective 1/29/09.]

WAC 314-20-100 Beer suppliers and distributors. RCW 66.28.180 requires beer distributors and suppliers to maintain all current and prior price lists at its liquor licensed location.

(1) **Definitions**—For the purposes of this chapter:

(a) A "price list" means a declaration of the prices at which any and all brands of beer and any and all packages within a brand are to be sold by the person maintaining the list. Distributors must maintain a price list showing all such prices for sales to retailers. Each manufacturer functioning as a distributor must maintain a price list showing all such prices for sales to retailers as well as showing such prices for sales to distributors. The price list will contain the wholesale prices at which any and all brands of beer sold by the supplier or distributor shall be available to retailers within the state.

(b) A "beer supplier" means a microbrewery, domestic brewery, certificate of approval holder, beer importer, beer distributor acting as the first United States importer, or a distributor selling beer to another distributor.

(c) A "beer distributor" means a distributor selling to a retailer, a domestic brewery acting as a distributor, a microbrewery acting as a distributor, or a certificate of approval holder with a direct shipping to Washington retailer endorsement selling beer of its own production to a retailer.

(2) **Products and price lists**—If a beer supplier or distributor lists selected items on which prices are temporarily reduced, these prices must clearly reflect all items and the selling price. All products must be made available to all retail licensees to the extent it is reasonably practical to do so and all retail licensees must be given reasonable notice of all prices and price changes.

(3) **Distributor changes**—

(a) The following guidelines apply when a beer supplier makes a distributor change outside of the regular distributor appointment timelines. The supplier must notify the board in writing that he/she wishes to change his/her current distributor and appoint a new distributor to be effective immediately.

(b) A beer supplier must notify the board if any of the contracts or agreements listed in this rule are revised or terminated by either party.

(4) **Price lists for new distributors**—When the board issues a new beer distributor license, the licensee must have a price list available.

(5) **Accommodation sales**—The provisions of this rule do not apply when a beer distributor makes an accommodation sale to another beer distributor and this sale is made at a selling price that does not exceed the laid-in cost of the beer being sold. Accommodation sales may only be made when the distributor purchasing the beer is an appointed distributor of the supplier, when the distributor is an authorized purchaser of the brand and product being sold, and when the supplying distributor is appointed by the supplier.

[Statutory Authority: RCW 66.08.030 and 66.28.320, 10-01-090, § 314-20-100, filed 12/16/09, effective 1/16/10. 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, § 314-20-100, filed 12/29/06, effective 1/29/07. Statutory Authority: RCW 66.08.030, 66.28.180, and 2004 c 160, 04-19-155, § 314-20-100, filed 9/22/04, effective 10/23/04. Statutory Authority: RCW

66.08.030, 15.88.030, 19.126.020, 66.04.010, 66.08.180, 66.16.100, 66.20-010, 66.20.300, 66.20.310, 66.24.150, 66.24.170, 66.24.185, 66.24.200, 66.24.206, 66.24.210, 66.24.230, 66.24.240, 66.24.244, 66.24.250, 66.24-375, 66.24.380, 66.24.395, 66.24.400, 66.24.420, 66.24.425, 66.24.440, 66.24.450, 66.24.455, 66.24.495, 66.24.540, 66.28.010, 66.28.040, 66.28-050, 66.28.170, 66.28.180, 66.28.190, 66.28.200, 66.28.310, 66.44.190, 66.44.310, 66.98.060 and 82.08.150, 98-18-097, § 314-20-100, filed 9/2/98, effective 10/3/98. Statutory Authority: RCW 66.08.030, 66.98.070 and 66.08.060, 86-16-060 (Order 173, Resolution No. 182), § 314-20-100, filed 8/5/86. Statutory Authority: RCW 66.08.030, 85-21-020 (Order 166, Resolution No. 175), § 314-20-100, filed 10/9/85, effective 12/10/85; 82-16-069 (Order 91, Resolution No. 100), § 314-20-100, filed 8/2/82. Statutory Authority: RCW 66.08.030, 66.08.060 and 66.98.070, 78-02-056 (Order 62), § 314-20-100, filed 1/20/78, effective 7/1/78; Order 54, § 314-20-100, filed 5/24/77, effective 7/1/77; Order 51, § 314-20-100, filed 12/15/76; Order 18, § 314-20-100, filed 1/13/72, effective 2/14/72; Order 15, § 314-20-100, filed 5/13/71, effective 7/1/71; Rule 49, filed 6/13/63.]

WAC 314-20-110 Beer importers—Principal office.

Each beer importer shall keep the board informed at all times of the location of the principal office required by section 23-G, subdivision (2) of the Washington State Liquor Act (RCW 66.24.260) and shall, not less than two days prior thereto notify the board in writing or by telegraph of any change in the location of such office.

[Rule 50, filed 6/13/63.]

WAC 314-20-120 Beer importers—Warehouses.

Beer importers maintaining warehouses at which beer imported by such importer is stored shall at all times keep the board advised of the location of such warehouse.

[Rule 51, filed 6/13/63.]

WAC 314-20-130 Imported beer—List filed—

Labels. Each beer importer shall at all times keep on file with the board a list showing all beers which such importer intends to import, which list shall contain the trade name of the beer, the name of the brewer, and the location of the brewery at which such beer is manufactured. No beer shall be imported until duplicate copies of all beer labels intended to be used shall have been submitted to and approved by the board or its accredited representative.

[Rule 52, filed 6/13/63.]

WAC 314-20-140 Beer importers—Certain duties.

No beer importer shall import or transport or cause to be transported into the state of Washington any brand of beer manufactured within or outside of the United States but outside the state of Washington, unless such importer shall have first filed with the board a notice of his intention so to do, and shall have ascertained from the board that the brewer manufacturing such beer or United States foreign importer of such beer, has obtained from the Washington state liquor control board a certificate of approval as provided in section 23-F of the Washington State Liquor Act (RCW 66.24.270).

[Statutory Authority: RCW 66.08.030, 2004 c 160, 04-24-097, § 314-20-140, filed 12/1/04, effective 1/1/05; Rule 53, filed 6/13/63.]

WAC 314-20-145 Beer certificate of approval fee. (1)

The fee for a beer certificate of approval license is \$200 per year. The certificate of approval holder must pay the \$200 fee for each privilege as described below:

(a) Manufacturer of beer produced in the United States but outside of Washington state, shipping beer to licensed Washington beer distributors or importers.

(b) Authorized representative for beer produced in the United States but outside of Washington state, shipping beer to licensed Washington beer distributors or importers.

(c) Authorized representative for beer produced outside of the United States, shipping beer to licensed Washington beer distributors or importers.

(2) A certificate of approval holder under RCW 66.24.-270 (2)(a) may add an endorsement to the certificate of approval that allows the holder to ship beer or strong beer of the holder's own production directly to licensed liquor retailers. The fee for this endorsement is \$100 and is in addition to the fee required for a certificate of approval license.

[Statutory Authority: RCW 66.08.030, 2006 c 302, 06-11-051, § 314-20-145, filed 5/11/06, effective 6/11/06. Statutory Authority: RCW 66.08.030, 2004 c 160, 04-24-097, § 314-20-145, filed 12/1/04, effective 1/1/05.]

WAC 314-20-160 Importation of foreign beer—Reports—Payment of tax. Beer manufactured outside of the United States may be imported by a beer importer or distributor, but only under the following conditions:

(1) Such beer shall be imported and delivered directly to either the warehouse of the importer or distributor or to some other warehouse previously designated by the importer or distributor and approved by the board.

(2) All matters pertaining to the importation, transportation, storage, payment of taxes and keeping of records, and all other matters pertaining to the importation of beer manufactured outside the United States shall be subject at all times to such orders, rules and regulations as the board may from time to time prescribe, and the board reserves the right to make orders applicable to individual and particular cases in addition to general orders, rules and regulations applicable generally.

[Statutory Authority: RCW 66.08.030, 66.24.210, 66.24.230, 66.24.290, 66.24.305, 66.24.270, 66.24.215, 66.24.580, 66.24.206, 00-17-065, § 314-20-160, filed 8/9/00, effective 9/9/00. Statutory Authority: RCW 66.08.030 and 66.98.070, 81-22-026 (Order 85, Resolution No. 94), § 314-20-160, filed 10/28/81; Order 14, § 314-20-160, filed 12/1/70, effective 1/1/71; Rule 55, filed 6/13/63.]

WAC 314-20-170 Holders of certificates of approval. Each beer certificate of approval holder may ship beer only to licensed beer importers or distributors. As required by RCW 66.24.270 and by the written agreement embodied in the application for certificate of approval, each brewer holding a certificate of approval shall file the report(s) required by WAC 314-19-015.

All reports shall be made upon forms prescribed and furnished by the Washington state liquor control board.

[Statutory Authority: RCW 66.08.030, 2004 c 160, 04-24-097, § 314-20-170, filed 12/1/04, effective 1/1/05. Statutory Authority: RCW 66.08.030, 66.24.210, 66.24.230, 66.24.290, 66.24.305, 66.24.270, 66.24.215, 66.24.-580, 66.24.206, 00-17-065, § 314-20-170, filed 8/9/00, effective 9/9/00; Rule 56, filed 6/13/63.]