

[Statutory Authority: RCW 62A.9-409, 60.11.040(3) and 60.13.040, as amended by 1987 c 189 § 7, 88-03-037 (Order BLS 115), § 308-410-070, filed 1/19/88.]

314-12-145 Credit on nonliquor food items—Conditions—Recordkeeping.
 314-12-150 Definitions—"Pasteurized beer," "gallon."
 314-12-170 Minimum penalty.

**Title 314 WAC
 LIQUOR CONTROL BOARD**

Chapters

- 314-08 Practice and procedure.
- 314-12 General—Applicable to all licensees.
- 314-16 Retail licensees.
- 314-18 Banquet permits.
- 314-20 Beer—Brewers, holders, importers, etc.
- 314-22 License designations.
- 314-24 Domestic wineries and domestic wine wholesalers.
- 314-26 Unsalable beer and wine.
- 314-30 Manufacturers.
- 314-36 Liquor importers, public storage warehouses and importation of liquor.
- 314-40 Clubs.
- 314-44 Licensed agents.
- 314-52 Advertising.
- 314-60 Public records.
- 314-64 Liquor samples.
- 314-70 Disposition of liquor stock following discontinuance of business and/or lawful seizure of liquor by a governmental agency.

Chapter 314-08 WAC

PRACTICE AND PROCEDURE

WAC

314-08-080 Notice and opportunity for hearing in contested cases.

WAC 314-08-080 Notice and opportunity for hearing in contested cases. In any contested case, all parties shall be served with a notice at least twenty days before the date set for the hearing. The notice shall state the time, place, and issues involved, as required by RCW 34.04.090(1) and WAC 314-04-010.

[Statutory Authority: RCW 66.08.030, 88-08-057 (Order 245, Resolution No. 254), § 314-08-080, filed 4/5/88; Resolution No. 2, Rule 08.080, filed 6/13/63.]

Chapter 314-12 WAC

GENERAL—APPLICABLE TO ALL LICENSEES

WAC

- 314-12-025 Applicants for temporary licenses—Fee—Who qualifies.
- 314-12-040 Prorating and refunding of fees—Discontinuance of business.
- 314-12-070 Transfer of licenses.
- 314-12-090 Managers required—Exceptions.
- 314-12-100 Change of name.
- 314-12-140 Prohibited practices—Contracts—Gifts—Rebates, etc.

WAC 314-12-025 Applicants for temporary licenses—Fee—Who qualifies. Any person who has submitted a transfer application for a retail or wholesale liquor license in accordance with RCW 66.24.010 and WAC 314-12-070 may apply for, and be issued, a temporary license to be effective immediately upon issuance under the following conditions:

(1) A fee of fifty dollars shall be submitted with the application for a temporary license.

(2) For the purposes of this section, "retail liquor license" shall include all classes of liquor licenses that allow the holder to sell liquor directly to the public.

(3) For the purposes of this section, "wholesale liquor license" shall include all classes of liquor licenses held in conjunction with those wholesale licenses authorized by RCW 66.24.200 and 66.24.250.

(4) The privilege of having a temporary license issued upon an application for a transfer of license does not apply to breweries or wineries, even though these licensees have limited wholesale and retail privileges under their manufacturers' licenses.

[Statutory Authority: RCW 66.08.030 and 1987 c 217, 87-16-002 (Order 226, Resolution No. 235), § 314-12-025, filed 7/23/87.]

WAC 314-12-040 Prorating and refunding of fees—Discontinuance of business. (1) Unless otherwise provided by law, there will be no prorating of any license fee.

(2) Upon denial or withdrawal of an application for license, adoption or change of trade name, or change of location, the fee tendered therewith shall be returned: *Provided, However,* such return shall not apply to the nonrefundable seventy-five dollar fee submitted with an application for a new annual retail license.

(3) When a license is suspended or cancelled, or the licensed business is discontinued, no refund of the license fee shall be made.

(4) Upon discontinuance of business for twenty-one days or more by a licensee, he shall forthwith deliver up his license to the board, or representative of the board. A licensee who is not operating as a seasonal business and who has voluntarily discontinued sale of liquor in excess of forty-five days will not be eligible for renewal of license for a subsequent year unless sale of liquor under the license is resumed on a permanent basis prior to the beginning of the next subsequent licensing period.

[Statutory Authority: RCW 66.08.030, 88-16-025 (Order 257, Resolution No. 266), § 314-12-040, filed 7/27/88. Statutory Authority: RCW 66.08.030 and 66.98.070, 82-10-020 (Order 103, Resolution No. 112), § 314-12-040, filed 4/28/82; Rule 3, filed 6/13/63.]

WAC 314-12-070 Transfer of licenses. (1) No transfer of any license shall be made except in conformance with RCW 66.24.010, and subject to the following conditions:

(a) The holder of the license shall execute an assignment and transfer upon a form prescribed by the board,

and the assignee and transferee shall then make application for approval of such assignment and transfer;

(b) Except as authorized by WAC 314-12-025, the transferee shall not take possession of the premises, nor exercise any of the privileges of a licensee, nor shall such assignment and transfer be effective until the board shall have approved the same;

(c) In approving any assignment and transfer of licenses, the board reserves the right to impose special conditions as to the future connection of the former licensee or any of his employees with the licensed business as in its judgment the circumstances may justify;

(d) A change of trade name may be made coincident with the transfer of the license without any additional fee.

(2) The sale of a partnership interest or any change in the partners, either by withdrawal or addition or otherwise, shall be considered an assignment and transfer of the licenses held by the partnership and subject to the regulations applicable to assignment and transfer of licenses.

(3) If the licensee is a corporation, a change in ownership of any stock shall not be deemed a transfer of a license: *Provided, however,* That pursuant to the provisions of RCW 66.24.025(2), the proposed sale of more than ten percent of the outstanding and/or issued stock of a licensed corporation or any proposed change in the principal officers of a licensed corporation must be reported to the board on forms prescribed by it. The board may inquire into all matters in connection with any such sale of stock or proposed change in officers, and the written consent of the board must be obtained before any such changes are made.

(4) If a licensee has an unresolved violation charge pending, no action will be taken by the board on an application to transfer the liquor license to another until such time as a final disposition has been made of the pending violation charge.

[Statutory Authority: RCW 66.08.030 and 1987 c 217, 87-16-002 (Order 226, Resolution No. 235), § 314-12-070, filed 7/23/87. Statutory Authority: RCW 66.08.030 and 66.98.070, 81-22-026 (Order 85, Resolution No. 94), § 314-12-070, filed 10/28/81; Order 55, § 314-12-070, filed 5/31/77, effective 7/1/77; Rule 6, filed 6/13/63.]

WAC 314-12-090 Managers required--Exceptions.

(1) All businesses licensed under chapter 66.24 RCW shall appoint a manager, such manager to be approved in writing by the board. *Provided, however,* that this requirement does not apply to those businesses in which the licensee is a sole proprietor or partnership and the sole proprietor, partner or partners are regularly available on the premises engaged in the management of the licensed business.

(2) No change shall be made in the management of any licensed business until written consent of the board has been obtained.

(3) The board may require that managers of nonretail premises be available at the licensed premises at hours registered with and approved by the board.

[Statutory Authority: RCW 66.08.030, 66.08.130 and 66.08.140, 88-23-032 (Order 269, Resolution No. 278), § 314-12-090, filed 11/8/88. Statutory Authority: RCW 66.08.030, 86-12-021 (Order

186, Resolution No. 195), § 314-12-090, filed 5/28/86. Statutory Authority: RCW 66.08.030 and 66.98.070, 81-22-026 (Order 85, Resolution No. 94), § 314-12-090, filed 10/28/81; Rule 8, filed 6/13/63.]

WAC 314-12-100 Change of name. No licensee shall adopt or make a change in a trade or corporate name without the written consent of the board. Fee, \$25.00. (See WAC 314-12-070(a).)

An application for change of trade or corporate name must be completed and the required fee paid each time the trade or corporate name is changed on a license.

[Statutory Authority: RCW 66.08.030, 88-04-028 (Order 236, Resolution No. 245), § 314-12-100, filed 1/27/88; Rule 9, filed 6/13/63.]

WAC 314-12-140 Prohibited practices--Contracts--Gifts--Rebates, etc. (1) No contract shall be made or entered into whereby any retail licensee agrees to handle any particular brand or brands of liquor to the exclusion of any other brand or brands of liquor.

(2) No contract shall be made or entered into for the future delivery of liquor to any retail licensee: *Provided,* That this regulation shall not be construed as prohibiting the placing and accepting of orders for the purchase and delivery of liquor which are made in accordance with the usual and common business practice and which are otherwise in compliance with the regulations.

(3) No manufacturer, wholesaler, or importer, or his employee, shall directly or indirectly solicit, give or offer to, or receive from any retail licensee, any employee thereof, or an applicant for a license, any gifts, discounts, loans of money, premiums, rebates, free liquor of any kind, treats or services of any nature whatsoever; nor shall any retail licensee, employee thereof, or an applicant for a license, directly or indirectly, solicit, receive from, or give or offer to any manufacturer, wholesaler or importer, or his employee, any gifts, discounts, loans of money, premiums, rebates, free liquor of any kind, treats or services of any nature whatsoever, except such services as are authorized in this regulation. It shall be a violation of this section for:

(a) Any retail licensee who has paid for beer or wine with a check which was dishonored upon presentation to thereafter refuse to make good on the check by immediate payment in cash.

(b) Any retail licensee to purchase beer and/or wine from any source after having received notice that a previous check given in payment for beer and/or wine has been dishonored until that dishonored check has been made good in cash.

(4) Pursuant to RCW 66.28.010 a manufacturer, wholesaler, importer, or his licensed agent may perform the following services for a retailer:

(a) Build, rotate, and restock displays, utilizing filled cases, filled bottles or filled cans of his own brands only, from stock or inventory owned by the retailer.

(b) Rotate, rearrange or replenish bottles or cans of his own brands on shelves or in the refrigerators, but is prohibited from rearranging or moving displays of his products in such a manner as to cover up, hide or reduce the space of display of the products of any other manufacturer, wholesaler or importer.

(c) Provide price cards and may also price goods of his own brands in accordance with the usual and common business practice and which are otherwise in compliance with the regulations.

(d) Provide point of sale advertising material and brand signs.

(e) Such services may be rendered only upon the specific approval of the retail licensee. Displays and advertising material installed or supplied for use on a retailer's premises must be in conformity with the board's advertising rules as set forth in chapter 314-52 WAC.

(f) No manufacturer, wholesaler, importer, or any employee thereof, shall move or handle in any manner any products other than his own brands on the premises of any retail licensee.

(5) No manufacturer, wholesaler, importer, or employee thereof shall, directly or indirectly, give, furnish, rent or lend to, or receive from, any retail licensee any equipment, fixtures, supplies or property of any kind, nor shall any retail licensee, directly or indirectly, receive, lease or borrow from, or give or offer to, any manufacturer, wholesaler or importer any equipment, fixtures, supplies or property of any kind. Sales authorized in this regulation shall be made on a cash on delivery basis only.

(6) No manufacturer or wholesaler or employee thereof shall sell to any retail licensee or solicit from any such licensee any order for any liquor tied in with, or contingent upon, the retailer's purchase of some other beverage, alcoholic or otherwise, or any other merchandise, property or service.

(7) In selling equipment, fixtures, supplies or commodities other than liquor, no manufacturer, wholesaler or importer shall grant to retail licensees, nor shall such licensees accept, more favorable prices than those extended to nonlicensed retailers. The price thereof shall be in conformity with the open market price in the locality where sold. In no event shall credit be extended to any retail licensee.

(8) Any manufacturer, wholesaler or importer who sells what is commonly referred to as heavy equipment and fixtures, such as counters, back bars, stools, chairs, tables, sinks, refrigerators or cooling boxes and similar articles, shall immediately after making any such sales have on file and available for inspection in accordance with WAC 314-20-050 a copy of the invoice covering each such sale, which invoice shall contain a complete description of the articles sold, the purchase price of each unit sold together with the total amount of the sale, transportation costs and services rendered in connection with the installation of such articles. Such invoice shall list the date of such sale and affirm that full cash payment for such articles was received from the retailer as provided in subsection (5) of this section.

(9) If the board finds in any instance that any licensee has violated this regulation, then all licenses involved shall be held equally responsible for such violation.

Note: WAC 314-12-140 is not intended to be a relaxation in any respect of section 90 of the Liquor Act (RCW 66.28.010). As a word of caution to persons desiring to avail themselves of the

opportunity to sell to retail licensees fixtures, equipment and supplies subject to the conditions and restrictions provided in section 90 of the act and the foregoing regulation, notice is hereby given that, if at any time such privilege is abused or experience proves that as a matter of policy it should be further curtailed or eliminated completely, the board will be free to impose added restrictions or to limit all manufacturers and wholesalers solely to the sale of liquor when dealing with retail licensees. WAC 314-12-140 shall not be considered as granting any vested right to any person, and persons who engage in the business of selling to retail licensees property or merchandise of any nature voluntarily assume the risk of being divested of that privilege and they will undertake such business subject to this understanding. The board also cautions that certain trade practices are prohibited by rulings issued under the Federal Alcohol Administration Act by the United States Bureau of Alcohol, Tobacco and Firearms, and WAC 314-12-140 is not intended to conflict with such rulings or other requirements of federal law or regulations.

[Statutory Authority: RCW 66.28.010. 87-04-018 (Order 211, Resolution No. 220), § 314-12-140, filed 1/27/87. Statutory Authority: RCW 66.28.010 and 66.08.030 (2)(1). 86-09-019 (Order 181, Resolution No. 190), § 314-12-140, filed 4/9/86. Statutory Authority: RCW 66.08.030. 86-04-003 (Order 167, Resolution No. 176), § 314-12-140, filed 1/23/86. Statutory Authority: RCW 66.08.030 and 66.98.070. 84-22-060 (Order 150, Resolution No. 159), § 314-12-140, filed 11/7/84; Order 46, § 314-12-140, Rule 13, filed 6/9/76; Rule 13, filed 6/13/63.]

WAC 314-12-145 Credit on nonliquor food items—Conditions—Recordkeeping. (1) Notwithstanding the provisions of WAC 314-12-140, persons licensed under RCW 66.24.200 as wine wholesalers and persons licensed under RCW 66.24.250 as beer wholesalers may sell at wholesale nonliquor food products on thirty days credit terms to persons licensed as retailers under this title. Complete and separate accounting records shall be maintained on all sales of nonliquor food products to ensure that such persons are in compliance with RCW 66.28.010.

(2) Nonliquor food products include all food products for human consumption as defined in RCW 82.08.0293 as it exists on July 1, 1987, except that for the purposes of this section bottled water and carbonated beverages, whether liquid or frozen, shall be considered food products.

(3) For the purpose of this section, the period of credit is calculated as the time elapsing between the date of delivery of the product and the date of full legal discharge of the retailer, through the payment of cash or its equivalent, from all indebtedness arising from the transaction.

(4) If the board finds in any instance that any licensee has violated this section by extending or receiving credit in excess of the thirty days as provided for by this section, then all licensees involved shall be held equally responsible for such violation.

[Statutory Authority: 1988 c 50. 88-10-049 (Order 249, Resolution No. 258), § 314-12-145, filed 5/4/88. Statutory Authority: 1987 c 386 § 2. 87-14-009 (Order 218, Resolution No. 227), § 314-12-145, filed 6/23/87.]

WAC 314-12-150 Definitions—"Pasteurized beer," "gallon." (1) "Pasteurized beer" shall mean beer which has been subjected to such process or processes in manufacture and packaging that in all cases all yeast cells or other microorganisms are killed, inactivated, or removed,

thereby preventing any further fermentation or microbiological decomposition of the packaged beer which might otherwise take place.

(2) In addition to the usual and customary meaning above, "pasteurized beer" shall include bottle conditioned beer which has been fermented partially or completely in the container and which may contain residual active yeast.

(3) A "gallon," when used in computing any tax, shall mean the United States standard gallon of 231 cubic inches.

[Statutory Authority: 1987 c 46, 87-14-010 (Order 219, Resolution No. 228), § 314-12-150, filed 6/23/87, effective 7/26/87; Resolution No. 4, filed 5/5/65, effective 6/7/65; Rule 14, filed 6/13/63.]

WAC 314-12-170 Minimum penalty. When the board, pursuant to RCW 66.24.010 and 66.24.120, determines to suspend a liquor license and/or vacate a license suspension upon payment of a monetary penalty, then such license suspension shall not, in any event, be less than three operating days nor shall such monetary penalty, in any event, be less than five hundred dollars.

[Statutory Authority: RCW 66.08.030 and 66.98.070, 88-17-023 (Order 258, Resolution No. 267), § 314-12-170, filed 8/10/88; 84-17-117 (Order 148, Resolution No. 157), § 314-12-170, filed 8/22/84.]

Chapter 314-16 WAC RETAIL LICENSEES

WAC

314-16-020	Dispensing apparatus and containers—Furnishing of certain devices.
314-16-040	Service limited to license and order—Removal of liquor in open containers—Room service—Price list.
314-16-070	Minors—Employment.
314-16-115	Class H hotels and Class H clubs with overnight sleeping accommodations—Sales by the bottle to registered guests—Conditions.
314-16-120	Conduct on licensed premises.
314-16-155	Repealed.
314-16-160	Records—Purchases—Reports.
314-16-190	Class H restaurant—Qualifications.
314-16-205	Minimum qualifications for issuance for a Class P license.
314-16-240	Class E licenses—Principal business sale of beer and wine for off-premises consumption—Authorization for selling or serving samples.

DISPOSITION OF SECTIONS FORMERLY CODIFIED IN THIS CHAPTER

314-16-155	Licensee's certification card—Evidence of age. [Rule 31, filed 6/13/63.] Repealed by 87-21-037 (Order 231, Resolution No. 240), filed 10/13/87. Statutory Authority: RCW 66.08.030.
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WAC 314-16-020 Dispensing apparatus and containers—Furnishing of certain devices. (1) No retail licensee shall draw any beer from any faucet, spigot or other dispensing apparatus unless the brand name of the beer drawn shall appear in legible lettering, visible from both the front and rear, upon such faucet, spigot or other dispensing apparatus. Brewers and beer wholesalers may furnish "tap marking devices" to retail dispensers as hereinabove provided at a nominal value or cost to

the brewer or beer wholesaler. Brewers and beer wholesalers may also furnish can and bottle openers to retail licensees at a nominal value or cost to the brewer or beer wholesaler: *Provided*, That said openers do not bear any brand name or the name of any beer manufacturer or wholesaler or liquor advertising of any kind.

(2) Every bottle or other container from which wine is sold by a retail licensee for consumption on the licensed premises shall be truly labeled with the brand name, type and manufacturer's name of said wine. Wineries and wine wholesalers may furnish said labels and "tap marking devices" or container marking devices to retail dispensers as hereinabove provided at a nominal value or cost to the winery or wine wholesaler.

[Statutory Authority: RCW 66.08.030, 87-22-018 (Order 233, Resolution No. 242), § 314-16-020, filed 10/27/87; Rule 17, filed 6/13/63.]

WAC 314-16-040 Service limited to license and order—Removal of liquor in open containers—Room service—Price list. (1) No retail licensee shall possess or allow any person to consume or possess any liquor other than that permitted by his license in or on the licensed premises, or on any public premises adjacent thereto which are under his control except under authority of a banquet permit; however, a restaurant licensee holding a Class C or H license may, with or without a corkage fee, allow patrons to bring wine into the premises for consumption with a meal.

(2) Beer and/or wine only licensees may keep spirituous liquor on the premises for use in the manufacture of confection or food products provided that prior written permission of the board is obtained, all confection or food products manufactured contain one percent or less of alcohol by weight, and customers are made aware that such confection or food products contain liquor and the alcohol content is one percent or less of the weight of the product.

(3) No retail licensee or employee thereof shall permit the removal of any liquor in an open container from the licensed premises except that liquor brought on a licensed premises under authority of a banquet permit shall be recorked, recapped or resealed in its original container and shall be removed at the termination of such banquet permit function. Further, wine may be removed as authorized by RCW 66.24.340 and 66.24.400.

(4) No holder of a Class H license shall be permitted to hold any other class of retail license covering the premises so licensed. Upon the granting of a Class H license, all other classes of retail licenses which may be held by such new Class H licensee at that time at the premises to be so licensed must be surrendered to the board for cancellation.

(5) When a hotel and restaurant are located in the same building or in adjoining buildings and owned by the same person or entity, room service may be provided to the hotel patrons. When the restaurant and hotel are under separate ownership, room service is authorized only when a limited lease or agreement for that purpose has been submitted to and approved by the board.

(6) No licensee shall sell or serve any spirituous liquor, beer, or wine other than ordered, or substitute a nonalcoholic beverage when an alcoholic beverage has been ordered. A Class H licensee shall display prices for all liquor either by posting a price list or by using menus listing such prices, or by both.

(7) No holder of a Class C license shall advertise for sale, nor sell, any mixed drink under the name of "Old Fashioned," "Whiskey Sour," "Singapore Sling," "Martini," "Manhattan," nor any other name which, by long and general usage, has become associated in the public mind as being the name of a mixed drink made from spirituous liquor, unless the name of such drink is prefaced by the word "wine," such as Wine Old Fashioned. The holder of a Class C license may advertise for sale, mix, compound or sell upon order, mixed drinks made from one or more wines under a name which does not conflict with this section.

[Statutory Authority: RCW 66.08.030, 88-23-100 (Order 261, Resolution No. 270), § 314-16-040, filed 11/22/88; 87-20-014 (Order 228, Resolution No. 237), § 314-16-040, filed 9/29/87; 86-07-015 (Order 179, Resolution No. 188), § 314-16-040, filed 3/11/86; 85-06-023 (Order 155, Resolution No. 164), § 314-16-040, filed 2/27/85. Statutory Authority: RCW 66.08.030 and 66.98.070, 84-11-092 (Order 142, Resolution No. 151), § 314-16-040, filed 5/23/84. Statutory Authority: RCW 66.08.030, 66.08.060 and 66.98.070, 80-02-094 (Order 69, Resolution No. 78), § 314-16-040, filed 1/23/80; Rule 19, filed 6/13/63.]

WAC 314-16-070 Minors—Employment. No person under the age of 21 years shall be employed in any service in connection with the sale, handling or serving of any liquor, either on a paid or voluntary basis, in, on or about any licensed premises except as otherwise authorized by law. Employees 18 years of age or over of Class A, C, D and/or H licensees may take orders for, serve and sell liquor for consumption on premises as authorized by, and under the conditions provided in, chapter 66.44 RCW. Employees 18 years of age or over of Class E and/or F licensees exclusively, may sell, stock and handle beer and/or wine not to be consumed upon the premises as authorized by, and under the conditions provided in, RCW 66.44.340.

(1) All licensees shall have a person 21 years of age or over on duty supervising the sale, service and consumption of liquor at the licensed premises.

(2) Persons under 21 years of age may not serve liquor in any area of Class A, C, D, or H licensed premises at any time such area is classified by the board as off-limits to persons under 21 years of age.

(3) Employees 18 years of age or older of Class A, C, D, or H premises may enter cocktail lounges, bars, or other areas classified by the Washington state liquor control board as off-limits to persons under 21 years of age to perform work assignments, including picking up liquor for service in other parts of the licensed premises, performing clean-up work, setting up and arranging tables, delivering supplies, delivering messages, serving food, and seating patrons. Such employees shall remain in the areas off-limits to minors no longer than is necessary to carry out their aforementioned duties.

(4) Persons under 21 years of age shall not be permitted to perform activities or functions of a bartender.

For the purposes of this section, activities or functions of a bartender include, but are not limited to: Mixing drinks or cocktails; drawing beer or wine; pouring beer or wine anywhere on the premises except at the patrons table; supplying or providing to 18, 19, or 20 year old employees for delivery to the customer spirituous liquor by the glass, beer by the pitcher or glass; or wine by the carafe or glass.

[Statutory Authority: RCW 66.08.030 and 66.98.070, 88-20-086 (Order 263, Resolution No. 272), § 314-16-070, filed 10/5/88. Statutory Authority: RCW 66.08.030, 88-01-015 (Order 234, Resolution No. 243), § 314-16-070, filed 12/8/87; Order 43, § 314-16-070, Rule 22, filed 11/20/75; Order 4, § 314-16-070, filed 7/9/69, effective 8/11/69; Rule 22, filed 6/13/63.]

WAC 314-16-115 Class H hotels and Class H clubs with overnight sleeping accommodations—Sales by the bottle to registered guests—Conditions. (1) Pursuant to the provisions of RCW 66.24.400 as amended by chapter 196, Laws of 1987, Class H licensed hotels and clubs licensed under chapter 70.62 RCW with overnight sleeping accommodations may sell liquor by the bottle to registered guests of said hotel or club who are twenty-one years of age or over provided:

(a) That before a guest may purchase such liquor it must be established that he or she is a guest of the hotel or club. This may be done by showing a room key bearing the room number and name of the hotel or club, or by presenting a registration receipt from the hotel or club.

In either event the guest must acknowledge his/her registration by signature upon a form to be provided by the hotel or club for this purpose, and said form when completed shall be kept by the hotel or club for the same time period it is required to retain its registration information.

(b) Where there may be a question of a registered guest's right to purchase liquor, by reason of age, the licensee may require the guest to complete a certification card as provided in RCW 66.20.190.

(c) That any bottle of liquor sold under this section must be removed unopened from the lounge area or other approved dispensing area. The contents of such bottle(s) may be consumed only in a guest, hospitality or banquet room of the hotel or club; however, guests may remove from the premises any unused portion of such liquor in its original container.

(d) That such sales of liquor by the bottle shall be from the lounge of the licensed premises, from an approved dispensing area or by room service provided by the licensee. If an approved dispensing area is used for this purpose, the access thereto must be limited to registered guests who intend to purchase liquor for use within a guest, hospitality or banquet room.

(2) Class H licensed hotels or clubs may sell within the individual guest room liquor by the bottle to registered guests age twenty-one years or over provided;

(a) That such liquor shall be secured in a liquor dispensing cabinet within the guest room. That liquor dispensing cabinets must remain locked whenever the room is rented to a guest under the age of twenty-one years.

(b) That access to individual guest room liquor dispensing cabinets shall be by key, magnetic card or similar device provided by the hotel or club to the adult registered guest.

(c) That liquor made available for sale within the guest room from a liquor dispensing cabinet shall be packaged in individual serving containers such as miniatures of distilled spirits, splits of wine and bottles or cans of malt beverages.

(d) That replenishment of such liquor dispensing cabinets may be made only during those hours when liquor may be sold by the Class H licensee, and only by employees eighteen years of age or over working under the supervision of an employee at least age twenty-one.

(3) Class H licensed hotels or clubs may provide a dispensing area removed from the lounge for the purpose of sales to registered guests of legal age. Such area shall not be accessible to anyone other than registered guests and employees of the Class H licensee. Sales therefrom shall be made only by authorized employees of the licensee who are twenty-one years of age or over. The purchaser shall complete a form provided by the licensee which attests to the validity of the guest's registration at that hotel or club. Where there may be a question of a registered guest's right to purchase liquor, by reason of age, the licensee may require the guest to complete a certification card as provided in RCW 66.20.190.

[Statutory Authority: RCW 66.08.030, 87-22-017 (Order 232, Resolution No. 241), § 314-16-115, filed 10/27/87. Statutory Authority: RCW 66.08.030, 66.98.070, 66.24.400 and 1986 c 208, 86-12-022 (Order 188, Resolution No. 197), § 314-16-115, filed 5/28/86.]

WAC 314-16-120 Conduct on licensed premises. (1)

No licensee, or employee thereof, shall be disorderly, boisterous or intoxicated on the licensed premises, or on any public premises adjacent thereto which are under the licensee's control, nor shall any licensee, or employee thereof, permit any disorderly or boisterous person to be thereon; nor shall any licensee, or employee thereof, use or allow the use of profane or vulgar language thereon when there is a clear and present danger of disorderly conduct being provoked by such language.

(2) No licensee, or employee thereof, shall consume liquor of any kind while working on the licensed premises. (See WAC 314-16-050, Hours of operation.)

(3) No licensee shall engage in, or knowingly permit any employee or other person to engage in, conduct on the licensed premises which is prohibited by any portion of Titles 9, or 9A, or 69 RCW.

[Statutory Authority: RCW 66.08.030 and 66.98.070, 88-20-085 (Order 262, Resolution No. 271), § 314-16-120, filed 10/5/88; 85-15-021 (Order 161, Resolution No. 170), § 314-16-120, filed 7/9/85; 83-06-026 (Order 120, Resolution No. 129), § 314-16-120, filed 2/23/83; Order 53, § 314-16-120, filed 2/15/77, effective 3/18/77; Rule 27, filed 6/13/63.]

WAC 314-16-155 Repealed. See Disposition Table at beginning of this chapter.

WAC 314-16-160 Records--Purchases--Reports.

(1) The originals or copies of all purchase invoices and

other memoranda covering all purchases of liquor by retail licensees showing (a) items purchased, (b) quantities thereof, (c) from whom purchased, and (d) purchase date, shall be kept for at least two years after each purchase, and shall be filed separately and kept apart from all other records, and as nearly as possible shall be filed in consecutive order and each month's records kept separate so as to render the same readily available for inspection and copying. All canceled checks, bank statements and books of account covering or involving the purchase of liquor, and all memoranda, if any, showing payment of money for liquor other than by check, shall be likewise preserved for two years and shall be at all times kept available for inspection and copying.

(2) No retail licensee shall buy or accept delivery of liquor except for cash paid at the time of the delivery thereof: *Provided*, That a retail licensee may pay cash prior to delivery of liquor purchased. Failure by licensees to keep accurate accounting records which result in the extension of or receipt of credit from a manufacturer, importer, or wholesaler through the use of a prior cash deposit which is overextended may result in administrative action being taken against the liquor license.

(3) A retail licensee shall purchase beer from a beer wholesaler pursuant to RCW 66.28.070 and shall purchase wine from a state liquor store or agency or from a duly licensed wholesaler except as provided in chapter 314-70 WAC. All beer purchased must be at the posted price in accordance with WAC 314-20-100 and all wine purchased must conform to the posted price as filed under WAC 314-24-190. No retail licensee may return wine to a wine wholesaler except in accordance with the provisions of WAC 314-24-210, nor shall any retail licensee return beer to a beer wholesaler except in accordance with the provisions of WAC 314-20-070.

(4) Prior to license delivery, a new beer and/or wine licensee or transferee may, with board authorization, be sold beer and/or wine for the purpose of stocking the premises. No retail sale of beer and/or wine shall take place until the applicant premises have been inspected by the board and the liquor license is delivered.

(5) Each retail licensee shall keep books and records which will clearly reflect all financial transactions and the financial condition of the business.

(6) Any retail licensee 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 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.

(7) If a retail licensee keeps records within an automatic data processing (ADP) system, the system must include a method for producing from punchcards or

from other machine-sensible data media 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 printouts 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.

(8) All Class H licensees in addition to the requirements of subsection (1) of this section shall at all times:

(a) Maintain records of all purchases for the premises, including liquor, food and supplies. The purchases supported by supplier invoices or signed vouchers are to be segregated as to type and recorded.

(b) Maintain records of all sales in the premises from all sources including liquor, food and miscellaneous items and service. Individual sales are to be recorded on sales slips or cash register tape in such a manner to indicate the source of revenue and the records are to be filed for future audit purposes. Sales segregated as to source of revenue are to be recorded.

(c) Preserve for a period of two years the records described in subsections (6), (7), and (8)(a) and (b) of this section.

(d) Make such periodic reports to the board covering purchases, sales and inventory of liquor, food and supplies as may be prescribed or requested by the board.

(e) Keep available for inspection and copying by the board and/or its accredited representatives all books and records relative to purchases, sales and inventories of liquor, food and supplies.

[Statutory Authority: RCW 66.08.030, 88-23-101 (Order 270, Resolution No. 279), § 314-16-160, filed 11/22/88; 87-04-017 (Order 210, Resolution No. 219), § 314-16-160, filed 1/27/87. Statutory Authority: RCW 66.08.030 and 66.98.070, 82-17-022 (Order 109, Resolution No. 118), § 314-16-160, filed 8/9/82; Order 24, § 314-16-160, filed 6/28/73; Order 5, § 314-16-160, filed 8/7/69, effective 9/8/69; Rule 32, filed 6/13/63.]

WAC 314-16-190 Class H restaurant--Qualifications. (1) All restaurant applicants for a Class H license, in addition to furnishing all requested material and information relating to the premises applied for and their personal qualifications, shall establish to the satisfaction of the board that the premises will commence as, and continue to operate as, a bona fide restaurant as required by RCW 66.24.400 and 66.24.410(2).

(2) A restaurant applicant for a Class H license shall be subject to the following requirements which are conditions precedent to action by the board on the application:

(a) The applicant shall furnish to the board a detailed blueprint of the entire premises to be licensed drawn to

scale of one-fourth inch to one foot. This blueprint shall include the kitchen equipment layout plus a detailed listing of the kitchen equipment and its approximate value.

(b) Prior to delivery of the license the board shall receive a verification from its enforcement officer, based upon an inspection of the premises, that the kitchen equipment designated in (a) of this subsection is in place and is operational.

(3) In any case where the board has a concern as to the applicant's qualifications, based on the applicant's experience; the adequacy of the proposed facility; the proposed method of operation; the applicant's financial stability; or for any other good and sufficient reason, the board may require such applicant to submit figures reflecting operation as a restaurant for a period to be designated by the board. The submission of these operating figures shall be a condition precedent to the board making a decision on a license application. Any applicant required to submit operating figures for a period designated by the board, shall not thereby be deemed to have acquired a vested right to have the license applied for issued merely because the requested figures have been submitted.

(4) To demonstrate to the satisfaction of the board that a Class H restaurant as defined in RCW 66.24.410(2) is maintained in a substantial manner as a place for preparing, cooking and serving of complete meals, a Class H restaurant shall maintain daily average gross retail food sales of one hundred dollars or more, and such food sales shall amount to thirty percent or more of the restaurant's total food-liquor sales.

(5) Each Class H restaurant licensee shall submit semi-annual reports on forms provided by the board, showing its gross food and liquor sales. If for two successive semi-annual reports, a Class H restaurant's daily average gross retail food sales are less than one hundred dollars, or its retail food sales are less than thirty percent of its total food-liquor sales, such restaurant shall be ineligible to retain its Class H license.

(6) The restaurant area of any Class H restaurant shall be open to the public for service of complete meals at least five days a week, unless otherwise authorized in writing by the board to alleviate demonstrated hardship, and such service of complete meals shall be available to the public for five hours a day on any day liquor is offered for sale, service or consumption, unless otherwise authorized in writing by the board to alleviate demonstrated hardship. At all other times when the restaurant area is not open for service of complete meals, but liquor is offered for sale, service or consumption on the licensed premises, sandwiches and/or short orders of food shall be available for sale to the public.

(7) In the event a Class H restaurant licensee shall fail to comply with any of the foregoing requirements, and such licensee has been notified that they will not be eligible to retain its Class H license, such licensee may petition the board setting forth unusual, extenuating and mitigating circumstances for the failure to comply and the board may consider such reasons and may grant an extension of the Class H license under such terms and

conditions as the board determines are in the best interest of the public.

(8) Licensees who presently hold a Class B liquor license and who apply for a Class H liquor license in lieu thereof, in order to demonstrate to the satisfaction of the board that the business such applicant has been operating is primarily that of a restaurant, must submit and establish the following data and information:

(a) Sales figures for ninety days preceding the in lieu application showing total sales, segregated as to the following categories:

- (i) Food sales for on-premises consumption;
- (ii) Food sales for off-premises consumption;
- (iii) Beer and/or wine sales for on-premises consumption;
- (iv) Beer and/or wine sales for off-premises consumption;
- (v) Miscellaneous sales, including but not limited to, cigarettes, candies, packaged snack foods, and where such activity has been conducted the income from games, gambling, cover charges, etc.

(b) That for a period of at least ninety days prior to the date of filing the Class H license application, the gross food sales for on-premises consumption as set forth in (a)(i) of this subsection constituted fifty-one percent or more of total food-liquor sales for on-premises consumption.

While the requirements of (a) and (b) of this subsection must be established before the board will give consideration to the issuance of an in lieu Class H license, the fact that an applicant meets those criteria does not establish a vested right that such license shall issue.

[Statutory Authority: RCW 66.98.070. 88-07-058 (Order 240, Resolution No. 249), § 314-16-190, filed 3/15/88. Statutory Authority: RCW 66.08.030 and 66.98.070. 85-14-107 (Order 160, Resolution No. 169), § 314-16-190, filed 7/3/85; 78-07-002 (Order 66, Resolution No. 75), § 314-16-190, filed 6/9/78; Order 55, § 314-16-190, filed 5/31/77, effective 7/1/77; Order 52, § 314-16-190, Rule 35, filed 1/18/77, effective 2/18/77.]

WAC 314-16-205 Minimum qualifications for issuance for a Class P license. The decision as to whether or not a Class P license authorized by RCW 66.24.550 will be issued in a particular case is, pursuant to RCW 66.24.010(2), a matter of board discretion. While the following minimum qualifications must be present before the board will give consideration to the issuance of a Class P license, the fact that an applicant meets the qualifications set forth in subsections (1) through (6) hereof does not establish a vested right that such license shall issue.

(1) The term "gifts at retail" as used in RCW 66.24.550 shall be interpreted as referring to "goods" and shall not include "services."

(2) The sale and delivery of wine under a Class P license shall be adjunct to and not constitute the only retail gift delivery service business of the licensee.

(3) Businesses engaged in the selling of flowers or floral arrangements must establish to the board's satisfaction that the primary business being conducted is the sale of flowers, floral arrangements or ornamental plants. The board may inspect an applicant's inventory,

sales figures and business records to make this determination.

(4) A Class P license holder is required to maintain sales records of all wine sales to include date of sale, name of purchaser, date of delivery and the name and address of the person receiving the delivery of wine.

(5) All deliveries of wine are to be made by employees twenty-one years of age and older who will have the responsibility of verifying that the person receiving the wine gift is at least twenty-one years of age.

(6) The restrictions on license issuance as specified in RCW 66.24.550, and in subsections (1) through (5) hereof, shall be construed to be continuing conditions for retaining the Class P license.

[Statutory Authority: RCW 66.08.030. 87-15-110 (Order 220, Resolution No. 229), § 314-16-205, filed 7/22/87. Statutory Authority: RCW 66.08.030 and 66.98.070. 84-09-024 (Order 139, Resolution No. 148), § 314-16-205, filed 4/11/84.]

WAC 314-16-240 Class E licenses—Principal business sale of beer and wine for off-premises consumption—Authorization for selling or serving samples. (1) Class E licensees whose business is primarily the sale of beer and/or wine at retail, who desire authorization under RCW 66.24.360 to serve on their premises free or for a charge, single serving samples of two ounces or less must, prior to commencing such sales or service, obtain written approval from the board.

(2) To demonstrate to the satisfaction of the board that the Class E licensee's primary business is and continues to be the sale of beer and/or wine at retail, the board may require the licensee to make periodic reports concerning the licensee's sales and inventory. A Class E and/or F licensee's gross retail sales of beer and/or wine, not to be consumed on premises, must exceed fifty percent of all gross sales for the entire business of said licensee in order to be considered by the board as a business whose primary business is the sale of beer and/or wine.

(3) No more than one sample of any single brand and type of beer, and no more than four samples, may be furnished or sold to a customer or patron during any one visit to the licensed premises.

(4) The sampling privileges authorized by RCW 66.24.360 as implemented by this section of the rules are not to be a substitute for or an alternative to the on-premises consumption of beer that is authorized under RCW 66.24.240 or 66.28.040.

[Statutory Authority: RCW 66.08.030. 87-15-113 (Order 221, Resolution No. 230), § 314-16-240, filed 7/22/87.]

Chapter 314-18 WAC BANQUET PERMITS

WAC

314-18-030 Applicants—Retail liquor licensees ineligible—
Exceptions.

WAC 314-18-030 Applicants—Retail liquor licensees ineligible—Exceptions. (1) Any person twenty-one years of age or older, either for himself/herself or in a

representative capacity on behalf of a society, organization, or business entity, may apply for a banquet permit which authorizes the service and consumption of liquor at a specific place upon a specific date.

(2) Retail liquor licensees are NOT eligible to apply for banquet permits for events to be held at, in, or upon such licensee's premises: *Provided, however,* That the licensee's ineligibility will not apply:

(a) When the application is by an established organization of members or auxiliary within a licensed club;

(b) Where grand openings, or special openings following new construction or substantial alterations, or when conventions are to be held on the licensed premises;

(c) Where special occasions such as employee Christmas parties, business anniversaries, etc. are held on the licensed premises;

(d) For functions held at locations other than the licensed premises.

(3) Banquet permits may be issued to qualified applicants for private functions on a chartered bus, chartered boat, chartered plane, or a chartered passenger car on a train.

(4) A banquet permit is not required for:

(a) Beer or wine sampling conducted in accordance with RCW 66.28.040 as implemented by chapter 314-64 WAC.

(b) Beer or wine provided by a brewery, winery, or wholesaler as part of a course of instruction for liquor licensees and/or their employees pursuant to RCW 66.28.150.

(5) The board interprets and will apply the relevant portions of the Liquor Act (RCW 66.20.010, 66.04.010(23), 66.04.010(26), 66.24.480, 66.24.481, and 66.44.100), reading them in *pari materia*, as not requiring a banquet permit to be obtained by an individual for a function when that individual is not acting with a business purpose or on behalf of an organization or business entity, where each of the following conditions are met:

(a) The function to be held by the individual is of a personal, noncommercial type which would normally be held in the individual's private home but for space considerations. Examples being a birthday party, wedding reception, bar mitzvah, etc. In lieu of holding the function in his or her home, the individual has arranged for use of a facility which is to be closed off from the public during the function and which is not on any licensed premises.

(b) The function is hosted by the individual personally. That is, there is no charge in any manner whatsoever for attendance, whether by admission charge, donation, dues, fees, or otherwise, and there is no charge in any manner whatsoever for anything provided at the function (i.e., mixer, setups, ice, food, hors d'oeuvres, etc.).

(c) That there is no business purpose for the function and that no pecuniary gain is intended or realized by the individual from the holding of the function.

(d) That those persons attending the function are the personal invitees of the individual holding it.

[Statutory Authority: RCW 66.08.030. 88-22-026 (Order 268, Resolution No. 277), § 314-18-030, filed 10/25/88. Statutory Authority: RCW 66.08.030 and 66.98.070. 82-16-100 (Orders 110 and 112, Resolution Nos. 119 and 121), § 314-18-030, filed 8/4/82.]

Chapter 314-20 WAC

BEER--BREWERS, HOLDERS, IMPORTERS, ETC.

WAC

314-20-020	Beer labels--Certificate of label approval required--Labels to be submitted.
314-20-030	Packages--Classification.
314-20-050	Beer wholesalers--Importers--Brewers--Records--Preservation.
314-20-090	Cash sales.

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 re-issuance 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, or wholesaler of beer 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.

[Statutory Authority: RCW 66.08.030. 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 314-20-030 Packages--Classification. (1) No manufacturer, wholesaler or importer 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 the importation and sale for use in the state of Washington of beer in 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.

(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. 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 wholesalers—Importers—Brewers—Records—Preservation. (1) Beer wholesalers 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, and must in case of beer exported or beer sold, transferred or shipped to another wholesaler, preserve all bills of lading or other evidence of shipment for a period of two 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 two years after each sale.

(2) Each brewery, beer wholesaler, 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.

(3) If the brewery, beer wholesaler, 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 printouts 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.

(4) The provisions contained in subsections (2) and (3) 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. 87-20-013 (Order 229, Resolution No. 238), § 314-20-050, filed 9/29/87; Rule 44, filed 6/13/63.]

WAC 314-20-090 Cash sales. No beer wholesaler nor brewer or beer importer holding a beer wholesaler'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. 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.]

Chapter 314-22 WAC LICENSE DESIGNATIONS

WAC

314-22-010 Nonretail licenses—License designations.

WAC 314-22-010 Nonretail licenses--License designations. The license designation for licenses authorized under chapter 66.24 RCW which are considered to be nonretail licenses are hereby established as follows:

(1) A manufacturer's license as authorized by RCW 66.24.150 shall be known as a "N1" license.

(2) A distiller's license as authorized by RCW 66.24.150 and having a fee of \$2,000 shall be known as a "N2" license.

(3) A distiller's license for a commercial chemist having a fee of \$20 as authorized by RCW 66.24.140 shall be known as a "N3" license.

(4) A distiller's license for fruit and/or wine having a fee of \$200 as authorized by RCW 66.24.140 shall be known as a "N4" license.

(5) A liquor importer's license as authorized by RCW 66.24.160 shall be known as a "N5" license.

(6) An agent's license as authorized by RCW 66.24.310 shall be known as a "N6" license.

(7) A duty free exporter's license as authorized by RCW 66.24.530 shall be known as a "NS" license.

(8) A brewer's license as authorized by RCW 66.24.170 shall be known as a "B1" license.

(9) A beer wholesaler's license as authorized by RCW 66.24.250 shall be known as a "B2" license.

(10) A beer certificate of approval license for use by in-state beer importers and importers of foreign beer shall be known as a "B3" license.

(11) A beer importer's license as authorized by RCW 66.24.260 shall be known as a "B4" license.

(12) A beer certificate of approval license for use by brewers located outside the state of Washington as authorized by RCW 66.24.270 shall be known as a "B5" license.

(13) A domestic winery license as authorized by RCW 66.24.170 shall be known as a "W1" license.

(14) A wine wholesaler's license as authorized by RCW 66.24.200 shall be known as a "W2" license.

(15) A wine importer's license as authorized by RCW 66.24.204 shall be known as a "W3" license.

(16) A wine certificate of approval license for use by in-state wine importers and importers of foreign wine as authorized by RCW 66.24.206 shall be known as a "W4" license.

(17) A bonded wine warehouse license as authorized by RCW 66.24.185 shall be known as a "W5" license.

(18) A grower's license as authorized by RCW 66.24.520 shall be known as a "W6" license.

(19) A wine certificate of approval license for use by out-of-state wineries as authorized by RCW 66.24.206 shall be known as a "W7" license.

(20) A CCI-1 license as authorized by RCW 66.24.395 shall be known as a "C1" license.

(21) A CCI-2 license as authorized by RCW 66.24.395 shall be known as a "C2" license.

(22) A CCI-3 license as authorized by RCW 66.24.395 shall be known as a "C3" license.

(23) A CCI-4 license as authorized by RCW 66.24.395 shall be known as a "C4" license.

[Statutory Authority: RCW 66.08.030, 88-07-090 (Order 243, Resolution No. 252), § 314-22-010, filed 3/22/88.]

Chapter 314-24 WAC

DOMESTIC WINERIES AND DOMESTIC WINE WHOLESALEERS

WAC	
314-24-040	Wine labels--Certificate of label approval required--Labels to be submitted.
314-24-060	Quality standards.
314-24-090	Wine labels.
314-24-095	Fortified wine--Exception to definition when affidavit on file.
314-24-110	Domestic wineries, wine wholesalers, wine importers--Monthly reports--Bonds required--Payment of tax.
314-24-150	Wine records--Preservation.
314-24-170	Cash sales.
314-24-190	Wine wholesale price posting.
314-24-200	Wine suppliers' price filings, contracts and memoranda.
314-24-210	Return of wine by retailer--Replacement--Conditions.

WAC 314-24-040 Wine labels--Certificate of label approval required--Labels to be submitted. No wine shall be imported or sold within the state of Washington until the certificate of approval holder, or domestic winery, or United States importer of foreign wine, shall have obtained from the board a certificate of label approval for such wine.

(1) A request for certificate of label approval must be submitted to the board on forms prescribed by the board, together with the following:

(a) Two labels of the brand and type for which approval is requested for wines under seven percent alcohol by volume; and

(b) One copy of the federal certificate of label approval for such wine which has been issued by the Bureau of Alcohol, Tobacco, and Firearms, U.S. Treasury Department.

(2) Any change in label or product which requires re-issuance of federal approval under the provisions of 27 CFR Part 4, must also be submitted to the board in accordance with the foregoing provisions of this regulation.

(3) Every producer, importer, bottler, or wholesaler of wine shall, upon request of the board or its authorized representative, furnish without cost to the board, samples of any brand of wine upon its premises for the purpose of analysis in order to determine whether the wine conforms to the quality standards set by the board in WAC 314-24-060 and conforms with commercial standards.

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

[Statutory Authority: RCW 66.08.030, 89-02-014 (Order 274, Resolution No. 283), § 314-24-040, filed 12/28/88. Statutory Authority: RCW 66.08.030 and 66.28.110, 88-17-095 (Order 254, Resolution No. 263), § 314-24-040, filed 8/23/88; Order 57, § 314-24-040, filed 7/28/77, effective 9/1/77; Order 42, § 314-24-040, Rule 62, filed 11/6/75; Order 19, § 314-24-040, filed 8/10/72; Order 5, § 314-24-040, filed 8/7/69, effective 9/8/69; Rule 62, filed 6/13/63.]

WAC 314-24-060 Quality standards. All wines of the types and classes hereinafter set forth sold in the state of Washington shall meet the following requirements.

Acid content:

(1) Volatile acids:

- (a) Red table wines Not over 0.14%, exclusive of sulfur dioxide, calculated as acetic acid.
- (b) All other wines Not over 0.12%, exclusive of sulfur dioxide, calculated as acetic acid.
- (c) Exception A higher volatile acidity level is permitted of 0.15 grams per 100 milliliters for white wine and 0.17 grams per 100 milliliters for red wine produced from unameliorated juice having a minimum solids content of 28 degrees Brix.

(2) Fixed acids:

- (a) Grape wine:
 - (i) Table wine Not less than 0.4% calculated as tartaric acid.
 - (ii) Dessert wine Not less than 0.25% calculated as tartaric acid.
- (b) Apple wine Not less than 0.15% calculated as malic acid.
- (c) Fruit wine Not less than 0.5% calculated as citric acid.
- (d) Berry wine Not less than 0.5% calculated as citric acid.

(3) Brix (balling):

- (a) Port wine Minimum of 5.5 Brix at 20 degrees centigrade.
- (b) White port wine Minimum of 5.5 Brix at 20 degrees centigrade.
- (c) Muscatel wine Minimum of 5.5 Brix at 20 degrees centigrade.
- (d) Tokay wine Minimum of 3.5 Brix at 20 degrees centigrade.
- (e) Dry sherry wine Under 0.5 Brix at 20 degrees centigrade.
- (f) Sherry wine Under 3 Brix at 20 degrees centigrade.
- (g) Creme or sweet sherry wine Above 3 Brix at 20 degrees centigrade.

(4) Sulfur dioxide: Maximum of 350 parts per million total.

(5) Preservatives: No wines shall contain preservatives such as benzoic acid, salicylic acid or monochloroacetic acid, or their derivatives except that wines classified as specialty wine in accordance with WAC 314-24-003 (2)(w) may use benzoic acid or its derivatives if such use has been approved by the United States Food and Drug Administration.

(6) Stability: All wines shall be free from precipitates, colloidal matter, metallic casse, haze due to yeast, bacteria, tartrates, or other causes as determined by usual stability tests: *Provided, however,* That sediment may be allowed at the discretion of the board when it

occurs in accordance with commercial standards commonly accepted by trade designations as normal and indicative of the wine's composition.

[Statutory Authority: RCW 66.08.030, 88-11-009 (Order 250, Resolution No. 259), § 314-24-060, filed 5/10/88; 86-24-030 (Order 205, Resolution No. 214), § 314-24-060, filed 11/25/86; 85-24-041 (Order 169, Resolution No. 178), § 314-24-060, filed 11/27/85; Order 14, § 314-24-060, filed 12/1/70, effective 1/1/71; Order 5, § 314-24-060, filed 8/7/69, effective 9/8/69; Rule 64, filed 6/13/63.]

WAC 314-24-090 Wine labels. (1) Every package or container of wine intended for sale within the state of Washington shall bear a label in compliance with RCW 66.28.110. Such label shall show:

(a) The brand name of the wine.

(b) Class, type or other designation.

(c) The name and address of the bottler or packager, which shall be stated as follows "Bottled by _____" Where a bottler or packager has made not less than 75% of the wine in a particular package or container by crushing the grapes or other materials, fermenting the must and clarifying the resulting wine, there may be stated in lieu of the words "bottled by" the words "manufactured and bottled by" or "produced and bottled by." In addition to the name and address of the bottler or packager, but not in lieu thereof, there may be stated the name and address of the manufacturer or producer.

(d) The alcoholic content of the wine by volume, stated as provided in either (i) or (ii) of this subsection:

(i) "Alcohol _____% by volume."

(ii) "Alcohol _____% to _____% by volume."

(e) The net contents of the package or container: *Provided,* That the net contents need not be stated on any label if the net contents are displayed by having the same blown or branded in the package or container as the brand label, 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.

(2) No label shall be used until after the same has been submitted to, and has received a written approval of, the board (see WAC 314-24-040).

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

[Statutory Authority: RCW 66.28.120 and 66.28.110, 87-21-036 (Order 230, Resolution No. 239), § 314-24-090, filed 10/13/87. Statutory Authority: RCW 66.28.110, 87-08-016 (Order 216, Resolution No. 225), § 314-24-090, filed 3/24/87; Order 5, § 314-24-090, filed 8/7/69, effective 9/8/69; Rule 67, filed 6/13/63.]

WAC 314-24-095 Fortified wine--Exception to definition when affidavit on file. (1) All wines which have an alcohol content equal to or greater than fourteen percent of alcohol by volume shall be considered to be "fortified wine" as defined in RCW 66.04.010(34) until an affidavit of exception, on a form prescribed by the board, has been filed with the board certifying that said wine qualifies under one or more of the statutory exclusions from that definition.

(2) The affidavit may be filed by either the manufacturer, importer or wholesaler of the wine, and whichever

licensee files the affidavit is responsible for the information contained therein. Any affidavit which the board finds to contain false information shall result in suspension of label and product approval for the wine which is the subject of the affidavit for a period of not less than one year.

[Statutory Authority: 1987 c 386, 87-15-016 (Order 224, Resolution No. 233), § 314-24-095, filed 7/7/87.]

WAC 314-24-110 Domestic wineries, wine wholesalers, wine importers--Monthly reports--Bonds required--Payment of tax. (1) Every domestic winery and every holder of a wine wholesaler's license must at all times when said license is in force, have in effect and on file with the board a bond executed by any surety authorized to do business in the state of Washington, in form and amount acceptable to the board. The said bond shall be payable to the Washington state liquor control board and conditioned that such domestic winery and wine wholesaler will pay to the board the tax of \$0.2192 per liter, levied by reason of RCW 66.24.210 and 82.02.030.

(2) Every person, firm or corporation holding a license to manufacture or produce wine within the state of Washington shall, on or before the twentieth day of each month, submit to the board, upon forms furnished by the board, reports showing all required information on transactions in wine manufactured or produced on the winery premises.

(3) At the time of making such monthly reports to the board, the domestic winery shall pay to the board the total wine tax and surcharge of \$0.2192 per liter on wine removed from federal bond for sale at retail on the winery premises, as provided in RCW 66.28.010 and 66.24.170; on wine removed from federal bond for sale to retail licensees as provided in RCW 66.24.170; on wine removed from federal bond for furnishing as samples to authorized licensees for the purpose of negotiating a sale as provided in RCW 66.28.040; and on wine removed from federal bond for furnishing without charge to a not-for-profit group for the purpose of enology or the study of viticulture as provided in RCW 66.28.040: *Provided*, That such tax shall not apply to or be paid by a domestic winery on sales to Washington wine wholesalers, inter-winery shipments, shipments exported directly to a point outside the state of Washington, or sales to the Washington state liquor control board.

(4) Every person, firm or corporation holding a wine importer's license or a wine wholesaler's license in the state of Washington shall make a report to the board, upon forms furnished by the board, on or before the twentieth day of each month, of all wine that such importer or wholesaler has purchased and received during the preceding calendar month on which the wine tax has not been paid. The total tax and surcharge of \$0.2192 per liter shall be paid by the first wine wholesaler to receive the wine on which such tax has not been previously paid, including wine received as samples from outside the state of Washington and/or wine furnished as samples to authorized licensees for the purpose of negotiating a sale as provided in RCW 66.28.040, and shall be remitted to the board at the time of filing the

monthly report required in this subsection. Such tax shall apply to sales by a wine wholesaler to the Washington state liquor control board. The report method of payment of tax shall be exclusive of any other method. Where a wine importer does not also hold a wine wholesaler's license, the wine importer shall pay the wine tax on any wines received and/or furnished as samples.

(5) Failure to make such report, or pay said total tax and surcharge where required, at the time prescribed will be sufficient cause for the board to forthwith suspend or cancel the license privilege of the delinquent domestic winery, wine importer, or wine wholesaler. A two percent penalty per month, or portion of a month, will be assessed on any tax payments postmarked after the twentieth day following the month of purchase. When the twentieth day of any month falls on a Sunday, or a legal holiday, the tax may be filed not later than the close of business the next business day. In addition, in case of any such tax delinquency, the board shall immediately give notice to the surety on such domestic winery or wine wholesaler's bond and shall take such action as is thereafter deemed necessary by the board to collect any of said tax which it finds is due.

(6) Wine wholesalers or wine importers who export wine to a point outside the geographical confines of the state of Washington upon which the tax imposed by RCW 66.24.210 and the surcharge as imposed by RCW 82.02.030 have been paid may claim a refund or tax credit of said tax on forms prescribed and furnished by the board. For the purpose of this regulation, wine sold and delivered to interstate commercial common passenger carriers holding licenses pursuant to RCW 66.24.395, or for use within the confines of any military reservation over which the state does not exercise jurisdiction shall be considered exported from the state. The wine tax shall not be paid on wine being shipped in interstate commerce from one point outside this state directly through the state to another point outside the geographical confines of this state.

(7) The board may make other arrangements for reporting and payment of total tax and surcharge where an in-state licensee purchases wine from within and/or without the state of Washington primarily for export from the state. Such arrangements would be on an individual basis and would be for the purpose of simplifying the reporting and accounting requirements.

[Statutory Authority: RCW 66.08.030, 87-15-111 (Order 222, Resolution No. 231), § 314-24-110, filed 7/22/87. Statutory Authority: RCW 66.08.030 and 66.24.185, 85-24-042 (Order 170, Resolution No. 179), § 314-24-110, filed 11/27/85. Statutory Authority: RCW 66.08.030, 84-09-023 (Order 138, Resolution No. 147), § 314-24-110, filed 4/11/84. Statutory Authority: RCW 66.08.030 and 66.98.070, 81-22-026 (Order 85, Resolution No. 94), § 314-24-110, filed 10/28/81; Order 40, § 314-24-110, filed 8/21/75; Order 26, § 314-24-110, filed 8/14/73; Order 5, § 314-24-110, filed 8/7/69, effective 9/8/69; Rule 69, filed 6/13/63.]

WAC 314-24-150 Wine records--Preservation. (1) Every domestic winery, wine wholesaler, and wine importer shall keep wine accounts separate from other accounts, and maintain proper records in a form approved by the board showing all transactions in wine.

(2) Every domestic winery, wine wholesaler, and wine importer, shall, in the case of sales of wine within the state, keep and preserve all invoices, bills of lading, sales slips, and other evidence of sale, in the office of the domestic winery, wine wholesaler or wine importer for at least two years after each sale.

(3) Every domestic winery, wine wholesaler, and wine importer, shall, in the case of wine exported from the state, keep and preserve all bills of lading and other evidence of shipment in the office of the domestic winery, wine wholesaler, or wine importer for at least two years after each shipment.

(4) In the case of sales, transfers or shipments of wine between a domestic winery and a wine wholesaler, or between two domestic wineries, or between two wine wholesalers, or between a wine importer and a wine wholesaler, both the shipping and receiving licensees, as the case may be, shall keep and preserve all invoices, bills of lading, sales slips, and other evidence of sale, transfer or shipment in their respective offices for at least two years after each sale, transfer or shipment.

(5) Each winery, wine wholesaler, and wine 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.

(6) If the winery, wine wholesaler, or wine 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 printouts 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.

(7) The provisions contained in subsections (5) and (6) 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. 87-20-013 (Order 229, Resolution No. 238), § 314-24-150, filed 9/29/87; Order 5, § 314-24-150, filed 8/7/69, effective 9/8/69; Rule 75, filed 6/13/63.]

WAC 314-24-170 Cash sales. No wine wholesaler shall sell or deliver any wine to any retailer within the state except for cash paid at the time of the delivery of such wine: *Provided*, That cash may be paid prior to the delivery of wine 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. 88-23-101 (Order 270, Resolution No. 279), § 314-24-170, filed 11/22/88; Order 24, § 314-24-170, filed 6/28/73; Order 5, § 314-24-170, filed 8/7/69, effective 9/8/69; Rule 77, filed 6/13/63.]

WAC 314-24-190 Wine wholesale price posting. (1) Every wine wholesaler shall file with the board at its office in Olympia a wine price posting, showing the wholesale prices at which any and all brands of wine offered for sale by such wine wholesaler shall be sold to retailers within the state.

(2) All price postings must be received by the board not later than the tenth day of the month, and if approved will become effective on the first day of the calendar month following the date of such filing. An additional period, not to exceed five days will be allowed for revision of such posting to correct errors, omissions, or to meet competitive prices filed during the current posting period, but a revised posting must be on file at the board office by not later than the fifteenth day of the month in order to become effective on the first day of the next calendar month: *Provided*, That the board may in individual cases, for good cause shown, extend the date on which the filings required by the rules are to be received by the board.

When any price posting to be filed with the board under the provisions of this rule has been deposited in the United States mail addressed to the board, it shall be deemed filed or received on the date shown by the post office cancellation mark on the envelope containing it or on the date it was mailed if proof satisfactory to the board establishes that the actual mailing occurred on an earlier date.

(3) Filing date exception—Whenever the tenth day of any month falls on Saturday, Sunday or a legal holiday, an original price posting may be filed not later than the close of business the next business day.

(4) In the event that a wine wholesaler determines to make no changes in any items or prices listed in the last filed and approved schedule, such prices listed in the schedule previously filed and in effect, shall remain in effect for each succeeding calendar month until a revised or amended schedule is filed and approved, as provided herein.

Provision for filing of temporary price reductions—In the event a wine wholesaler elects to file postings listing selected items on which prices are temporarily reduced for a period of one calendar month only such filing shall

be made on special forms provided for such purpose and clearly reflect all items, the selling price thereof, and the month for which the price reductions will be in effect. At the expiration of the month during which such reductions were effective the special filing will become void and the last regularly filed and effective price schedule shall again become effective until subsequently amended pursuant to regular filing dates.

(5) Postings shall be submitted upon forms prescribed and furnished by the board, or a reasonable facsimile thereof, and shall set forth:

(a) All brands, types and sizes of packages or containers of wine offered for sale in this state by such wine wholesaler, which packages or containers shall be limited to the sizes permitted in WAC 314-24-080.

(b) The wholesale prices thereof within the state, which prices shall include the state wine tax plus surcharge of \$0.2192 cents per liter imposed under RCW 66.24.210 and 82.02.030.

(6) No wine wholesaler shall sell or offer for sale any package or container of wine at a price differing from the price of such item as shown in the price posting then in effect.

(7) Quantity discounts are prohibited. No price shall be posted which is below acquisition cost plus ten percent of acquisition cost.

(8) Wholesale prices on a "close-out" item shall be accepted by the board when the item to be discontinued has been listed on the state market for a period of at least six months, and upon the further condition that the wholesaler who posts such a "close-out" price shall not restock the item for a period of one year following the first effective date of such "close-out" price.

(9) If an existing written contract or memorandum of oral agreement between a domestic winery, certificate of approval holder, wine importer, or wine wholesaler and a wine wholesaler, as filed in accordance with WAC 314-24-200, is terminated by either party, and a new written contract or memorandum of oral agreement is made by such a supplier with another wine wholesaler in the affected trade area, the board, after receiving such new written contract or memorandum of oral agreement, and a corresponding wholesale price posting from the newly designated wine wholesaler, may put such filings into effect immediately: *Provided*, That prices and other conditions of any such filings which are in effect at the time of such termination shall not be changed prior to the next applicable filing period.

(10) When a new wine wholesaler's license is issued for the first time by the board, the holder thereof may file an initial price schedule and request that such posting be placed into effect immediately. The board may grant such approval, providing that such posting is in compliance with all other applicable regulatory requirements, and that contracts and memoranda are on file, in accordance with WAC 314-24-200.

(11) The board may reject any price posting or portion thereof which it deems to be in violation of this or any other regulation or which would tend to disrupt the orderly sale and distribution of wine. Whenever the board shall reject any posting the licensee submitting

said posting may be heard by the board and shall have the burden of showing that the posting is not in violation of regulation and/or does not tend to disrupt the orderly sale and distribution of wine. Thereupon if said posting is accepted it shall become effective at a time fixed by the board. If said posting or portion thereof is rejected the last effective posting shall remain in effect until such time as an amended posting is filed and approved in accordance with the provisions of this regulation.

(12) Any wine wholesaler or employee authorized by his wholesaler-employer may sell wine at the wholesaler's posted prices to any Class C, F, H, or J licensee upon presentation to such wholesaler or employee at the time of purchase of a special permit issued by the board to such licensee.

(a) Every Class C, F, H, or J licensee, upon purchasing any wine from a wholesaler, shall immediately cause such wine to be delivered to his licensed premises, and he shall not thereafter permit such wine to be disposed of in any manner except as authorized by his license.

(b) Wine sold as provided herein shall be delivered by such wholesaler or his authorized employee either to such retailer's licensed premises or directly to such retailer at the wholesaler's licensed premises: *Provided, however*, That a wholesaler's prices to retail licensees shall be the same at both places of delivery.

(13) All price postings filed as required by this regulation shall at all times be open to inspection to all trade buyers within the state of Washington and shall not in any sense be considered confidential.

[Statutory Authority: RCW 66.08.030. 87-15-111 (Order 222, Resolution No. 231), § 314-24-190, filed 7/22/87. Statutory Authority: RCW 66.08.030, 66.98.070 and 66.08.060. 86-16-060 (Order 173, Resolution No. 182), § 314-24-190, filed 8/5/86. Statutory Authority: RCW 66.08.030. 82-16-069 (Order 91, Resolution No. 100), § 314-24-190, filed 8/2/82. Statutory Authority: RCW 66.08.030 and 66.98.070. 81-22-026 (Order 85, Resolution No. 94), § 314-24-190, filed 10/28/81. Statutory Authority: RCW 66.08.030, 66.08.060 and 66.98.070. 78-02-056 (Order 62), § 314-24-190, filed 1/20/78, effective 7/1/78; Order 54, § 314-24-190, filed 5/24/77, effective 7/1/77; Order 51, § 314-24-190, filed 12/15/76; Order 26, § 314-24-190, filed 8/14/73; Order 18, § 314-24-190, filed 1/13/72, effective 2/14/72; Order 15, § 314-24-190, filed 5/13/71, effective 7/1/71; Order 5, § 314-24-190, filed 8/7/69, effective 9/8/69; Rule 81, filed 6/13/63.]

WAC 314-24-200 Wine suppliers' price filings, contracts and memoranda. (1) Every domestic winery shall file with the board at its office in Olympia a copy of every written contract and a memorandum of every oral agreement which such winery may have with any wine wholesaler, which contracts or memoranda shall contain a schedule of the prices charged to wholesalers for all items. Requirements for including or omitting from such prices the wine tax plus surcharge of \$0.2192 cents per liter, imposed under RCW 66.24.210 and 82.02.030, are set forth in subsection (8) of this section. Contracts and memoranda required to be filed under this subsection must list all terms of sale, including all regular and special discounts; all advertising, sales and trade allowances; and all commissions, bonuses or gifts and any and all other discounts or allowances. Whenever changed or modified such revised prices, contracts or

memoranda shall be filed with the board, as provided in this regulation.

Each price schedule shall be made on a form prepared and furnished by the board, or a reasonable facsimile thereof, and shall set forth all brands, types, packages and containers of wine offered for sale by such licensed domestic winery; all additional information required may be filed as a supplement to said price schedule forms.

(2) Filing date—All written contracts and memoranda of oral agreements must be received by the board not later than the twenty-fifth day of the month, and if approved will become effective on the first day of the second calendar month following the date of such filing. An additional period will be allowed for revision of such filings to correct errors and omissions, or to meet competitive prices, filed during the current posting period, but a revised contract or memorandum of oral agreement must be on file with the board not later than the first day of the month in order to become effective on the first day of the next calendar month: *Provided*, That the board may in individual cases, for good cause shown, extend the date on which the filings required by the rules are to be received by the board.

When any price posting to be filed with the board under the provisions of this rule has been deposited in the United States mail addressed to the board, it shall be deemed filed or received on the date shown by the post office cancellation mark on the envelope containing it or on the date it was mailed if proof satisfactory to the board establishes that the actual mailing occurred on an earlier date.

(3) Filing date exception—Whenever the twenty-fifth day of any month falls on Saturday, Sunday, or a legal holiday, an original contract or memorandum of oral agreement may be filed not later than the close of business the next business day.

(4) Exceptions for changes in wholesalers and newly licensed wholesalers are set forth in WAC 314-24-190 (9) and (10).

(5) In the event that a domestic winery determines to make no changes in any contracts or memoranda last filed and then in effect, such contracts or memoranda shall remain in effect for each succeeding calendar month until revised or amended contracts or memoranda are filed and placed into effect as provided herein.

Provision for filing of temporary price reductions—In the event a licensed domestic winery elects to file postings listing selected items on which prices are temporarily reduced for a period of one calendar month only such filing shall be made on special forms provided for such purpose and clearly reflect all items, the selling price thereof, and the month for which the price reductions will be in effect. At the expiration of the month during which such reductions were effective the special filing will become void and the last regularly filed and effective price schedule shall again become effective until subsequently amended pursuant to regular filing dates.

(6) Prices filed by a domestic winery shall be uniform prices to all wholesalers on a statewide basis less bona fide allowances for freight differentials. Quantity discounts are prohibited. No price shall be filed which is

below acquisition cost plus ten percent of acquisition cost: *Provided*, That acquisition cost plus ten percent of acquisition cost shall not apply to sales of wine between a wine importer who sells wine to a wine wholesaler, or to a wine wholesaler who sells wine to another wine wholesaler.

(7) The provisions set forth in subsections (1), (2), (3), (4), (5) and (6) of this section shall also apply to written contracts and memoranda of oral agreements which must be filed with the board by certificate of approval holders who sell wine to wine importers; wine importers who sell to wine wholesalers; and wine wholesalers who sell to other wine wholesalers: *Provided*, That the provisions of this subsection shall not apply, and filing will not be required, in the instance of wine wholesalers making accommodation sales to other wine wholesalers when such sales are made at a selling price not to exceed the laid-in cost of the wine being sold. Accommodation sales may only be made when the wholesaler purchasing the wine is an authorized purchaser of the brand and product being sold, having been designated as an authorized purchaser by the manufacturer or importer of the product being sold, as demonstrated by an existing contract or memoranda on file and in effect under the provisions of this rule.

(8) The wine tax plus surcharge, imposed under RCW 66.24.210 and 82.02.030, is not to be included in the prices filed as required by subsection (1) of this section by (a) a domestic winery, nor (b) by a certificate of approval holder who is not licensed as a wine wholesaler, nor (c) a wine importer who is not licensed as a wine wholesaler.

Every wine wholesaler who sells wine to another wine wholesaler shall include such tax in the prices posted on such required schedules.

(9) No domestic wineries, certificate of approval holders, wine importers, or wine wholesalers shall sell any wine to any persons whatsoever in this state until copies of such written contracts or memoranda of such oral agreements are on file with the board.

(10) Certificate of approval holders may ship wine into this state when the same has been sold and consigned to the holder of an importer's license at his licensed premises. The bill of lading covering such consignment shall not be changed or the wine diverted unless such diversion is to another importer, and the board so notified immediately.

(11) The board may reject any supplier's price filing, contract or memorandum of oral agreement or portion thereof which it deems to be in violation of this or any other regulation or which would tend to disrupt the orderly sale and distribution of wine. Whenever the board shall reject any such price filing, contract or memorandum of oral agreement the licensee submitting said price filing, contract or memorandum may be heard by the board and shall have the burden of showing that the said price filing, contract or memorandum is not in violation of regulation and/or does not tend to disrupt the orderly sale and distribution of wine. Thereupon if said price filing, contract or memorandum is accepted it shall become effective at a time fixed by the board. If said price

filing, contract or memorandum or portion thereof is rejected the last effective price filing, contract or memorandum shall remain in effect until such time as an amended price filing, contract or memorandum is filed and approved, in accordance with the provisions of this regulation.

(12) All prices, contracts and memoranda filed as required by this regulation shall at all times be open to inspection to all trade buyers within the state of Washington and shall not in any sense be considered confidential.

[Statutory Authority: RCW 66.08.030, 87-15-111 (Order 222, Resolution No. 231), § 314-24-200, filed 7/22/87; 87-01-014 (Order 207, Resolution No. 216), § 314-24-200, filed 12/9/86. Statutory Authority: RCW 66.08.030, 66.98.070 and 66.08.060, 86-16-060 (Order 173, Resolution No. 182), § 314-24-200, filed 8/5/86. Statutory Authority: RCW 66.08.030, 82-16-069 (Order 91, Resolution No. 100), § 314-24-200, filed 8/2/82. Statutory Authority: RCW 66.08.030 and 66.98.070, 81-22-026 (Order 85, Resolution No. 94), § 314-24-200, filed 10/28/81; Order 54, § 314-24-200, filed 5/24/77, effective 7/1/77; Order 51, § 314-24-200, filed 12/15/76; Order 26, § 314-24-200, filed 8/14/73; Order 15, § 314-24-200, filed 5/13/71, effective 7/1/71; Order 5, § 314-24-200, filed 8/7/69, effective 9/8/69; Rule 82, filed 6/13/63.]

WAC 314-24-210 Return of wine by retailer—Replacement—Conditions. No wine shall be returned by any retail licensee to any wine wholesaler except as herein provided.

(1) Wine which is not in a salable condition may be returned by a retail licensee to the wine wholesaler from whom purchased, provided it is immediately replaced by the wine wholesaler with an identical quantity, type and brand of wine: *Provided*, That if the brand of wine is not presently in the wine wholesaler's stock and is not available to the wholesaler in the immediate future, a cash refund may be made to the retail licensee upon the approval of the board first being obtained.

(a) Every wine wholesaler shall maintain on the licensed premises for a period of two years complete records of all refunds and exchanges made under this section including an inventory of unsalable wine returned to such wholesaler by any retail licensee.

(b) Such unsalable wine which requires reconditioning or destruction shall be returned by the wine wholesaler to the domestic winery which manufactured or produced the same, or to the importer who imported such wine. When wine which has been returned to a domestic winery by any person for reconditioning or destruction has been assembled at the winery, a complete inventory in duplicate of unsalable wine shall be filed with the board by the winery with a request that inspection be made of the returned wine before the reconditioning process or destruction is started. When wine has been returned by the wholesaler to the importer who imported such wine, a complete inventory of said wine shall be filed in duplicate with the board by the importer with a request that inspection be made of the returned wine before the wine is destroyed or returned to the out-of-state manufacturer.

(c) Wine which is not in a salable condition and has been returned to a domestic winery or importer by a wholesaler may be replaced by the supplier with an

identical quantity, type, and brand of wine: *Provided*, That if the brand of wine is not presently in the winery or importer's stock and is not available to the supplier in the immediate future, a cash refund or credit may be made to the wholesaler by the supplier. Credit extended for the return of product should be noted on a separate document from the original invoice. Except as provided herein, no other adjustment, by way of a cash refund or otherwise, shall be made by the winery or wine wholesaler.

(2) Wine may be returned by a retail licensee or by a governmental agency who has seized the same to the wine wholesaler selling such wine in the event the retailer goes out of the business of selling wine at retail or has their license changed to a Class F restricted license, and in such case a cash refund may be made upon return of the wine, provided that consent of the board is first had and obtained.

(3) Wine different from that ordered which has been delivered in error to a retail licensee may be returned to a wine wholesaler and either replaced with that wine which was ordered or a cash refund may be made upon the approval of the board first being obtained: *Provided*, That the error in delivery shall be discovered and corrected within eight days of the date the delivery was made.

(4) A wholesaler may return salable wine to a Washington winery provided the winery reimburses the wholesaler for the cost of the wine plus the wine tax which was paid by the wholesaler. The winery will then put any wine returned from a wholesaler into their tax paid area at the winery.

[Statutory Authority: RCW 66.08.030, 87-16-003 (Order 227, Resolution No. 236), § 314-24-210, filed 7/23/87; 86-24-029 (Order 204, Resolution No. 213), § 314-24-210, filed 11/25/86. Statutory Authority: RCW 66.08.030 and 66.98.070, 82-17-022 (Order 109, Resolution No. 118), § 314-24-210, filed 8/9/82; Order 5, § 314-24-210, filed 8/7/69, effective 9/8/69; Rule 83, filed 6/13/63.]

Chapter 314-26 WAC UNALABLE BEER AND WINE

WAC
314-26-010 Procedures for tax refunds.

WAC 314-26-010 Procedures for tax refunds. The board may refund the tax on beer imposed by RCW 66.24.290, and the tax on wine imposed by RCW 66.24.210, when such taxpaid products have been deemed to be unsalable due to freight damage or other causes prior to sale to consumers, and are destroyed within the state. Such tax refunds are subject to the following conditions:

(1) An applicant for such refund shall notify the board of the intention to destroy any such product, and furnish specific information concerning the proposed destruction of such stock. The notification shall include:

(a) The reason for the destruction (damaged product, overage product, etc.); and

(b) A complete inventory of all products to be destroyed on a form authorized by the board.

(2) No tax refund will be authorized for unsalable beer or wine unless the board has verified before destruction that such product because of its condition is unfit for sale, and that such taxes have been paid to the state.

(3) The quantity of beer or wine involved in such a request for tax refund, the amount of such refund, and observation or certification by affidavit of the actual destruction of such stock must be confirmed by an authorized employee of the board before any such tax refund is granted.

(4) The certification required by this section shall be in the following form:

"Affidavit of non-retail licensees concerning compliance with RCW 66.24.305.

I, _____, having been duly sworn upon oath depose and say:

That I am aware that RCW 66.24.305 allows for refunds of taxes on unsalable wine and beer. The board may refund tax on wine imposed by RCW 66.24.210 and the tax on beer imposed by RCW 66.24.290, when such tax-paid products have been deemed to be unsalable and are destroyed within the state in accordance with procedures established by the board.

I have destroyed the products listed on the inventory attached and am requesting a tax refund therefore. I am aware that RCW 9A.72.030 provides that it is a crime (class C felony) for a person, with intent to mislead a public servant in the performance of their duty, to make under an oath required or authorized by law a materially false statement, knowing it to be false.

Name: _____

Licensed Trade Name: _____

License or Certificate of Approval No.: _____

Date: _____

SUBSCRIBED AND SWORN TO Before me this ____ day of _____, 19__.

Notary Public in and for the State of Washington, residing at _____ My appointment expires: ."

[Statutory Authority: RCW 66.08.030. 88-13-118 (Order 253, Resolution No. 262), § 314-26-010, filed 6/22/88; Order 40, § 314-26-010, (Rule 83.5), filed 8/21/75.]

Chapter 314-30 WAC MANUFACTURERS

WAC 314-30-010 Sales by manufacturers.

WAC 314-30-010 Sales by manufacturers. (1) Manufacturers licensed in accordance with RCW 66.24-.150 may sell within the state:

(a) Spirituous liquor only to the board or to an authorized vendor of the board;

(b) Wine products only to wholesalers licensed in accordance with RCW 66.24.200;

(c) Beer products only to beer certificate of approval holders as authorized by RCW 66.24.270 who also hold an importer's license as authorized by RCW 66.24.260; or

(d) To permit holders as authorized by Title 66 RCW.

(2) The first wine wholesaler or beer certificate of approval holder with a beer importer's license to receive wine or malt beverages from a distiller, rectifier, or bottler shall be liable for the taxes due.

(3) Manufacturers selling wine or malt beverage products will be considered a supplier and will be required to meet the requirements of WAC 314-24-200 and 314-20-105 respectively.

(4) Manufacturers selling wine to a licensed wine wholesaler or beer to a licensed beer certificate of approval holder who also has a beer importer's license shall file monthly reports with the board on forms prescribed by the board showing the quantity of liquor shipped to each above referenced licensee during the preceding month. Such report shall be submitted on or before the twentieth day of the month following the month of sale or delivery.

(5) Failure to make such report at the time prescribed will be sufficient cause for the board to forthwith suspend or cancel the license privilege of the manufacturer. When the twentieth day of any month falls on a Sunday, or a legal holiday, the report may be filed not later than the close of business the next business day.

[Statutory Authority: RCW 66.08.030 and 66.24.150. 88-20-087 (Order 265, Resolution No. 274), § 314-30-010, filed 10/5/88.]

Chapter 314-36 WAC LIQUOR IMPORTERS, PUBLIC STORAGE WAREHOUSES AND IMPORTATION OF LIQUOR

- WAC 314-36-010 Sales between liquor importers. 314-36-020 Liquor importation—General. 314-36-030 Importation by licensed liquor importer. 314-36-040 Principal office—Record. 314-36-050 Customs bonded locker. 314-36-060 Public storage warehouses. 314-36-070 Storage of liquor. 314-36-080 Authorization for private liquor storage warehouse. 314-36-090 Liquor shall be stored in original packages. 314-36-100 Removal of liquor. 314-36-110 Release of liquor. 314-36-120 Repealed. 314-36-130 Complete records kept. 314-36-150 Special importation permit.

DISPOSITION OF SECTIONS FORMERLY CODIFIED IN THIS CHAPTER

- 314-36-120 Perpetual inventory—Copy to board. [Rule 99, filed 6/13/63.] Repealed by 88-07-025 (Order 238, Resolution No. 247), filed 3/9/88. Statutory Authority: RCW 66.08.030.

WAC 314-36-010 Sales between liquor importers. One licensed liquor importer may sell to, or purchase from, or exchange with, another licensed liquor importer, intoxicating liquor for purposes of export only.

[Statutory Authority: RCW 66.08.030. 88-07-025 (Order 238, Resolution No. 247), § 314-36-010, filed 3/9/88; Rule 88, filed 6/13/63.]

WAC 314-36-020 Liquor importation--General. No liquor shall be imported into this state unless such liquor be consigned to the Washington state liquor control board; or unless such liquor be consigned to a holder of a liquor, beer or wine importer's license and delivered at a public storage warehouse authorized by the Washington state liquor control board to store liquor, or at the warehouse of the holder of the liquor, beer or wine importer's license in those cases where the board has authorized storage at such warehouse. No carrier shall accept or deliver liquor except in accordance with this regulation.

[Statutory Authority: RCW 66.08.030. 88-07-025 (Order 238, Resolution No. 247), § 314-36-020, filed 3/9/88. Statutory Authority: RCW 66.08.030 (1) and (2). 87-07-008 (Order 214, Resolution No. 223), § 314-36-020, filed 3/10/87; Order 5, § 314-36-020, filed 8/7/69, effective 9/8/69; Rule 89, filed 6/13/63.]

WAC 314-36-030 Importation by licensed liquor importer. Spirituous liquor imported by the holder of a liquor importer's license may be transferred direct from the importing carrier to an exporting carrier if the consent of the board is first obtained.

[Statutory Authority: RCW 66.08.030. 88-07-025 (Order 238, Resolution No. 247), § 314-36-030, filed 3/9/88; Rule 90, filed 6/13/63.]

WAC 314-36-040 Principal office--Record. Each liquor, beer or wine importer shall establish and maintain a principal office within the state at which shall be kept full and complete records of all importations, storage, removals, and exportations of liquor, such records to be kept in such manner and in such form as the board shall from time to time prescribe. Each liquor, beer or wine importer shall keep the board informed at all times of the location of such principal office.

[Statutory Authority: RCW 66.08.030. 88-07-025 (Order 238, Resolution No. 247), § 314-36-040, filed 3/9/88; Rule 91, filed 6/13/63.]

WAC 314-36-050 Customs bonded locker. Any public storage warehouse, having a customs bonded locker, and which wishes to accept liquor, including beer or wine, for storage must furnish to the Washington state liquor control board a bond in the penal sum of not less than five thousand dollars in form prescribed by the board, conditioned upon faithful performance and compliance with the Washington State Liquor Act and rules and regulations thereunder, and shall apply for a letter of authorization so to do.

[Statutory Authority: RCW 66.08.030. 88-07-025 (Order 238, Resolution No. 247), § 314-36-050, filed 3/9/88; Order 5, § 314-36-050, filed 8/7/69, effective 9/8/69; Rule 92, filed 6/13/63.]

WAC 314-36-060 Public storage warehouses. No public storage warehouse shall receive or store or otherwise handle any liquor, including beer or wine, without

first obtaining from the Washington state liquor control board a letter of authorization so to do.

[Statutory Authority: RCW 66.08.030. 88-07-025 (Order 238, Resolution No. 247), § 314-36-060, filed 3/9/88; Order 5, § 314-36-060, filed 8/7/69, effective 9/8/69; Rule 93, filed 6/13/63.]

WAC 314-36-070 Storage of liquor. No public storage warehouse shall accept or store any liquor, including beer or wine, except upon the order of a licensed liquor, beer or wine importer or the Washington state liquor control board.

[Statutory Authority: RCW 66.08.030. 88-07-025 (Order 238, Resolution No. 247), § 314-36-070, filed 3/9/88; Order 5, § 314-36-070, filed 8/7/69, effective 9/8/69; Rule 94, filed 6/13/63.]

WAC 314-36-080 Authorization for private liquor storage warehouse. Any holder of a liquor, beer or wine importer's license, who maintains a storage warehouse exclusively for the storage of goods, wares or merchandise belonging to such holder, and who desires to store liquor imported under such liquor, beer or wine importer's license, shall apply to the board for a letter of authorization so to do. Such authorization shall be granted only upon such terms and conditions as the board shall from time to time prescribe. If such authorization be granted, such warehouse shall thereafter be known as a private liquor storage warehouse.

[Statutory Authority: RCW 66.08.030. 88-07-025 (Order 238, Resolution No. 247), § 314-36-080, filed 3/9/88; Rule 95, filed 6/13/63.]

WAC 314-36-090 Liquor shall be stored in original packages. No shipments of liquor shall be accepted or stored in a private or public storage warehouse except in original packages or combinations of original packages as authorized by the board.

[Statutory Authority: RCW 66.08.030. 88-07-025 (Order 238, Resolution No. 247), § 314-36-090, filed 3/9/88; Order 5, § 314-36-090, filed 8/7/69, effective 9/8/69; Rule 96, filed 6/13/63.]

WAC 314-36-100 Removal of liquor. No liquor shall be removed from any storage warehouse, either public or private, except for sale and delivery to the board or for export from the state, or for delivery to persons, firms or corporations authorized by Title 66 RCW to receive such liquor products: *Provided, however,* That liquor may be removed from an authorized private liquor storage warehouse to a public storage warehouse, or may be removed from one authorized public storage warehouse to another authorized public storage warehouse, or may be removed from an authorized public storage warehouse to the authorized private liquor storage warehouse of the owner of the liquor. Liquor, beer or wine importers may remove liquor for sample purposes only, but only after permission thereto has been specifically granted by the board or its accredited representatives. Any and all removals of liquor must be made in full compliance with the Washington state liquor laws, Title 66 RCW (Alcoholic beverage control), and the rules and regulations of the board.

[Statutory Authority: RCW 66.08.030. 88-07-025 (Order 238, Resolution No. 247), § 314-36-100, filed 3/9/88. Statutory Authority: RCW 66.08.030 (1) and (2). 87-07-008 (Order 214, Resolution No.

223), § 314-36-100, filed 3/10/87; Order 5, § 314-36-100, filed 8/7/69, effective 9/8/69; Rule 97, filed 6/13/63.]

WAC 314-36-110 Release of liquor. No public storage warehouse shall release any liquor for delivery to anyone other than the Washington state liquor control board or for shipment to a consignee outside the state of Washington, or for delivery to another authorized public storage warehouse, or to the authorized private liquor storage warehouse of the owner of the liquor, or to persons, firms or corporations authorized by Title 66 RCW to receive such liquor products: *Provided, however,* That liquor may be delivered to liquor, beer or wine importers for sample purposes under such conditions as the board may from time to time prescribe, and may be delivered to holders of liquor importer's licenses for export under WAC 314-36-010.

[Statutory Authority: RCW 66.08.030. 88-07-025 (Order 238, Resolution No. 247), § 314-36-110, filed 3/9/88. Statutory Authority: RCW 66.08.030 (1) and (2). 87-07-008 (Order 214, Resolution No. 223), § 314-36-110, filed 3/10/87; Order 5, § 314-36-110, filed 8/7/69, effective 9/8/69; Rule 98, filed 6/13/63.]

WAC 314-36-120 Repealed. See Disposition Table at beginning of this chapter.

WAC 314-36-130 Complete records kept. Each public storage warehouse shall keep full and complete records showing all liquor received for storage, together with all removals and exportations thereof, such records to be kept in such manner and in such form as the board shall prescribe, and in case of removal, releases or shipments, shall preserve for two years, subject to the order of the board, all bills of lading or certified copies thereof, and all authorizations of the board for withdrawals of samples.

[Statutory Authority: RCW 66.08.030. 88-07-025 (Order 238, Resolution No. 247), § 314-36-130, filed 3/9/88; Rule 100, filed 6/13/63.]

WAC 314-36-150 Special importation permit. Each manufacturer holding a special permit under RCW 66.20.010(5) to import alcohol, malt and other materials containing alcohol to be used in the manufacture of liquor or other products, shall notify the board of the location of their principal office within the state, at which office shall be kept full and complete records of all transactions pertaining to the importation of alcohol, malt and other materials containing alcohol and the disposition thereof, in a form approved by the board.

[Statutory Authority: RCW 66.08.030 (1) and (2). 87-07-008 (Order 214, Resolution No. 223), § 314-36-150, filed 3/10/87; Rule 102, filed 6/13/63.]

Chapter 314-40 WAC CLUBS

WAC	
314-40-040	Guest and courtesy cards—Visitors.
314-40-080	Designated portion of club used for service and consumption of liquor.

WAC 314-40-040 Guest and courtesy cards—Visitors. (1) Guest cards may be issued only as follows:

(a) For clubs located within the limits of any city or town, only to those persons residing outside of an area ten miles from the limits of such city or town;

(b) For clubs located outside of any city or town only to those persons residing outside an area fifteen miles from the location of such club: *Provided,* That where such area limitation encroaches upon the limits of any city or town, the entire corporate limits of such city or town shall be included in the prohibited area;

(c) Such guest cards shall be issued for a period not to exceed two weeks and must be numbered serially, with a record of the issuance of each such card to be filed in a manner as to be readily accessible to the agents of the board;

(d) Mileage restrictions in (a) and (b) of this subsection shall not apply to contestants in golf or tennis tournaments conducted on the grounds of a licensed club.

(2) Visitors may be introduced when accompanied at all times by a member and may remain as long as such member is present in the club: *Provided,* That any such visitor may only enjoy the privileges of the club a reasonable number of times in any one calendar year.

(3) Persons who are members in good standing of a national veterans organization may enjoy the privileges of any licensed club affiliated with any national veterans organization, and persons who are members in good standing of a national fraternal organization may enjoy the privileges of any club affiliated with that particular national fraternal organization: *Provided,* That the bylaws of such clubs authorize reciprocal privileges: *Provided further,* That subsections (1) and (2) of this section shall not apply to members of such organizations.

(4) Persons who are members in good standing of organizations licensed as private nonfraternal clubs may enjoy the privileges of other licensed nonfraternal clubs: *Provided,* That the bylaws of such clubs authorize reciprocal privileges: *Provided further,* That subsections (1) and (2) of this section shall not apply to members of such clubs.

(5) Courtesy cards may be issued to the adult members of the immediate family of any member with or without charge upon application being made to the club by the member.

(6) In order to recruit new members and build club membership, a private club may hold one public membership function per calendar year where club liquor may be given or sold to those attending as a part of the membership drive activities.

(7) A person issued a guest card by the club manager pursuant to subsection (1) of this section may introduce visitors into the club provided the visitors are accompanied at all times by the sponsoring guest card holder; the visitors remain in the club only as long as the sponsoring guest card holder is present; the house rules or bylaws of the club provide guest card holders the privilege of introducing visitors into the club; and, such house rules or bylaws have been filed with the liquor control board.

[Statutory Authority: RCW 66.08.030. 88-07-060 (Order 239, Resolution No. 248), § 314-40-040, filed 3/16/88; 88-01-016 (Order 235, Resolution No. 244), § 314-40-040, filed 12/8/87; 86-07-013 (Order 177, Resolution No. 186), § 314-40-040, filed 3/11/86. Statutory Authority: RCW 66.08.030 and 66.98.070. 85-06-020 (Order 152, Resolution No. 161), § 314-40-040, filed 2/27/85; 82-04-028 (Order 92, Resolution No. 101), § 314-40-040, filed 1/27/82; Rule 106, filed 6/13/63.]

WAC 314-40-080 Designated portion of club used for service and consumption of liquor. (1) Each club shall submit a sketch of the entire premises including the portion used for storage, sale and consumption of liquor, for approval. No change in any portion of the club premises so described and approved shall be made without the consent of the board.

(2) Where the physical setup of the club rooms or quarters renders it practical so to do, such portion of the club premises shall be a room or rooms devoted solely to such service and capable of being entirely closed from the remainder of the club rooms or quarters. Bona fide members may possess and consume their own liquor at any time and in any part of the club premises as permitted under the bylaws and/or house rules of the club, provided such bylaws and/or house rules have been filed with the board.

(3) If the club rents any portion of the club rooms or quarters for any purpose other than a strictly club purpose, or holds any function within the club rooms or quarters to which the public generally is invited or admitted, then such portion devoted to liquor service must be closed to the public generally and no one admitted therein, except bona fide members, bona fide visitors and bona fide guests. If such portion cannot be so closed, then no such liquor service whatever shall be permitted within the club rooms or quarters during the entire time when such nonclub activity is taking place or while the public generally is permitted within the club rooms or quarters.

[Statutory Authority: RCW 66.08.030. 88-08-056 (Order 246, Resolution No. 255), § 314-40-080, filed 4/5/88; Rule 110, filed 6/13/63.]

Chapter 314-44 WAC LICENSED AGENTS

WAC

314-44-005 Agent's license required—Eligible employers defined—Certain classes limited—Bona fide entity defined—Prohibited practices.

WAC 314-44-005 Agent's license required—Eligible employers defined—Certain classes limited—Bona fide entity defined—Prohibited practices. (1) No person shall canvass for, solicit, receive or take orders for the purchase or sale of any liquor, or act as the agent for the purchase or sale of liquor, nor contact any licensees of the board in goodwill activities, unless such person is holder of an agent's license as provided in RCW 66.24-.310, and this regulation.

(2) An agent's license may be issued to the accredited representative of a person, firm, or corporation holding a

certificate of approval issued pursuant to RCW 66.24-.270 or 66.24.206, a beer wholesaler's license, a brewer's license, a beer importer's license, a domestic winery license, a wine importer's license, or a wine wholesaler's license within the state of Washington, or the accredited representative of a distiller, manufacturer, importer, or distributor of spirituous liquor, or foreign produced beer or wine. A person, firm, or corporation so qualified, is herein defined to be an eligible employer. Such employer shall apply to the board for such an agent's license for his accredited representatives on application forms prescribed and furnished by the board.

(3) Every firm which applies for an agent's license under the provisions of this section shall furnish the board with satisfactory proof that such firm is in fact a bona fide business entity.

(4) Only the licensed agent of a distiller, manufacturer, importer, or distributor of spirituous liquor may contact retail licensees in goodwill activities when such contacts pertain to spirituous liquor products.

(5) No distiller, manufacturer, importer, wholesaler or distributor of liquor, or agent thereof, shall solicit either in person, by mail or otherwise, any liquor vendor or employee of the board, except the purchasing agent thereof, for the purpose or with the intent of furthering the sale of a particular brand or brands of merchandise as against another brand or brands of merchandise.

(6) No distiller, manufacturer, importer, wholesaler or distributor of liquor, or agent thereof, shall visit any state liquor store or agency for the purpose of exerting influence on employees for sales promotion or to secure information regarding inventory or any other matter relating to sales. They may deliver, or have delivered, and assemble where required, consumer offers and display material that have been approved by the board or its designee. Violation of this section will result in a penalty against all company items, which in appropriate cases could mean a partial or total delisting of those items.

(7) No distiller, manufacturer, importer, wholesaler, or distributor of liquor, or agent thereof, shall give or offer to any employee of the board any entertainment, gratuity or other consideration for the purpose of inducing or promoting the sale of merchandise.

(8) No distiller, manufacturer, importer, wholesaler, or distributor, or agent thereof, shall allow, pay or rebate, directly or indirectly, any cash or merchandise to any retail licensee to induce or promote the sale of liquor, including the payment of tips to such licensees or their employees and the purchasing of drinks "for the house." Such persons, firms and licensees must operate in conformity with WAC 314-12-140; RCW 66.28.010, 66.28.040, and other applicable laws and rules.

(9) Upon the infraction of any law or regulation by any distiller, manufacturer, importer, wholesaler, distributor, or agent, the board may, in addition to imposing other penalties as prescribed by law, remove such firm's products from the sales list of the board, and/or prohibit the sale of any brand or brands of beer or wine involved as provided in RCW 66.28.030.

(10) Upon the termination of the employment of a licensed agent, his employer shall immediately notify the

board and with such notice return to the board the agent's license issued to such person.

[Statutory Authority: RCW 66.08.030. 89-01-004 (Order 271, Resolution No. 280), § 314-44-005, filed 12/8/88. Statutory Authority: RCW 66.08.030 and 66.98.070. 82-04-029 (Order 93, Resolution No. 102), § 314-44-005, filed 1/27/82; Order 46, § 314-44-005, Rule 111, filed 6/9/76. Formerly WAC 314-44-010 and 314-44-020.]

Chapter 314-52 WAC ADVERTISING

WAC

314-52-114 Advertising by retail licensees, offering for sale, or selling beer, wine or spirituous liquor at less than cost—Prohibited—Exceptions.

WAC 314-52-114 Advertising by retail licensees, offering for sale, or selling beer, wine or spirituous liquor at less than cost—Prohibited—Exceptions. (1) Beer, wine, or spirituous liquor shall not be advertised, offered for sale or sold by retail licensees at less than acquisition cost.

(2) The provisions of this section shall not apply to any sale made:

(a) In closing out in good faith the owner's stock or any part thereof for the purpose of discontinuing his trade in any such article or product and in the case of the sale of seasonal goods or to the bona fide sale of perishable goods to prevent loss to the vendor by spoilage or depreciation: *Provided*, Notice is given to the public thereof;

(b) When the goods are damaged or deteriorated in quality, and notice is given to the public thereof;

(c) By an officer acting under the orders of any court;

(d) In an endeavor made in good faith to meet the prices of a competitor selling the same article or product in the same locality or trade area and in the ordinary channels of trade.

[Statutory Authority: RCW 66.08.030. 88-07-026 (Order 242, Resolution No. 251), § 314-52-114, filed 3/9/88. Statutory Authority: RCW 66.08.060. 87-04-026 (Order 213, Resolution No. 222), § 314-52-114, filed 1/29/87. Statutory Authority: RCW 66.08.030, 66.98-.070 and 66.08.060. 86-16-060 (Order 173, Resolution No. 182), § 314-52-114, filed 8/5/86; 83-24-060 (Order 134, Resolution No. 143), § 314-52-114, filed 12/7/83.]

Chapter 314-60 WAC PUBLIC RECORDS

WAC

314-60-030 Description of central and field organization of Washington state liquor control board.

WAC 314-60-030 Description of central and field organization of Washington state liquor control board. The board is an agency created to exercise the police power of the state in administering and enforcing all of the laws and regulations relating to alcoholic beverage control (Title 66 RCW).

(1) The board's major areas of activity are:

(a) Purchase, distribution and sale of liquor in the original package through its stores and agencies.

(i) All spirituous liquor in the original package is exclusively sold by the board.

(ii) Wines and malt beverages in the original package are sold by the board, and wines and beer can, under appropriate license, be sold by licensees.

(b) The licensing of the manufacture, distribution and sale of liquor. Licenses to retailers involve many different classifications and categories for the sale of liquor for on-premises and off-premises consumption. Licenses are also issued to manufacturers, breweries, wholesalers, importers, etc.

(c) The inspection of the activities and operations of liquor licensees and the enforcement of the liquor laws of the state of Washington and the rules and regulations of the board.

(2) The administrative offices of the Washington state liquor control board and its staff are located at:

(a) Main office, Capital Plaza Building, 1025 East Union Avenue, Olympia.

(b) Distribution center and stores and agencies division, 4401 East Marginal Way South, Seattle.

(c) Enforcement offices are maintained in major cities throughout the state.

(d) Stores and agencies are maintained in cities, towns, and areas throughout the state.

[Statutory Authority: RCW 66.08.030. 88-16-026 (Order 259, Resolution No. 268), § 314-60-030, filed 7/27/88; 82-04-030 (Order 97, Resolution No. 106), § 314-60-030, filed 1/27/82; Order 22, § 314-60-030, filed 4/17/73, effective 5/18/73.]

Chapter 314-64 WAC LIQUOR SAMPLES

WAC

314-64-030 Procedures for chemical analysis.
314-64-050 Accounting for board samples.

WAC 314-64-030 Procedures for chemical analysis. Procedures for submitting samples of beer or wine for chemical analysis are as follows:

(1) Quantity.

(a) Sample quantities and definitions for beer are stated in WAC 314-20-020.

(b) Sample quantities and definitions for wine are stated in WAC 314-24-040.

(2) Identification.

(a) Suppliers shall identify the items on the cartons and shipping documents as "samples for chemical analysis."

(b) All packages containing alcoholic beverages for testing purposes must be labeled in conformance with WAC 314-20-020 or 314-24-040 before being acceptable for testing purposes.

(c) All containers of samples shipped must have their return address on the outside of the container.

(3) Shipping instructions. Suppliers shall deliver or ship samples prepaid to Washington State Liquor Control Board c/o Washington State Dairy and Food Laboratory, 2900 Northeast Blakely Street, Seattle, WA 98105, or to such other address as the board may require.

(4) Use and disposition of samples. Samples of beer and wine submitted for chemical analysis shall be analyzed at the Washington state dairy and food laboratory for alcoholic content and to determine whether they conform to standards of identity and quality standards prescribed by board regulations. After such analysis, any remaining portion of said samples shall be disposed of by laboratory personnel.

(5) Reports. The laboratory shall report its findings on appropriate forms to the board's manufacturers, importers, and wholesalers division and the controller of the board. The liquor board chemist shall also retain a copy at the laboratory of the analysis results. Based on the findings, and other statutory and regulatory requirements, the manufacturers, importers, and wholesalers division shall either issue a certificate of label approval to the supplier, or notify the supplier that a certificate of label approval has been denied, along with the reasons for the denial.

[Statutory Authority: RCW 66.08.030. 88-14-001 (Order 252, Resolution No. 261), § 314-64-030, filed 6/23/88. Statutory Authority: RCW 66.08.030 and 66.98.070. 82-04-035 (Order 95, Resolution No. 104), § 314-64-030, filed 1/28/82; Order 57, § 314-64-030, filed 7/28/77, effective 9/1/77; Order 40, § 314-64-030, filed 8/21/75.]

WAC 314-64-050 Accounting for board samples. Samples shall be accounted for as follows:

(1) Beer and wine submitted to the board for chemical analysis.

(a) Upon receipt of the samples at the Washington state dairy and food laboratory, the liquor board chemist shall prepare a multiple-copy receiving report for said samples, clearly identifying them as "samples for chemical analysis." If they are hand-delivered by the supplier, the supplier will be given a receipt.

(b) The liquor board chemist shall sign the multiple-copy receiving report in the applicable section indicating receipt of samples.

(c) If more than the amount authorized in WAC 314-64-030 is received, the liquor board chemist shall prepare a separate receiving report for the excess samples.

(d) Samples received in excess of the quantity authorized in WAC 314-64-030 for chemical analysis will be destroyed by the liquor board chemist at the laboratory and such destruction shall be witnessed by another employee of either the liquor control board or the department of agriculture. The destruction will be certified on the receiving report by the liquor board chemist and the authorized employee who witnessed the destruction.

(e) The liquor board chemist shall distribute the signed multiple-copy receiving report as follows: The original to the liquor board controller in Olympia, one copy to the manufacturers, importers, and wholesalers division in Olympia, and one copy to be retained by the liquor board chemist at the Washington state dairy and food laboratory.

(f) The liquor control board controller in Olympia shall maintain the official copies of the receiving reports and the chemical analysis reports.

(2) Malt liquor, wine or spirits submitted to the board for the purpose of negotiating the sale of liquor to the board.

(a) Upon receipt of the samples by the liquor purchasing agent in Olympia, the liquor purchasing agent, or his designee, shall prepare a multiple-copy receiving and disposition report for said samples, clearly identifying them as "samples for the purpose of negotiating the sale of liquor to the board."

(b) If more than the amount authorized in WAC 314-64-040 is received, the liquor purchasing agent, or his designee, shall prepare a separate receiving report for the excess samples and dispose of them as provided in WAC 314-64-040(7).

(c) The liquor purchasing agent, or his designee, shall sign the multiple-copy receiving and disposition report in the applicable section, indicating his receipt of the samples.

(d) The liquor purchasing agent, or his designee, shall distribute the signed multiple-copies of the receiving and disposition reports as follows: The original to be retained by the liquor purchasing agent, one copy to each member of the board, and one copy to the liquor control board controller.

(e) The purchasing agent, or his designee, shall provide an analysis report form, as required in WAC 314-64-040(6) for each sample. The receiving and disposition reports and analysis report forms shall be numbered consecutively, and shall correspond one with the other.

(f) The liquor purchasing agent shall deliver a copy of the receiving and disposition report and the analysis report forms with the samples, to members of the board, or their designees, and/or to the liquor purchasing agent, or his designee, for examination, testing and reporting as provided in WAC 314-64-040 (4), (5) and (6).

(g) Members of the board, or their designees, and/or the liquor purchasing agent, or his designee, shall sign the receiving and disposition report in the applicable section, indicating receipt of the samples.

(h) The purchasing agent shall distribute the signed receiving and disposition report as follows: The original to the member of the board, or his designee, or the liquor purchasing agent, or his designee, to whom the sample was delivered; one copy to the liquor control board controller, and one copy to be retained by the liquor purchasing agent.

(i) Members of the board, or their designees, and/or the liquor purchasing agent, or his designee, shall examine, test and report on the sample, as provided in WAC 314-64-040 (4), (5), and (6), complete the analysis report form, and distribute the form as follows: The original to the liquor purchasing agent, one copy to the liquor control board controller, and one copy to be retained by the member of the board, or his designee, and/or the liquor purchasing agent, or his designee who examined and tested the sample.

(j) The liquor control board controller shall maintain the official copies of the receiving and disposition reports, together with the matching analysis report forms, and, where applicable, the destruction notices.

[Statutory Authority: RCW 66.08.030. 88-14-001 (Order 252, Resolution No. 261), § 314-64-050, filed 6/23/88. Statutory Authority: RCW 66.08.030 and 66.98.070. 82-04-035 (Order 95, Resolution No.

104), § 314-64-050, filed 1/28/82; Order 40, § 314-64-050, filed 8/21/75.]

Chapter 314-70 WAC

DISPOSITION OF LIQUOR STOCK FOLLOWING DISCONTINUANCE OF BUSINESS AND/OR LAWFUL SEIZURE OF LIQUOR BY A GOVERNMENTAL AGENCY

WAC

314-70-020 Disposition by a governmental agency of lawfully seized liquors, except those which are required to be delivered to the board under RCW 66.32.090.

WAC 314-70-020 Disposition by a governmental agency of lawfully seized liquors, except those which are required to be delivered to the board under RCW 66.32.090. Notwithstanding any other provision of Title 66 RCW or Title 314 WAC, governmental agencies may, after obtaining the approval of the board and under the supervision of the board, dispose of lawfully seized liquors (except those which are required to be delivered to the board under RCW 66.32.090) as follows:

(1) The governmental agency may sell spirituous unopened salable liquor, and/or wine and beer previously purchased from the board, to the board as per procedure in WAC 314-70-040.

(2) The governmental agency may sell opened containers of liquor back to the Class H licensee from whom seized, if the licensee is going out of business, for the personal use of the licensee at a negotiated price after payment by the licensee to the board of an amount to be determined by the board in lieu of the Class H discount and tax exemption in effect at that time: *Provided*, That if the licensee has not so purchased the opened bottles of liquor within the period of redemption, they shall be destroyed.

(3) The governmental agency may sell unopened beer and/or wine to the wholesaler selling the same as per procedure in WAC 314-24-210 and 314-20-070 at a negotiated price. Copies of inventory and bill of sale shall be furnished the board.

(4) The governmental agency may sell unopened salable wine and/or beer to appropriately licensed retailers at a negotiated price. Beer purchased under this subsection shall meet the quality standards set forth by its manufacturer. Copies of the inventory and bill of sale shall be furnished the board.

(5) The governmental agency may ship the liquor out of the state of Washington.

[Statutory Authority: RCW 66.08.030, 88-16-040 (Order 260, Resolution No. 269), § 314-70-020, filed 7/29/88. Statutory Authority: RCW 66.08.030 and 66.98.070, 82-17-022 (Order 109, Resolution No. 118), § 314-70-020, filed 8/9/82.]

Title 315 WAC

LOTTERY COMMISSION

Chapters

315-02 General provisions and definitions.

[1988 WAC Supp—page 2178]

315-04

Licensing procedure.

315-06

General lottery rules.

315-10

Instant games—General rules.

315-11

Instant game rules—Specific rules.

315-14

Special provisions.

315-20

Procedural rules—Contested cases—Petitions for declaratory ruling and rule making.

315-30

On-line games—General rules.

315-32

Lotto.

Chapter 315-02 WAC

GENERAL PROVISIONS AND DEFINITIONS

WAC

315-02-020 Time and place of meetings.

WAC 315-02-020 Time and place of meetings. (1) Regular public meetings of the commission shall be held pursuant to the schedule published annually in the Washington State Register. Each such regular meeting shall be held at a time and place designated by the director and published in the meeting agenda.

(2) Additional public meetings necessary to discharge the business of the commission may be called from time to time by the chairman or by a quorum of the commission.

[Statutory Authority: RCW 67.70.040, 87-05-005 (Order 99), § 315-02-020, filed 2/6/87; 85-07-005 (Order 71), § 315-02-020, filed 3/8/85; 83-19-019 (Order 36), § 315-02-020, filed 9/12/83. Statutory Authority: 1982 2nd ex. s. c 7, 82-21-037 (Order 2), § 315-02-020, filed 10/15/82.]

Chapter 315-04 WAC

LICENSING PROCEDURE

WAC

315-04-070 License charges.

315-04-090 License issuance eligibility.

315-04-190 Compensation.

WAC 315-04-070 License charges. (1) A charge of twenty-five dollars shall be assessed for each license application submitted to the lottery. This charge is to reimburse the lottery for processing costs incident to licensure and relicensure.

(2) All fees established in this section or other sections of this title are not refundable.

[Statutory Authority: RCW 67.70.040, 87-10-043 (Order 101), § 315-04-070, filed 5/4/87; 87-01-058 (Order 97), § 315-04-070, filed 12/16/86; 85-09-004 (Order 72), § 315-04-070, filed 4/5/85; 84-12-057 (Order 58), § 315-04-070, filed 6/4/84; 84-01-002 (Order 41), § 315-04-070, filed 12/8/83; 83-19-019 (Order 36), § 315-04-070, filed 9/12/83. Statutory Authority: 1982 2nd ex. s. c 7, 82-21-039 (Order 4), § 315-04-070, filed 10/15/82.]

WAC 315-04-090 License issuance eligibility. (1) The director may issue a license to any person to act as a lottery retailer who meets the eligibility criteria established by chapter 7, Laws of 1982 2nd ex. sess., and these rules.