Title 314 WAC
LIQUOR CONTROL BOARD

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314-07 How to apply for a liquor license.
314-09 Contested liquor license applications and renewals.
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Chapter 314-02 WAC
REQUIREMENTS FOR RETAIL LIQUOR LICENSEES

WAC
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314-02-105 What is a beer and/or wine specialty store license?
314-02-125 What types of activities on a licensed premises require notice to the board?
314-02-130 What types of changes to a licensed premises require board approval?

WAC 314-02-005 What is the purpose of chapter 314-02 WAC? Chapter 314-02 WAC outlines the qualifications for the following liquor licenses and permits:

(1) Spirits, beer, and wine restaurants;
(2) Nightclubs;
(3) Hotels;
(4) Beer and/or wine restaurants;
(5) Snack bars;
(6) Taverns;
(7) Motels;
(8) Bed and breakfasts;
(9) Nonprofit arts organizations;
(10) Public houses;
(11) Grocery stores;
(12) Beer/wine specialty shops; and
(13) Beer/wine gift delivery business.

[Statutory Authority: RCW 66.08.030 and 66.24.600. 10-01-091, § 314-02-005, filed 12/16/09, effective 1/16/10. Statutory Authority: RCW 66.08.030 and 66.24.590. 08-17-067, § 314-02-005, filed 8/19/08, effective 9/19/08. Statutory Authority: RCW 66.08.030, 66.24.120. 00-07-091, § 314-02-005, filed 3/15/00, effective 4/15/00.]
(2) "Banquet room" means any room used primarily for the sale and service of food and liquor to private groups.

(3) "Customer service area" means areas where food and/or liquor are normally sold and served to the public, i.e., lounges and dining areas. A banquet room is not considered a customer service area.

(4) "Dedicated dining area." In order for an area to qualify as a dedicated dining area, it must be a distinct portion of a restaurant that is used primarily for the sale, service, and consumption of food, and have accommodations for eating, e.g., tables, chairs, booths, etc. See WAC 314-02-025 for more information.

(5) "Designated area" means a space where alcohol may be sold, served, or consumed.

(6) "Entertainer" means someone who performs for an audience such as a disc jockey, singer, or comedian, or anyone providing entertainment services for the licensee. An entertainer is considered an employee of the liquor licensee per WAC 314-01-005. Patrons participating in entertainment are not considered employees.

(7) "Entertainment" means dancing, karaoke, singing, comedy shows, concerts, TV broadcasts, contests with patron participation and/or performing for an audience.

(8) "Food counter" means a table or counter set up for the primary purpose of food service to customers who sit or stand at the counter. Any alcohol served is incidental to food service.

(9) "Game room" means an area of a business set up for the primary purpose of patrons using games or gaming devices.

(10) "Liquor bar" means a table or counter where alcohol is stored or prepared and served to customers who sit or stand at the bar. Liquor bars can only be in lounges or in premises where minors are not allowed at any time.

(11) "Lounge" means the portion of a restaurant used primarily for the preparation, sale, and service of beer, wine, or spirits. Minors are not allowed in a lounge (see RCW 66.44.316 for information on employees and professional musicians under twenty-one years of age).

(12) "Minimum food service" means items such as sandwiches, salad, soup, hamburgers, and fry orders.

(13) "Minor" means a person under twenty-one years of age.

(14) "Service bar" means a fixed or portable table, counter, cart, or similar work station primarily used to prepare, mix, serve, and sell alcohol that is picked up by employees or customers. Customers may not be seated or allowed to consume food or alcohol at a service bar.

(15) "Snack food" means items such as peanuts, popcorn, and chips.

[WAC 314-02-010 What are the fee categories for a spirits, beer, and wine restaurant license? (1) Per RCW 66.24.40, the annual fee for a spirits, beer, and wine restaurant license is graduated, as follows:

[2010 WAC Supp—page 2]
(2) In order for an area to qualify as a dedicated dining area it must be a separate and distinct portion of a restaurant that is used primarily for the sale, service, and consumption of food, and have accommodations for eating, e.g., tables, chairs, booths, etc. Areas dedicated to live music or entertainment, such as dance floors or stages are not considered dedicated dining areas. Dedicated dining areas may not contain:

(a) Liquor bars (see definition under WAC 314-02-010(2)); or
(b) Areas dedicated to games or gaming devices.

(3) The fee for a spirits, beer, and wine restaurant license outside of an incorporated city or town will be prorated according to the calendar quarters the licensees are open for business. This proration does not apply in the case of a suspension or revocation of the license.

(4) A duplicate license is required in order to sell liquor from more than one site on your property. These sites must be located on the same property and owned by the same licensee. The following types of businesses may apply for a duplicate license:

<table>
<thead>
<tr>
<th>Type of Business</th>
<th>Annual fee per duplicate license</th>
</tr>
</thead>
<tbody>
<tr>
<td>Airport terminal</td>
<td>25% of annual license fee</td>
</tr>
<tr>
<td>Civic center (such as a convention center)</td>
<td>$11</td>
</tr>
<tr>
<td>Privately owned facility open to the public</td>
<td>$20</td>
</tr>
</tbody>
</table>

(5) A menu must be available to customers that lists, at a minimum, the required complete meals.

(6) The food items required to maintain the menu must be on the restaurant premises. These items must be edible.

(7) Restaurants that have one hundred percent dedicated dining area must maintain complete meal service any time liquor is available for sale, service, or consumption.

(8) Restaurants with less than one hundred percent dedicated dining area (restaurants in the one thousand seven hundred sixty-eight dollar or two thousand two hundred ten dollar fee category) must maintain complete meal service for a minimum of five hours a day during the hours of 11:00 a.m. and 11:00 p.m. on any day liquor is served. The board may consider written requests for exceptions to this requirement due to demonstrated hardship, under such terms and conditions as the board determines are in the best interests of the public.

(a) Minimum food service, such as sandwiches, hamburgers, or fry orders, must be available outside of these hours.

(b) Snacks such as peanuts, popcorn, and chips do not qualify as minimum food service.

(9) The hours of complete meal service must be conspicuously posted on the premises or listed on the menu. If applicable, a statement that minimum food service is available outside of those hours must also be posted or listed on the menu.

[Statutory Authority: RCW 66.08.030 and 66.24.600. 10-01-091, § 314-02-035, filed 10/24/05, effective 11/24/05. Statutory Authority: RCW 66.08.030, 66.24.010, 66.24.120. 00-07-091, § 314-02-035, filed 3/15/00, effective 4/15/00.]

WAC 314-02-036 What is a spirits, beer, and wine nightclub license? (1) This license allows a nightclub as defined in RCW 66.04.010(28) to:

(a) Sell and serve spirituous liquor by the individual drink for on-premises consumption;
(b) Sell and serve beer by the open bottle, can, or by tap for on-premises consumption; and
(c) Sell and serve wine for on-premises consumption.

(2) To obtain and maintain a spirits, beer, and wine nightclub license the nightclub must have primary business hours between 9:00 p.m. and 2:00 a.m.

(3) There are no food requirements for a spirits, beer, and wine nightclub license. Food sales and service are incidental to the sale and service of alcohol.

(4) The annual fee for a spirits, beer, and wine nightclub license is two thousand dollars.

[Statutory Authority: RCW 66.08.030 and 66.24.600. 10-01-091, § 314-02-036, filed 12/16/09, effective 1/16/10.]

WAC 314-02-037 What are the floor space requirements for a spirits, beer, and wine nightclub license? (1) The liquor control board has the responsibility to classify what licensed premises or what portions of a licensed premises are off limits to minors.

(a) Any areas in the licensed premises where alcohol is sold, served, or consumed is classified as off-limits to minors (RCW 66.44.310(2)).

(b) Minors may be allowed on the licensed premises but only in areas where alcohol is not served or consumed.
(2) **Barriers**—Licensees must place barriers separating restricted areas from areas where minors will be allowed.

(a) The barriers must clearly separate restricted areas and must be at least forty-two inches high.

(b) The barriers may be moveable.

(c) Liquor bars cannot be used as barriers (see definition of liquor bar in WAC 314-02-010(10)).

(d) Entrances to restricted areas may not be wider than ten feet. If a licensee has more than one entrance along one wall, the total entrance areas may not exceed ten feet.

(e) "Minor prohibited" signs, as required under WAC 314-11-060(1), must be posted at each entrance to a restricted area.

(3) If the business allows minors, the primary entrance must open directly into a nonrestricted area. Minors must be able to access restrooms without passing through a restricted area.

(4) **Floor plans**—When applying for a spirits, beer, and wine nightclub license, the applicant must provide to the board's licensing and regulation division two copies of a detailed drawing of the entire premises. If there will be different floor plans for different types of events that change the location and/or dimensions of the restricted area(s), the applicant must provide two copies of a detailed drawing for each floor plan. All restricted areas must be designated on the floor plan(s) and be approved by the board. The drawing must be labeled with the type of event. The drawing must:

(a) Have all rooms labeled according to their use; e.g., lounge, dance floor, stage area, foyer, restrooms, etc.; and

(b) Have all barriers labeled in a descriptive way; e.g., "full wall," "half wall," etc.

[Statutory Authority: RCW 66.08.030 and 66.24.600. 10-01-091, § 314-02-037, filed 12/16/09, effective 1/16/10.]

WAC 314-02-038 Can a spirits, beer, and wine nightclub license exclude persons under twenty-one years of age from the premises? A spirits, beer, and wine nightclub licensee may exclude minors from the premises at all times.

1) To exclude minors from the entire licensed premises at all times, the applicant must:

(a) Indicate during the liquor license application process that he/she does not wish to have minors on the entire premises at all times; or

(b) If already licensed as a spirits, beer, and wine nightclub license that allows minors, the licensee may request permission from the board's licensing and regulation division to exclude minors at all times. See WAC 314-02-130 for instructions on requesting this approval.

2) Spirits, beer, and wine nightclub licensees who exclude minors from the premises may not employ minors. (See WAC 314-11-040 for more information on employing minors.)

[Statutory Authority: RCW 66.08.030 and 66.24.600. 10-01-091, § 314-02-038, filed 12/16/09, effective 1/16/10.]

WAC 314-02-039 What type of restrictions may be placed on a spirits, beer, and wine nightclub license? (1) Local government may petition the board to request further restrictions be imposed on a spirits, beer, and wine nightclub license in the interest of public safety. Public safety does not include items such as noise ordinances and trash pickup.

(a) The local authority must request any additional restrictions within twenty days from the date of the local authority notice sent by the board.

A request for additional restrictions must be accompanied by a written explanation for the restriction and how the restriction relates to public safety.

(b) If the local authority requests further restrictions on the license, the board will notify the applicant of the local authorities' request.

(c) Any restrictions requested by the local authority and approved by the board may be enforced by the board.

(d) The board may impose the restriction of a "good neighbor agreement" requested by the local authority, but will not enforce agreements between a local authority and liquor licensee or applicant.

(2) The local authority, the applicant, or the licensee may request an administrative hearing per chapter 34.05 RCW if they disagree with the decision the board makes on additional restrictions to the license, based on the interest of public safety.

[Statutory Authority: RCW 66.08.030 and 66.24.600. 10-01-091, § 314-02-039, filed 12/16/09, effective 1/16/10.]

WAC 314-02-045 What is a beer and/or wine restaurant license? (1) Per RCW 66.24.320 and 66.24.354, this license allows a restaurant to:

<table>
<thead>
<tr>
<th>Privilege</th>
<th>Annual fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Serve beer by the bottle or can or by tap for on-premises consumption.</td>
<td>$221</td>
</tr>
<tr>
<td>(b) Serve wine for on-premises consumption (see RCW 66.24.320 regarding patrons removing recorked wine from the premises).</td>
<td>$221</td>
</tr>
<tr>
<td>(c) Sell beer and/or wine in the original, unopened containers for off-premises consumption.</td>
<td>$133</td>
</tr>
<tr>
<td>(d) Sell tap beer for off-premises consumption in a sanitary container holding less than four gallons of beer, and brought to the premises by the purchaser.</td>
<td>In conjunction with off-premises privilege outlined in subsection (c).</td>
</tr>
<tr>
<td>(e) Sell beer in kegs or other containers holding at least four gallons of beer (see WAC 314-02-115 regarding the requirements for registering kegs).</td>
<td>In conjunction with off-premises privilege outlined in subsection (c).</td>
</tr>
</tbody>
</table>

(2) All applicants for a beer and/or wine restaurant license must establish, to the satisfaction of the board, that the premises will operate as a bona fide restaurant, as defined in RCW 66.04.010(30). Minimum food service is required, as defined in WAC 314-02-010(12).

(3) If a beer and/or wine restaurant's dedicated dining area comprises less than fifteen percent of the total customer service area, the premises must maintain a tavern license (see WAC 314-02-070 regarding the tavern license).

[Statutory Authority: RCW 66.08.030 and 66.24.600. 10-01-091, § 314-02-045, filed 12/16/09, effective 1/16/10. Statutory Authority: RCW 66.04.010, 66.08.030, 66.24.410, 66.44.310, and 66.44.420. 05-22-022, § 314-02-045, filed 10/24/05, effective 11/24/05. Statutory Authority: RCW 66.08.030,
WAC 314-02-060 What is a caterer's endorsement?  
(1) A spirits, beer, and wine restaurant and a beer and/or wine restaurant applicant or licensee may apply for a caterer's endorsement, in order to extend the on-premises license privilege to allow the sale and service of liquor at approved locations other than the licensed premises. See RCW 66.24.420 (6) and RCW 66.24.320(2) for more information about this endorsement.

(2) The annual fee for this endorsement is three hundred eighty-seven dollars.

[Statutory Authority: RCW 66.08.030 and 66.24.600. 10-01-091, § 314-02-060, filed 12/16/09, effective 1/16/10. Statutory Authority: RCW 66.08.030, 66.24.010, 66.24.120. 00-07-091, § 314-02-060, filed 3/15/00, effective 4/15/00.]

WAC 314-02-065 What is a snack bar license?  
(1) Per RCW 66.24.350, a snack bar license allows a licensee to serve beer by the opened bottle or can for on-premises consumption only.

(2) Snack bar licenses must have snack food, as defined in WAC 314-02-010(15), available whenever beer is sold or served.

(3) Snack bars must have designated seating for on-premises consumption of beer.

(4) The annual fee for this license is one hundred thirty-eight dollars.

[Statutory Authority: RCW 66.08.030 and 66.24.600. 10-01-091, § 314-02-065, filed 12/16/09, effective 1/16/10. Statutory Authority: RCW 66.08.030, 66.24.010, 66.24.120. 00-07-091, § 314-02-065, filed 3/15/00, effective 4/15/00.]

WAC 314-02-070 What is a tavern license?  
(1) Per RCW 66.24.330 and 66.24.354, this license allows a tavern to:

<table>
<thead>
<tr>
<th>Privilege</th>
<th>Annual fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Serve beer by the bottle or can or by tap for on-premises consumption.</td>
<td>$221</td>
</tr>
<tr>
<td>(b) Serve wine for on-premises consumption.</td>
<td>$221</td>
</tr>
<tr>
<td>(c) Sell beer and/or wine in the original, unopened containers for off-premises consumption.</td>
<td>$133</td>
</tr>
<tr>
<td>(d) Sell tap beer for off-premises consumption in a sanitary container holding less than four gallons of beer, and brought to the premises by the purchaser.</td>
<td>In conjunction with off-premises privilege outlined in subsection (c).</td>
</tr>
<tr>
<td>(e) Sell beer in kegs or other containers holding at least four gallons of beer (see WAC 314-02-110 regarding the requirements for registering kegs).</td>
<td>In conjunction with off-premises privilege outlined in subsection (c).</td>
</tr>
</tbody>
</table>

(2) A tavern licensee may not allow persons under twenty-one years of age on the premises at any time (see RCW 66.44.316 for information regarding employees and professional musicians under twenty-one years of age).

[Statutory Authority: RCW 66.08.030 and 66.24.600. 10-01-091, § 314-02-070, filed 12/16/09, effective 1/16/10. Statutory Authority: RCW 66.08.030, 66.24.010, 66.24.120. 00-07-091, § 314-02-070, filed 3/15/00, effective 4/15/00.]

WAC 314-02-090 What is a nonprofit arts organization license?  
(1) Per RCW 66.24.495, this license allows a bona fide nonprofit organization to sell beer, wine, and spirits by the individual serving in conjunction with artistic or cultural exhibitions or performances.

(2) The nonprofit organization must be organized and operated for the purpose of providing artistic or cultural exhibitions, presentations, or performances or cultural or art education programs for viewing by the general public. See RCW 66.24.495(2) for specific organizational requirements.

(3) Alcohol sales and consumption may only occur in the lobby area and/or restricted bar area of the premises prior to the commencement of an exhibition or performance and during intermission.

Alcohol is not allowed in the performance seating areas of the facility.

(4) The annual fee for this license is two hundred fifty dollars.

[Statutory Authority: RCW 66.08.030 and 66.24.600. 10-01-091, § 314-02-090, filed 12/16/09, effective 1/16/10. Statutory Authority: RCW 66.08.030, 66.24.010, 66.24.120. 00-07-091, § 314-02-090, filed 3/15/00, effective 4/15/00.]

WAC 314-02-095 What is a public house license?  
(1) Per RCW 66.24.580, a public house licensee is allowed to:

(a) Manufacture between two hundred fifty gallons and two thousand four hundred barrels of beer on the premises per year;

(b) Serve beer by the bottle or can or by tap for on-premises consumption; and

(c) Serve wine for on-premises consumption (see RCW 66.24.320 regarding patrons removing recorked wine from the premises).

(2) The annual fee for this license is one thousand one hundred five dollars.

(3) If a public house licensee wishes to allow persons under twenty-one years of age on the premises, the licensee must meet the requirements of a beer and/or wine restaurant license, per WAC 314-02-045 and 314-02-025.

(4) Public house licensees may apply for a spirits, beer, and wine restaurant license, in order to sell spirits by the individual serving for on-premises consumption (see WAC 314-02-015).

[Statutory Authority: RCW 66.08.030 and 66.24.600. 10-01-091, § 314-02-095, filed 12/16/09, effective 1/16/10. Statutory Authority: RCW 66.04.010, 66.08.030, 66.24.410, 66.44.310, and 66.44.420. 05-22-022, § 314-02-095, filed 10/24/05, effective 11/24/05. Statutory Authority: RCW 66.08.030, 66.24.010, 66.24.120. 00-07-091, § 314-02-095, filed 3/15/00, effective 4/15/00.]

WAC 314-02-100 What is a grocery store license?  
(1) Per RCW 66.24.360, a grocery store license allows a licensee to sell beer and/or wine for off-premises consumption.

(2) The annual fee for this license is one hundred sixty dollars.

(3) In order to obtain and maintain a grocery store license, the premises must be stocked with an inventory of at least three thousand dollars wholesale value of food for...
human consumption, not including soft drinks, beer, or wine. This minimum inventory must be:

(a) Stocked within the confines of the licensed premises; and

(b) Maintained at the premises at all times the business is licensed, with the exception of:

(i) The beginning and closing inventory for seasonal operations; or

(ii) When the inventory is being sold out immediately prior to discontinuing or selling the business.

(4) A grocery store licensee may sell beer in kegs or other containers holding at least four gallons and less than five and one-half gallons of beer. See WAC 314-02-115 regarding keg registration requirements.

(5) A grocery store applicant or licensee may apply for an international exporter endorsement for five hundred dollars a year, which allows the sale of beer and wine for export to locations outside the United States.

[Statutory Authority: RCW 66.08.030 and 66.24.600. 10-01-091, § 314-02-100, filed 12/16/09, effective 1/16/10. Statutory Authority: RCW 66.08.030, 66.24.010, 66.24.120. 00-07-091, § 314-02-100, filed 3/15/00, effective 4/15/00.]

WAC 314-02-105 What is a beer and/or wine specialty store license? (1) Per RCW 66.24.371, a beer and/or wine specialty store license allows a licensee to sell beer and/or wine for off-premises consumption.

(2) The annual fee for this license is one hundred eleven dollars.

(3) Qualifications for license—To obtain and maintain a beer and/or wine specialty store license, the premises must be stocked with an inventory of beer and/or wine in excess of three thousand dollars wholesale value. This inventory must be:

(a) Stocked within the confines of the licensed premises; and

(b) Maintained on the premises at all times the premises is licensed, with the exception of beginning and closing inventory for seasonal operations or when the inventory is being sold out immediately prior to discontinuing or selling the business.

(4) Qualifications to sample—a beer and/or wine specialty store licensee may allow customers to sample beer and wine for the purpose of sales promotion, if the primary business is the sale of beer and/or wine at retail, and the licensee meets the requirements outlined in either (a) or (b) of this subsection:

(a) A licensee’s gross retail sales of beer and/or wine exceeds fifty percent of all gross sales for the entire business; or

(b) The licensed premises is a beer and/or wine specialty store that conducts bona fide cooking classes for the purpose of pairing beer and/or wine with food, under the following conditions:

(i) The licensee must establish to the satisfaction of the board that the classes are bona fide cooking courses. The licensee must charge participants a fee for the course(s).

(ii) The sampling must be limited to a clearly defined area of the premises.

(3) Contests or games where patrons are part of the entertainment; and

(4) Hours of operation in between 2:00 a.m. and 6:00 a.m. for licensees that sell liquor for on-premises consumption.


WAC 314-02-125 What types of activities on a licensed premises require notice to the board? Liquor licensees must notify their local enforcement office in writing at least forty-eight hours before conducting the following activities:

(1) Male/female dance reviews, subject to the provisions of WAC 314-11-050;

(2) Live boxing or wrestling;

(3) Contests or games where patrons are part of the entertainment; and

(4) Hours of operation in between 2:00 a.m. and 6:00 a.m. for licensees that sell liquor for on-premises consumption.

[Statutory Authority: RCW 66.08.030 and 66.24.600. 10-01-091, § 314-02-125, filed 12/16/09, effective 1/16/10. Statutory Authority: RCW 66.08.030, 66.24.010, 66.24.120. 00-07-091, § 314-02-125, filed 3/15/00, effective 4/15/00.]

WAC 314-02-130 What types of changes to a licensed premises require board approval? The following changes to a licensed premises require prior board approval, by submitting a form provided by the board's licensing and regulation division:

<table>
<thead>
<tr>
<th>Type of alteration</th>
<th>Approval process and timeline</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) • excluding persons under twenty-one years of age</td>
<td>(a) The board’s licensing</td>
</tr>
<tr>
<td></td>
<td>and regulation division will</td>
</tr>
<tr>
<td></td>
<td>respond to the request for</td>
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<td></td>
<td>alteration within five</td>
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<tr>
<td></td>
<td>business days.</td>
</tr>
</tbody>
</table>

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WAC 314-07-121 Board delegation of authority to make initial threshold determinations. (1) The board may delegate to the licensing and regulation division director the authority to make initial threshold determinations on liquor license applications and renewals where:

(a) Objections have been submitted; or

(b) The applicant/licensee appears to be ineligible for a license due to failure to meet requirements under statute or rule. Failure to meet eligibility requirements includes data obtained through a criminal background check or criminal history record information (CHRI) report.

(2) Threshold determinations will be made in accordance with the provisions of RCW 66.24.010 as well as all other relevant sections of state law and Title 314 WAC. The licensing and regulation division director shall:

(a) Give substantial weight to objections from a local authority where objections are based on chronic illegal activity;

(b) Give due consideration to the location of a new liquor license application as it relates to the proximity to churches, schools, and public institutions as well as other considerations raised by the local authority.

(3) If the licensing and regulation director determines that the board will seek denial of a license application or non-renewal of an existing license, an aggrieved applicant/licensee may request an adjudicative hearing before an administrative law judge (see chapter 314-09 WAC).

(4) If the licensing and regulation director determines that the board will seek to approve a license or renewal over the objection of the local authority, the local authority may request an adjudicative hearing before an administrative law judge (see chapter 314-09 WAC). The licensing and regulation director will determine whether an adjudicative hearing will be granted to the local authority.

An adjudicative hearing will be granted where the objection is based on alleged conduct related to public safety within the jurisdiction of the board under Title 66 RCW.

[Statutory Authority: RCW 66.08.030. 09-21-048, § 314-07-121, filed 10/14/09, effective 11/14/09.]

Chapter 314-09 WAC

CONTESTED LIQUOR LICENSE APPLICATIONS AND RENEWALS

WAC

314-09-010 Objections to liquor license applications.
314-09-015 Objections to liquor license renewals.

WAC 314-09-010 Objections to liquor license applications. (1) How can persons, entities, and governmental jurisdictions object to the issuance of a liquor license or permit? Per RCW 66.24.010 (8) and (9), the board will notify certain entities of the following types of annual or special occasion liquor license or permit applications. In addition to the following entities, any person or group may comment in writing to the board regarding an application.

[2010 WAC Supp—page 7]
(2) What will happen if a person or entity objects to a liquor license application? When deciding whether to issue or deny a liquor license application or permit, the board will give due consideration to input from governmental jurisdictions in which the premises is located; private schools, churches, and public institutions within 500 feet of the premises (as measured according to RCW 66.24.010(9)); and other persons or groups. Note: Per RCW 66.24.010(9), the board shall not issue a new retail liquor license if a tax-supported public elementary or secondary school within 500 feet of the premises to be licensed objects to the application (500 feet as measured according to RCW 66.24.010(9)).

(a) If the board contemplates issuing a license over the objection of a governmental jurisdiction in which the premises is located, the government subdivision may request an adjudicative hearing under the provisions of the Administrative Procedure Act (chapter 34.05 RCW). If the board, in its discretion, grants the governmental jurisdiction(s) an adjudicative hearing, the licensee will be notified and given the opportunity to present evidence at the hearing.

(b) If the board denies a liquor license application based on the objection from a governmental jurisdiction; a private school, church, or public institution within 500 feet of the premises (as measured according to RCW 66.24.010(9)); and/or other persons or groups, the applicant(s) may either:

(i) Reapply for the license or permit no sooner than one year from the original denial date; or

(ii) Submit a written request on a form provided by the board for an adjudicative hearing under the provisions of the Administrative Procedure Act (chapter 34.05 RCW). The request must be received within twenty days of the date the intent to deny notification was mailed.

(2) What will happen if a governmental jurisdiction objects to the renewal of a liquor license? The board will give due consideration to a governmental jurisdiction's objection to a liquor license renewal of a premises in its jurisdiction. Based on the governmental jurisdiction's input and any information in the licensing file, the board will decide to either renew the liquor license, or to pursue nonrenewal.

(a) Board decides to renew the liquor license:

(i) The board will notify the governmental jurisdiction(s) in writing of its intent to renew the license, stating the reason for this decision.

(ii) The governmental jurisdiction(s) may contest the renewal and request an adjudicative hearing under the provisions of the Administrative Procedure Act (chapter 34.05 RCW) by submitting a written request on a form provided by the board. The request must be received within twenty days of the date the intent to renew notification was mailed.

(b) Board decides to pursue nonrenewal of the liquor license:

(i) The board will notify the licensee in writing of its intent to not renew the license, stating the reason for this decision.

(ii) The licensee may contest the nonrenewal action and request an adjudicative hearing under the provisions of the Administrative Procedure Act (chapter 34.05 RCW) by submitting a written request on a form provided by the board. The request must be received within twenty days of the date the intent to deny notification was mailed.

(iii) If the licensee requests a hearing, the governmental jurisdiction will be notified.

(iv) During the hearing and any subsequent appeal process, the licensee is issued a temporary operating permit for the liquor license until a final decision is made.

[Statutory Authority: RCW 66.08.030. 09-21-048, § 314-09-015, filed 10/14/09, effective 11/14/09. Statutory Authority: RCW 66.08.030 and 66.24.010. 05-07-011, § 314-09-010, filed 3/4/05, effective 4/4/05. Statutory Authority: RCW 66.08.030, 66.24.010, 66.08.150. 01-03-087, § 314-09-010, filed 1/17/01, effective 2/17/01.]
Chapter 314-11 WAC

GENERAL REQUIREMENTS FOR LICENSEES

WAC

314-11-015  What are my responsibilities as a liquor licensee?  (1)(a) Liquor licensees are responsible for the operation of their licensed premises in compliance with the liquor laws and rules of the board (Title 66 RCW and Title 314 WAC). Any violations committed or permitted by employees will be treated by the board as violations committed or permitted by the licensee.

(b) The penalties for violations of liquor laws or rules are in: WAC 314-29-015 through 314-29-035, as now or hereafter amended, for licensees; and WAC 314-17-105 and 314-17-110, as now or hereafter amended, for employees who hold mandatory alcohol server training permits. These rules also outline aggravating and mitigating circumstances that may affect what penalty is applied if a licensee or employee violates a liquor law or rule.

(2) Licensees and their employees also have the responsibility to conduct the licensed premises in compliance with the following laws, as they now exist or may later be amended:

■  Titles 9 and 9A RCW, the criminal code laws;
■  Title 69 RCW, which outlines the laws regarding controlled substances; and
■  Titles 70.155, 82.24 RCW, and RCW 26.28.080 which outline laws regarding tobacco.

(3) Licensees have the responsibility to control their conduct and the conduct of employees and patrons on the premises at all times. Except as otherwise provided by law, licensees or employees may not:

(a) Be disorderly or apparently intoxicated on the licensed premises;
(b) Permit any disorderly person to remain on the licensed premises;
(c) Engage in or allow behavior that provokes conduct which presents a threat to public safety;
(d) Consume liquor of any kind while working on the licensed premises; except that:
   (i) Licensed beer manufacturers and their employees may sample beer of their own manufacture for manufacturing, evaluating or pricing product in areas where the public is not served, so long as the licensee or employee does not become apparently intoxicated;
   (ii) Licensed wine manufacturers and their employees may:
      (A) Sample wine for manufacturing, evaluating, or pricing product, so long as the licensee or employee does not become apparently intoxicated; and the licensee or employee who is sampling for these purposes is not also engaged in serving alcohol to the public; and
      (B) Sample wine of their own manufacture for quality control or consumer education purposes, so long as the licensee or employee does not become apparently intoxicated.

(e) Engage in, or permit any employee or other person to engage in, conduct on the licensed premises which is prohibited by any portion of Titles 9, 9A, or 69 RCW; or

(f) Sell or serve liquor by means of "drive-in" or by "curb service."

(4) Licensees have the responsibility to control the interaction between the licensee or employee and their patrons. At a minimum, licensees or employees may not:

(a) Solicit any patron to purchase any beverage for the licensee or employee, or allow a person to remain on the premises for such purpose;
(b) Spend time or dance with, or permit any person to spend time or dance with, any patron for direct or indirect compensation by a patron.
(c) See WAC 314-11-050 for further guidelines on prohibited conduct.

[Statutory Authority: RCW 66.08.030 and 66.28.320. 10-01-090, § 314-11-015, filed 12/16/09, effective 1/16/10. Statutory Authority: RCW 66.08.030, 66.12.160, 66.44.010, 66.44.200, 66.44.270, 66.24.291, 66.44.291], § 314-11-015, filed 7/21/04, effective 8/21/04. Statutory Authority: RCW 66.08.030, 66.28.100, 66.28.040, 66.28.090, 66.44.010, 66.44.070, 66.44.200, 66.44.270, 66.44.291, 66.44.292, 66.44.310, 66.44.316, 66.44.318, 66.44.340, and 66.44.350, 02-11-054, § 314-11-015, filed 5/9/02, effective 6/9/02. Statutory Authority: RCW 66.08.030, 66.28.100, 66.28.040, 66.28.090, 66.44.010, 66.44.070, 66.44.200, 66.44.270, 66.44.291, 66.44.292, 66.44.310, 66.44.316, 66.44.318, 66.44.340, 66.44.350, and chapter 66.44 RCW. 01-06-014, § 314-11-015, filed 2/26/01, effective 3/28/01.]

WAC 314-11-095  What records am I required to keep regarding my licensed premises? Licensees are responsible to keep records that clearly reflect all financial transactions and the financial condition of the business.

(1) All industry members and retailers shall keep and maintain the following records on their premises for a three-year period and the records must be made available for inspection if requested by an employee of the liquor control board, or by a person appointed in writing by the board for the purposes of administering or enforcing any provisions of Title 66 RCW or Title 314 WAC:

(a) Purchase invoices and supporting documents, to include the items and/or services purchased, from whom the items were purchased, and the date of purchase;
(b) Bank statements and canceled checks for any accounts relating to the licensed business;
(c) Accounting and tax records related to the licensed business and each true party of interest in the liquor license;
(d) Records of all financial transactions related to the licensed business, including contracts and/or agreements for services performed or received that relate to the licensed business;
(e) Records of all items, services, and moneys' worth furnished to and received by a retailer and of all items, services, and moneys' worth provided to a retailer and purchased by a retailer at fair market value;
(f) Records of all industry member financial ownership or interests in a retailer and of all retailer financial ownership interests in an industry member; and

(g) Business entertainment records of industry members or their employees who provide either food, beverages, transportation, tickets or admission fees for or at athletic events or for other forms of entertainment to retail licensees and/or their employees.
(2) See additional rules for recordkeeping requirements specific to breweries and wineries: WAC 314-20-015(2), 314-20-050, 314-24-100, and 314-24-150 (as now or hereafter amended).


WAC 314-11-097 Credit on nonliquor food items—Conditions—Recordkeeping. Pursuant to the exceptions in chapter 66.28 RCW:

(1) An industry member or affiliate may have a financial interest in another industry member or a retailer, and a retailer or affiliate may have financial interest in an industry member unless such interest has resulted or is more likely than not to result in:

(a) Undue influence over the retailer or the industry member;
(b) An adverse impact on public health and safety.

(2) The structure of any such financial interest must be consistent with the following:

(a) An industry member in whose name a license or COA has been issued pursuant to this title may wholly own or hold a financial interest in a separate legal entity licensed pursuant to RCW 66.24.320 through 66.24.570, but the industry member must form a separate legal entity to apply for the retail liquor license.

Example: ABC Inc. is the liquor licensee for ABC Winery. ABC Inc. has two officers and stockholders; John Doe, President and 50% stockholder, and Mary Smith, Secretary and 50% stockholder. ABC Inc. wants to purchase stock in a retail restaurant. ABC Inc. is not required to form a separate legal entity to apply for the retail liquor license.

(b) A retailer in whose name a license has been issued pursuant to this title may wholly own or hold a financial interest in manufacturer, importer, or distributor licensed under RCW 66.24.170, 66.24.206, 66.24.240, 66.24.244, 66.24.270(2), 66.24.240, or 66.24.250, but the retailer must form a separate legal entity to apply for the nonretail liquor license.

Example: Joe and Jane Smith own a grocery store and hold a grocery store liquor license under a sole proprietor legal entity. They want to purchase stock in a local winery. Joe and Jane Smith are not required to form a separate legal entity if the amount of stock purchased is 10% or less. If the amount of stock purchased is more than 10%, Joe and Jane Smith must form a separate legal entity (such as a corporation or limited liability company) to purchase the stock in the winery.
(c) A supplier in whose name a license or certificate of approval has been issued pursuant to this title may wholly own or hold a financial interest in a separate legal entity licensed as a distributor or importer under this title, but such supplier may not have a license as a distributor or importer issued in its own name.

Example: ABC Inc. is the liquor licensee for ABC Winery. ABC Inc. has two officers and stockholders; John Doe, President and 50% stockholder, and Mary Smith, Secretary and 50% stockholder. ABC Inc. wants to purchase stock in a distributor. ABC Inc. is not required to form a separate legal entity if the amount of stock purchased is 10% or less. If the amount of stock purchased is more than 10%, ABC Inc. must gre the place of stock purchased is more than 10%, ABC Inc. must form a separate legal entity to purchase the stock. John Doe and/or Mary Smith as a sole-proprietor, could purchase any amount of stock in a distributor;

(d) A distributor or importer in whose name a license has been issued pursuant to this title may wholly own or hold a financial interest in a separate legal entity licensed or holding a certificate of approval as a supplier under this title, but such distributor or importer may not have a license or certificate of approval as a supplier issued in its own name.

Example: B&W Distributing, LLC is the liquor licensee for BW Distributing. B&W Distributing, LLC wants to purchase stock in ABC Winery. B&W Distributing, LLC is not required to form a separate legal entity if the amount of stock purchased is 10% or less. If the amount of stock purchased is more than 10%, B&W Distributing, LLC must form a separate legal entity to purchase the stock in the winery.

(3) Any person may request a determination by the board as to whether a proposed or existing financial interest has resulted or is more likely than not to result in undue influence or has resulted or is more likely than not to result in an adverse impact on public health and safety by filing a complaint or request for determination with the board.

(a) The board may conduct an investigation as it deems appropriate in the circumstances.

(b) If the investigation reveals the financial interest has resulted or is more likely than not to result in undue influence or an adverse impact on public health or safety, the board may issue an administrative violation notice or a notice of intent to deny the license to the industry member, the retailer, or both.

The recipient of the administrative violation notice or notice of intent to deny the license may request an administrative hearing under chapter 34.05 RCW.

[Statutory Authority: RCW 66.08.030 and 66.28.320. 10-01-090, § 314-12-027, filed 12/16/09, effective 1/16/10.]

WAC 314-12-140 Prohibited practices—Contracts—Gifts—Rebates, etc.

(1) No industry member or retailer shall enter into any agreement which causes undue influence over another retailer or industry member. 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.

(2) No industry member shall advance and no retailer, any employee thereof, or applicant for a retail liquor license shall receive money or money's worth under any written or unwritten agreement or any other business practice or arrangement such as:

(a) Gifts;
(b) Discounts;
(c) Loans of money;
(d) Premiums;
(e) Rebates;
(f) Free liquor of any kind; or
(g) Treats or services of any nature whatsoever except such services as are authorized in this regulation.

(3) Pursuant to RCW 66.28.010 an industry member or 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 its own brands only, from stock or inventory owned by the retailer.
(b) Rotate, rearrange or replenish bottles or cans of its own brands on shelves or in the refrigerators but is prohibited from rearranging or moving displays of its products in such a manner as to cover up, hide or reduce the space of display of the products of any other industry member.

(c) Industry members or any employees thereof may move or handle in any manner any products of any other manufacturer, importer or distributor on the premises of any retail licensee when a two-day notice is given to other interested industry members or their agents and such activity occurs during normal business hours or upon hours that are mutually agreed.

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

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

(f) Provide sales analysis of beer and wine products based on statistical sales data voluntarily provided by the retailer involved for the purpose of proposing a schematic display for beer and wine products. Any statistical sales data provided by retailers for this purpose shall be at no charge.

(g) 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.

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

(5) No industry member 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.

(6) In selling equipment, fixtures, supplies or commodities other than liquor, no industry member shall grant to any retailer, nor shall such retailer accept, more favorable prices than those extended to nonlicensed retailers. The price
thereof shall be not less than the industry member's cost of acquisition. In no event shall credit be extended to any retailer.

(7) Any industry member 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, records including a copy of the invoice covering each such sale, which invoice shall contain the following information:

(a) A complete description of the articles sold;

(b) The purchase price of each unit sold together with the total amount of the sale;

(c) Transportation costs and services rendered in connection with the installation of such articles; and

(d) The date of such sale and affirm that full cash payment for such articles was received from the retailer as provided in subsection (4) of this section.

(8) 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 distributors 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.

WAC 314-12-141 Courses of instruction. Industry members conducting courses of instruction as authorized by RCW 66.28.150 may provide alcohol at no charge to licensees of the board, their employees, and invited guests who have a legitimate business interest in the manufacturing, importing, distributing and retailing of liquor.

Chapter 314-13 WAC

RETAIL LICENSEES PURCHASING BEER, WINE, AND SPIRITS

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

(1) Checks, under the provisions of WAC 314-13-020.

(2) Credit/debit cards, under the following provisions:

(a) The credit or debit card transaction agreement must be voluntary on the part of both the retailer and the industry member, and there must be no discrimination for nonparticipation in credit or debit card transactions.

(b) A sale must be initiated by an irrevocable invoice or sale order before or at the time of delivery.

(c) Both parties must bear their respective banking costs or other costs associated with the credit or debit card service.

(d) Both parties must maintain records of transactions and have the records readily available for board review.

(e) The credit or debit card charge must be initiated by the industry member no later than the first business day following delivery.

(3) Electronic funds transfer (EFT), under the following provisions:

(a) The EFT agreement must be voluntary on the part of both the retailer and the industry member, and there must be no discrimination for nonparticipation in EFT.

(b) Prior to any EFT transaction, the retail licensee must enter into a written agreement with the industry member specifying the terms and conditions for EFT as payment for alcohol or nonalcohol beverages.

(c) A sale must be initiated by an irrevocable invoice or sale order before or at the time of delivery.

(d) Both parties must bear their respective banking costs or other costs associated with EFT service.

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(e) Both parties must maintain records of transactions and have the records readily available for board review.

(f) The electronic funds transfer must be initiated by the retailer or industry member no later than the first business day following delivery and must be paid as promptly as is reasonably practical, and in no event later than five business days following delivery. Any attempt by a retailer to delay payment on EFT transactions for any period of time beyond the minimum as is reasonably practical will be considered an unlawful attempt to purchase products on credit.

(4) **Prepaid accounts.** Both parties must keep accurate accounting records of prepaid accounts to ensure a cash deposit is not overextended, which is considered an extension of credit.

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

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

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

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

4. Until the NSF transaction is paid:
   a. The industry member who received the NSF transaction will not deliver any beer or wine to the retailer; and
   b. It is the responsibility of the retailer to not receive any beer or wine from any industry member.

**WAC 314-13-025 How do retail licensees purchase spirituous liquor at a discount from the board?**

1. In order to acquire spirituous liquor for resale, the following licensees must purchase spirituous liquor from the board at a fifteen percent discount:
   a. Spirits, beer, and wine restaurants;
   b. Spirits, beer, and wine private clubs;
   c. Spirits, beer, and wine nightclub; and
   d. Sports/entertainment facilities.

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

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

   a. Possession of discounted liquor off of the licensed premises will be *prima facie* evidence of a violation of this rule, unless:
      i. The liquor is en route from the point of purchase to the licensed premises; or
      ii. The liquor is en route from the licensed premises of a beer and/or wine restaurant or a spirits, beer, and wine restaurant with a caterer’s endorsement to an approved event being catered by the licensee.

   b. Any spirituous liquor on the licensed premises must be liquor purchased at a discount from the board, except:
      i. Under the authority of a banquet permit, see chapter 314-18 WAC; or
      ii. Liquor bottles if they are used as part of the decor, and any bottles containing liquor are locked in a display case and are not for sale.

**WAC 314-16-040 Drink menu.** No holder of a beer and/or wine restaurant 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 beer and/or wine restaurant 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.

**Chapter 314-16 WAC RETAIL LICENSEES**

### WAC 314-16-040 Drink menu.

- **314-16-040** Drink menu.
- **314-16-110** Liquor purchases by spirits, beer, and wine licenses.
- **314-16-160** Purchases—Reports.

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WAC 314-16-110 Liquor purchases by spirits, beer, and wine licensees. (1) Any employee authorized by the board may sell spirituous liquor at a discount of fifteen percent from the retail price fixed by the board, together with all taxes, to any spirits, beer and wine restaurant, spirits, beer, and wine nightclub, spirits, beer, and wine club or sports/entertainment facility licensee upon presentation to such employee at the time of purchase of a special permit issued by the board to such licensee or through such other means of insuring identification of the authorized purchaser as are approved by the board. Prior to license delivery, a new licensee may, with board authorization, be sold discount liquor and beer and wine purchased under Title 66 RCW for the purpose of stocking the premises. The employee shall at the time of selling any spirituous liquor to a spirits, beer and wine restaurant, spirits, beer, and wine nightclub, spirits, beer, and wine club or sports/entertainment facility licensee make a record of the liquor so sold, together with the name of the spirits, beer and wine restaurant, spirits, beer, and wine nightclub, spirits, beer, and wine club or sports/entertainment facility licensee making the purchase. No sale of beer, wine, or spirituous liquor shall take place until the premises of the new licensee have been inspected by the board and the spirits, beer and wine restaurant, spirits, beer, and wine nightclub, spirits, beer, and wine club or sports/entertainment facility license is delivered.

(2) Every spirits, beer and wine restaurant, spirits, beer, and wine nightclub, spirits, beer, and wine club or sports/entertainment facility licensee, upon purchasing any spirituous liquor from the board, shall immediately cause such liquor to be delivered to his or her licensed premises, and he or she shall not remove or permit to be removed from said premises any bottle or other container containing such liquor, except pursuant to chapter 314-70 WAC or to return it to a state liquor store or agency, nor shall he or she dispose or allow to be disposed the liquor contained therein in any manner except as authorized by his or her license. A delivery service business may pick up more than one liquor order on the same day so long as each of said orders are delivered in the normal course of business on the same day without detour or diversion, except for those stops and deliveries as may be necessary to make deliveries to the other licensees whose order is also on the particular delivery vehicle. The possession of any bottle or other container purchased from the board at a discount by any person other than the licensee or said licensee’s agents or employees who purchased the same, or the possession thereof at any place which is not the licensed premises of the licensee who purchased such liquor, shall be prima facie evidence that the licensee unlawfully permitted the removal thereof from his or her licensed premises. The licensee who permanently discontinues business, other than as a result of a legal distraint action, may remove open bottles of liquor from the premises for personal use upon payment to the board of an amount to be determined by the board in lieu of the discount and tax exemption in effect at that time.

(3) No licensee shall keep in or on the licensed premises any spirituous liquor which was not purchased from the board at a discount. Spirituous liquor not purchased at a discount from the board may be kept in or on the licensed premises under authority of a banquet permit issued pursuant to RCW 66.20.010(3) and chapter 314-18 WAC, but only during the specific date and time for which the banquet permit was issued. Notwithstanding any other provision of Title 314 WAC, a spirits, beer and wine licensee may display antique, unusual, or unique liquor bottles with or without liquor on the licensed premises if such bottles are used as part of the decor, and any such bottles containing liquor are locked securely in display cases, and are not for sale.

(4) No person, including anyone acting as the agent for another other than a spirits, beer and wine licensee shall keep or possess any bottle or other container containing spirituous liquor which was purchased from the board at a discount except as provided in subsection (2) of this section.

(5) All spirituous liquor in and on the licensed premises shall be made available at all times by every licensee for inspection by the board, and such licensee shall permit any authorized inspector of the board to make such tests or analyses, by spirit hydrometer or otherwise, as the inspector deems proper. Such inspectors are authorized to seize as evidence any bottles or other containers and the contents thereof which they have determined have been resealed, refilled, tampered with, adulterated, diluted, fortified or substituted.
### Chapter 314-19 WAC

**BEER AND WINE TAX REPORTING AND PAYMENT REQUIREMENTS**

#### WAC 314-19-015 What are the monthly reporting and tax payment requirements?

(1) The required monthly beer and/or wine tax reports must be:

(a) On a form furnished by the board or in a format approved by the board;

(b) Filed every month, including months with no activity or taxes due;

(c) Submitted, with the tax due, to the board on or before the twentieth day of each month, for the previous month (for example, a report listing transactions for the month of January is due by February 20). When the twentieth day of the month falls on a Saturday, Sunday, or a legal holiday, the filing must be postmarked by the U.S. Postal Service no later than the next postal business day; and

(d) Filed separately for each type of liquor license or permit held.

<table>
<thead>
<tr>
<th>Type of License</th>
<th>Tax Payment Requirements</th>
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<tbody>
<tr>
<td>(2) Washington beer and/or wine distributor</td>
<td>(a) Distributors must pay taxes on all beer and/or wine received during the preceding calendar month, including samples received at no charge (see WAC 314-64-080 and 314-64-090 for more information). The total tax due (per barrel for beer and per liter for wine) is to be paid by the first distributor to receive the product and must be included with the monthly report.</td>
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<td>(b) Distributors do not pay taxes on beer and/or wine received from another in-state licensed distributor who has already paid the Washington state tax on the product.</td>
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<td>(c) Distributors may claim a tax refund or credit, provided that they have paid the taxes prior to claiming the credit, for the following (see WAC 314-19-030 for information on claiming a tax refund or credit):</td>
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<tr>
<td></td>
<td>(i) Shipments exported directly to a point outside the state of Washington, including sales to interstate common carriers;</td>
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<td>(ii) Sales to any military reservation in Washington state;</td>
</tr>
<tr>
<td></td>
<td>(iii) Product that is deemed unsalable due to freight damage, product quality, or other causes that occurred prior to receipt by the distributor, subject to the following conditions:</td>
</tr>
<tr>
<td></td>
<td>(A) The unsalable product must be destroyed within the state of Washington (per RCW 66.24.305);</td>
</tr>
<tr>
<td></td>
<td>(B) The licensee must notify their local liquor enforcement officer in advance for destruction of more than fifty cases of wine or two hundred cases of beer;</td>
</tr>
<tr>
<td></td>
<td>(C) The licensee must report the destroyed product on the next required monthly report;</td>
</tr>
<tr>
<td></td>
<td>(D) The licensee must keep records showing the reason for the destruction and an inventory of products destroyed. These records must be kept on the licensed premises and available for inspection by board employees for a period of two years; and</td>
</tr>
<tr>
<td></td>
<td>(E) The licensee must provide documentation from the freight company with the report if they are claiming a credit due to freight damage.</td>
</tr>
<tr>
<td>(3) Washington beer and/or wine importers</td>
<td>Importers must pay taxes on samples received during the preceding calendar month, as follows:</td>
</tr>
<tr>
<td></td>
<td>(a) If the samples are used by the importer within the state of Washington, the importer must pay the tax.</td>
</tr>
<tr>
<td></td>
<td>(b) If samples are provided to a distributor, the distributor must pay the tax.</td>
</tr>
<tr>
<td>(4) Domestic breweries, microbreweries, and domestic wineries</td>
<td>(a) Domestic breweries, microbreweries, and domestic wineries must list production for the current month only. The brewery that the domestic brewery/brand owner contracts with is required to include any products they produce for the brand owner in their production count.</td>
</tr>
<tr>
<td></td>
<td>(b) Domestic breweries, microbreweries, and domestic wineries must pay taxes on beer and wine that is:</td>
</tr>
<tr>
<td></td>
<td>(i) Sold at retail on the licensed premises (or shipped to additional winery locations as authorized by RCW 66.24.170(4)), including retail sales to out-of-state residents;</td>
</tr>
<tr>
<td></td>
<td>(ii) Sold to retail licensees;</td>
</tr>
<tr>
<td></td>
<td>(iii) Furnished as samples to retail licensees as authorized by RCW 66.28.040, WAC 314-64-080, and 314-64-090 (does not include samples provided to distributors);</td>
</tr>
<tr>
<td></td>
<td>(iv) Provided as donations to qualifying 501 (c)(3) or (6) nonprofit organizations per RCW 66.28.040 or to the Washington wine commission per RCW 66.12.180 and 66.24.210;</td>
</tr>
<tr>
<td></td>
<td>(v) Received via an interplant transfer if used as outlined in above subsections (i), (ii), (iii), (iv), (v), (vi), (vii);</td>
</tr>
<tr>
<td></td>
<td>(vi) Sold at farmers markets as authorized by RCW 66.24.170(5), 66.24.240(4) and/or 66.24.244(5); or</td>
</tr>
<tr>
<td></td>
<td>(vii) Wine that has been shipped out-of-state as nontax paid export and returned to Washington state if used as outlined in (b)(i), (ii), (iii), (iv), (v), and (vi) of this subsection.</td>
</tr>
<tr>
<td></td>
<td>(c) Domestic breweries, microbreweries, and domestic wineries do not pay tax on beer and/or wine that is:</td>
</tr>
<tr>
<td></td>
<td>(i) Sold to distributors;</td>
</tr>
<tr>
<td></td>
<td>(ii) Shipped out of a particular location for an interplant transfer;</td>
</tr>
<tr>
<td></td>
<td>(iii) Exported directly to a point outside the state of Washington, including sales to interstate common carriers;</td>
</tr>
<tr>
<td></td>
<td>(iv) Sold to the Washington state liquor control board;</td>
</tr>
<tr>
<td></td>
<td>(v) Sold to any military reservation in Washington state; or</td>
</tr>
<tr>
<td>Type of Licensee</td>
<td>Tax Payment Requirements</td>
</tr>
<tr>
<td>------------------</td>
<td>--------------------------</td>
</tr>
<tr>
<td>Domestic brewery—Brand owners</td>
<td>(a) Domestic brewery-brand owners must file a report showing the quantity of all beer sold or delivered to each licensed beer or wine distributor, or beer exported directly to a point outside the state of Washington, during the preceding month. (b) Domestic brewery-brand owners are not responsible for the tax on beer that is contract produced.</td>
</tr>
<tr>
<td>Out-of-state beer and/or wine certificate of approval holders</td>
<td>(a) Certificate of approval holders must file a report showing the quantity of all beer and/or wine sold or delivered to each licensed beer or wine distributor or importer, including samples, during the preceding month. (b) Tax is due from the certificate of approval holder: (i) On samples shipped to licensed agents, and (ii) On donations to the Washington wine commission per RCW 66.12.180 and 66.24.210 or to 501 (c)(3) nonprofit charitable associations within Washington state per RCW 66.28.040.</td>
</tr>
<tr>
<td>Out-of-state United States beer and/or wine certificate of approval holders with a direct shipping to Washington retailer endorsement</td>
<td>(a) Certificate of approval holders with this endorsement must file an addendum report showing the quantity of beer and/or wine sold or delivered to each licensed retailer, including samples, during the preceding month. (b) Tax is due from the certificate of approval holder on beer and/or wine sold or delivered to retail licensees and on sales to non-profit charitable associations.</td>
</tr>
<tr>
<td>Out-of-state United States wine certificate of approval holders with a direct shipping to consumers endorsement</td>
<td>(a) A certificate of approval holder with this endorsement must report the total quantity of wine sold to consumers in Washington state during the preceding month. (b) Tax is due from the certificate of approval holder on wine sold or delivered to Washington state residents.</td>
</tr>
<tr>
<td>Authorized representative certificate of approval holders-U.S. and/or foreign produced beer or wine</td>
<td>(a) Authorized representative certificate of approval holders must file a report showing the quantity of all beer and/or wine sold or delivered to each licensed beer or wine distributor or importer, including samples. They must list the brewery and/or winery that they represent and that had shipments into Washington state during the preceding month. (b) Tax is due from the authorized representative beer and/or wine certificate of approval holders only on samples shipped to licensed agents, directly to retailers per WAC 314-64-080 and 314-64-090, donations to the Washington wine commission per RCW 66.12.180 and 66.24.210, or to 501 (c)(3) nonprofit charitable associations within Washington state per RCW 66.28.040.</td>
</tr>
<tr>
<td>Public house licensees</td>
<td>Public house licensees must pay taxes on all sales of their own product during the preceding calendar month.</td>
</tr>
<tr>
<td>Retailer with an endorsement allowing receipt of direct shipment of beer or wine from a United States brewery, microbrewery, or winery</td>
<td>A Washington retailer who receives shipments directly from a United States brewery, microbrewery, or winery, outside Washington, must file a report showing the quantity of beer and wine received by direct shipment from each licensed beer or wine producer, including samples, during the preceding month.</td>
</tr>
<tr>
<td>Wine shipper permit holder</td>
<td>(a) An out-of-state winery must file a report showing the total quantity of wine sold or delivered to consumers during the preceding month.</td>
</tr>
</tbody>
</table>

### WAC 314-19-035 Reduced tax rate for beer

1. The additional beer taxes imposed under RCW 66.24.290 (3)(a) do not apply to the first sixty thousand barrels of beer sold by a brewery in Washington each fiscal year, if:
   - (a) The beer is produced in the United States; and
   - (b) The producing brewery or domestic brewery-brand owner meets the qualifications of 26 U.S.C. Sec. 5051 (a)(2).

2. In order to qualify for this exemption, the Washington brewer or the out-of-state beer certificate of approval holder must provide the board a copy of an Alcohol and Tobacco Tax and Trade Bureau (TTB) acknowledged copy of their filing "Notice of Brewer to Pay Reduced Rate of Tax" for the calendar year as required under 27 C.F.R. Sec. 25.167; a variance for any year that waives annual submission to the TTB; or the Brewer's Notice which waives annual submission to the TTB.

3. The tax exemption will not apply until the first day of the second month following the month the notice is received (for example, if the notice is received by the Board on January 10, the tax exemption will start on March 1).

4. How will the distributor know what tax rate to pay for each brewery's products?
   - (a) The board will provide distributors a list of breweries that qualify for the reduced tax rate; and
   - (b) The qualifying brewery is responsible to inform the distributors when product sold to distributors exceeds the first sixty thousand barrels exempted from the additional tax.
   - (c) Once a qualifying brewery's sales to distributors exceeds sixty thousand barrels, the distributors must begin paying the full tax rate on their next monthly tax report.

5. Per RCW 66.24.290, authorized representative certificate of approval holders do not qualify for the reduced rate in Washington state.

6. The tax exemption will not apply to strong beer. Strong beer must be paid at the higher rate even when the brewery meets the qualifications for the reduced rate. Strong beer is any malt beverage that contains more than eight percent alcohol by weight.
Chapter 314-20 WAC

BEER—BREWERS, HOLDERS, IMPORTERS, ETC.

WAC

314-20-001 Definitions.
314-20-100 Beer suppliers and distributors.

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

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

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

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

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

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

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

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

(4) If the brewery, beer distributor, or beer importer keeps records within an automated data processing (ADP) system, the system must include a method for producing legible records that will provide the same information required of that type of record within this section. The ADP system is acceptable if it complies with the following guidelines:
(a) Provides an audit trail so that details (invoices and vouchers) underlying the summary accounting data may be identified and made available upon request.
(b) Provides the opportunity to trace any transaction back to the original source or forward to a final total. If 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.

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


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

(1) Definitions—For the purposes of this chapter:
(a) A "price list" means a declaration of the prices at which any and all brands of beer and any and all packages within a brand are to be sold by the person maintaining the list. Distributors must maintain a price list showing all such prices for sales to retailers. Each manufacturer functioning as a distributor must maintain a price list showing all such prices for sales to retailers as well as showing such prices for sales to distributors. The price list will contain the wholesale prices at which any and all brands of beer sold by the supplier or distributor shall be available to retailers within the state.
(b) A "beer supplier" means a microbrewery, domestic brewery, certificate of approval holder, beer importer, beer distributor acting as the first United States importer, or a distributor selling beer to another distributor.
(c) A "beer distributor" means a distributor selling to a retailer, a domestic brewery acting as a distributor, a microbrewery acting as a distributor, or a certificate of approval holder with a direct shipping to Washington retailer endorsement selling beer of its own production to a retailer.

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

(3) Distributor changes—
   (a) The following guidelines apply when a beer supplier makes a distributor change outside of the regular distributor appointment timelines. The supplier must notify the board in writing that he/she wishes to change his/her current distributor and appoint a new distributor to be effective immediately.
   (b) A beer supplier must notify the board if any of the contracts or agreements listed in this rule are revised or terminated by either party.

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

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

(2) Has its business located in the United States outside of the state of Washington;

(3) Acquires ownership of wine that is produced anywhere outside Washington by a winery which does not distribute those brands for transportation into and resale in the state of Washington;

(4) Is appointed by the wineery referenced in subsection (3) of this section as its authorized representative for marketing and selling its products within the United States or within Washington state, in accordance with a written agreement between the authorized representative and the winery.

WAC 314-24-070 Domestic wineries—Purchase and use of bulk wines, brandy or wine spirits—Import permit required—Records—Wine returned to Washington. (1) Domestic wineries may purchase and receive under federal bond from any holder of a domestic winery license, holder of the fruit and/or wine distillery license provided in section 23-D of the Washington State Liquor Act (RCW 66.24.140), or out-of-state holder of a federal winery or fruit distillery basic permit, bulk wine, brandy or bulk wine spirits manufactured or produced by such holder, and use the same in the manufacture or production of wines: Provided, That every domestic winery which imports wine, brandy or wine spirits manufactured or produced by such holder, must be submitted to the board in writing. Such permits expire at the end of the board's fiscal year, and are subject to renewal at that time upon written request and remittance of said annual fee. Wine manufactured or produced from one kind of fruit or berry may not receive wine, brandy or wine spirits manufactured or produced from another kind of fruit or berry. Such brandy or wine spirits so purchased shall be used exclusively and only for the purpose of adding wine spirits to wines. In those cases where the holder of a domestic winery license shall have such federal or/year wine distillery license, then, and in such cases, such domestic winery may use brandy or wine spirits manufactured or produced under such distillery license as a wine spirits addition in the manufacture or production of wine by such holder of the domestic winery license.

(2) Any domestic winery using wine, brandy or wine spirits as provided in subsection (1) of this section, shall make and file with the board, not later than the tenth day of each month upon forms prescribed and furnished by the board, a report showing all transactions of such domestic winery in the purchase and/or use of wine, brandy or wine spirits as provided in said subsection (1), and shall retain one copy of such report in its own files, and shall keep and preserve for a period of not less than two years any bills of lading or other documents supporting such report. One copy of the bill of lading covering such sale and shipment to a domestic winery is to be forwarded to the board by the shipping winery or fruit distillery, at the time of such shipment.

Chapter 314-24 WAC DOMESTIC WINERIES AND DOMESTIC WINE DISTRIBUTORS

WAC 314-24-001 Definitions. Per RCW 66.04.010-(2), an "authorized representative" means a person who:

I. Is required to have a federal basic permit issued by the alcohol and tobacco tax and trade bureau;

II. Has its business located in the United States outside of the state of Washington;

III. Acquires ownership of wine that is produced anywhere outside Washington by a winery which does not distribute those brands for transportation into and resale in the state of Washington;

IV. Is appointed by the wineery referenced in subsection (3) of this section as its authorized representative for marketing and selling its products within the United States or within Washington state, in accordance with a written agreement between the authorized representative and the winery.

WAC 314-24-001 Definitions. Per RCW 66.04.010-(2), an "authorized representative" means a person who:

(1) Is required to have a federal basic permit issued by the alcohol and tobacco tax and trade bureau;
(3) A domestic winery may ship Washington wine out of and may return such wine to Washington state for ultimate sale. The following conditions apply:
   (a) The wine is produced in Washington by a licensed winery.
   (b) The export shall be from the licensed winery and returned to the same entity.
   (c) The returned wine must not have been altered in any way, with the exception of sparkling wine.
   (d) A domestic winery returning previously exported Washington wine must comply with tax collection and tracking requirements initiated by the liquor control board.
   (e) A domestic winery must keep on file for audit purposes clear source records (shipping documents, etc.) with monthly reporting documents. Records need to indicate what wine was returned to the state that was previously reported as an export (including number of cases and gallons).

WAC 314-24-107 Winery warehouse license. (1) A licensee holding a domestic winery license under RCW 66.24.170 and acting as a distributor of its own products may apply for a winery warehouse license. There is no fee for this license.

   (2) A winery warehouse is a premises located off the winery premises that is used for the storage of bulk wine and the distribution of the winery's own products. Storage of bulk wine may require a federal registry number.

   (3) No part of the production process may take place at the winery warehouse premises.

   (4) There may be no retail sales from the winery warehouse premises.

   (5) The winery warehouse must be approved by the board under RCW 66.24.010 and the number of warehouses off the winery premises may not exceed one.

WAC 314-24-150 Wine records—Preservation. (1) Every domestic winery, wine distributor, wine certificate of approval holder, wine shipper permit holder, 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 distributor, 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 distributor or wine importer for at least three years after each sale.

   (3) Every domestic winery, wine distributor, 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 distributor, or wine importer for at least three years after each shipment.

   (4) Both the shipping and receiving licensees and permittees, 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 three years after each sale, transfer or shipment.

   (5) Licensees and permittees 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 or permittee shall provide for the examining, viewing, and reproduction of such records the same as if they were the original records.

   (6) If the licensee or permittee 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.

WAC 314-24-190 Wine suppliers and distributors. RCW 66.28.180 requires wine distributors and suppliers to maintain all current and prior price lists at its liquor licensed location.
314-24-210  Return of wine by retailer—Replacement—Conditions. No wine shall be returned by any retail licensee to any wine distributor except as herein provided.

(1) Wine which is not in a salable condition may be returned by a retail licensee to the wine distributor from whom purchased, provided it is immediately replaced by the wine distributor with an identical quantity, type and brand of wine: Provided, That if the brand of wine is not presently in the wine distributor’s stock and is not available to the distributor 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 distributor shall maintain on the licensed premises for a period of three years complete records of all refunds and exchanges made under this section including an inventory of unsalable wine returned to such distributor by any retail licensee.

(b) Such unsalable wine which requires reconditioning or destruction shall be returned by the wine distributor 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 distributor 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 distributor 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 distributor 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 distributor.

(2) Wine may be returned by a retail licensee or by a governmental agency who has seized the same to the wine distributor 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 wine 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 distributor 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 distributor may return salable wine to a Washington winery provided the winery reimburses the distributor for the cost of the wine plus the wine tax which was paid by the distributor. The winery will then put any wine returned from a distributor into their tax paid area at the winery.


Chapter 314-28 WAC

DISTILLERS

WAC 314-28-005
Definitions.

WAC 314-28-005 Definitions. The following definition applies to distilleries.

"Domestic distillery" means any distillery licensed under RCW 66.24.140 and located in the state of Washington.

[Statutory Authority: RCW 66.08.030 and 66.28.320. 10-01-090, § 314-28-005, filed 12/16/09, effective 1/16/10.]

Chapter 314-29 WAC

VIOLATIONS AND PENALTIES

WAC 314-29-010

What options does a licensee or permit holder have once he/she receives a notice of an administrative violation?

(1) A licensee or a mandatory alcohol server training permit holder has twenty days from receipt of the notice to:

(a) Accept the recommended penalty; or
(b) Request a settlement conference in writing; or
(c) Request an administrative hearing in writing.

A response must be submitted on a form provided by the agency.

(2) What happens if a licensee or mandatory alcohol server training permit holder does not respond to the administrative violation notice within twenty days? If a licensee or permit holder does not respond to the administrative violation notice within twenty days, the recommended suspension penalty will go into effect.

(3) What are the procedures when a licensee or mandatory alcohol server training permit holder requests a settlement conference?

(a) If the licensee or permit holder requests a settlement conference, the hearing examiner or captain will contact the licensee or permit holder to discuss the violation.

(b) Both the licensee or permit holder and the hearing examiner or captain will discuss the circumstances surrounding the charge, the recommended penalty, and any aggravating or mitigating factors.

(c) If a compromise is reached, the hearing examiner or captain will prepare a compromise settlement agreement. The hearing examiner or captain will forward the compromise settlement agreement, authorized by both parties, to the board for approval.

(i) If the board approves the compromise, a copy of the signed settlement agreement will be sent to the licensee or permit holder, and will become part of the licensing history.

(ii) If the board does not approve the compromise, the licensee or permit holder will be notified of the decision. The licensee or permit holder will be given the option to renegotiate with the hearings examiner or captain, of accepting the originally recommended penalty, or of requesting an administrative hearing on the charges.

(d) If the licensee or permit holder and the hearing examiner or captain cannot reach agreement on a settlement proposal, the licensee may accept the originally recommended penalty, or the hearing examiner or captain will forward a request for an administrative hearing to the board's hearings coordinator.

[Statutory Authority: RCW 66.08.030. 09-13-037, § 314-29-010, filed 6/10/09, effective 7/11/09; 08-17-056, § 314-29-010, filed 8/15/08, effective 9/15/08. Statutory Authority: RCW 66.08.030, 66.44.010. 01-03-086, § 314-29-010, filed 1/17/01, effective 2/17/01.]

WAC 314-29-015

What are the penalties if a liquor license holder violates a liquor law or rule? (1) The purpose of WAC 314-29-015 through 314-29-040 is to outline what penalty a liquor licensee can expect if a licensee or employee violates a liquor control board law or rule (the penalty guidelines for mandatory alcohol server training permit holders are in WAC 314-17-100 through 314-17-110). WAC rules listed in the categories provide reference areas, and may not be all inclusive.

(2) Penalties for violations by liquor licensees or employees are broken down into four categories:

(a) Group One—Public safety violations, WAC 314-29-020.

(b) Group Two—Regulatory violations, WAC 314-29-025.

(c) Group Three—License violations, WAC 314-29-030.

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(d) Group Four—Nonretail violations involving the manufacture, supply, and/or distribution of liquor by nonretail licensees and prohibited practices between nonretail licensees and retail licensees, WAC 314-29-035.

(3) For the purposes of chapter 314-29 WAC, a two year window for violations is measured from the date one violation occurred to the date a subsequent violation occurred.

(4) The following schedules are meant to serve as guidelines. Based on mitigating or aggravating circumstances, the liquor control board may impose a different penalty than the standard penalties outlined in these schedules. Based on mitigating circumstances, the board may offer a monetary option in lieu of suspension during a settlement conference as outlined in WAC 314-29-010(3).

<table>
<thead>
<tr>
<th>Violation Type</th>
<th>1st Violation</th>
<th>2nd Violation in a two-year window</th>
<th>3rd Violation in a two-year window</th>
<th>4th Violation in a two-year window</th>
</tr>
</thead>
<tbody>
<tr>
<td>Violations involving minors: Sale or service to minor: Sale or service of alcohol to a person under 21 years of age. Minor frequenting a tavern, lounge, or other restricted area.</td>
<td>5 day suspension or $500 monetary option</td>
<td>7 day suspension</td>
<td>30 day suspension</td>
<td>Cancellation of license</td>
</tr>
<tr>
<td>Violations involving minors: Sale or service to apparently intoxicated person: Sale or service of alcohol to, or permitting consumption or possession by, an apparently intoxicated person.</td>
<td>5 day suspension or $500 monetary option</td>
<td>7 day suspension</td>
<td>30 day suspension</td>
<td>Cancellation of license</td>
</tr>
</tbody>
</table>

[Statutory Authority: RCW 66.08.030, 09-21-050, § 314-29-015, filed 10/14/09, effective 11/14/09. Statutory Authority: RCW 66.08.030, 66.24.-010, 66.24.120, 03-09-015, § 314-29-015, filed 4/4/03, effective 5/5/03.]

WAC 314-29-020 Group 1 violations against public safety. Group 1 violations are considered the most serious because they present a direct threat to public safety. Violations beyond the first violation do not have a monetary option upon issuance of a violation notice. The liquor control board may offer a monetary option in lieu of suspension days based on mitigating circumstances as outlined in WAC 314-29-015(4).
### Violations and Penalties

**314-29-025**

<table>
<thead>
<tr>
<th>Violation Type</th>
<th>1st Violation</th>
<th>2nd Violation in a two-year window</th>
<th>3rd Violation in a two-year window</th>
<th>4th Violation in a two-year window</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Conduct violations:</strong> Disorderly conduct by licensee or employee, or permitting on premises. <strong>Licensee and/or employee</strong> intoxicated on the licensed premises and/or drinking on duty. <strong>Criminal conduct:</strong> Permitting or engaging in criminal conduct. WAC 314-11-015</td>
<td>5 day suspension or $500 monetary option</td>
<td>7 day suspension</td>
<td>30 day suspension</td>
<td>Cancellation of license</td>
</tr>
<tr>
<td>Lewd conduct: Engaging in or permitting conduct in violation of WAC 314-11-050.</td>
<td>5 day suspension or $500 monetary option</td>
<td>7 day suspension</td>
<td>30 day suspension</td>
<td>Cancellation of license</td>
</tr>
<tr>
<td>Refusal to allow an inspection and/or obstructing a law enforcement officer from performing their official duties. RCW 66.28.090 RCW 66.44.370 WAC 314-11-090</td>
<td>5 day suspension or $500 monetary option</td>
<td>7 day suspension</td>
<td>30 day suspension</td>
<td>Cancellation of license</td>
</tr>
<tr>
<td>Condition of suspension violation: Failure to follow any suspension restriction while liquor license is suspended. WAC 314-29-040</td>
<td>Original penalty plus 10 day suspension with no monetary option</td>
<td>Cancellation of license</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**WAC 314-29-025 Group 2 regulatory violations.** Group 2 violations are violations involving general regulation and administration of retail or nonretail licenses.

<table>
<thead>
<tr>
<th>Violation Type</th>
<th>1st Violation</th>
<th>2nd Violation in a two-year window</th>
<th>3rd Violation in a two-year window</th>
<th>4th Violation in a two-year window</th>
</tr>
</thead>
<tbody>
<tr>
<td>Club liquor to the public. WAC 314-40-010</td>
<td>5 day suspension or $500 monetary option</td>
<td>5 day suspension or $1,500 monetary option</td>
<td>10 day suspension or $3,000 monetary option</td>
<td>Cancellation of license</td>
</tr>
<tr>
<td>Employee under legal age or without required mandatory alcohol server training permit. RCW 66.44.316 RCW 66.44.318 RCW 66.44.340 RCW 66.44.350 WAC 314-11-040 WAC 314-11-045 Chapter 314-17 WAC</td>
<td>5 day suspension or $500 monetary option</td>
<td>5 day suspension or $1,500 monetary option</td>
<td>10 day suspension or $3,000 monetary option</td>
<td>Cancellation of license</td>
</tr>
<tr>
<td>Failure to follow 11:00 p.m. entertainment rules. WAC 314-02-025(2)</td>
<td>5 day suspension or $500 monetary option</td>
<td>5 day suspension or $1,500 monetary option</td>
<td>10 day suspension or $3,000 monetary option</td>
<td>Cancellation of license</td>
</tr>
<tr>
<td>Hours of service: Sales, service, removal, or consumption of alcohol between 2:00 a.m. and 6:00 a.m. WAC 314-11-070</td>
<td>5 day suspension or $500 monetary option</td>
<td>5 day suspension or $1,500 monetary option</td>
<td>10 day suspension or $3,000 monetary option</td>
<td>Cancellation of license</td>
</tr>
<tr>
<td>Violation Type</td>
<td>1st Violation</td>
<td>2nd Violation in a two-year window</td>
<td>3rd Violation in a two-year window</td>
<td>4th Violation in a two-year window</td>
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<td>-------------------------------------------------------------------</td>
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</tr>
<tr>
<td>Keg registration: Failure to properly register kegs.</td>
<td>5 day suspension or $500 monetary option</td>
<td>5 day suspension or $1,500 monetary option</td>
<td>10 day suspension or $3,000 monetary option</td>
<td>Cancellation of license</td>
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<tr>
<td>RCW 66.28.200</td>
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<tr>
<td>RCW 66.28.210</td>
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<tr>
<td>WAC 314-02-115</td>
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<tr>
<td>Spirituous liquor not sold by the individual drink.</td>
<td>5 day suspension or $500 monetary option</td>
<td>5 day suspension or $1,500 monetary option</td>
<td>10 day suspension or $3,000 monetary option</td>
<td>Cancellation of license</td>
</tr>
<tr>
<td>RCW 66.24.400</td>
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<tr>
<td>WAC 314-02-015 (1)(a)</td>
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<tr>
<td>Food service: Required food service not available.</td>
<td>5 day suspension or $250 monetary option</td>
<td>5 day suspension or $1,500 monetary option</td>
<td>10 day suspension or $3,000 monetary option</td>
<td>Cancellation of license</td>
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<tr>
<td>WAC 314-02-035</td>
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<td>WAC 314-02-0411</td>
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<td>WAC 314-02-065</td>
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<td>WAC 314-02-075</td>
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<tr>
<td>Hours of operation: Failure to meet required hours of operation.</td>
<td>5 day suspension or $250 monetary option</td>
<td>5 day suspension or $1,500 monetary option</td>
<td>10 day suspension or $3,000 monetary option</td>
<td>Cancellation of license</td>
</tr>
<tr>
<td>WAC 314-02-015(2)</td>
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<tr>
<td>NSF check: Payment by a retail licensee for alcohol purchases.</td>
<td>5 day suspension or $250 monetary option</td>
<td>5 day suspension or $1,500 monetary option</td>
<td>10 day suspension or $3,000 monetary option</td>
<td>Cancellation of license</td>
</tr>
<tr>
<td>WAC 314-13-020</td>
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<tr>
<td>Premises not open to the general public while liquor is sold, served, or consumed.</td>
<td>5 day suspension or $250 monetary option</td>
<td>5 day suspension or $1,500 monetary option</td>
<td>10 day suspension or $3,000 monetary option</td>
<td>Cancellation of license</td>
</tr>
<tr>
<td>WAC 314-11-072</td>
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<tr>
<td>Sampling and/or cooking class violations.</td>
<td>5 day suspension or $250 monetary option</td>
<td>5 day suspension or $1,500 monetary option</td>
<td>10 day suspension or $3,000 monetary option</td>
<td>Cancellation of license</td>
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<tr>
<td>WAC 314-02-105</td>
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<tr>
<td>Substituting, tampering, improper labeling, unlawful removal, possession, or unauthorized sale of liquor.</td>
<td>5 day suspension or $250 monetary option</td>
<td>5 day suspension or $1,500 monetary option</td>
<td>10 day suspension or $3,000 monetary option</td>
<td>Cancellation of license</td>
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<tr>
<td>WAC 314-11-065</td>
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<tr>
<td>WAC 314-11-080</td>
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<tr>
<td>WAC 314-16-020</td>
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<tr>
<td>Advertising: Advertising violations other than those involving prohibited practices between a nonretail and a retail licensee. Chapter 314-52 WAC.</td>
<td>5 day suspension or $100 monetary option</td>
<td>5 day suspension or $500 monetary option</td>
<td>10 day suspension or $1,000 monetary option</td>
<td>20 day suspension</td>
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<tr>
<td>WAC 314-02-080</td>
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<tr>
<td>Hotel/motel honor bar violation.</td>
<td>5 day suspension or $100 monetary option</td>
<td>5 day suspension or $500 monetary option</td>
<td>10 day suspension or $1,000 monetary option</td>
<td>20 day suspension</td>
</tr>
<tr>
<td>WAC 314-02-080</td>
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<tr>
<td>Inventory: Inventory below required amount.</td>
<td>5 day suspension or $100 monetary option</td>
<td>5 day suspension or $500 monetary option</td>
<td>10 day suspension or $1,000 monetary option</td>
<td>20 day suspension</td>
</tr>
<tr>
<td>WAC 314-02-100</td>
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<tr>
<td>WAC 314-02-105</td>
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<tr>
<td>Lighting: Inadequate lighting</td>
<td>5 day suspension or $100 monetary option</td>
<td>5 day suspension or $500 monetary option</td>
<td>10 day suspension or $1,000 monetary option</td>
<td>20 day suspension</td>
</tr>
<tr>
<td>WAC 314-11-055</td>
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</tr>
<tr>
<td>Violation Type</td>
<td>1st Violation</td>
<td>2nd Violation in a two-year window</td>
<td>3rd Violation in a two-year window</td>
<td>4th Violation in a two-year window</td>
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<tr>
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</tr>
<tr>
<td>Liquor purchased from unauthorized source or sale below cost in violation of liquor law or rule. WAC 314-11-085 WAC 314-13-010 WAC 314-13-040</td>
<td>5 day suspension or $100 monetary option</td>
<td>5 day suspension or $500 monetary option</td>
<td>10 day suspension or $1,000 monetary option</td>
<td>20 day suspension</td>
</tr>
<tr>
<td>Private club violations: Club regulations other than club liquor to the public. Chapter 314-40 WAC</td>
<td>5 day suspension or $100 monetary option</td>
<td>5 day suspension or $500 monetary option</td>
<td>10 day suspension or $1,000 monetary option</td>
<td>20 day suspension</td>
</tr>
<tr>
<td>Records: Improper recordkeeping. WAC 314-11-090 WAC 314-11-095 WAC 314-12-135</td>
<td>5 day suspension or $100 monetary option</td>
<td>5 day suspension or $500 monetary option</td>
<td>10 day suspension or $1,000 monetary option</td>
<td>20 day suspension</td>
</tr>
<tr>
<td>Retailer/nonretailer violation: Violation on the part of a retail licensee that involves a nonretail licensee, other than group four violations.</td>
<td>5 day suspension or $100 monetary option</td>
<td>5 day suspension or $500 monetary option</td>
<td>10 day suspension or $1,000 monetary option</td>
<td>20 day suspension</td>
</tr>
<tr>
<td>Signs: Failure to post required signs. WAC 314-11-060</td>
<td>5 day suspension or $100 monetary option</td>
<td>5 day suspension or $500 monetary option</td>
<td>10 day suspension or $1,000 monetary option</td>
<td>20 day suspension</td>
</tr>
<tr>
<td>Unauthorized alterations, change of trade name, or added activity. WAC 314-02-025 WAC 314-02-125 WAC 314-02-130</td>
<td>5 day suspension or $100 monetary option</td>
<td>5 day suspension or $500 monetary option</td>
<td>10 day suspension or $1,000 monetary option</td>
<td>20 day suspension</td>
</tr>
</tbody>
</table>

[Statutory Authority: RCW 66.08.030, 09-21-050, § 314-29-025, filed 10/14/09, effective 11/14/09. Statutory Authority: RCW 66.08.030, 66.24.010, 66.24.120, 03-09-015, § 314-29-025, filed 4/4/03, effective 5/5/03.]

**WAC 314-29-030 Group 3 license violations.** Group 3 violations are violations involving licensing requirements, license classification, and special restrictions.

<table>
<thead>
<tr>
<th>Violation Type</th>
<th>1st Violation</th>
<th>2nd Violation in a two-year window</th>
<th>3rd Violation in a two-year window</th>
<th>4th Violation in a two-year window</th>
</tr>
</thead>
<tbody>
<tr>
<td>True party of interest violation. RCW 66.24.010(1) WAC 314-12-030</td>
<td>Cancellation of license</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Failure to furnish required documents. WAC 314-12-035</td>
<td>Cancellation of license</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Misrepresentation of fact. WAC 314-12-010</td>
<td>Cancellation of license</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Misuse or unauthorized use of liquor license (operating outside of license class, lending or contracting license to another person/entity). Chapter 66.24 RCW WAC 314-02-015 WAC 314-02-041 WAC 314-02-045 WAC 314-02-065</td>
<td>5 day suspension or $1,500 monetary option</td>
<td></td>
<td>Cancellation of license</td>
<td></td>
</tr>
</tbody>
</table>

[2010 WAC Supp—page 25]
### WAC 314-29-035  Group 4 nonretail violations

Group 4 violations are violations involving the manufacture, supply, and/or distribution of liquor by nonretail licensees and prohibited practices between a nonretail licensee and a retail licensee.

<table>
<thead>
<tr>
<th>Violation Type</th>
<th>1st Violation</th>
<th>2nd Violation in a two-year window</th>
<th>3rd Violation in a two-year window</th>
<th>4th Violation in a two-year window</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating plan:</td>
<td>5 day suspension or $500 monetary option</td>
<td>7 day suspension or $1,500 monetary option</td>
<td>10 day suspension with no monetary option</td>
<td>Cancellation of license</td>
</tr>
<tr>
<td>WAC 314-16-270</td>
<td>WAC 314-16-275</td>
<td></td>
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</tr>
</tbody>
</table>

| Sale of alcohol in violation of a board-approved local authority restriction. | 5 day suspension or $500 monetary option | 7 day suspension or $1,500 monetary option | 10 day suspension with no monetary option | Cancellation of license |
| WAC 314-12-215 | | | | |

| Sale of alcohol in violation of a board-approved alcohol impact area restriction. | 5 day suspension or $500 monetary option | 7 day suspension or $1,500 monetary option | 10 day suspension with no monetary option | Cancellation of license |
| WAC 314-12-215 | | | | |

| Catering endorsement violation. | 5 day suspension or $250 monetary option | 5 day suspension or $1,500 monetary option | 10 day suspension or $3,000 monetary option | Cancellation of license |
| WAC 314-02-060 | WAC 314-02-061 | | | |

[Statutory Authority: RCW 66.08.030, 09-21-050, § 314-29-030, filed 10/14/09, effective 11/14/09. Statutory Authority: RCW 66.08.030, 66.24.010, 66.24.120. 03-09-015, § 314-29-030, filed 4/4/03, effective 5/5/03.]

[2010 WAC Supp—page 26]
<table>
<thead>
<tr>
<th>Violation type</th>
<th>1st Violation</th>
<th>2nd Violation in a two-year window</th>
<th>3rd Violation in a two-year window</th>
<th>4th Violation in a two-year window</th>
</tr>
</thead>
<tbody>
<tr>
<td>WAC 314-20-090 WAC 314-24-210</td>
<td>3 day suspension or $500 monetary option</td>
<td>5 day suspension or $2,500 monetary option</td>
<td>10 day suspension or $5,000 monetary option</td>
<td>20 day suspension or $10,000 monetary option</td>
</tr>
<tr>
<td>Advertising violations involving prohibited practices between a nonretail and a retail licensee. RCW 66.28.010 RCW 66.24.570 WAC 314-05-030 WAC 314-52-040 WAC 314-52-070 WAC 314-52-080 WAC 314-52-090 WAC 314-52-113</td>
<td>3 day suspension or $500 monetary option</td>
<td>5 day suspension or $2,500 monetary option</td>
<td>10 day suspension or $5,000 monetary option</td>
<td>20 day suspension or $10,000 monetary option</td>
</tr>
<tr>
<td>Price lists/labeling/packaging violations. RCW 66.24.145 RCW 66.28.100 RCW 66.28.110 RCW 66.28.120 RCW 66.28.180 WAC 314-20-020 WAC 314-20-030 WAC 314-20-100 WAC 314-20-130 WAC 314-24-003 WAC 314-24-006 WAC 314-24-040 WAC 314-24-080 WAC 314-24-090 WAC 314-24-190 WAC 314-28-090</td>
<td>3 day suspension or $500 monetary option</td>
<td>5 day suspension or $2,500 monetary option</td>
<td>10 day suspension or $5,000 monetary option</td>
<td>20 day suspension or $10,000 monetary option</td>
</tr>
<tr>
<td>Agents violations: Non-retail licensee employing an unlicensed agent. RCW 66.24.310 RCW 66.28.050 WAC 314-44-005</td>
<td>3 day suspension or $500 monetary option</td>
<td>5 day suspension or $2,500 monetary option</td>
<td>10 day suspension or $5,000 monetary option</td>
<td>20 day suspension or $10,000 monetary option</td>
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<tr>
<td>Unauthorized product/unapproved storage or delivery. RCW 66.24.140 RCW 66.24.160 RCW 66.24.170 RCW 66.24.185 RCW 66.24.200 RCW 66.24.203 RCW 66.24.206 RCW 66.24.240 RCW 66.24.244 RCW 66.24.250 RCW 66.24.261 RCW 66.24.395 RCW 66.28.010 RCW 66.44.140 RCW 66.44.150 RCW 66.44.160 RCW 66.44.170</td>
<td>3 day suspension or $500 monetary option</td>
<td>5 day suspension or $2,500 monetary option</td>
<td>10 day suspension or $5,000 monetary option</td>
<td>20 day suspension or $10,000 monetary option</td>
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<tr>
<td>Violation type</td>
<td>1st Violation</td>
<td>2nd Violation in a two-year window</td>
<td>3rd Violation in a two-year window</td>
<td>4th Violation in a two-year window</td>
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<tr>
<td>Sampling/tasting violations.&lt;br&gt;RCW 66.20.010&lt;br&gt;RCW 66.24.145&lt;br&gt;RCW 66.24.170&lt;br&gt;RCW 66.28.040&lt;br&gt;RCW 66.28.150&lt;br&gt;WAC 314-20-015&lt;br&gt;WAC 314-24-160&lt;br&gt;WAC 314-45-010&lt;br&gt;Chapter 314-64 WAC</td>
<td>3 day suspension or $500 monetary option</td>
<td>5 day suspension or $2,500 monetary option</td>
<td>10 day suspension or $5,000 monetary option</td>
<td>20 day suspension or $10,000 monetary option</td>
</tr>
<tr>
<td>Entertainment/instruction/meeting/trade show violations.&lt;br&gt;RCW 66.20.010&lt;br&gt;RCW 66.28.010&lt;br&gt;RCW 66.28.042&lt;br&gt;RCW 66.28.043&lt;br&gt;RCW 66.28.150&lt;br&gt;RCW 66.28.155&lt;br&gt;WAC 314-45-010</td>
<td>3 day suspension or $500 monetary option</td>
<td>5 day suspension or $2,500 monetary option</td>
<td>10 day suspension or $5,000 monetary option</td>
<td>20 day suspension or $10,000 monetary option</td>
</tr>
<tr>
<td>Providing/accepting money or money’s worth: Goods or services worth up to $1,500.&lt;br&gt;RCW 66.28.010&lt;br&gt;WAC 314-12-140&lt;br&gt;WAC 314-44-005</td>
<td>3 day suspension or $500 monetary option</td>
<td>5 day suspension or $2,500 monetary option</td>
<td>10 day suspension or $5,000 monetary option</td>
<td>20 day suspension or $10,000 monetary option</td>
</tr>
<tr>
<td>Providing/accepting money or money’s worth: Goods or services worth over $1,500.&lt;br&gt;RCW 66.28.010&lt;br&gt;WAC 314-12-140&lt;br&gt;WAC 314-44-005</td>
<td>Cost of item or service provided plus: 3 day suspension or $1,000 monetary option</td>
<td>Cost of item or service provided plus: 5 day suspension or $2,500 monetary option</td>
<td>Cost of item or service provided plus: 10 day suspension or $5,000 monetary option</td>
<td>Cost of item or service provided plus: 20 day suspension or $10,000 monetary option</td>
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</table>
Cigarette and Tobacco Products License Process

<table>
<thead>
<tr>
<th>Violation type</th>
<th>1st Violation</th>
<th>2nd Violation in a two-year window</th>
<th>3rd Violation in a two-year window</th>
<th>4th Violation in a two-year window</th>
</tr>
</thead>
<tbody>
<tr>
<td>Providing/accepting exclusive or contingency agreements.</td>
<td>3 day suspension or $1,000 monetary option</td>
<td>10 day suspension or $6,000 monetary option</td>
<td>20 day suspension or $12,000 monetary option</td>
<td>30 day suspension or $20,000 monetary option</td>
</tr>
<tr>
<td>Unauthorized interest or ownership in retail license.</td>
<td>3 day suspension or $1,000 monetary option</td>
<td>30 day suspension or $20,000 monetary option</td>
<td>Cancellation of license</td>
<td></td>
</tr>
<tr>
<td>Failure to obtain surety bond/savings account, if required by the board.</td>
<td>Immediate suspension of license until surety bond has been obtained and all missing reports are filed and late taxes are paid.</td>
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<tr>
<td>Failure to file tax/shipment report.</td>
<td>3 day suspension or $250 monetary option</td>
<td>5 day suspension or $500 monetary option</td>
<td>10 day suspension or $1,000 monetary option</td>
<td>20 day suspension or $2,000 monetary option</td>
</tr>
<tr>
<td>Certificate of approval (COA) and/or authorized representative violations.</td>
<td>15 day suspension or $100 monetary option</td>
<td>30 day suspension or $500 monetary option</td>
<td>180 day suspension or $1,000 monetary option</td>
<td>Cancellation of license</td>
</tr>
</tbody>
</table>


Chapter 314-33 WAC

CIGARETTE AND TOBACCO PRODUCTS LICENSE PROCESS

WAC 314-33-001 Cigarette and tobacco products license qualifications and application process. (1) Each cigarette and tobacco products license application is unique and investigated individually. The board may inquire and request documents regarding matters in connection with the cigarette and tobacco products license application. Following is a general outline of the cigarette and tobacco products license application process:

(a) The board may require proof concerning the applicant’s identity.

(b) The board may conduct an investigation of the applicants’ criminal history and administrative violation history, per RCW 82.24.510 and 82.26.150.

(2) Failure to respond to the board's requests for information within the timeline provided may cause the application to be denied.

[Statutory Authority:  RCW 82.24.510, 82.24.550, 82.26.150, 82.26.220. 10-01-089, § 314-33-001, filed 12/16/09, effective 1/16/10.]

WAC 314-33-005 Reasons the board may deny a cigarette or tobacco products license application. The following is a list of reasons the board may deny a cigarette or tobacco products license application:

(1) Failure to meet qualifications or requirements for the specific cigarette or tobacco products license, as outlined in this chapter and chapters 82.24 and 82.26 RCW.

(2) Failure to submit information or documentation requested by the board.
(3) Misrepresentation of fact by any applicant.
(4) Willfully withholding information.
(5) Submitting false or misleading information.
(6) The applicant has failed to submit payments of the taxes imposed under chapter 82.24 or 82.26 RCW along with reports and returns to the department of revenue as required.
(7) If the applicant is a corporation and the corporation is not currently registered with the secretary of state.
(8) The applicant is currently the subject of an outstanding felony arrest warrant.
(9) The existence of disqualifying criminal history standards outlined in WAC 314-33-020.
(10) The existence of disqualifying liquor and cigarette and tobacco products law or rule violation history standards outlined in WAC 314-33-025.

WAC 314-33-020 What criminal history might prevent an applicant from receiving or keeping a cigarette or tobacco products license? (1) For the purpose of reviewing an application for a license and for considering the denial, suspension, or revocation of any such license, the board may consider any prior criminal conduct of the applicant and criminal history record within the previous five years.
(2) When the board processes a criminal history check on an applicant, it uses a point system to determine a person's qualification for a license. The board will not normally issue a cigarette and tobacco products license to an applicant who has accumulated eight or more points as indicated below:

<table>
<thead>
<tr>
<th>Description</th>
<th>Time period during which points will be assigned from date of conviction</th>
<th>Points assigned</th>
</tr>
</thead>
<tbody>
<tr>
<td>Felony conviction</td>
<td>Five years</td>
<td>12 points</td>
</tr>
<tr>
<td>Gross misdemeanor conviction</td>
<td>Five years</td>
<td>12 points</td>
</tr>
<tr>
<td>Other gross misdemeanor conviction</td>
<td>Three years</td>
<td>5 points</td>
</tr>
<tr>
<td>Misdemeanor conviction</td>
<td>Three years</td>
<td>4 points</td>
</tr>
<tr>
<td>Nondisclosure of any of the above</td>
<td>n/a</td>
<td>4 points each</td>
</tr>
</tbody>
</table>

(3) If a case is pending for an alleged offense that would earn eight or more points, the board will hold the application for the disposition of the case. If the disposition is not settled within ninety days, the board may administratively close the application.

WAC 314-33-025 What liquor and cigarette and tobacco products law or rule violation history might prevent an applicant from receiving a cigarette or tobacco products license? The board will conduct an investigation of all applicants' liquor and cigarette and tobacco products law and/or rule administrative violation history. The board will not normally issue a cigarette and tobacco products license to a person, or to an entity that has the following violation history or to any person that has demonstrated a pattern of disregard for laws or rules: Four or more violations within the last two years of the date the application is received by the board.

WAC 314-33-030 What is the process if the board denies a cigarette or tobacco products license application? If the board denies a cigarette or tobacco products license application, the applicant may:
(1) Request an administrative hearing per chapter 34.05 RCW; or
(2) Reapply for the license no sooner than one year from the original denial date.

Chapter 314-34 WAC
CIGARETTE AND TOBACCO PRODUCTS VIOLATIONS

WAC 314-34-001 Purpose of chapter.
WAC 314-34-003 Authority—Suspension or revocation of wholesale and retail cigarette and tobacco products licenses.
WAC 314-34-005 What are the procedures for notifying a licensee of an alleged violation of a cigarette or tobacco products statute or regulation?
WAC 314-34-010 What options does a licensee have once they receive a notice of administrative violation?
WAC 314-34-015 What are the penalties if a licensee violates a cigarette or tobacco products law or rule?
WAC 314-34-020 Information about cigarette and/or tobacco products license suspensions.
WAC 314-34-030 Cigarette and other tobacco products violations.

WAC 314-34-001 Purpose of chapter. The purpose of this chapter is to outline what a cigarette and/or tobacco products licensee can expect if a licensee receives an administrative violation notice alleging a violation of a statute under chapters 82.24 and 82.26 RCW, or under chapter 314-33 WAC.

WAC 314-34-003 Authority—Suspension or revocation of wholesale and retail cigarette and tobacco products licenses. (1) The board has full power and authority to suspend or revoke the license of any cigarette wholesale or retail licensee and tobacco products distributor or retail licensee upon sufficient showing that the license holder has violated the provisions of chapters 82.24 and 82.26 RCW or chapter 314-33 WAC.
(2) Any person possessing both a cigarette license and a tobacco products license is subject to suspension and revocation of both licenses for violation of either chapter 82.24 or 82.26 RCW or this chapter. For example, if a person has both...
a cigarette license and a tobacco products license, revocation of the tobacco products license will also result in revocation of the cigarette license.

(3) A person whose license has been suspended or revoked must not sell or permit the sale of tobacco products or cigarettes during the period of the suspension or revocation.

(4) For the purposes of this rule, "cigarettes" has the same meaning as in RCW 82.24.010 and "tobacco products" has the same meaning as in RCW 82.26.010.

(5) Any person whose license has been revoked must wait one year following the date of revocation before requesting a hearing for reinstatement. Reinstatement hearings are held pursuant to chapter 34.05 RCW.

[Statutory Authority: RCW 82.24.510, 82.24.550, 82.26.150, 82.26.220. 10-01-089, § 314-34-005, filed 12/16/09, effective 1/16/10.]

WAC 314-34-005 What are the procedures for notifying a licensee of an alleged violation of a cigarette or tobacco products statute or regulation? When an enforcement officer believes that a cigarette and/or tobacco products licensee has violated a board statute or regulation, the officer may prepare an administrative violation notice (AVN) and mail or deliver the notice to the licensee or the licensee's agent. The AVN will include:

(1) A brief narrative description of the violation(s) the officer is charging;
(2) The date(s) of the violation(s);
(3) A copy of the law(s) and/or regulation(s) allegedly violated;
(4) An outline of the licensee's options as outlined in WAC 314-34-010; and
(5) The penalty.

[Statutory Authority: RCW 82.24.510, 82.24.550, 82.26.150, 82.26.220. 10-01-089, § 314-34-003, filed 12/16/09, effective 1/16/10.]

WAC 314-34-010 What options does a licensee have once they receive a notice of administrative violation? (1) A licensee has twenty days from receipt of the notice to:
(a) Accept the recommended penalty; or
(b) Request a settlement conference in writing; or
(c) Request an administrative hearing in writing. A response must be submitted on a form provided by the board.

(2) What happens if a licensee does not respond to the administrative violation notice within twenty days? If a licensee does not respond to the administrative violation notice within twenty days, the recommended penalty will go into effect.

(3) What are the procedures when a licensee requests a settlement conference?
(a) If the licensee requests a settlement conference, the hearing examiner or captain will contact the licensee or permit holder to discuss the violation.
(b) Both the licensee and the hearing examiner or captain will discuss the circumstances surrounding the charge, the recommended penalty, and any aggravating or mitigating factors.
(c) If a compromise is reached, the hearing examiner or captain will prepare a compromise settlement agreement. The hearing examiner or captain will forward the compromise settlement agreement, authorized by both parties, to the board for approval.

(i) If the board approves the compromise, a copy of the signed settlement agreement will be sent to the licensee and will become part of the licensing history.

(ii) If the board does not approve the compromise, the licensee will be notified of the decision. The licensee will be given the option to renegotiate with the hearings examiner or captain, of accepting the originally recommended penalty, or of requesting an administrative hearing on the charges.

(d) If the licensee and the hearing examiner or captain cannot reach agreement on a settlement proposal, the licensee may accept the originally recommended penalty, or the hearing examiner or captain will forward a request for an administrative hearing to the board's hearings coordinator.

[Statutory Authority: RCW 82.24.510, 82.24.550, 82.26.150, 82.26.220. 10-01-089, § 314-34-010, filed 12/16/09, effective 1/16/10.]

WAC 314-34-015 What are the penalties if a cigarette and/or tobacco products license holder violates a cigarette or tobacco products law or rule? For the purposes of chapter 314-33 WAC, a two-year window for violations is measured from the date one violation occurred to the date a subsequent violation occurred.

(1) 1st offense - License suspension for not less than thirty consecutive business days.
(2) 2nd offense - License suspension for not less than ninety days - or more than twelve months.
(3) 3rd and consecutive offenses - Subject to revocation.

[Statutory Authority: RCW 82.24.510, 82.24.550, 82.26.150, 82.26.220. 10-01-089, § 314-34-015, filed 12/16/09, effective 1/16/10.]

WAC 314-34-020 Information about cigarette and/or tobacco products license suspensions. (1) On the date a cigarette and/or tobacco products license suspension goes into effect, a liquor enforcement officer will post a suspension notice in a conspicuous place on or about the licensed premises. This notice will state that the license has been suspended by order of the liquor control board due to a violation of a cigarette or tobacco products law or rule.

(2) During the period of cigarette and/or tobacco products license suspension, the licensee and employees:
(a) Are required to maintain compliance with all applicable cigarette and tobacco products laws and rules;
(b) May not remove, alter, or cover the posted suspension notice, and may not permit another person to do so;
(c) May not place or permit the placement of any statement on the licensed premises indicating that the premises have been closed for any reason other than as stated in the suspension notice;
(d) May not advertise by any means that the licensed premises is closed for any reason other than as stated in the liquor control board's suspension notice.

(3) During the period of cigarette and tobacco products license suspension:
(a) A retail cigarette and/or tobacco products licensee may operate his/her business provided there is no sale, delivery, removal, or receipt of cigarette and tobacco products.
(b) A cigarette wholesaler and tobacco products distributor licensee may operate his/her business provided there is
no sale, delivery, removal, or receipt of cigarette and tobacco products.

[Statutory Authority: RCW 82.24.510, 82.24.550, 82.26.150, 82.26.220, 10-01-089, § 314-34-020, filed 12/16/09, effective 1/16/10.]

WAC 314-34-030 Cigarette and other tobacco products violations. (1) The following is a list of cigarette violations:

(a) Taxes - failure to pay taxes as required;
(b) Stamps - tax stamp violations to include:
   (i) Failure to affix stamps;
   (ii) Forgery/counterfeit; or
   (iii) Possession of unstamped cigarettes.
(c) Retailer obtaining cigarettes from an unauthorized source;
   (d) Records - improper recordkeeping or failure to submit reports as required;
   (e) Failure to allow inspections of any of the following:
      (i) Premises;
      (ii) Stamps;
      (iii) Vehicles;
      (iv) Cigarettes;
      (v) Books; or
      (vi) Records.
   (f) Transporting violations to include failure to notify and improper records;
   (g) Operating outside the capacity of the license and failure to secure the proper license; and
   (h) License suspension violations.

(2) The following is a list of other tobacco product violations:

(a) Taxes - failure to pay taxes as required;
(b) Records - improper recordkeeping or failure to submit reports as required;
(c) Failure to allow inspections of any of the following:
   (i) Premises;
   (ii) Stamps;
   (iii) Tobacco products;
   (iv) Books; or
   (v) Records.
(d) Transporting violations to include failure to notify and improper records;
(e) Operating outside of the capacity of the license or failure to secure the proper license;
(f) Retailer not licensed as a distributor and obtaining tobacco products from an unlicensed distributor;
(g) Manufacturer representative's violation; and
(h) License suspension violations.

[Statutory Authority: RCW 82.24.510, 82.24.550, 82.26.150, 82.26.220, 10-01-089, § 314-34-030, filed 12/16/09, effective 1/16/10.]

Chapter 314-37 WAC
NONSTATE LIQUOR STORES

WAC
314-37-010 Liquor sales in Indian country—Appointment of tribal liquor stores—Qualifications.
314-37-020 Manufacturer's on-site liquor store appointment—Qualifications.
314-37-030 Bank credit cards and debit cards.

WAC 314-37-010 Liquor sales in Indian country—Appointment of tribal liquor stores—Qualifications. (1) The Washington state liquor control board deems it necessary and advisable to adopt this rule for the following reasons:

(a) The decision of the United States Supreme Court in the case of Rice v. Rehner (filed July 1, 1983) has established that the state of Washington has licensing jurisdiction over tribal liquor sales in Indian country and that those sales, when made in conformity with federal law, are subject to both tribal and state liquor regulatory requirements.

(b) It is contrary to state law (see chapter 66.44 RCW) for purchasers of Indian liquor to remove that liquor from the reservation and into the state of Washington in those instances where the tribal liquor sellers are not authorized by the board to sell liquor.

(2) Accordingly, pursuant to RCW 66.08.050(2), the Washington state liquor control board will appoint qualifying Indian tribes, which have entered into negotiated business agreements with the board, as tribal liquor stores which will authorize those tribes to sell liquor by the bottle to such persons, firms or corporations as may be sold liquor from a state liquor store. All such appointments will be subject to the following conditions:

(a) The tribe must enter into a business agreement with the Washington state liquor control board for the purchase and sale of liquor which will insure that the state's control over liquor traffic will be maintained while taking into consideration the unique nature of a tribal liquor store operation.

(b) The tribe must purchase all of its spirituous liquor for resale in Indian country from the board at a negotiated price: Provided, That a quota of spirituous liquor will be sold by the board each year to the tribe without the payment of state taxes, which quota shall be negotiated between the board and the qualified tribes and approved by the department of revenue.

(c) The tribe must have in force a tribal ordinance governing liquor sales, which ordinance must have been certified by the Secretary of the Interior and published in the Federal Register as required by 18 U.S.C. §1161.

(d) The tribe must make all liquor sales in Indian country in conformity with both state and federal law.

(3) Should a tribe which has been appointed as a tribal liquor store pursuant to this section fail to comply with all the above enumerated conditions, which shall be construed as continuing requirements to maintain the status of tribal liquor store, the appointment of that tribe as a tribal liquor store may be revoked by the board.

(4) A tribe, whether or not it has status as a tribal liquor store, which desires to sell beer and wine purchased from a licensed distributor must obtain state licenses for the sale of beer and wine and must abide by all state laws and rules applicable to sale of beer and wine by state licensees. Tribes selling beer and wine shall collect and remit to the state department of revenue the retail sales tax imposed by RCW 82.08.020 on retail sales of beer and wine to nontribal members.

(5) "Indian country" as used herein shall have the meaning ascribed to it in Title 18 U.S.C. §1151 as qualified by Title 18 U.S.C. §1154 as of July 1, 1983.

[Statutory Authority: RCW 66.08.030 and 66.08.050(2). 09-19-002, § 314-37-010, filed 9/2/09, effective 10/3/09. Statutory Authority: RCW 66.08.-
WAC 314-37-020 Manufacturer’s on-site liquor store appointment—Qualifications. (1) Pursuant to RCW 66.08.050, the board, in its discretion, may appoint a domestic winery which also manufactures liquor products other than wine pursuant to a license under Title 66 RCW, as a manufacturer liquor store for the purpose of sale of liquor products of its own manufacture on the licensed premises only.

(2) Such appointment may not be made to domestic wineries located inside incorporated cities or towns in which there is a state liquor store.

(3) Such appointment shall only be made after a contract has been entered into between the board and the domestic winery. Such contract shall contain the following:

(a) A designation of the location on the licensed premises from which the sales will be made;

(b) A designation of the nonwine products manufactured by the winery which will be sold under the appointment;

(c) That the manufacturer/liquor store shall not be considered an employee of the state for any purpose;

(d) That the manufacturer/liquor store shall agree to hold the state harmless from any and all claims resulting from operation of the manufacturer’s on-site liquor store; and

(e) Such other aspects of the appointment relationship as the parties may agree to.

(4) All sales made under a manufacturer’s on-site liquor store appointment shall be made at the prices established by the board for sales of the same product through state liquor stores and agencies.

(5) All sales made under a manufacturer’s on-site liquor store appointment shall be subject to all applicable state taxes.

WAC 314-37-030 Bank credit cards and debit cards. (1) May contract liquor stores accept bank credit cards and debit cards? Yes. Per RCW 66.16.041, contract liquor stores may accept bank credit cards and debit cards for liquor purchases from nonlicensees. Any equipment provided by the board to a contract liquor store may be used only for the sale of liquor obtained from the board.

(2) What are the procedures for accepting bank credit cards and debit cards for liquor purchases? The procedures for accepting bank credit cards and debit cards for liquor purchases are as follows:

(a) Sales transactions.

(i) All credit/debit card sales transactions will be made in accordance with liquor control board and payment card industry (PCI) procedures.

(ii) Cash back is not allowed.

(iii) Batch closing must be done nightly in order to ensure transactions are processed in a timely manner.

(b) Recording transactions. Contract liquor stores will record transactions on forms provided by the liquor control board.

(c) Reporting. Contract liquor stores will report all credit/debit card sales to the administrative services division of the liquor control board.

(d) Retention of records.

(i) All credit/debit card receipts and balancing reports will be kept for the current fiscal year, in addition to the prior two complete fiscal years.

(ii) Contract liquor stores are responsible for the security of all credit/debit card records.

WAC 314-52-080 Novelty advertising. (1) Novelty branded promotional advertising items which are of nominal value, singly or in the aggregate, may be provided to retailers by industry members. Singly or in the aggregate, such items include, but are not limited to: Trays, lighters, blotters, post cards, pencils, coasters, menu cards, meal checks, napkins, clocks, mugs, glasses, bottle openers, corkscrews, matches, printed recipes, shirts, hats, visors, and other similar items. Branded promotional items:

(a) Must be used exclusively by the retailer or its employees in a manner consistent with its license;

(b) Must bear imprinted advertising matter of the industry member only;

(c) May only be provided by industry members to retailers and their employees;

(d) May not be provided by or through retailers or their employees to retail customers.

(2) An industry member is not obligated to provide any branded promotional items, and a retailer may not require an industry member to provide such branded promotional items as a condition for selling any alcohol to the retailer.

(3) Any industry member, retailer, or other person asserting the provision of branded promotional items has resulted or is more likely than not to result in undue influence or an adverse impact on public health and safety, or is otherwise inconsistent with the criteria in subsection (1) of this section, may file a complaint with the board.

Upon receipt of a complaint the board may conduct an investigation as it deems appropriate in the circumstances.

(a) The board may issue an administrative violation notice to the industry member, to the retailer, or both.

(b) The recipient of the administrative violation notice may request a hearing under chapter 34.05 RCW.

(4) An industry member or their employee, may sell, and a retail licensee may purchase, for use, resale, or distribution...
on the licensed premises any novelty advertising items. The price shall be not less than the industry member’s cost of acquisition. In no event shall credit be extended to any retail licensee. The purchase by retail licensees of such items shall be supported by invoices or signed vouchers which shall be preserved for three years on the licensed premises and available for immediate inspection by board enforcement officers. (5) An industry member who sells novelty advertising items to retail licensees shall keep on file the original or copy of all sales slips, invoices, and other memoranda covering all purchases of novelty advertising items by the industry member and shall also keep on file a copy of all invoices, sales slips, or memoranda reflecting the sales to retail licensees or other disbursement of all novelty advertising items. Such records shall be maintained in a manner satisfactory to the board and must be preserved in the office of the industry member for a period of at least three years after each purchase or sale. Any manufacturer which does not maintain a principal office within the state shall, when requested, furnish the above required records at a designated location within the state for review by the board.

Chapter 314-60 WAC
PUBLIC RECORDS

WAC
314-60-010 Purpose—Washington state liquor control board.
314-60-015 Agency description—Contact information—Public records officer.
314-60-040 Operations and procedure.
314-60-070 Availability of public records.
314-60-080 Making requests for public records.
314-60-085 Processing public records requests.
314-60-087 Processing public records requests—Electronic records.
314-60-090 Costs of providing copies of public records.
314-60-100 Exemptions.

DISPOSITION OF SECTIONS FORMERLY CODIFIED IN THIS CHAPTER
314-60-020 Definitions—Public records—Writing. [Statutory Authority: RCW 66.08.030, 94-03-060, § 314-60-020, filed 1/14/94, effective 2/14/94; Order 22, § 314-60-020, filed 3/13/09, effective 4/13/09. Statutory Authority: RCW 66.08.030, 34.05.200, and 42.56.40 [42.56.040].]
314-60-030 Description of central and field organization of Washington state liquor control board. [Statutory Authority: RCW 66.08.030, 94-03-060, § 314-60-030, filed 1/14/94, effective 2/14/94; 88-16-026 (Order 259, Resolution No. 268), § 314-60-030, filed 6/13/63.]
of the senate, for terms of six years that are staggered so that an appointment or reappointment is made every two years. Where appropriate, the term "board" also refers to the staff and employees of the Washington state liquor control board.

(3) The board delegates certain administrative functions to an administrative director appointed by the board.

(4) The Washington state liquor control board is organized into six divisions:
   (a) The director's office;
   (b) Licensing and regulation;
   (c) Enforcement and education;
   (d) Administrative services;
   (e) Business enterprise; and
   (f) Business enterprise.

(5) The administrative offices of the Washington state liquor control board are located at 300 Pacific Avenue Southeast, Olympia, Washington 98504-3080.

(b) LCB staff is also located at:
   (i) The distribution center, 4401 East Marginal Way South, Seattle, Washington;
   (ii) State liquor stores in areas throughout the state; and
   (iii) Enforcement offices maintained in major cities throughout the state.

(c) LCB contracts with individuals to sell liquor on commission. These contract liquor stores are located in areas throughout the state.

(d) Exact locations of state liquor stores, contract liquor stores, enforcement offices, and contact number are located on the LCB home page at www.liq.wa.gov.

(6) Any person wishing to access LCB public records should contact the LCB's public records officer:
   Public Records Officer
   Liquor Control Board
   3000 Pacific Avenue Southeast
   Olympia, Washington 98504
   360-664-1714
   Fax 360-664-9689
   e-mail publicrecords@liq.wa.gov

Information is also available on the LCB web site at www.liq.wa.gov.

(7) The public records officer will oversee compliance with the act and the implementation of the LCB's rules and regulations regarding release of public records, coordinating the staff of the public records unit and the LCB employees in this regard, and generally coordinating compliance by the LCB with the public records disclosure requirements of chapter 42.56 RCW. The public records officer will provide the "fullest assistance" to requestors; create and maintain for use by the public and LCB officials an index to public records of the LCB; ensure that public records are protected from damage or disorganization; and to prevent public records requests from causing excessive interference with essential functions of the LCB.

[WAC 314-60-040 Operations and procedure. The general course and method by which the operations of the board are channeled and determined are illustrated by the following:

   (1) An organizational chart is available from the board's public records office which illustrates the general structure of the board's operations.

   (2) Board procedures relating to hearings involving alleged violations of the liquor act and/or revised rules and regulations of the board are covered in chapter 314-42 WAC.

   (a) General information pertaining to formal hearings is available from the board's public records office.

   (b) Forms of notice of board action proposing to suspend a liquor license are available from the board's public records office.

   (3) Pursuant to the requirements of the Open Public Meetings Act (chapter 42.30 RCW) all determinations and business of the board, except matters which are exempt from the act under RCW 42.30.140, or properly conducted in executive session, pursuant to RCW 42.30.110, will be made and conducted in meetings open to the public. The board holds regular meetings as published with the office of the code reviser per RCW 42.30.075 and as published on the board's internet site at www.liq.wa.gov. Generally, the board will conduct business at regular meetings on Monday, Tuesday, and Wednesday of each week at a time and place selected by the board and published with the Washington State Register and posted on the liquor control board web site. Occasionally the board may deem it necessary to conduct business on a Thursday and/or Friday, during these occasions, stakeholder notification will occur. For scheduling purposes, it is the board's intent to schedule petitions, take public testimony, take rule making actions, and adopt resolutions at its regular Wednesday board meetings.


   WAC 314-60-070 Availability of public records. (1) Hours for inspection of records. Public records are available for inspection and copying at the main office of the board during normal business hours of the LCB, Monday through Friday, from 8 a.m. to 4 p.m., excluding legal holidays.

   (2) Records index. An index of public records is available for use by members of the public, including:

   (a) Final opinions, including concurring and dissenting opinions, as well as orders, made in the adjudication of cases.

   (b) Those statements of policy and interpretations of policy, statute and the constitution which have been adopted by the agency.

   (c) Administrative staff manuals and instructions to staff that affect a member of the public.

   (d) Planning policies and goals, and interim and final planning decisions.

   [2010 WAC Supp—page 35]
(e) Factual staff reports and studies, factual consultant’s reports and studies, scientific reports and studies, and any other factual information derived from tests, studies, reports or surveys, whether conducted by public employees or others.

(f) Correspondence, and materials referred to therein, by and with the agency relating to any regulatory, supervisory or enforcement responsibilities of the agency, whereby the agency determines, or opines upon, or is asked to determine or opine upon, the rights of the state, the public, a subdivision of state government, or of any private party.

(3) Organization of records. The LCB will maintain its records in a reasonably organized manner. The LCB will take reasonable actions to protect records from damage and disorganization. A requestor shall not take LCB records from LCB offices without the permission of the public records officer. A variety of records is available on the LCB web site at www.liq.wa.gov. Requestors are encouraged to view the documents available on the web site prior to submitting a records request.

[Statutory Authority: RCW 66.08.030, 34.05.220, and 42.56.40 [42.56.040]. 09-07-070, § 314-60-070, filed 3/13/09, effective 4/13/09; Order 22, § 314-60-070, filed 4/17/73, effective 5/18/73.]

WAC 314-60-080 Making requests for public records. An individual may request a public record orally or in writing. The board encourages that all public record requests be in writing and may be sent via e-mail.

(1) A form prescribed by the board is available at its main office. The written request or prescribed form shall be submitted or presented to the public records officer. The request should include the following information:
   (a) The name, organization, mailing address, telephone number, fax number, and e-mail address of the person requesting the record.
   (b) The time of day and calendar date on which the request was received at the main office of the board.
   (c) A detailed description of the public record being requested.
   (d) If the matter requested is referenced within the current index maintained by the board, a reference to the requested record as described.
   (e) The address where copies of the record are to be mailed, or that the requestor wants to examine the record at the LCB.

(2) If the public records officer accepts a request other than in writing, he or she will confirm receipt of the information and the substance of the request in writing.

(3) If the requestor wishes to have copies of the records made instead of simply inspecting them, he or she should so indicate and make arrangements to pay for copies of the records or a deposit. Standard photocopies will be provided at fifteen cents per page. (See WAC 314-60-090.)

(4) When it appears that a request for a record is made by or on behalf of a party to a lawsuit or a controversy to which the board is also a party (or when a request is made by or on behalf of an attorney for a party) the request shall be referred to the assistant attorney general assigned to the board for an appropriate response.

[Statutory Authority: RCW 66.08.030, 34.05.220, and 42.56.40 [42.56.040]. 09-07-070, § 314-60-080, filed 3/13/09, effective 4/13/09. Statutory Authority: RCW 66.08.030, 34.05.220, and 42.56.40 [42.56.040]. 09-07-070, § 314-60-070, filed 3/13/09, effective 4/13/09; Order 22, § 314-60-070, filed 4/17/73, effective 5/18/73.]

WAC 314-60-085 Processing public records requests. (1) The public records officer will process requests in the order allowing the most requests to be processed in the most efficient manner.

(2) Acknowledging receipt of request. Within five business days of receipt of the request, the public records officer will do one or more of the following:
   (a) Make the records available for inspection and copying;
   (b) If copies are requested and payment of a deposit for copies, if any, is made or terms of payment agreed upon, send the copies to the requestor;
   (c) Provide a reasonable estimate of when records will be available; or
   (d) If the request is unclear or does not sufficiently identify the requested records, request clarification from the requestor. Such clarification may be requested and provided by telephone. The public records officer may revise the estimate of when records will be available; or
   (e) Deny the request.

(3) Protecting the rights of others. If the requested records contain information that may affect rights of others and may be exempt from disclosure, the public records officer may, prior to providing the records, give notice to such others whose rights may be affected by the disclosure. Such notice should be given so as to make it possible for those other persons to contact the requestor and ask him or her to revise the request, or, if necessary, seek an order from a court to prevent or limit the disclosure. The notice to the affected persons will include a copy of the request.

(4) Records exempt from disclosure. Some records are exempt from disclosure, in whole or in part. If the LCB believes that a record is exempt from disclosure and should be withheld, the public records officer will state the specific exemption and provide a brief explanation of why the record or a portion of the record is being withheld. If only a portion of a record is exempt from disclosure, but the remainder is not exempt, the public records officer will redact the exempt portions, provide the nonexempt portions, and indicate to the requestor why portions of the record are being redacted.

(5) Inspection of records.
   (a) Consistent with other demands, the LCB shall promptly provide space to inspect public records. No member of the public may remove a document from the viewing area or disassemble or alter any document. The requestor shall indicate which documents he or she wishes the agency to copy.

   (b) The requestor must claim or review the assembled records within thirty days of the LCB’s notification to him or her that the records are available for inspection or copying. The agency will notify the requestor in writing of this requirement and inform the requestor that he or she should contact the agency to make arrangements to claim or review the records. If the requestor or a representative of the requestor fails to claim or review the records within the thirty-day period or make other arrangements, the LCB may close the request and refile the assembled records. Other pub-
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lic records requests can be processed ahead of a subsequent request by the same person for the same or almost identical records, which can be processed as a new request.

(6) Providing copies of records. After inspection is complete, the public records officer shall make the requested copies or arrange for copying.

(7) Providing records in installments. When the request is for a large number of records, the public records officer will provide access for inspection and copying in installments, if he or she reasonably determines that it would be practical to provide the records in that way. If, within thirty days, the requestor fails to inspect the entire set of records or one or more of the installments, the public records officer or designee may stop searching for the remaining records and close the request.

(8) Completion of inspection. When the inspection of the requested records is complete and all requested copies are provided, the public records officer will indicate that the LCB has completed a diligent search for the requested records and made any located nonexempt records available for inspection.

(9) Closing withdrawn or abandoned request. When the requestor either withdraws the request or fails to fulfill his or her obligations to inspect the records or pay the deposit or final payment for the requested copies, the public records officer will close the request and indicate to the requestor that the LCB has closed the request.

(10) Later discovered documents. If, after the LCB has informed the requestor that it has provided all available records, the LCB becomes aware of additional responsive documents existing at the time of the request, it will promptly inform the requestor of the additional documents and provide them on an expedited basis.

WAC 314-60-087 Processing public records requests—Electronic records. (1) Requesting electronic records. The process for requesting electronic public records is the same as for requesting paper public records.

(2) Providing electronic records. When a requestor requests records in an electronic format, the public records officer will provide the nonexempt records or portions of such records that are reasonably locatable in an electronic format that is used by the agency and is generally commercially available, or in a format that is reasonably translatable from the format in which the agency keeps the record. Costs for providing electronic records are governed by WAC 314-60-090.

(3) Customized access to data bases. With the consent of the requestor, the agency may provide customized access under RCW 43.105.280 if the record is not reasonably locatable or not reasonably translatable into the format requested. The LCB may charge a fee consistent with RCW 43.105.280 for such customized access.

WAC 314-60-090 Costs of providing copies of public records. (1) No fee shall be charged for the inspection of public records.

(2) After the first one hundred free copies, the board charges one or more of the following fees for copies of public records:

(a) Up to fifteen cents per page for black and white photocopies of a record;

(b) The actual cost of manuals, blueprints, and other non-printed materials such as CDs, audio tapes, or video tapes;

(c) Up to fifteen cents per page for scanning existing WSLCB paper or other nonelectronic records. There will be no charge for e-mailing electronic records to a requestor, unless a scanning fee applies; and

(d) The cost of postage, when items are mailed. (See RCW 42.56.070.)

WAC 314-60-100 Exemptions. (1) The Public Records Act (chapter 42.56 RCW) provides that a number of types of documents are exempt from public inspection and copying. In addition, documents are exempt from disclosure if any "other statute" exempts or prohibits disclosure. Requestors should be aware of the following exemptions, outside the Public Records Act, that restrict the availability of some documents held by WSLCB for inspection and copying:

(a) Autopsy, post mortem or medical examiner reports. Requests for these records should be referred to the agency which originated the record(s). Coroner's office, medical examiner's office, etc. (RCW 68.50.105)

(b) Claim file information. On any industrial insurance claim. (RCW 51.28.070)

(c) Criminal history reports. Concerning nonconviction data. Law enforcement agency reports should be referred to the agency that originated the report. (RCW 10.97.080)

(d) Crime victims. Files and information. (RCW 7.68.140)

(e) Individual purchases. All records whatsoever of the board showing purchases of liquor by any individual or establishment. (RCW 66.16.090)

(f) Medical records and data. Medical records, drug records, accident victims and other persons to which LCB has access. (RCW 42.56.360(2) and chapter 70.02 RCW)

(g) Social Security numbers. (RCW 42.56.250(3) and 42 U.S.C. Section 405(c)(2)(C)(vii)(1))

(h) Trade secrets. As defined in RCW 19.108.010, including blueprints, diagrams, drawings, formulas, photos, etc., requested to be held confidential by the affected person. Should be labeled "RESTRICTED TRADE INFORMATION." (RCW 39.10.470(2) and 49.17.200)

(i) Special order requests and records of purchases by any person or persons, including spirits, beer, and wine restaurant licensees. (See RCW 66.16.090.)

(j) Financial or proprietary information supplied to the board by a domestic winery, brewery, or microbrewery, acting as its own distributor, or certificate of approval holder with a direct shipping to Washington retailer endorsement, containing the identity and amount of beer or wine sold directly to licensed Washington retailers. (See RCW 66.24.-206 (1)(a), 66.24.270 (2)(a), and 42.56.270.)

(k) Financial or proprietary information supplied to the board by a licensed Washington liquor retailer containing the
identity and amount of beer or wine purchased directly from a domestic winery, brewery, microbrewery, or a certificate of approval holder with a direct shipping to Washington retailer endorsement. (See RCW 66.24.210, 66.24.290, and 42.56.-270.)

(2) The WSLCB is prohibited by statute from disclosing lists of individuals for commercial purposes. (See RCW 42.56.070.)

(3) Before beginning to make the copies, the public records officer may require a deposit of up to ten percent of the estimated costs of copying all the records selected by the requestor. The public records officer may also require the payment of the remainder of the copying costs before providing all the records, or the payment of the costs of copying an installment before providing that installment. The LCB will not charge sales tax when it makes copies of public records.

[Statutory Authority: RCW 66.08.030, 34.05.220, and 42.56.40[42.56.040]. 09-07-070, § 314-60-100, filed 3/13/09, effective 4/13/09; Order 56, § 314-60-100, filed 5/31/77, effective 7/1/77; Order 22, § 314-60-100, filed 4/17/73, effective 5/18/73.]

WAC 314-60-100 Definitions. Samples shall mean:

Beer, wine, spirits and/or containers submitted to the board for the purpose of negotiating the sale of liquor to the state liquor control board as provided in RCW 66.28.040.

[Statutory Authority: RCW 66.08.030, 34.05.220, and 42.56.40[42.56.040]. 09-07-070, § 314-60-100, filed 3/13/09, effective 4/13/09; Order 56, § 314-60-100, filed 5/31/77, effective 7/1/77; Order 22, § 314-60-100, filed 4/17/73, effective 5/18/73.]

WAC 314-60-110 Review of denials of public records requests. (1) Any person who objects to the denial of a request for a public record may petition for prompt review of such decision by tendering a written request for review. The written request shall specifically refer to the written statement by the public records staff member which constituted or accompanied the denial. Send your written petition for review to:

Public Records Officer, Public Records Unit
P.O. Box 43080
Olympia, Washington 98504-3080
360-664-1714
jdk@liq.wa.gov

(2) Immediately after receiving a written request for review of a decision denying a public record, the public records officer shall refer it to the administrative director. The administrative director shall immediately consider the matter and either affirm or reverse such denial. The request shall be returned with a final decision, within two business days following the LCB's receipt of the request for review of the original denial, or within such other time as the LCB and the requestor mutually agree to.

(3) If the LCB denies a requestor access to public records because it claims the record is exempt in whole or in part from disclosure, the requestor may request the attorney general's office to review the matter. The attorney general has adopted rules on such requests in WAC 44-06-160.

(4) Judicial review. Any person may obtain court review of denials of public records request.

[Statutory Authority: RCW 66.08.030, 34.05.220, and 42.56.40[42.56.040]. 09-07-070, § 314-60-110, filed 3/13/09, effective 4/13/09. Statutory Authority: RCW 66.08.030 and 66.98.070. 81-19-116 (Order 81, Resolution No. 90), § 314-62-010, filed 9/23/81; 78-02-039 (Order 63), § 314-62-010, filed 1/17/78.]

Chapter 314-62 WAC
LIQUOR LAW PAMPHLETS AND ANNUAL REPORTS

WAC
314-62-010 Liquor law pamphlets.
314-62-020 Annual reports.

WAC 314-62-010 Liquor law pamphlets. Pursuant to RCW 66.08.030, pamphlets containing state liquor laws (Title 66 RCW and other liquor related statutes) and the revised rules and regulations of the board will be made publicly available on the agency web site.


WAC 314-62-020 Annual reports. The board makes annual reports covering the administration and enforcement of the Liquor Act during the preceding fiscal year. Copies of this report will be publicly available on the agency web site.


Chapter 314-64 WAC
LIQUOR SAMPLES

WAC
314-64-020 Definitions.
314-64-040 Procedures for board samples.
314-64-050 Accounting for board samples.
314-64-080 Procedures.
314-64-08001 Procedures for providing spirit samples to authorized retail licensees for the purpose of negotiating a sale.

WAC 314-64-020 Definitions. Samples shall mean:

Beer, wine, spirits and/or containers submitted to the board for the purpose of negotiating the sale of liquor to the state liquor control board as provided in RCW 66.28.040.

[Statutory Authority: RCW 66.08.030, 66.28.045. 09-14-035, § 314-64-020, filed 6/24/09, effective 7/25/09; Order 40, § 314-64-020, Rule 130, filed 8/21/75.]

WAC 314-64-040 Procedures for board samples. Procedures for submitting samples to the board for the purpose of negotiating the sale of liquor to the board are as follows:

(1) Quantity. Samples shall not exceed in quantity that authorized by the Tobacco Tax and Trade Bureau.

(2) Identification. Suppliers shall identify the items on the cartons and shipping documents as "samples for the board."

(3) Shipping instructions. Suppliers shall deliver or ship samples prepaid to the Washington State Liquor Control Board, Attention Director of Purchasing, 3000 Pacific Ave. S.E., Olympia, Washington 98504.

(4) In those instances where it becomes necessary for the board to incur some costs in receiving the samples, such costs shall be recovered from the supplier.

(5) Use and disposition of samples. Samples furnished for the purpose of negotiating the sale of liquor to the board
shall be examined and tested by members of the board, or their designees, and/or the director of purchasing, or their designee, for appearance, aroma and taste, and to determine their probable customer acceptability.

(6) Reports. Members of the board, or their designees, and/or the director of purchasing or their designee, shall report their findings and recommendations on sample surveys to the director of purchasing or their designee. The board shall consider such findings and recommendations, along with other documents furnished by the supplier, in determining whether the items represented by the samples shall be purchased by the board for resale through state liquor stores.

(7) Excess. Samples received in excess of the quantity authorized in this section for the purpose of negotiating the sale of liquor to the board will be held by the director of purchasing until the supplier has been notified of the overshipment and given fifteen days in which to respond as to whether he wants the excess returned to him at his expense. Failure of the supplier to respond within the time limitation, or notification from the supplier that he does not want the excess returned to him, will result in the excess item or items being destroyed by a liquor control board auditor in the presence of the director of purchasing, or their designee, after which a destruction notice will be prepared by the auditor and be certified by the director of purchasing or their designee who witnessed the destruction. Copies of such destruct notices shall be kept in the purchasing division of the liquor control board.

(8) Containers. Containers submitted without alcohol to the board for the purpose of negotiating the sale of liquor shall, after examination by the board and/or the director of purchasing, be disposed of as provided in (b) of this subsection.

(a) Figurines, decanters, or other decorative containers may be retained for public display in the board offices in Olympia. After such display, the containers shall be disposed of as provided in (b) of this subsection.

(b) Figurines, decanters, or other decorative containers will be held by the director of purchasing until the supplier has been notified that the containers have been examined by the board, and the supplier will be given fifteen days in which to respond as to whether he wants the containers returned to him at his expense. Failure of the supplier to respond within the time limitation, or notification from the supplier that he does not want the containers returned to him, will result in the containers being disposed of as surplus property, pursuant to RCW 43.19.1919, if the anticipated revenue to be derived from the sale of the containers as surplus property is deemed to exceed the anticipated costs attributable to the sale.

WAC 314-64-050 Accounting for board samples.

Samples as defined in WAC 314-64-020 shall be accounted for as follows:

(1) Upon receipt of the samples by the director of purchasing in Olympia, the director of purchasing, or his designee, shall record the receipt for said samples.

(2) If more than the amount authorized in WAC 314-64-040 is received, the director of purchasing, or their designee, will record them as excess samples and dispose of them as provided in WAC 314-64-040(7).

(3) The director of purchasing, or their designee, shall sign the record of receipt indicating receipt of the samples.

(4) The director of purchasing, or their designee, shall retain the signed record of receipt.

(5) The director of purchasing, or their designee, shall provide a sample survey for each sample.

(6) The director of purchasing shall deliver a copy of the sample survey with the samples, to members of the board, or their designees, and/or to the director of purchasing, or their designee, for examination, testing and reporting as provided in WAC 314-64-040 (4) and (5).

(7) Members of the board, or their designees, and/or the director of purchasing, or their designee, shall sign the copy of the record of receipt in the applicable section, indicating receipt of the samples.

(8) Members of the board, or their designees, and/or the director of purchasing, or their designee, shall examine, test and report on the sample, as provided in WAC 314-64-040 complete the sample survey, sign, and return to the director of purchasing, or their designee.

(9) The purchasing division shall maintain the official copies of the records of receipt, together with the sample surveys, and, where applicable, the destruction notices.

WAC 314-64-080 Procedures. Procedures for furnishing samples of beer and wine to licensees for the purpose of negotiating a sale are as follows:

(1) Quantity. Except as provided in (d) of this subsection, samples may be furnished only in their original packages or containers as produced by the manufacturer or bottler, as follows:

(a) Wholesaler or importer. A brewer, winery or importer may furnish a sample of beer or wine to a wholesaler or importer who has not previously purchased the brand and type or vintage year from the supplier furnishing the sample. For each wholesaler or importer, the brewer, winery or importer may give not more than seventy-two ounces of any brand and type of beer, and not more than one liter of any brand and type of wine.

(b) Retailer. A brewer, winery, importer or wholesaler may, except as hereinafter provided, furnish a sample of beer or wine to a retail licensee who has not previously purchased the brand and type or vintage year from the supplier furnishing the sample. For each retail licensee, the brewer, winery, importer or wholesaler may give not more than seventy-two ounces of any brand and type of beer, and not more than one liter of any brand and type of wine. If a particular product is not available in a size within the quantity limitations of this section, a brewer, winery, importer or wholesaler may furnish the next largest size.
(c) Out-of-state brewers and wineries who hold a certificate of approval to ship their products into this state, who provide samples to retailers as outlined in (b) of this subsection, shall be responsible for paying the taxes due on such beer and wine samples provided to retailers as provided for in WAC 314-20-010 and 314-24-110 as if they were a domestic brewer or a domestic winery.

(d) Samples in other than the original packages or containers may, subject to the conditions and limitations stated in (a), (b), and (c) of this subsection, be furnished as follows:

(i) A brewery, winery, importer, or wholesaler, either directly or through their licensed agents, may furnish to authorized licensees at their licensed premises or business office samples of beer and wine from an opened container carried by a licensed agent, provided such samples are furnished only in single-serving samples not to exceed two ounces of wine or twelve ounces of beer.

(ii) A brewery, winery, importer, or wholesaler, either directly or through their licensed agents, may furnish samples of beer or wine to authorized licensees at the premises of a retail licensee.

(iii) A licensed importer or licensed wholesaler may furnish samples to authorized licensees at the premises of a retail licensee.

(2) Identification. Brewers, wineries, importers or wholesalers shall identify the samples on the containers and shipping documents as "Samples for licensees."

(3) Shipping instructions. Brewers, wineries, importers or wholesalers shall, except as provided in subsection (1)(d) of this section, deliver or ship samples to licensees at their licensed premises or business office.

(4) Use and disposition of samples. Samples may be furnished for the purpose of negotiating a sale of beer or wine to a wholesaler, importer, or retail licensee.

WAC 314-64-08001 Procedures for providing spirit samples to authorized retail licensees for the purpose of negotiating a sale. A distiller, craft distiller, or their agent may, for the purpose of product promotion, provide without charge single samples to retail licensees authorized to sell spirits and their employees.

(1) Samples are limited to 750 ml and no more than one sample of each product may be provided to any one licensed business.

(2) All spirit samples must be purchased at retail from the board from existing stocks or by special order.

(3) Only products not purchased by the retail licensee within the last twelve months from the distiller or their agent or existing products with a change in alcohol proof or formula may be sampled. If there is a complete change of ownership of the retail licensee to another entity, the former retail licensee’s purchase of the product is not deemed a purchase made by the successor retail licensee for purposes of this provision.

(4) Both the retailer and distiller must retain records of sampling for a period of two years. The records shall include the brand and type of sample and the date of sampling.

(5) If the distiller keeps records within an automated data processing (ADP) system, the system must include a method for producing legible records that will provide the required information. The ADP system is acceptable if it complies with the following guidelines:

(a) Provides an audit trail so that details (invoices) underlying the summary account 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.

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