

**AGENDA
BOARD MEETING
WA STATE LIQUOR CONTROL BOARD
Wednesday, July 15, 2009
Headquarter Building
3000 Pacific Ave, Olympia WA 98504**

** Write notes on
file in Board office*

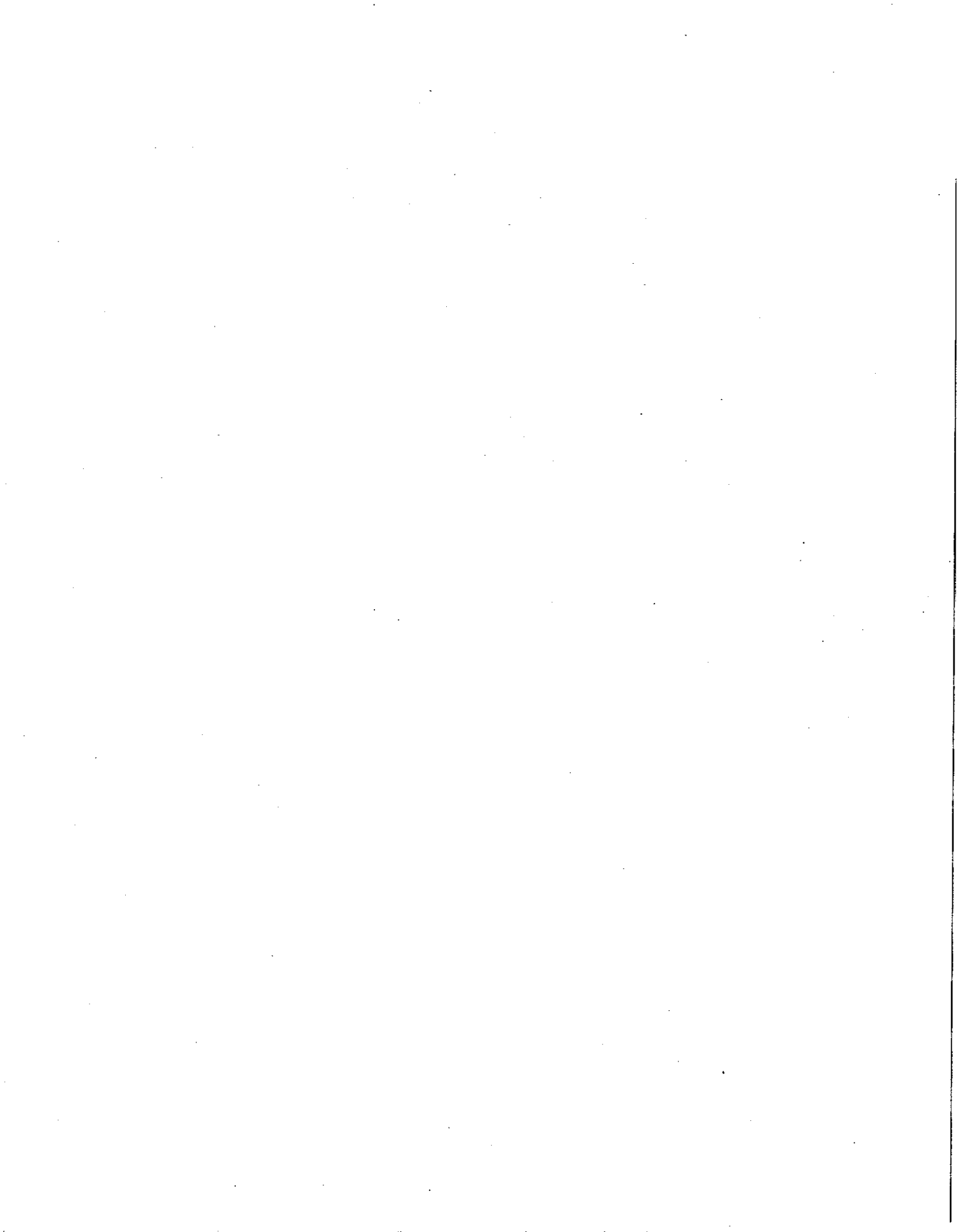
9:30 a.m.

- 1. Executive Session..... Board Members**

10:00 a.m.

- 2. Board Approval to File CR 102 – Penalty Guidelines
.....Karen McCall and Justin Nordhorn**
- 3. Potential One-Time-Only ListingsSteve Burnell**
- 4. Potential Proof ChangesSteve Burnell**
- 5. Potential New Wine ListingsSteve Burnell**
- 6. Potential De-listingsDebi Besser**
- 7. Potential New Listings and RejectionsDebi Besser**
- 8. Alcohol Advertising – Feedback ReviewKaren McCall**
- 9. Approval of MinutesBoard Members**
- 10. New Business.....Board Members**
- 11. Old Business.....Board Members**

Recess/Adjourn





Washington State Liquor Control Board

Date: July 1, 2009

To: Roger Hoen, Board Member
Ruthann Kurose, Board Member

From: Karen McCall, Agency Rules Coordinator

Copy: Pat Kohler, Administrative Director
Rick Garza, Deputy Administrator
Pat Parmer, Chief, Enforcement and Education

Subject: Approval for filing proposed rules (CR 102) for rules review of WAC 314-29-015 through WAC 314-29-035.

Under Executive Order 06-02, Governor Gregoire directed state agencies to improve and simplify service to Washington citizens. Agencies must engage in on-going regulatory improvement and develop rules that talk clearly to the public. The review of rules dealing with **Penalty Guidelines** is part of this on-going review.

Process

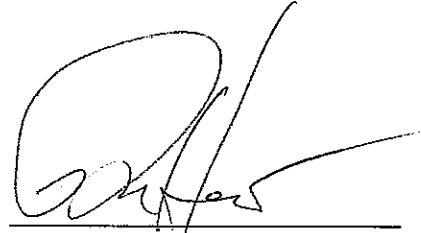
The Rules Coordinator requests approval to file proposed rules (CR 102) for the rule making described above. An issue paper on this rules review was presented at the Board meeting on July 15, 2009, and is attached to this order.

If approved for filing, the tentative timeline for the rule making process is outlined below:

July 15, 2009	Board is asked to approve filing the proposed rules (CR 102 filing). Proposed rules sent to rules distribution list.
August 5, 2009	Code Reviser publishes notice
August 26, 2009	Public hearing held
September 2, 2009	End of written comment period
September 9, 2009	Board is asked to adopt rules
September 9, 2009	Agency sends notice to those who commented both at the public hearing and in writing.
September 9, 2009	Agency files adopted rules with the Code Reviser (CR 103)
October 10, 2009	Rules are effective (31 days after filing)

Approve

Disapprove



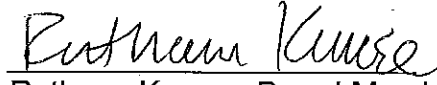
Roger Hoen, Board Member

7/15/09

Date

Approve

Disapprove



Ruthann Kurose, Board Member

7/15/09

Date

Attachment: Issue Paper

Washington State Liquor Control Board

Issue Paper

Rule Making on Penalty Guidelines (WAC 314-29-015 through 035)

Date: July 15, 2009

Presented by: Captain Justin Nordhorn, Enforcement & Education

Description of the Issue

The purpose of this issue paper is to request approval from the Liquor Control Board (LCB) to file proposed rules (CR 102) regarding standardizing and clarifying penalty guidelines covered in WAC 314-29-015 through 035.

Why is rule making necessary?

The LCB wants to create consistency in standard penalties issued to licensees for all public safety violations. Licensees and other stakeholders have questions about penalty guidelines for commonly violated rules that are not currently covered in the guidelines of WAC 314-29. The intent of this rule revision is to include standard penalties for commonly violated laws that are not represented in the current penalty matrix, and provide clarity for the progression of penalties for subsequent violations in various categories.

Background

The Liquor Control Board filed a Pre-Proposal (CR 101) for this rulemaking on May 6, 2009. The WSLCB now enters into the second step of rule development by filing proposed rules language with the State Register (CR-102).

What changes are being proposed?

Amendatory Section WAC 314-29-015 – What are the penalties if a liquor license holder violates a liquor law or rule? Renamed group two and group three violation types. Removed examples of mitigating and aggravating circumstances.

Amendatory Section WAC 314-29-020 – Group 1 violations against public safety. Added applicable RCW or WAC to violations. Grouped violations by type.

Amendatory Section WAC 314-29-025 – Group 2 regulatory violations. Changed the group name from "conduct" to "regulatory" violations. Moved many of the violation types from current Group 3 to this new Group 2. Added applicable RCW or WAC to violations.

Amendatory Section WAC 314-29-030 – Group 3 license violations.

Changed group name from "regulatory" to "license" violations. Moved many violation types from other groups into this new Group 3. Added applicable RCW or WAC to violations.

Amendatory Section WAC 314-29-035 – Group 4 nonretail violations.

Added "nonretail" to the group name. Added applicable RCW or WAC to violations.

AMENDATORY SECTION (Amending WSR 03-09-015, filed 4/4/03, effective 5/5/03)

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--(~~Conduct~~) Regulatory violations, WAC 314-29-025.

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

(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.

(a) Mitigating circumstances	(b) Aggravating circumstances
<p>((Examples of)) <u>Mitigating</u> circumstances that may result in ((a) fewer ((number of)) days of suspension and/or a lower monetary option <u>may</u> include(, but are not limited to, having in place) <u>demonstrated</u> business policies and/or practices ((such as:</p> <ul style="list-style-type: none"> ● Using licensee certification cards that are correctly filled out and filed; ● Having direct on-site supervision of employees; ● Having a signed acknowledgment of the business' alcohol policy on file for each employee; ● Having an employee training plan that includes annual training on liquor laws; ● Showing cooperation with local law enforcement, etc.)) <u>that reduce the risk of future violations.</u> 	<p>((Examples of)) <u>Aggravating</u> circumstances that may result in ((a higher number of)) <u>increased</u> days of suspension, ((a higher)) <u>and/or increased</u> monetary option, and/or cancellation of a liquor license <u>may</u> include(, but are not limited to:</p> <ul style="list-style-type: none"> ● Failing to cooperate with local law enforcement or liquor control board employees; ● Not calling for local law enforcement when requested by a customer or liquor control board agent; ● Not checking to ensure employees are of legal age or have appropriate work permits; ● Committing the violation willfully, etc.)) <u>business operations or behaviors that create an increased risk for a violation and/or intentional commission of a violation.</u>

AMENDATORY SECTION (Amending WSR 03-09-015, 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.

Violation Type	1st Violation	2nd Violation in a two-year window	3rd Violation in a two-year window	4th Violation in a two-year window
<p><u>Violations involving minors:</u></p> <p>Sale or service to minor: Sale or service of alcohol to a person under 21 years of age.</p> <p><u>Minor frequenting a tavern, lounge, or other restricted area.</u> <u>RCW 66.44.270</u> <u>RCW 66.44.310</u> <u>WAC 314-11-020</u> <u>WAC 314-16-150</u></p>	5 day suspension or \$500 monetary option	7 day suspension with no monetary option	30 day suspension with no monetary option	Cancellation of license
<p>((Minor frequenting a tavern, lounge, or other age restricted area.</p>	5 day suspension or \$500 monetary option	7 day suspension with no monetary option	30 day suspension with no monetary option	Cancellation of license))
<p>Sale or service to apparently intoxicated person: Sale or service of alcohol to, or permitting consumption or possession by, an apparently intoxicated person. <u>RCW 66.44.200</u> <u>WAC 314-16-150</u></p>	5 day suspension or \$500 monetary option	((5)) 7 day suspension ((or \$2,500)) with no monetary option	((10)) 30 day suspension ((or \$5,000)) with no monetary option	Cancellation of license
Conduct violations:				

Violation Type	1st Violation	2nd Violation in a two-year window	3rd Violation in a two-year window	4th Violation in a two-year window
Disorderly conduct by licensee or employee, or permitting on premises. <u>Licensee and/or employee intoxicated on the licensed premises and/or drinking on duty.</u> <u>Criminal conduct: Permitting or engaging in criminal conduct.</u> WAC 314-11-015	5 day suspension or \$500 monetary option	((5)) 7 day suspension ((or \$2,500)) with no monetary option	((10)) 30 day suspension ((or \$5,000)) with no monetary option	Cancellation of license
((Criminal conduct: Permitting or engaging in criminal conduct.	5-day suspension or \$500 monetary option	7-day suspension with no monetary option	30-day suspension with no monetary option	Cancellation of license))
Lewd conduct: Engaging in or permitting conduct in violation of WAC 314-11-050.	5 day suspension or \$500 monetary option	7 day suspension with no monetary option	30 day suspension with no monetary option	Cancellation of license
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	5 day suspension or \$500 monetary option	7 day suspension with no monetary option	30 day suspension with no monetary option	Cancellation of license
Condition of suspension violation: Failure to follow any suspension restriction while liquor license is suspended. WAC 314-29-040	Original penalty plus 10 day suspension with no monetary option	Cancellation of license		

AMENDATORY SECTION (Amending WSR 03-09-015, filed 4/4/03, effective 5/5/03)

WAC 314-29-025 Group 2 ((conduct)) regulatory violations. Group 2 violations are violations involving ~~((conduct))~~ general regulation and administration of retail or nonretail ~~((licensee, employees, or patrons))~~ licenses.

Violation Type	1st Violation	2nd Violation in a two-year window	3rd Violation in a two-year window	4th Violation in a two-year window
((Misuse or unauthorized use of liquor license.	5-day suspension or \$1,500 monetary option	Cancellation of license	Cancellation of license	Cancellation of license
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))
Club liquor to the public. <u>WAC 314-40-010</u>	5 day suspension or \$500 monetary option	5 day suspension or \$1,500 monetary option	10 day suspension or \$3,000 monetary option	Cancellation of license
Employee under legal age or without required mandatory alcohol server training permit. <u>RCW 66.44.316</u> <u>RCW 66.44.318</u> <u>RCW 66.44.340</u> <u>RCW 66.44.350</u> <u>WAC 314-11-040</u> <u>WAC 314-11-045</u> <u>Chapter 314-17 WAC</u>	5 day suspension or ((\$250) \$500 monetary option	5 day suspension or \$1,500 monetary option	10 day suspension or \$3,000 monetary option	Cancellation of license
Failure to follow 11:00 p.m. entertainment rules. <u>WAC 314-02-025(2)</u>	5 day suspension or \$500 monetary option	5 day suspension or \$1,500 monetary option	10 day suspension or \$3,000 monetary option	Cancellation of license
Hours of service: Sales, service, removal, or consumption of alcohol between 2:00 a.m. and 6:00 a.m. <u>WAC 314-11-070</u>	5 day suspension or ((\$250) \$500 monetary option	5 day suspension or \$1,500 monetary option	10 day suspension or \$3,000 monetary option	Cancellation of license
Keg registration: Failure to properly register kegs. <u>RCW 66.28.200</u> <u>RCW 66.28.210</u> <u>WAC 314-02-115</u>	5 day suspension or \$500 monetary option	5 day suspension or \$1,500 monetary option	10 day suspension or \$3,000 monetary option	Cancellation of license.
Spirituos liquor not sold by the individual drink. <u>RCW 66.24.400</u> <u>WAC 314-02-015</u> <u>(1)(a)</u>	5 day suspension or \$500 monetary option	5 day suspension or \$1,500 monetary option	10 day suspension or \$3,000 monetary option	Cancellation of license

Violation Type	1st Violation	2nd Violation in a two-year window	3rd Violation in a two-year window	4th Violation in a two-year window
Food service: Required food service not available. <u>WAC 314-02-035</u> <u>WAC 314-02-0411</u> <u>WAC 314-02-065</u> <u>WAC 314-02-075</u>	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
Hours of operation: Failure to meet required hours of operation. <u>WAC 314-02-015(2)</u>	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
NSF check: Payment by a retail licensee for alcohol purchases. <u>WAC 314-13-020</u>	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
Premises not open to the general public while liquor is sold, served, or consumed. <u>WAC 314-11-072</u>	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
Sampling and/or cooking class violations. <u>WAC 314-02-105</u>	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
Substituting, tampering, improper labeling, unlawful removal, possession, or unauthorized sale of liquor. <u>WAC 314-11-065</u> <u>WAC 314-11-080</u> <u>WAC 314-16-020</u>	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
(Lewd conduct: Engaging in or permitting conduct in violation of <u>WAC 314-11-050</u> .	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
Inspections: Refusing to allow inspection(s) by law enforcement.	5-day suspension or \$100 monetary option	5-day suspension or \$500 monetary option	10-day suspension or \$1,000 monetary option	20-day suspension with no monetary option))
Advertising: Advertising violations other than those involving prohibited practices between a nonretail and a retail licensee. Chapter 314-52 WAC.	5 day suspension or \$100 monetary option	5 day suspension or \$500 monetary option	10 day suspension or \$1,000 monetary option	20 day suspension with no monetary option

Violation Type	1st Violation	2nd Violation in a two-year window	3rd Violation in a two-year window	4th Violation in a two-year window
<u>Hotel/motel honor bar violation.</u> WAC 314-02-080	<u>5 day suspension or \$100 monetary option</u>	<u>5 day suspension or \$500 monetary option</u>	<u>10 day suspension or \$1,000 monetary option</u>	<u>20 day suspension with no monetary option</u>
<u>Inventory: Inventory below required amount.</u> WAC 314-02-100 WAC 314-02-105	<u>5 day suspension or \$100 monetary option</u>	<u>5 day suspension or \$500 monetary option</u>	<u>10 day suspension or \$1,000 monetary option</u>	<u>20 day suspension with no monetary option</u>
<u>Lighting: Inadequate lighting.</u> WAC 314-11-055	<u>5 day suspension or \$100 monetary option</u>	<u>5 day suspension or \$500 monetary option</u>	<u>10 day suspension or \$1,000 monetary option</u>	<u>20 day suspension with no monetary option</u>
<u>Liquor purchased from unauthorized source or sale below cost in violation of liquor law or rule.</u> WAC 314-11-085 WAC 314-13-010 WAC 314-13-040	<u>5 day suspension or \$100 monetary option</u>	<u>5 day suspension or \$500 monetary option</u>	<u>10 day suspension or \$1,000 monetary option</u>	<u>20 day suspension with no monetary option</u>
<u>Private club violations: Club regulations other than club liquor to the public.</u> Chapter 314-40 WAC	<u>5 day suspension or \$100 monetary option</u>	<u>5 day suspension or \$500 monetary option</u>	<u>10 day suspension or \$1,000 monetary option</u>	<u>20 day suspension with no monetary option</u>
<u>Records: Improper recordkeeping.</u> WAC 314-11-090 WAC 314-11-095 WAC 314-12-135	<u>5 day suspension or \$100 monetary option</u>	<u>5 day suspension or \$500 monetary option</u>	<u>10 day suspension or \$1,000 monetary option</u>	<u>20 day suspension with no monetary option</u>
<u>Retailer/nonretailer violation: Violation on the part of a retail licensee that involves a nonretail licensee, other than group four violations.</u>	<u>5 day suspension or \$100 monetary option</u>	<u>5 day suspension or \$500 monetary option</u>	<u>10 day suspension or \$1,000 monetary option</u>	<u>20 day suspension with no monetary option</u>
<u>Signs: Failure to post required signs.</u> WAC 314-11-060	<u>5 day suspension or \$100 monetary option</u>	<u>5 day suspension or \$500 monetary option</u>	<u>10 day suspension or \$1,000 monetary option</u>	<u>20 day suspension with no monetary option</u>
<u>Unauthorized alterations, change of trade name, or added activity.</u> WAC 314-02-025 WAC 314-02-125 WAC 314-02-130	<u>5 day suspension or \$100 monetary option</u>	<u>5 day suspension or \$500 monetary option</u>	<u>10 day suspension or \$1,000 monetary option</u>	<u>20 day suspension with no monetary option</u>

AMENDATORY SECTION (Amending WSR 03-09-015, filed 4/4/03, effective 5/5/03)

WAC 314-29-030 Group 3 ((regulatory)) license violations.
 Group 3 violations are violations involving ((administrative)) licensing requirements, license classification, and special restrictions.

Violation Type	1st Violation	2nd Violation in a two-year window	3rd Violation in a two-year window	4th Violation in a two-year window
((Keg registration: Failure to properly register kegs.	5-day suspension or \$500 monetary option	5-day suspension or \$1,000 monetary option	10-day suspension or \$1,500 monetary option	20-day suspension with no monetary option
Signs: Failure to post required signs.	5-day suspension or \$100 monetary option	5-day suspension or \$500 monetary option	10-day suspension or \$1,000 monetary option	20-day suspension with no monetary option
Records: Improper record keeping.	5-day suspension or \$100 monetary option	5-day suspension or \$500 monetary option	10-day suspension or \$1,000 monetary option	20-day suspension with no monetary option
Advertising: Advertising violations other than those involving prohibited practices between a nonretail and a retail licensee.	5-day suspension or \$100 monetary option	5-day suspension or \$500 monetary option	10-day suspension or \$1,000 monetary option	20-day suspension with no monetary option
Inventory: Inventory below required amount.	5-day suspension or \$100 monetary option	5-day suspension or \$500 monetary option	10-day suspension or \$1,000 monetary option	20-day suspension with no monetary option
Unauthorized alterations, change of trade name, or added activity:	5-day suspension or \$100 monetary option	5-day suspension or \$500 monetary option	10-day suspension or \$1,000 monetary option	20-day suspension with no monetary option
Lighting: Inadequate lighting.	5-day suspension or \$100 monetary option	5-day suspension or \$500 monetary option	10-day suspension or \$1,000 monetary option	20-day suspension with no monetary option
Liquor purchased from unauthorized source or sale below cost in violation of liquor law or rule:	5-day suspension or \$100 monetary option	5-day suspension or \$500 monetary option	10-day suspension or \$1,000 monetary option	20-day suspension with no monetary option))
True party of interest violation. RCW 66.24.010(1) WAC 314-12-030	<u>Cancellation of license</u>			
Failure to furnish required documents. WAC 314-12-035	<u>Cancellation of license</u>			
Misrepresentation of fact. WAC 314-12-010	<u>Cancellation of license</u>			

Violation Type	1st Violation	2nd Violation in a two-year window	3rd Violation in a two-year window	4th Violation in a two-year window
<u>Misuse or unauthorized use of liquor license (operating outside of license class, lending or contracting license to another person/entity).</u> Chapter 66.24 RCW <u>WAC 314-02-015</u> <u>WAC 314-02-041</u> <u>WAC 314-02-045</u> <u>WAC 314-02-065</u> <u>WAC 314-02-070</u> <u>WAC 314-02-075</u> <u>WAC 314-02-090</u> <u>WAC 314-02-095</u> <u>WAC 314-02-100</u> <u>WAC 314-02-105</u> <u>WAC 314-02-110</u> <u>WAC 314-12-030</u>	<u>5 day suspension or \$1,500 monetary option</u>	<u>Cancellation of license</u>		
<u>Operating plan: Violations of a board-approved operating plan.</u> <u>WAC 314-16-270</u> <u>WAC 314-16-275</u>	<u>5 day suspension or \$500 monetary option</u>	<u>7 day suspension or \$1,500 monetary option</u>	<u>10 day suspension with no monetary option</u>	<u>Cancellation of license</u>
<u>Sale of alcohol in violation of a board-approved local authority restriction.</u> Chapter 66.24 RCW	<u>5 day suspension or \$500 monetary option</u>	<u>7 day suspension or \$1,500 monetary option</u>	<u>10 day suspension with no monetary option</u>	<u>Cancellation of license</u>
<u>Sale of alcohol in violation of a board-approved alcohol impact area restriction.</u> <u>WAC 314-12-215</u>	<u>5 day suspension or \$500 monetary option</u>	<u>7 day suspension or \$1,500 monetary option</u>	<u>10 day suspension with no monetary option</u>	<u>Cancellation of license</u>
<u>Catering endorsement violation.</u> <u>WAC 314-02-060</u> <u>WAC 314-02-061</u>	<u>5 day suspension or \$250 monetary option</u>	<u>5 day suspension or \$1,500 monetary option</u>	<u>10 day suspension or \$3,000 monetary option</u>	<u>Cancellation of license</u>

AMENDATORY SECTION. (Amending WSR 03-09-015, filed 4/4/03, effective 5/5/03)

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.

Violation type	1st Violation	2nd Violation in a two-year window	3rd Violation in a two-year window	4th Violation in a two-year window
Providing credit to a retail licensee. <u>RCW 66.28.010</u> <u>WAC 314-12-140</u> <u>WAC 314-12-145</u> <u>WAC 314-13-015</u> <u>WAC 314-13-020</u>	3 day suspension or \$500 monetary option	5 day suspension or \$2,500 monetary option	10 day suspension or \$5,000 monetary option	20 day suspension or \$10,000 monetary option
Quantity discount. <u>RCW 66.28.170</u> <u>RCW 66.28.180</u>	3 day suspension or \$500 monetary option	5 day suspension or \$2,500 monetary option	10 day suspension or \$5,000 monetary option	20 day suspension or \$10,000 monetary option
Giving away liquor in violation of liquor law or rule. <u>RCW 66.28.040</u> <u>WAC 314-64-080</u> <u>WAC 314-64-08001</u>	3 day suspension or \$500 monetary option	5 day suspension or \$2,500 monetary option	10 day suspension or \$5,000 monetary option	20 day suspension or \$10,000 monetary option
Consignment sales/return of product in violation of liquor law or rule. <u>RCW 66.28.010</u> <u>WAC 314-12-140</u> <u>WAC 314-13-015</u> <u>WAC 314-20-070</u> <u>WAC 314-20-090</u> <u>WAC 314-24-210</u>	3 day suspension or \$500 monetary option	5 day suspension or \$2,500 monetary option	10 day suspension or \$5,000 monetary option	20 day suspension or \$10,000 monetary option
Advertising violations involving prohibited practices between a nonretail and a retail licensee. <u>RCW 66.28.010</u> <u>RCW 66.24.570</u> <u>WAC 314-05-030</u> <u>WAC 314-52-040</u> <u>WAC 314-52-070</u> <u>WAC 314-52-080</u> <u>WAC 314-52-090</u> <u>WAC 314-52-113</u>	3 day suspension or \$500 monetary option	5 day suspension or \$2,500 monetary option	10 day suspension or \$5,000 monetary option	20 day suspension or \$10,000 monetary option
Price ((posting)) lists/labeling/ packaging violations. <u>RCW 66.24.145</u> <u>RCW 66.28.100</u> <u>RCW 66.28.110</u> <u>RCW 66.28.120</u> <u>RCW 66.28.180</u>	3 day suspension or \$500 monetary option	5 day suspension or \$2,500 monetary option	10 day suspension or \$5,000 monetary option	20 day suspension or \$10,000 monetary option

Violation type	1st Violation	2nd Violation in a two-year window	3rd Violation in a two-year window	4th Violation in a two-year window
<u>WAC 314-20-020</u> <u>WAC 314-20-030</u> <u>WAC 314-20-100</u> <u>WAC 314-20-130</u> <u>WAC 314-24-003</u> <u>WAC 314-24-006</u> <u>WAC 314-24-040</u> <u>WAC 314-24-080</u> <u>WAC 314-24-090</u> <u>WAC 314-24-190</u> <u>WAC 314-28-090</u>				
Agents violations: Nonretail licensee employing an unlicensed agent. <u>RCW 66.24.310</u> <u>RCW 66.28.050</u> <u>WAC 314-44-005</u>	3 day suspension or \$500 monetary option	5 day suspension or \$2,500 monetary option	10 day suspension or \$5,000 monetary option	20 day suspension or \$10,000 monetary option
Unauthorized product/unapproved storage or delivery. <u>RCW 66.24.140</u> <u>RCW 66.24.160</u> <u>RCW 66.24.170</u> <u>RCW 66.24.185</u> <u>RCW 66.24.200</u> <u>RCW 66.24.203</u> <u>RCW 66.24.206</u> <u>RCW 66.24.240</u> <u>RCW 66.24.244</u> <u>RCW 66.24.250</u> <u>RCW 66.24.261</u> <u>RCW 66.24.395</u> <u>RCW 66.28.010</u> <u>RCW 66.44.140</u> <u>RCW 66.44.150</u> <u>RCW 66.44.160</u> <u>RCW 66.44.170</u> <u>WAC 314-20-015</u> <u>WAC 314-20-017</u> <u>WAC 314-20-055</u> <u>WAC 314-20-095</u> <u>WAC 314-20-120</u> <u>WAC 314-20-160</u> <u>WAC 314-20-170</u> <u>WAC 314-24-070</u> <u>WAC 314-24-115</u> <u>WAC 314-24-120</u>	3 day suspension or \$500 monetary option	5 day suspension or \$2,500 monetary option	10 day suspension or \$5,000 monetary option	20 day suspension or \$10,000 monetary option

Violation type	1st Violation	2nd Violation in a two-year window	3rd Violation in a two-year window	4th Violation in a two-year window
<u>WAC 314-24-140</u> <u>WAC 314-24-160</u> <u>WAC 312-24-161</u> <u>WAC 314-24-220</u> <u>WAC 314-25-020</u> <u>WAC 314-25-030</u> <u>WAC 314-25-040</u> <u>WAC 314-28-050</u>				
Sampling/tasting violations. <u>RCW 66.20.010</u> <u>RCW 66.24.145</u> <u>RCW 66.24.170</u> <u>RCW 66.28.040</u> <u>RCW 66.28.150</u> <u>WAC 314-20-015</u> <u>WAC 314-24-160</u> <u>WAC 314-45-010</u> Chapter 314-64 WAC	3 day suspension or \$500 monetary option	5 day suspension or \$2,500 monetary option	10 day suspension or \$5,000 monetary option	20 day suspension or \$10,000 monetary option
Entertainment/instruction/meeting/trade show violations. <u>RCW 66.20.010</u> <u>RCW 66.28.010</u> <u>RCW 66.28.042</u> <u>RCW 66.28.043</u> <u>RCW 66.28.150</u> <u>RCW 66.28.155</u> <u>WAC 314-45-010</u>	3 day suspension or \$500 monetary option	5 day suspension or \$2,500 monetary option	10 day suspension or \$5,000 monetary option	20 day suspension or \$10,000 monetary option
((Providing money or money's worth less than \$100:	3 day suspension or \$250 monetary option	5 day suspension or \$500 monetary option	10 day suspension or \$1,000 monetary option	20 day suspension or \$2,000 monetary option))
Providing/accepting money or money's worth: Goods or services worth ((\$100 to \$1,000)) up to \$1,500. <u>RCW 66.28.010</u> <u>WAC 314-12-140</u> <u>WAC 314-44-005</u>	3 day suspension or \$500 monetary option	5 day suspension or \$2,500 monetary option	10 day suspension or \$5,000 monetary option	20 day suspension or \$10,000 monetary option
Providing/accepting money or money's worth: Goods or services worth over ((\$1,000)) \$1,500. <u>RCW 66.28.010</u> <u>WAC 314-12-140</u> <u>WAC 314-44-005</u>	Cost of item or service provided plus: 3 day suspension or \$1,000 monetary option	Cost of item or service provided plus: 5 day suspension or \$2,500 monetary option	Cost of item or service provided plus: 10 day suspension or \$5,000 monetary option	Cost of item or service provided plus: 20 day suspension or \$10,000 monetary option

Violation type	1st Violation	2nd Violation in a two-year window	3rd Violation in a two-year window	4th Violation in a two-year window
Providing/accepting exclusive or contingency agreements. <u>RCW 66.28.010</u> <u>RCW 66.24.570</u> <u>WAC 314-12-140</u> <u>WAC 314-05-030</u>	3 day suspension or \$1,000 monetary option	10 day suspension or \$6,000 monetary option	20 day suspension or \$12,000 monetary option	30 day suspension or \$20,000 monetary option
Unauthorized interest or ownership in retail license. <u>RCW 66.28.010</u> <u>WAC 314-12-030</u>	3 day suspension or \$1,000 monetary option	30 day suspension or \$20,000 monetary option	Cancellation of license	
Failure to obtain surety bond/savings account, if required by the board. <u>RCW 66.24.210</u> <u>RCW 66.24.290</u> <u>WAC 314-19-020</u>	Immediate suspension of license until surety bond has been obtained and all missing reports are filed and late taxes are paid.			
Failure to file tax/shipment report. <u>RCW 66.24.210</u> <u>RCW 66.24.290</u> <u>WAC 314-19-005</u> <u>WAC 314-19-010</u> <u>WAC 314-19-020</u>	3 day suspension or \$250 monetary option	5 day suspension or \$500 monetary option	10 day suspension or \$1,000 monetary option	20 day suspension or \$2,000 monetary option
Certificate of approval (COA) and/or authorized representative violations. <u>RCW 66.24.206</u> <u>WAC 314-19-005</u> <u>WAC 314-19-010</u> <u>WAC 314-19-020</u>	<u>15 day suspension or \$100 monetary option</u>	<u>30 day suspension or \$500 monetary option</u>	<u>180 day suspension or \$1,000 monetary option</u>	<u>Cancellation of license</u>

**WASHINGTON STATE LIQUOR CONTROL BOARD
INTEROFFICE CORRESPONDENCE**

Date: July 15, 2009

To: Board Member Roger Hoen
Board Member Ruthann Kurose

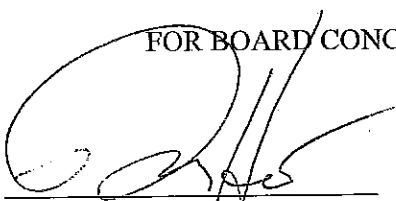
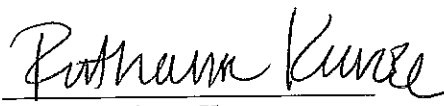
From: Debi J. Besser, C.P.M. Director of Purchasing

Subject: LISTING REVIEW

The 11 spirit and 22 wine items on the attached list have been identified as products which have been listed for at least one year and have not met sales and profit expectations.

I recommend that the Board approve delisting all of the items on the list and close them out effective September 1, 2009.

FOR BOARD CONCURRENCE: 7/15/09 DATE

 _____ Roger Hoen Board Member	 _____ Ruthann Kurose Board Member
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ma

attachment

cc: Pat Kohler

Pat McLaughlin

Debi Besser

John Redal

Randy Simmons

Meagan Renick

Kelly Higbee

Cindy Doughty

Robin Hall

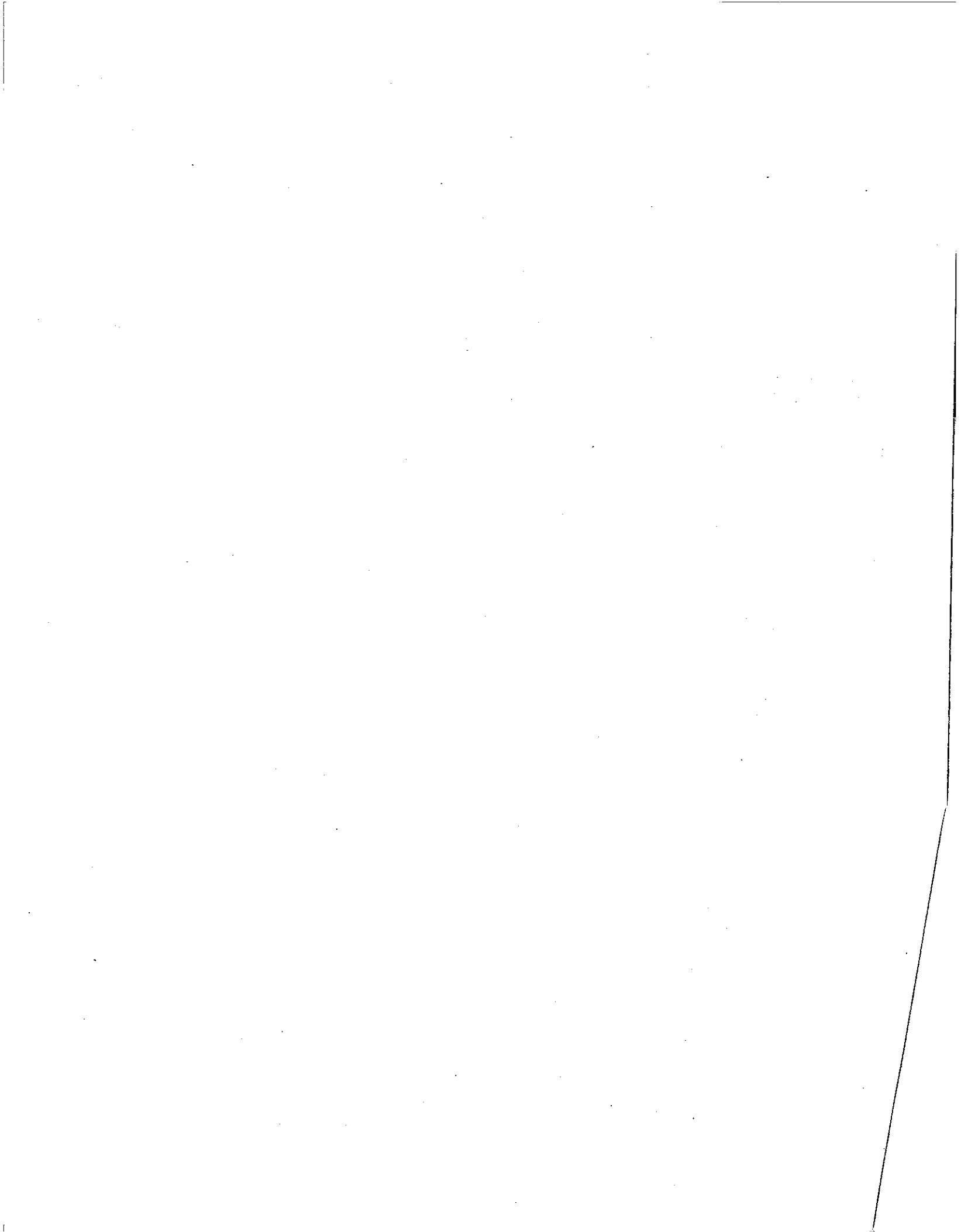
Kim Ward

Casey Walker

Lacinda Thomas

Frances Munez-Carter

Gary Hacker



**WASHINGTON STATE LIQUOR CONTROL BOARD
INTEROFFICE CORRESPONDENCE**

Date: July 15, 2009

To: Board Member Roger Hoen
Board Member Ruthann Kurose

From: Steve Burnell, Marketing Manager

Subject: POTENTIAL NEW WINE LISTINGS

From blind tastings, the following selections and recommendations were made by the Committee and the Purchasing Division. I recommend the Board approve the following listing actions.

Wine	Region	Vntg	Retail	Recommendation
Latah Creek Huckleberry d'Latah	WA	NV	\$7.99	Regular Listing

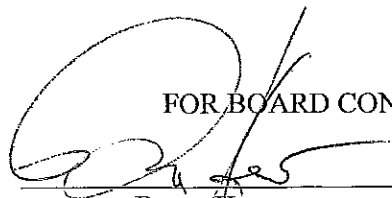
The following wines are offered as a One-Time-Only purchase. The Purchasing Division and I recommend the Board approve the following *One-Time-Only listings*.

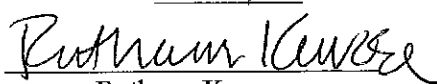
Wine	Region	Vntg	Retail	Number of Cases
Yellow Tail Shiraz-Grenache	Australia	2007	\$3.99	392 Cases
Yellow Tail Cabernet-Merlot	Australia	2007	\$3.99	448 Cases
Yellow Tail Riesling	Australia	2008	\$3.99	336 Cases
Yellow Tail Pinot Grigio	Australia	2008	\$3.99	336 Cases

The following wines are offered in limited quantities for the wine specialty stores. The Purchasing Division and I recommend the Board approve the following *U-code listings*.

Wine	Region	Vntg	Retail	Recommendation
Spring Valley Vyd "Frederick" Red Blend	WA	2007	\$44.99	7 Cases

FOR BOARD CONCURRENCE: 7/15/09 DATE


Roger Hoen
Board Member


Ruthann Kurose
Board Member

cc: Pat Kohler
Pat McLaughlin
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Meagan Renick
Kelly Higbee
Jeffrey James
Cindy Doughty
Robin Hall
Kim Ward
Casey Walker
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Gary Hacker

WASHINGTON STATE LIQUOR CONTROL BOARD

INTEROFFICE CORRESPONDENCE

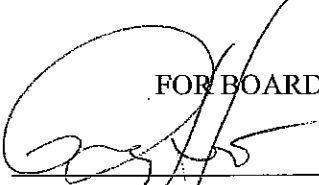
Date: July 15, 2009
To: Board Member Roger Hoen
Board Member Ruthann Kurose
From: Steve Burnell, Marketing Manager
Subject: POTENTIAL ONE-TIME-ONLY LISTINGS

The suppliers of the following items are requesting One-Time-Only (OTO) listings.

<u>Product Description</u>	<u>Retail Price</u>	<u>Cases</u>
McCarthy's Single Malt Whiskey, 750 ml	\$49.95	90 cases
Crystal Head Vodka, 750 ml	\$53.95	250 cases
Buffalo Trace Bourbon, 750 ml	\$27.95	400 cases
Absolut Boston Limited Edition Vodka, 1 Liter	\$29.95	300 cases
Absolut Los Angeles Vodka, 750 ml	\$23.95	300 cases
Kahlua Cream Liqueur, 750 ml	\$19.95	250 cases

I recommend that the Board approve these one-time-only listings.

FOR BOARD CONCURRENCE: 7/15/09 DATE



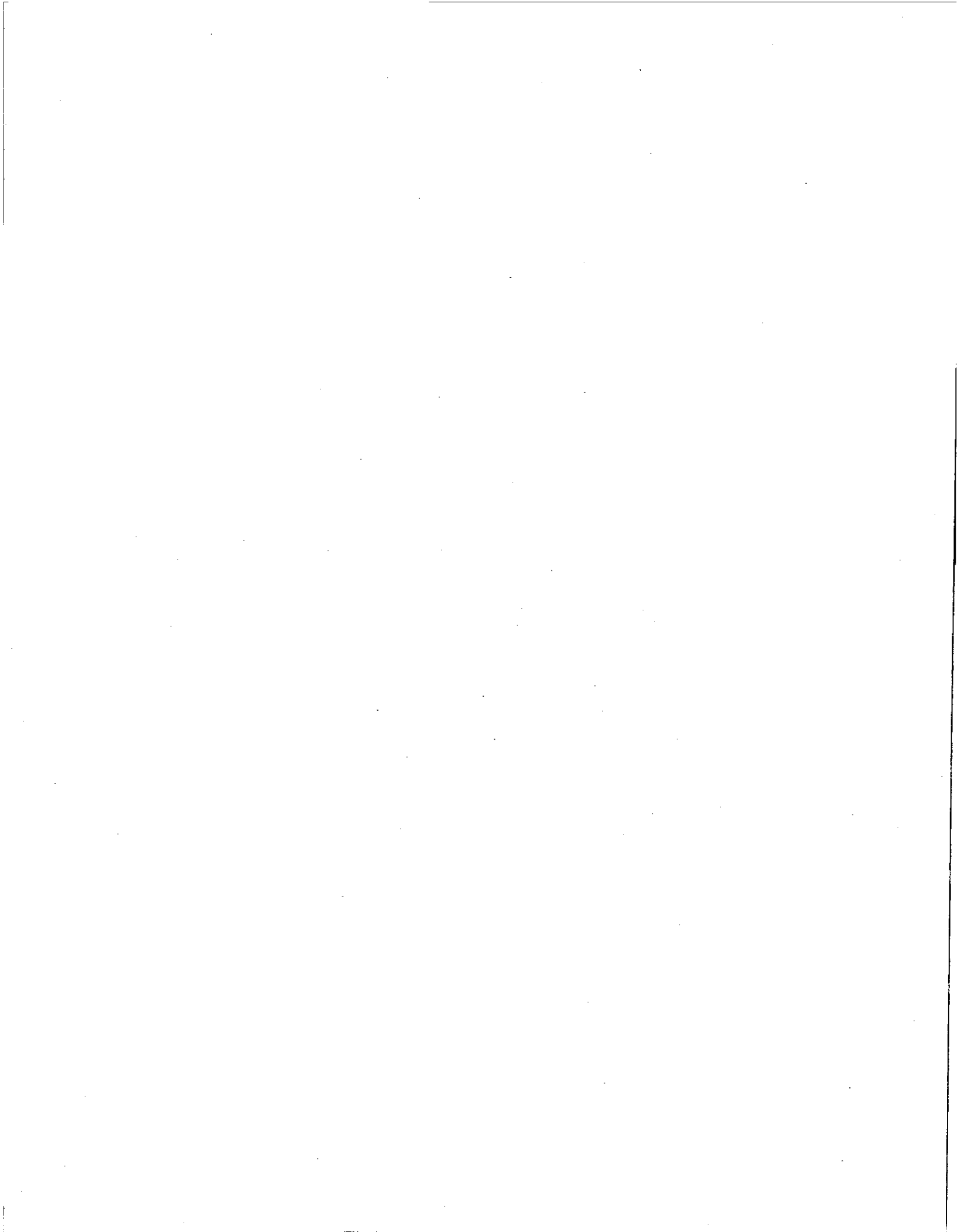
Roger Hoen
Board Member



Ruthann Kurose
Board Member

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cc: Pat Kohler
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WASHINGTON STATE LIQUOR CONTROL BOARD

INTEROFFICE CORRESPONDENCE

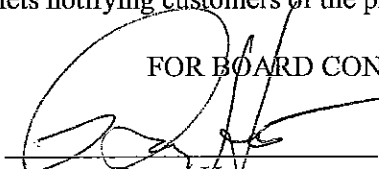
Date: July 15, 2009
To: Board Member Roger Hoen
Board Member Ruthann Kurose
From: Steve Burnell, Marketing Manager
Subject: POTENTIAL PROOF CHANGES

The suppliers of the following products are requesting that the Board approve their proof changes. The suppliers will no longer be producing the original proof of these products.

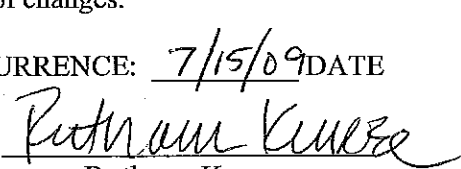
<u>Brand</u>	<u>Description</u>	<u>Original Proof</u>	<u>New Proof</u>	<u>Current Retail</u>	<u>Average Monthly Case Sales</u>
005103	Glenmorangie Lasanta Scotch, 750 ml	86	92	\$54.95	29
005105	Glenmorangie Quinta Ruban Scotch, 750 ml	86	92	\$54.95	62
058800	Captain Morgan Long Island Iced Tea, 750 ml	35	34	\$13.95 (listed only a few months)	10
058801	Captain Morgan Long Island Iced Tea, 1.75 L	35	34	\$26.95	3(New OTO)

I recommend that the Board approve the suppliers request for the proof changes. We will post signage in our retail outlets notifying customers of the proof changes.

FOR BOARD CONCURRENCE: 7/15/09 DATE

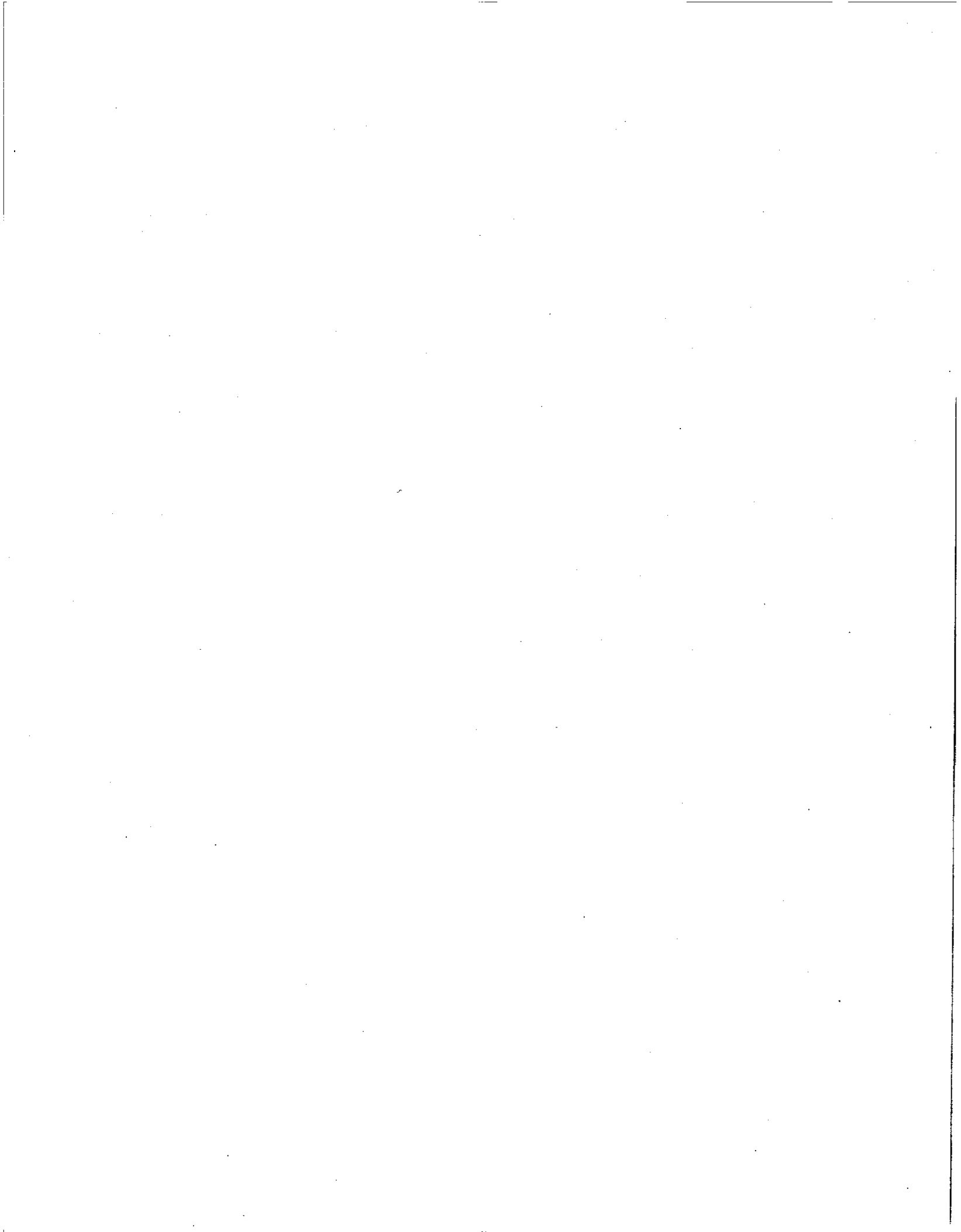


Roger Hoen
Board Member



Ruthann Kurose
Board Member

ma
cc: Pat Kohler
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**WASHINGTON STATE LIQUOR CONTROL BOARD
INTEROFFICE CORRESPONDENCE**

Date: July 15, 2009

To: Board Member Roger Hoen
Board Member Ruthann Kurose

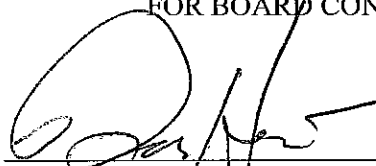
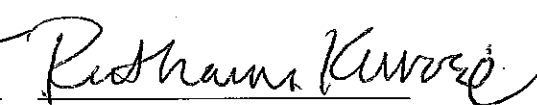
From: Debi J. Besser, C.P.M. Director of Purchasing

Subject: LISTING REVIEW

The 11 spirit and 22 wine items on the attached list have been identified as products which have been listed for at least one year and have not met sales and profit expectations.

I recommend that the Board approve delisting all of the items on the list and close them out effective September 1, 2009.

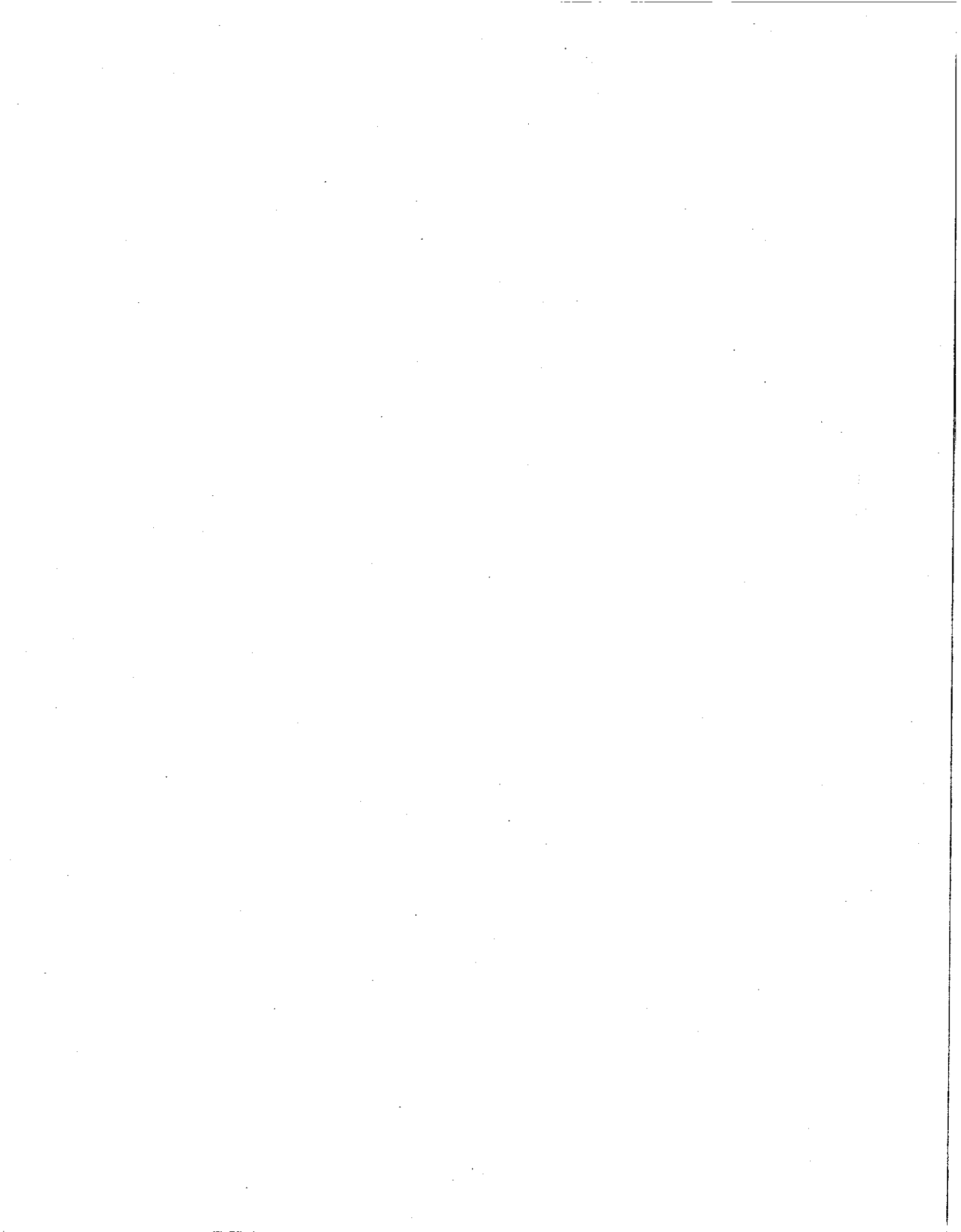
FOR BOARD CONCURRENCE: 7/15/09 DATE

 _____ Roger Hoen Board Member	 _____ Ruthann Kurose Board Member
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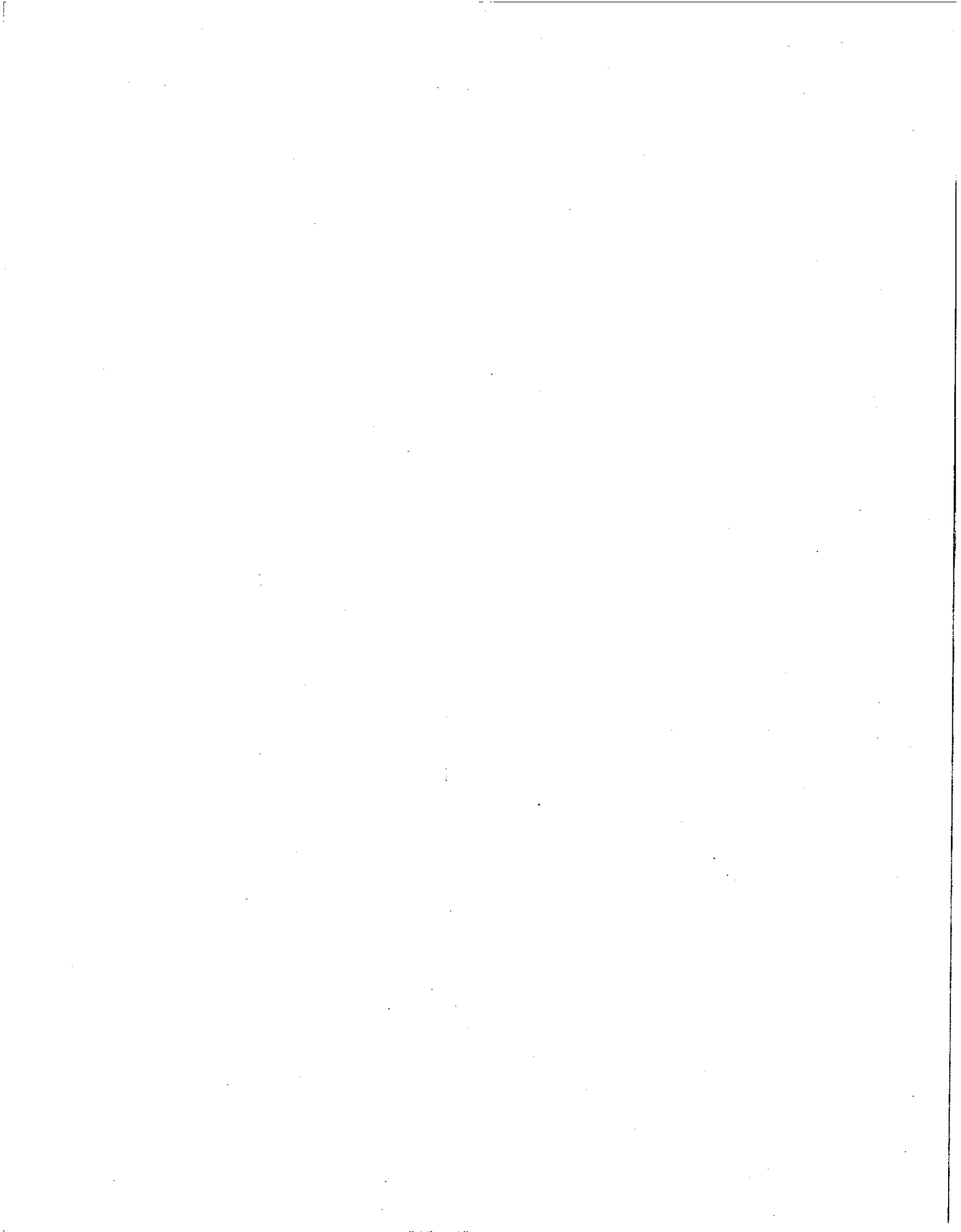
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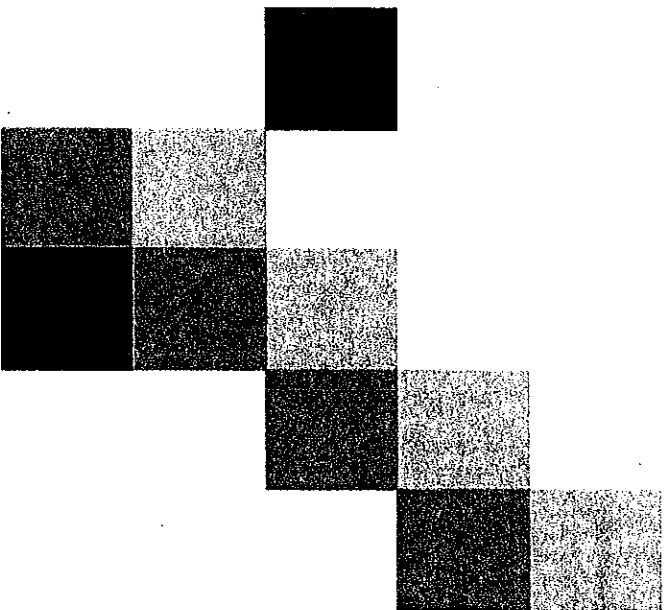
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Gary Hacker



June 2009 Proposed Spirits and Wine Delistings (2).xls

SPIRITS						
BRAND CODE	PRODUCT DESCRIPTION	SIZE	PRICE	SUPPLIER	Listed	
35052	Ruskova Russian Vodka 750 ml	750 ml	\$13.95	Anson Imports LTD	Jun-07	
47580	Atache XO Royal Cognac 750 ml	750 ml	\$45.90	Magic Spirits Corp	Feb-08	
60053	Club Manhattan 200 ml	200 ml	\$2.75	Diageo North America, Inc	May-00	
60045	Club Cocktails Margarita 200 ml	200 ml	\$2.30	Diageo North America, Inc	May-00	
60113	Club Cocktails Whisky Sour 200 ml	200 ml	\$2.75	Diageo North America, Inc	May-00	
77478	Tarantula Azul Blue Margarita RTD 4 pack 200 ml	200 ml	\$2.55	McCormick Distilling Company	Apr-04	
77509	Tarantula Mango Margarita RTD 4 pack 200 ml	200 ml	\$2.55	McCormick Distilling Company	Apr-04	
77491	Tarantula Banana Colada Liqueur 750 ml	750 ml	\$21.95	McCormick Distilling Company	Dec-06	
884042	Daily's Pina Colada Mix 1.75 L	1.75 L	\$6.54	American Beverage Company	Nov-00	
929535	Jack Daniels Watermelon Spk Malt 6 Pack	296 ml	\$1.49	Brown Forman	Feb-03	
929536	Jack Daniels Wildberry Jack Malt 6 Pack	296 ml	\$1.49	Brown Forman	Feb-03	
WINES						
BRAND CODE	PRODUCT DESCRIPTION	SIZE	PRICE	SUPPLIER	Listed	
90084	Cockburn Special Reserve Red Port 750 ml	750 ml	\$17.99	Jim Beam Brands	Dec-85	
95914	Taylor NY ST Dry Sherry 750 ml	750 ml	\$4.99	Young's Columbia	Dec-56	
253335	L Jaidot Pouilly-Fuisse Wh Burg-Fr 750 ml	750 ml	\$20.99	Young's Columbia	Jun-80	
900956	Schmitt Soehne Riesl Spatlese 750 ml	750 ml	\$9.99	Young's Columbia	Dec-98	
900937	Rosemount Chardonnay Diamond Australia 750 ml	750 ml	\$7.99	Young's Columbia	Nov-98	
415000	Kouraki Resina 750 ml	750 ml	\$6.22	Nestor Imports Inc	Apr-94	
901422	Kiona Vivacious Vicky White Washington 750 ml	750 ml	\$8.99	Kiona Vineyards Winery	Feb-03	
569060	Gallo of Sonoma Chardonnay 750 ml	750 ml	\$9.99	E & J Galic Winery	Nov-97	
561000	Delicato Chardonnay California 750 ml	750 ml	\$4.99	Odom Corp	Dec-98	
633784	Fetzer Valley Oaks Chardonnay California 750 ml	750 ml	\$7.49	Brown Forman	May-06	
609000	Night Harvest Chardonnay BY RH Phill California 750 ml	750 ml	\$6.99	Young's Columbia	Jul-00	
633680	Vila Mt Eden GR Res Chardonnay 750 ml	750 ml	\$10.56	Ste Michelle Wine Estates	Apr-97	
635310	Washington Hills Gewurz Washington 750 ml	750 ml	\$4.99	Precept Brands LLC	Sep-05	
285100	La Vieille Ferme Ventoux Rouge France 750 ml	750 ml	\$9.25	Nobel Wines Limited	Jun-99	
221410	B & G Shiraz France 750 ml	750 ml	\$6.99	Odom Corp	Nov-99	
406714	Concha Y Toro Frontera Mer Chile 1.5 L	1.50 L	\$8.99	Odom Corp	Feb-96	
901421	Kiona Vivacious Vicky Red Washington 750 ml	750 ml	\$8.99	Kiona Vineyards Winery	Feb-03	
469600	Gallo of Sonoma Cabernet Sauvignon 750 ml	750 ml	\$9.99	E & J Galic Winery	Nov-97	
517031	Fetzer Valley Oaks Merlot California 750 ml	750 ml	\$7.49	Brown Forman	Mar-05	
499720	Night Harvest Merlot BY RH Phill California 750 ml	750 ml	\$6.99	Young's Columbia	Oct-06	
511495	Sterling Merlot California 750 ml	750 ml	\$21.99	Odom Corp	Sep-02	
477810	J Lohr Est Paso Rble S RGD Syrah 750 ml	750 ml	\$10.99	Young's Columbia	Aug-00	





WAC Chapter 314-52

Advertising Rules

Karen McCall

July 15, 2009

WAC 314-52-005

- (1) PREAMBLE: The purpose of this title is to provide reasonable regulations as to the kind, character and location of advertising of liquor, as authorized by RCW 66.08.060.
- (2) No person engaged in business as a producer, manufacturer, bottler, importer, distributor, or retailer of liquor, directly or indirectly, or through an affiliate, shall publish or disseminate or cause to be published or disseminated in any media any advertisement of liquor, unless such advertisement is in conformance with these rules: Provided, That these provisions shall not apply to the publisher of any newspaper, magazine or similar publication, nor to the operator of any radio or television station unless such publisher or operator is engaged in business as a producer, manufacturer, bottler, importer, distributor, or retailer of liquor, directly or indirectly, or through an affiliate.

WAC 314-52-005 Purpose and application of rules. ~~(1) (Preamble: The purpose of this title is to) The liquor control board regulates alcohol advertising to promote public safety, prevent the misuse of alcohol, and reduce youth exposure to alcohol advertising and marketing. These rules provide reasonable regulations as to the kind, character, size, and location of advertising of liquor, as authorized by RCW 66.08.060.~~

- (2) No person engaged in business as a ~~(producer,) manufacturer, (bottler,) importer, distributor, or retailer of liquor (, directly or indirectly, or through an affiliate,)) shall publish or disseminate (for cause to be published or disseminated) in any media any advertisement of liquor, unless such advertisement is in conformance with these rules(, Provided, That these provisions shall not apply to the publisher of any newspaper, magazine or similar publication, nor to the operator of any radio or television station unless such publisher or operator is engaged in business as a producer, manufacturer, bottler, importer, distributor, or retailer of liquor, directly or indirectly, or through an affiliate)).~~

(3) The board holds each producer, manufacturer, bottler, importer, distributor, or retailer of liquor responsible for complying with the advertising rules of the Washington state liquor control board in any advertising material placed by them or on their behalf by their agents. If desired, advertising may be submitted prior to publication for an advisory opinion by the advertising coordinator of the Washington state liquor control board, but advisory opinions will be restricted to advertising material submitted by said producers, manufacturers, bottlers, importers, distributors, or retailers of liquor, or their agents.

(3) The board holds each ~~((producer,))~~ manufacturer, ~~((bottler,))~~ importer, distributor, or retailer of liquor responsible for complying with the advertising rules of the Washington state liquor control board in any advertising material placed by them or on their behalf by their agents. If desired, advertising may be submitted prior to publication for an advisory opinion by the ~~((advertising coordinator of the))~~ Washington state liquor control board, but advisory opinions will be restricted to advertising material submitted by ~~((said producers,))~~ manufacturers, ~~((bottlers,))~~ importers, distributors, or retailers of liquor, or their agents.

WAC 314-52-005 (cont)

(4) Liquor advertising materials, defined as institutional or educational advertising in WAC 314-52-015, intended for placement in retail outlets of the Washington state liquor control board shall be presented to the advertising coordinator of the Washington state liquor control board for prior approval before placement: Provided, however, That all other forms of advertising approved by the board advertising coordinator and which are acceptable to the board merchandising committee under the provisions of WAC 314-52-040 shall not be prohibited under this rule.

(4) Liquor advertising materials, defined as institutional or educational advertising in WAC 314-52-015, intended for placement in retail outlets of the Washington state liquor control board shall be presented to the ~~advertising coordinator of the~~ Washington state liquor control board for prior approval before placement ~~(: Provided, however, That):~~ All other forms of advertising approved and accepted by the board ~~(advertising coordinator and which are acceptable to the board merchandising committee under the provisions of WAC 314-52-040)~~ shall not be prohibited under this rule.

WAC 314-52-010

(1) Brand advertising of spirituous liquor by any manufacturer shall contain the following information:

- (a) The name and address of the manufacturer responsible for its publication. (Street number may be omitted.)
- (b) A conspicuous statement of the class to which the product belongs and the type thereof corresponding with the statement of class and type which is required by federal regulations to appear on the label of the product.
- (c) A statement of the alcoholic content by proof, except that for cordials and liqueurs, gin fizzes, cocktails, highballs, bitters and other specialties, the alcoholic content may be stated in percentage by volume or by proof.
- (d) In the case of distilled spirits (other than cordials, liqueurs and specialties) produced by blending or rectification, if neutral spirits have been used in the production thereof, there shall be stated the percentage of neutral spirits so used and the name of the commodity from which such neutral spirits have been distilled.

WAC 314-52-010 Mandatory statements. (1)

Brand advertising of spirituous liquor by any manufacturer shall contain the following information:

- (a) The name and address of the manufacturer responsible for its publication. (Street number may be omitted.)
- (b) A conspicuous statement of the class to which the product belongs and the type ~~((thereof))~~ corresponding with the statement of class and type which is required by federal regulations to appear on the label of the product.
- (c) A statement of the alcoholic content ~~((by proof, except that for cordials and liqueurs, gin fizzes, cocktails, highballs, bitters and other specialties, the alcoholic content may))~~ for distilled spirits shall be stated in ~~((percent~~ age by volume or by proof)) percent alcohol by volume.
- (d) In the case of distilled spirits ~~((other than cordials, liqueurs and specialties))~~ produced by blending or rectification, if neutral spirits have been used in the production thereof, there shall be stated the percentage of neutral spirits so used and the name of the commodity from which such neutral spirits have been distilled.

WAC 314-52-010 (cont)

- (e) In the case of neutral spirits or of gin produced by a process of continuous distillation, there shall be stated the name of the commodity from which such neutral spirits or gin has been distilled.
- (2) Brand advertising of wine by any manufacturer or distributor shall contain the following information:
- (a) The name and address of the manufacturer or distributor responsible for its publication. (Street number may be omitted.)
- (b) A conspicuous statement of the class, type or distinctive designation to which the product belongs, corresponding with the statement of class, type, or distinctive designation which is required by federal regulation to appear on the label of the product.
- (e) In the case of neutral spirits or of gin produced by a process of continuous distillation, there shall be stated the name of the commodity from which such neutral spirits or gin has been distilled.
- (2) Brand advertising of wine by any manufacturer or distributor shall contain the following information:
- (a) The name and address of the manufacturer or distributor responsible for its publication. (Street number may be omitted.)
- (b) A conspicuous statement of the class, type or distinctive designation to which the product belongs, corresponding with the statement of class, type, or distinctive designation which is required by federal regulation to appear on the label of the product.

WAC 314-52-010 (cont)

- (3) Brand advertising of malt beverages by any manufacturer, importer, or distributor shall contain the following information:
- (a) The name and address of the manufacturer, importer or distributor responsible for publication of the advertisement. (Street number may be omitted.)
 - (b) A conspicuous statement of the class to which the product belongs, corresponding to the statement of class which is required by federal regulations to appear on the label of the product.
- (3) Brand advertising of malt beverages by any manufacturer, importer, or distributor shall contain the following information:
- (a) The name and address of the manufacturer, importer or distributor responsible for publication of the advertisement. (Street number may be omitted.)
 - (b) A conspicuous statement of the class to which the product belongs, corresponding to the statement of class which is required by federal regulations to appear on the label of the product.
- (4) Alcoholic content of beer. Retail licensees who choose to offer beer for sale at both less than four percent by weight and more than four percent by weight, alcoholic content, packaged in identical packages, shall be required to separate the two strengths of beer in their displays, and shall be required to identify by point-of-sale advertising which is the higher strength and which is the lower strength beer. Manufacturers, importers and distributors of such beer shall supply such shelf tickets free of charge to retail licensees: Provided, however, That no promotion of the higher alcoholic content shall be included in such advertising.
- (4) **REPEALED**

WAC 314-52-015

Institutional advertising shall mean advertising which promotes company or brand name identification, but does not directly solicit purchase or consumption of liquor. Educational advertising shall mean factual information on liquor, its manufacture, history, consumption and methods of ascertaining the quality of various types of liquors such as German wines, French cognacs, or other classifiable types of product. All liquor advertising shall be modest, dignified and in good taste and shall not contain:

- (1) Any statement or illustration that is false or misleading in any material particular.
- (2) Any statement, picture, or illustration which promotes overconsumption.
- (3) Any statement, picture, illustration, design, device, or representation which is undignified, obscene, indecent, or in bad taste.
- (4) Any statement, design, device, or representation of or relating to analyses, standards, or tests, irrespective of falsity, which is likely to mislead the consumer.
- (5) Any statement, design, device, or representation of or relating to any guaranty, irrespective of falsity, which is likely to mislead the consumer.

WAC 314-52-015 General. (1)

Institutional advertising shall mean advertising which promotes company or brand name identification, but does not directly solicit purchase or consumption of liquor. Educational advertising shall mean factual information on liquor, its manufacture, history, consumption and methods of ascertaining the quality of various types of liquors. ~~(such as German wines, French cognacs, or other classifiable types of product. All liquor advertising shall be modest, dignified and in good taste and shall not contain:~~

- ~~(1) Any statement or illustration that:~~
All liquor advertising on products sold in the state of Washington may not contain any statement, picture, or illustration that:
 - (a) Is false or misleading (in any material particular.
 - ~~(2) Any statement, picture, or illustration which):~~
 - (b) Promotes over consumption.

WAC 314-52-015 (cont)

Nothing in this section shall prohibit the use of any enforceable guaranty in substantially the following form: "We will refund the purchase price to the purchaser if he is in any manner dissatisfied with the contents of this package."

(6) Any statement that the product is produced, blended, made, bottled, packed or sold under, or in accordance with, any authorization, law, or regulation of any municipality, county, or state, federal or foreign government unless such statement is required or specifically authorized by the laws or regulations of such government; and if municipal, state or federal permit number is stated, such permit number shall not be accompanied by any additional statement relating thereto.

(7) Any statement, design or device representing that the use of liquor has curative or therapeutic effects, if such statement is untrue in any particular, or tends to create a misleading impression.

~~(3) Any statement, picture, illustration, design, device, or representation which is undignified, obscene, indecent, or in bad taste.~~

~~(4) Any statement, design, device, or representation of or relating to analyses, standards, or tests, irrespective of falsity, which is likely to mislead the consumer.~~

~~(5) Any statement, design, device, or representation of or relating to any guaranty, irrespective of falsity, which is likely to mislead the consumer.~~

~~Nothing in this section shall prohibit the use of any enforceable guaranty in substantially the following form: "We will refund the purchase price to the purchaser if he is in any manner dissatisfied with the contents of this package."~~

~~(c) Shows a person who appears to be under twenty-one years of age consuming alcohol;~~

WAC 314-52-015 (cont)

- (8) Any statement, picture, or illustration implying that the consumption of liquor enhances athletic prowess, or any statement, picture, or illustration referring to any known athlete, if such statement, picture, or illustration implies, or if the reader may reasonably infer, that the use of liquor contributed to such known athlete's athletic achievements.
- (9) Any depiction of a child or other person under legal age to consume liquor; any depiction of objects, such as toys, suggestive of the presence of a child, nor any other depiction designed in any manner as to be especially appealing to children or other persons under legal age to consume liquor.
- (10) Any reference to any religious character, sign or symbol, except in relation to kosher wines or where such are a part of an approved label.
- (d) Uses the Washington state liquor control board's seal or refers to Washington state liquor control board, except where required by law;
- (e) Represents the use of liquor has curative or therapeutic effects, if such statement is untrue ((in any particular,)) or tends to create a misleading impression.
- ~~(6) Any statement, picture, or illustration implying that);~~
- (f) Implies the consumption of liquor enhances athletic prowess, ((or any statement, picture, or illustration referring refers to any known athlete, ((if such statement, picture, or illustration implies,)) or if the reader may reasonably infer, that the use of liquor contributed to ((such known athlete's)) any known athlete's athletic achievements.

~~(9) Any depiction of~~);

~~(g) Depicts a child or other person under ~~((legal age to consume liquor, any depiction of))~~ twenty-one years of age, or includes:~~

~~(i) Objects, such as toys or characters, ~~((suggestive of))~~ suggesting the presence of a child, nor any other depiction designed in any manner as to be especially appealing to children or other persons under legal age to consume liquor.~~

~~(10) Any reference to any religious character, sign or symbol, except in relation to kosher wines or where such are a part of an approved label;~~

~~(ii) Is designed in any manner that would be especially appealing to children or other persons under twenty-one years of age.~~

WAC 314-52-015 (cont)

- (h) Is targeted principally to minors by implying that the consumption of alcoholic beverages is fashionable or the accepted course of behavior for persons under 21 years of age;
- (i) Associates alcohol with social achievement; or
- (j) Uses subliminal or similar techniques. "Subliminal or similar section, refers to any device or technique that is used to convey, or attempts to convey, a message to a person by means of images or sounds of a very brief nature that cannot be perceived at a normal level of awareness.

(2) If advertising claims the alcohol product has a curative or therapeutic effect or enhances health or performance, the licensee must:

- (a) Cite on the label, the name of author, and date of the research or study supporting the claim; and
- (b) Provide a copy of this research or study to the board's licensing and regulation division.

WAC 314-52-020

WAC 314-52-020 Use of insignia or reference to liquor control board prohibited — Exception.

No liquor advertising shall use any insignia that may be in use by the Washington state liquor control board, nor shall any such advertising refer to the Washington state liquor control board, except where required by federal law.

This rule was repealed. The language was added in (1)(d).

WAC 314-52-030

WAC 314-52-030 Liquor advertising prohibited in school publications.

No liquor advertising shall be carried in any publication connected or affiliated with any elementary or secondary schools; nor shall any liquor advertising be connected with such schools when broadcast over radio or television: Provided, That institutional advertising, as defined in WAC 314-52-015, may be carried, if the board advertising coordinator interposes no objection.

WAC 314-52-030 Liquor advertising prohibited in school publications. No liquor advertising shall:

(1) Be carried in any publication connected or affiliated with any elementary or secondary schools; (~~nor shall any liquor advertising~~) or

(2) Be connected with such schools (~~when broadcast over radio or television: Provided, That institutional advertising, as defined in WAC 314-52-015, may be carried, if the board advertising coordinator interposes no objection~~) in any media.

WAC 314-52-040

WAC 314-52-040

Contests, competitive events, premiums and coupons.

Liquor advertisements may offer consumers premiums or prizes, upon completion of any coupon, contest, or competitive event, which may or may not require proof of purchase of the advertised product: Provided, however, That contests or sweepstakes that offer prizes or premiums to consumers through a game of chance or random drawing, shall not require proof of purchase, and must comply with the requirements of RCW 9.46.020(14) regarding lotteries: And provided further, That no liquor advertisements by manufacturers, importers, or distributors may offer any premium or prize redeemable through a Washington state liquor store or any retail liquor outlet licensed by the state of Washington.

WAC 314-52-040 Contests, competitive events, premiums and coupons. (1)

Liquor advertisements may offer consumers premiums or prizes, upon completion of any coupon, contest, or competitive event, which may or may not require proof of purchase of the advertised product~~((:))~~. Provided, ~~((however,))~~ that:

(a) No one under twenty-one years of age is allowed to participate, and no premiums, prizes, coupons, contests, or competitive events are targets to persons under twenty-one years of age.

(b) Contests or sweepstakes that offer prizes or premiums to consumers through a game of chance or random drawing, shall not require proof of purchase, and must comply with the requirements of RCW ~~((9.46.020(14)))~~ 9.46.0356 regarding ~~((lotteries: And provided further, That no))~~ gambling.

- (2) Liquor advertisements are prohibited by manufacturers, importers, or distributors ~~((may))~~ that:
- (a) Offer any premium or prize redeemable through a Washington state liquor store or any retail liquor outlet licensed by the state of Washington, such as "instant" or "in-store" redeemable offers;
 - (b) Offer an "instant rebate" on either liquor or nonliquor items; or
 - (c) Offer any premium redeemable through retail outlets prohibited by the advancement of "money or money's worth" from a nonretail licensee to a retail licensee in chapter 66.28 RCW.
- (3) Coupons and premiums offered by a retailer may advertise its own coupon offers, provided the "after rebate" price does not put the product below cost, and provided the coupon is at the retailer's free initiative and the retailer is covering the entire cost.

WAC 314-52-050

WAC 314-52-050

Sound truck advertising prohibited.

No liquor advertising shall be permitted
by use of sound trucks.

No changes.

WAC 314-52-070

WAC 314-52-070 Outdoor Advertising.

(1) "Outdoor advertising" by manufacturers, importers, distributors, and retail licensees for these purposes shall include all signs visible to the general public, whether permanent or temporary, advertising the sale and service of liquor (excluding point-of-sale brand signs, which are defined and governed as otherwise provided in WAC 314-52-113) as well as trade name and room name signs.

(2) Outdoor signs shall be designed, installed, and used in a manner not offensive to the public, and shall comply with all liquor advertising rules. These rules include, but are not limited to:

WAC 314-52-070 Outdoor advertising. (1) "Outdoor advertising"

by manufacturers, importers, distributors, and retail licensees for these purposes shall include all signs visible to the general public ~~((, whether permanent or temporary))~~ from the outside of the retail premises, advertising the sale and service of liquor ~~((excluding point of sale brand signs, which are defined and governed as otherwise provided in WAC 314-52-113) as well as)),~~ trade name and room name signs.

(2) The board limits each retail licensed premises to four signs referring to alcoholic beverages, brand names, or manufacturers that are visible from the outside of the retail licensed premises. The board also limits the size of a sign advertising alcohol, brand names, or manufacturers on a retail licensed premises to six hundred square inches.

WAC 314-52-070 (cont)

(a) WAC 314-52-015(1), which:

- (i) Prohibits any statement or illustration that is false or misleading in any material particular;
 - (ii) Prohibits any statement, picture or illustration which promotes overconsumption;
 - (iii) Prohibits any statement, picture, illustration, design, device, or representation which is undignified, obscene, indecent, or in bad taste.
- (b) WAC 314-52-110(1), which requires that every advertisement by a retail licensee shall carry the licensed trade name or the registered franchise name or the trademark name. The term "trade name" shall mean the "licensed trade name" as it appears on the issued license.

(3) Outdoor signs shall be designed, installed, and ~~((used in a manner not offensive to the public, and shall))~~ comply with all liquor advertising rules. These rules include, but are not limited to:

- (a) WAC 314-52-015~~((1))~~, which:
 - (i) Prohibits any statement or illustration that is false or misleading in any material particular;
 - (ii) Prohibits any statement, picture or illustration which promotes overconsumption;
 - (iii) Prohibits any statement, picture, illustration, design, device, or representation which is undignified, obscene, indecent, or in bad taste.) which contains institutional advertising prohibitions; and
- (b) WAC 314-52-110~~((1))~~, which requires that every advertisement by a retail licensee shall carry the licensed trade name or the registered franchise name or the trademark name. The term "trade name" shall mean the "licensed trade name" as it appears on the issued license.) which contains advertising requirements by a retail licensee.

WAC 314-52-070 (cont)

- (3) Prior board approval is not required before installation and use of outdoor signs/advertising; however, outdoor signs/advertising (excluding outdoor readerboard messages and/or interior signs visible through a window of a premises) not in compliance with board rules will be required to be altered or removed at the licensee's expense. If prior approval is desired, the licensee, applicant or their agent may submit three copies to the board advertising coordinator for approval.
- (4) No outdoor advertising of liquor shall be placed in proximity to schools, churches, or playfields used primarily by minors, where administrative body of said schools, churches, playfields, object to such placement, nor any place which the board in its discretion finds contrary to the public interest.

- ~~(((3)))~~ (4) Prior board approval is not required before installation and use of outdoor ~~((signs))~~ advertising; however, outdoor ~~((signs))~~ advertising ~~((excluding outdoor readerboard messages and/or interior signs visible through a window of a premises)))~~ not in compliance with board rules will be required to be altered or removed at the licensee's expense. If prior approval is desired, the licensee, applicant or their agent may submit ~~((three copies))~~ a copy to the board ~~((advertising coordinator))~~ for approval.
- ~~(((4)))~~ (5) No outdoor advertising of liquor shall be placed ~~((in proximity to))~~ within five hundred feet of schools, churches, (for playfields) public playgrounds, or athletic fields used primarily by minors, ((where administrative body of said schools, churches, playfields, object to such placement, nor)) or any place which the board in its discretion finds contrary to the public interest. "Tourist Oriented Designation Signs" are exempt from this requirement.

WAC 314052-080

WAC 314-52-080 Novelty advertising. (1) Novelty advertising items shall include, but shall not be limited to, trays, lighters, blotters, post cards, pencils, coasters, menu cards, meal checks, napkins, clocks, wearing apparel, mugs, glasses, knives, lamp shades, or similar items on which the logo, liquor brand name or name of a manufacturer of an alcoholic beverage has been imprinted.

(2) No liquor manufacturer, distributor, or importer, or employee thereof, shall provide without charge, directly or indirectly, any novelty advertising items to any retail licensee; nor shall any retail licensee, or employee thereof, accept without charge any liquor novelty advertising items directly or indirectly, from any manufacturer, distributor, or importer, or employee thereof.

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 is per licensed location. Such items include, but are not limited to: trays, lighters, blotters, post cards, pencils, coasters, menu cards, meal checks, napkins, clocks, mugs, glasses, bottles or can openers, corkscrews, matches, printed recipes, shirts, hats, visors, and other similar items. Branded promotional items:

- (a) must come directly from the industry member to the retailer;
- (b) must be used exclusively by the retailer or its employees in a manner consistent with its license;
- (c) must bear imprinted advertising matter of the industry member only;
- (d) may only be provided by industry members directly to retailers and their employees;
- (e) may not be provided by or through retailers or their employees to retail customers.

WAC 314-52-080 (cont)

(3) A manufacturer, distributor, or importer, or employee thereof, may sell, and a retail licensee may purchase, for use, resale, or distribution on the licensed premises any novelty advertising items. The price thereof shall be not less than the manufacturer's, importer's, or distributor'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 two years on premises available for immediate inspection by board enforcement officers.

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 any other person asserting the provision of branded promotional items has resulted in undue influence or an adverse impact on public health and safety, or is otherwise inconsistent with the criteria in (1) of this subsection, may file a complaint with the board.

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

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

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

WAC 314-52-080 (cont)

- (4) A manufacturer, importer, or distributor who sells novelty advertising items to retail licensees shall keep on file the originals or copies of all sales slips, invoices, and other memoranda covering all purchases of novelty advertising items from the supplier or manufacturer of such items and shall also keep on file a copy of all invoices, sales slips, or memoranda reflecting the sales to 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 manufacturer, importer, or distributor for a period of at least two 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.
- (3) 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 premises and available for immediate inspection by board enforcement officers.
- (4) An industry member who sells novelty advertising items to retail licensees shall keep on file the originals or copies of all sales slips, invoices, and other memoranda covering all purchases of novelty advertising items from the industry member of such items and shall also keep on file a copy of all invoices, sales slips, or memoranda reflecting the sales to 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.

WAC 314-52-085

WAC 314-52-085. Programs and program folders.

Programs and program folders, for the purpose of this section, shall mean brochures for use at sporting arenas which have, as a part of their operations, whether directly or indirectly, a retail licensed premises. No manufacturer, importer, distributor, or their agent, shall provide, without cost, directly or indirectly, programs or program folders for retail licensees: Provided, however, That sporting arenas as described above, or their agents may accept bona fide liquor advertising from manufacturers, importers, distributors or their agents, for publication in the program or program folder of the sporting arena: Provided further, That such advertising is paid for by said manufacturer, importer, distributor or their agent at the published advertising rate for all program or program folder advertisers, including nonliquor advertisers: And also provided, That such advertising shall carry with it no express or implied offer on the part of the manufacturer, importer, distributor or their agent, or promise on the part of the retail licensee whose operation is directly or indirectly part of the sporting arena, to stock or list any particular brand of liquor to the total or partial exclusion of any other brand.

WAC 314-52-085 Programs and program folders. Programs and program folders, for the purpose of this section, shall mean brochures for use at sporting arenas which have, as a part of their operations, whether directly or indirectly, a retail licensed premises. No manufacturer, importer, distributor, or their agent, shall provide, without cost, directly or indirectly, programs or program folders for retail licensees(~~:- Provided, however, That sporting arenas as described above, or their agents)-~~ unless the following conditions are met:

- (1) A sports entertainment facility may accept bona fide liquor advertising from manufacturers, importers, distributors or their agents, for publication in the program or program folder of the (~~sporting arena. Provided further, That such~~) sports entertainment facility; and
- (2) Advertising is paid for by said manufacturer, importer, distributor or their agent at the published advertising rate for all program or program folder advertisers, including nonliquor advertisers(~~:- And also provided, That such advertising shall carry with it no express or implied offer on the part of the manufacturer, importer, distributor or their agent, or promise on the part of the retail licensee whose operation is directly or indirectly part of the sporting arena, to stock or list any particular brand of liquor to the total or partial exclusion of any other brand~~)-

WAC 314-52-090

WAC 314-52-090. Advertising sponsored jointly by retailers and manufacturers, importers, or distributors, prohibited.

(1) The name of a retail licensee shall not appear in, or as a part of, or supplementary to, any advertising of a manufacturer, importer or distributor. The brand name of liquor may appear in or as a part of advertising by a retail licensee: Provided, That such advertising is upon the retail licensee's free initiative and no moneys or moneys' worth has been offered the retail licensee as an inducement to secure such mention by any manufacturer, importer, or distributor or their agent, or solicited by the retail licensee or his agent.

(2) RCW 66.28.010 shall also apply to joint advertising insofar as it is relevant.

WAC 314-52-090 Advertising sponsored jointly by retailers and manufacturers, importers, or distributors~~(, prohibited)~~.

(1) The name of a retail licensee shall not appear in, or as a part of, or supplementary to, any advertising of a manufacturer, importer or distributor~~(,)~~, except:

(a) To produce brochures and materials promoting tourism in Washington state;
(b) A manufacturer, importer, or distributor may list on their web sites information related to retailers who sell or promote their products.

(2) The brand name of liquor may appear in or as a part of advertising by a retail licensee: Provided, ~~(That)~~ such advertising is upon the retail licensee's free initiative and no moneys or moneys' worth has been offered ~~(the retail licensee)~~ or solicited as an inducement to secure such mention ~~(by)~~ of any manufacturer, importer, or ~~(distributor or their agent, or solicited by the retail licensee or his agent.~~
(2) RCW 66.28.010 shall also apply to joint advertising insofar as it is relevant) distributor's product.

(3) A professional sports team who holds a liquor license may accept liquor advertisements from manufacturers, importers, or distributors for use in sports entertainment facilities and may allow a manufacturer, importer, or distributor to use the name and trademark of the professional sports team in their advertising and promotions, if such advertising:

- (a) Is paid for by the manufacturer, importer, or distributor at reasonable fair market value; and
- (b) Carries no express or implied offer by the manufacturer, importer, or distributor on the part of the retail licensee to stock or list any particular brand of liquor to the total or partial exclusion of any other brand.

WAC 314-52-095 – New Section

No current rule.

WAC 314-52-095 Financial arrangements between sports entertainment facility licensees and liquor manufacturers, importers, and distributors. A sports entertainment facility licensee and affiliated business may enter into arrangements with a manufacturer, importer, or distributor for brand advertising or promotional events at the sports entertainment facility under the following conditions:

- (1) The facility has a capacity of five thousand or more;
- (2) Entities required by WAC 314-12-030 must be placed on the sports entertainment facility license due to financial interest, may receive advertising from liquor manufacturers, importers, or distributors;
- (3) The advertising agreement under the provisions of this section must be made by written agreement;

WAC 314-52-095 (cont)

- (4) The license must stock and offer for sale other competitive brands of liquor in addition to those of the advertising manufacturer, importer, or distributor;
- (5) The agreement may not contain credit of money's worth to be provided by the manufacturer, importer, or distributor;
- (6) There will be no exclusionary contracts between a sports entertainment facility licensee and manufacturer, importer, or distributor; and
- (7) The advertising manufacturer, importer, or distributor may not control or influence in any manner the sports entertainment facility licensee's liquor purchasing and sales operations.

WAC 314-52-110

WAC 314-52-110. Advertising by retail licensees.

(1) Every advertisement by a retail licensee shall carry the licensed trade name or the registered franchise name or the trademark name. The term "trade name" shall be defined as the "licensed trade name" as it appears on the license issued to the licensee: ~~Provided, However, That such~~ as tavern, cafe, grocery, market, food store, food center, delicatessen, wine shop, beer parlor and other similar words used to identify the type of business licensed, and numbers used to identify chain licensees of the same trade name, shall neither be required nor prohibited as part of the trade name in advertisements: ~~And provided further, That~~ advertisements by public spirit, beer and wine restaurant licensees may also refer to cocktails, bar, lounge and/or the "room name." The term "room name" shall be defined as the name of the room designated as the cocktail lounge and/or the dining room if both are in the same room.

WAC 314-52-110 Advertising by retail licensees. (1) Every advertisement by a retail licensee shall carry the licensed trade name or the registered franchise name or the trademark name. The term "trade name" shall be defined as the ~~("licensed-trade") name ("")~~ as it appears on the license issued to the licensee: ~~((Provided, however, That such))~~

~~(a) Words as tavern, cafe, grocery, market, (food store, food center, delicatessen,) wine shop, (beer parlor) and other similar words used to identify the type of business licensed, and numbers used to identify chain licensees ((of the same trade name)), shall neither be required nor prohibited as part of the trade name in advertisements ((And provided further, That));~~

~~(b) Advertisements by ((public)) a spirit, beer and wine restaurant licensee ((s)) may also ((refer)) be referred to as cocktails, bar, lounge and/or the "room name." The term "room name" shall be defined as the name of the room designated as the cocktail lounge and/or the dining room ((if both are in the same room)).~~

WAC 314-52-110 (cont)

(2) No retail licensee shall offer for sale any liquor for on premises consumption under advertising slogans such as "two for the price of one," "two for one drinks," "buy one--get one free," "two for \$ _____," "nor any similar phrase or slogan where the express or implied meaning is that a customer, in order to receive a reduced price, would be required to purchase more than one drink or quantity of liquor at one time.

~~(2) No retail licensee shall offer for sale any liquor for on premises consumption under advertising slogans where the expressed or implied meaning is that a customer, in order to receive a reduced price, would be required to purchase more than one drink at a time, such as "two for the price of one," ("two for one drinks,") "buy one--get one free," or "two for \$ _____" ("nor any similar phrase or slogan where the express or implied meaning is that a customer, in order to receive a reduced price, would be required to purchase more than one drink or quantity of liquor at one time)."~~

(3) Beer, wine, or spirituous liquor shall not be advertised, offered for sale, or sold by retail licensees at less than acquisition cost. The provisions of this section shall not apply to any sales made:

WAC 314-52-110 (cont)

- (a) For the purpose of discontinuing the trade of any product and in the case of the sale of seasonal goods;
 - (b) When the goods are damaged or deteriorated in quality, or to the bona fide sale of perishable goods to prevent loss to the vendor by spoilage or depreciation provided notice is given to the public;
 - (c) By an officer acting under the orders of any court;
 - (d) In an endeavor to meet the prices of a competitor selling the same article or product in the same locality or trade area and in the ordinary channels of trade.
- (4) Specialty shops, wineries, breweries, and craft distilleries acting as a retail licensee, providing free tastings to the public, are prohibited from using the term "free" in their advertising for such events.

WAC 314-52-113

WAC 314-52-113. Brand signs and point-of-sale displays on retail licensed premises.

Manufacturers, importers or distributors may furnish brand signs and point-of-sale material under the following conditions:

(1) The brand signs and point-of-sale material shall have no value to the retailer except as brand advertisement; such signs as those which provide illumination for cash registers, pool tables and other parts of the premises, have a functional value and are not authorized. The brand signs and point-of-sale material shall remain the property of, and be the responsibility of, the manufacturers, importers or distributors.

(2) The term "point-of-sale material" as used herein, shall include such manufacturer, importer or distributor-supplied items as display cards, placards, table tents, recipes, display bins, decalcomanias, price cards, shelf strips, product information pamphlets, bottle hangers, matches, scorecards, calendars, and other such brand advertising material for display at the point of sale.

WAC 314-52-113 Brand signs and point-of-sale displays on retail licensed

~~premises.~~ Manufacturers, importers or distributors may furnish brand signs and point-of-sale material to retailers under the following conditions:

(1) The brand signs and point-of-sale material shall have no value to the retailer except as brand advertisement; such signs as those which provide illumination for cash registers, pool tables and other parts of the premises, have a functional value and are not authorized. The brand signs and point-of-sale material shall remain the property of, and be the responsibility of, the manufacturers, importers or distributors.

(2) ~~(((The term "point-of-sale material" as used herein, shall include such manufacturer, importer or distributor-supplied items as display cards, placards, table tents, recipes, display bins, decalcomanias, price cards, shelf strips, product information pamphlets, bottle hangers, matches, scorecards, calendars, and other such brand advertising material for display at the point of sale.~~

WAC 314-52-113 (cont)

(3) Giant inflatables, such as inflated beer cans, bottles, animals, and banners may be provided as point-of-sale by manufacturers, importers, or distributors to retailers for display purposes on their property, provided the following conditions are met:

(a) All retail licensees are afforded equal opportunity to display item;

(b) Novelty items as defined in WAC 314-52-080 are not provided by manufacturers, importers, or distributors to customers in conjunction with the display;

(c) The display shall be removed if objected to by local officials, or if the board, in its discretion, finds it contrary to the public interest.

~~(3)) Giant inflatables, such as inflated beer cans, bottles, ((animals,)) and banners may be provided as point-of-sale ((by manufacturers, importers, or distributors)) to retailers for display purposes on their property, provided the following conditions are met:~~

~~(a) ((All retail licensees are afforded equal opportunity to display item;~~

~~(b)) Novelty items as defined in WAC 314-52-080 are not provided by manufacturers, importers, or distributors to customers in conjunction with the display;~~

~~(b) Inflatables are not appealing to children or persons under twenty-one years of age; and~~

~~(c) The display shall be removed if objected to by local officials, or if the board ((in its discretion,)) finds it contrary to the public interest.~~

WAC 314-52-113 (cont)

- (4) Animal mascots and costumed individuals representing beer, wine, or liquor manufacturers may be provided as point-of-sale by manufacturers, importers, or distributors to retailers for display and promotion purposes on their property, provided the following conditions are met:
- (a) The costumed individual is limited to the manufacturer, importer, distributor, or employee thereof and the costumed individual's activities on-premises are limited to socializing with customers and not conducting any activity that the retail licensee would otherwise have to assign employees to;
- (b) All retail licensees are afforded equal opportunity for such displays;

- ~~((4) Animal mascots and)) (3) Costumed individuals representing beer, wine, or liquor manufacturers may be provided as point-of-sale ((by manufacturers, importers, or distributors)) to retailers for display and ~~promotion purposes on their property,~~ provided the following conditions are met:~~
- (a) The costumed individual is limited to the manufacturer, importer, distributor, or employee thereof and the costumed individual's activities on-premises are limited to socializing with customers and not conducting any activity that the retail licensee would otherwise have to assign employees to;
- (b) ((All retail licensees are afforded equal opportunity for such displays;
- (c))) Novelty items as defined in WAC 314-52-080 and including the purchase of drinks, are not to be provided to customers by the costumed individual in conjunction with such displays;

WAC 314-52-113 (cont)

(c) Novelty items as defined in WAC 314-52-080 and including the purchase of drinks, are not to be provided to customers by the costumed individual in conjunction with such displays;

(d) The costumed individual must comply with the regulations regarding lewd and obscene conduct (WAC 314-16-125);

(e) If the board finds it contrary to the public interest, it may prohibit the use of the above-mentioned activities.

~~((d))~~ (c) The costumed individual must comply with the regulations regarding lewd and obscene conduct (WAC ~~((314-16-125))~~ 314-11-050);

(d) The costumed individual may not be appealing to children or persons under twenty-one years of age; and

~~(e) ((If the board finds it contrary to the public interest, it may prohibit the use of the above-mentioned activities.))~~
The board may prohibit the use of costumed individuals if the use is contrary to the public interest.

WAC 314-52-114

WAC 314-52-114. Advertising by retail

This section is repealed.

licenses, offering for sale, or
selling beer, wine or spirituous
liquor at less than cost —
Prohibited — Exceptions.

(1) Beer, wine, or spirituous liquor shall
not be advertised, offered for sale or
sold by retail licenses at less than
acquisition cost.

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

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

WAC 314-52-114 (cont)

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

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

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

Repealed

WAC 314-52-115

WAC 314-52-115. Advertising by clubs — Signs.

(1) Clubs shall not engage in any form of soliciting or advertising which may be construed as implying that the club operates a public spirit, beer and wine restaurant premises, a tavern open to the public, or that social functions at which club liquor may be consumed, are open to the public: Provided, however, Circularizing membership shall not be considered advertising, and where clubs provide lunch or dinner to the public, this may be advertised: Provided further, Such advertising must specify no liquor service is available.

WAC 314-52-115 Advertising by clubs-- Signs. (1) Clubs shall not engage in any

form of soliciting or advertising which may be construed as implying that the club operates a ~~((public spirit, beer and wine restaurant))~~ premises ~~((, a tavern))~~ open to the public, or that social functions at which club liquor may be consumed, are open to the public ~~((: Provided, however, Circularizing membership shall not be considered advertising, and where))~~. Clubs that provide lunch or dinner to the public ~~((, this))~~ may be advertised ~~((: Provided further, Such advertising))~~ but must specify no liquor service is available.

(2) Clubs and/or their auxiliary organizations may advertise social or other club events to their membership through the public media under the following conditions: ~~((Provided, Such))~~

~~((a))~~ Advertising ~~((is))~~ must be clearly directed to their membership only ~~((and))~~;

~~((b))~~ Advertising cannot be construed as implying that the general public is welcome to attend.

~~((3))~~ Advertising of the club functions by means of placards placed for public viewing shall be governed by the provisions of subsection (2) of this section. ~~((4))~~ and

WAC 314-52-115 (cont)

(2) Clubs and/or their auxiliary organizations may advertise social or other club events to their membership through the public media: Provided, Such advertising is clearly directed to their membership only and cannot be construed as implying that the general public is welcome to attend.

(3) Advertising of the club functions by means of placards placed for public viewing shall be governed by the provisions of subsection (2) of this section.

(c) Advertising club functions with placards placed for public viewing shall be governed by (a) and (b) of this subsection.

(3) Advertising may be directed to the public generally in connection with events of special public interest ~~((such as Flag Day, Memorial Day, Veterans Day of such other occasions,))~~ under provisions set forth in WAC 314-40-080(3).

~~((5))~~ (4) A private club may hold a public membership function as outlined in WAC 314-40-040(6). The function must be advertised as a membership drive.

(5) Clubs shall not advertise the events held with the nonclub event endorsement per RCW 66.24.425(3).

(6) Clubs desiring to have radio or television broadcasts originating from their licensed premises may do so ~~((:))~~ provided ~~((, That))~~;

WAC 314-52-115 (cont)

(4) Advertising may be directed to the public generally in connection with events of special public interest such as Flag Day, Memorial Day, Veterans Day or such other occasions, under provisions set forth in WAC 314-40-080(3).

(5) Clubs desiring to have radio or television broadcasts originating from their licensed premises may do so: Provided, That such broadcasts consist only of entertainment or other matter which is in the public interest and may not contain any announcement of opening or closing hours, any invitation to visit the club, or any statement which may be construed as advertising or any implication that the club is operated as a public place. The only reference to the club during such broadcasts shall be limited to a statement at the opening and closing of the program as originating from the club quarters.

____ (a) Such broadcasts consist only of entertainment or other matter which is in the public interest and may not contain: _____

(i) Any announcement of opening or closing hours((,));

(ii) Any invitation to visit the club((,));
or

(iii) Any statement which may be construed as advertising or any implication that the club is operated as a public place.

(b) The only reference to the club during such broadcasts shall be limited to a statement at the opening and closing of the program as originating from the club quarters.

WAC 314-52-120

No current rule.

WAC 314-52-120 Sponsorship of public and civic events.

Manufacturers, importers, and distributors may sponsor public and civic events under the following conditions:

- (1) Acknowledgement of the sponsor or brand is allowed in any media advertisement where the function recognizes the sponsors of the event;
- (2) Brand advertising is allowed only in areas at the event where alcohol sales and consumption are conducted; and
- (3) There may be no giveaways of promotional items of any kind at events held in public areas, including, but not limited to:
 - (a) Street fairs;
 - (b) Parks; and
 - (c) Government buildings



Next Steps

July 29, 2009

Request Board approval to file Proposed Rules - CR 102

September 16, 2009

Public Hearing

September 23, 2009

End of Public Comment Period

October 7, 2009

Request Board adopt rules.

November 8, 2009

Rules become effective.

