

**OFFICE OF THE
WASHINGTON STATE LIQUOR CONTROL BOARD
Board Meeting Minutes – May 6, 2009**

Board Chairman Lorraine Lee called the regular meeting of the Washington State Liquor Control Board to order at 10:02 a.m., on Wednesday, May 6, 2009 in the boardroom, 3000 Pacific Avenue SE, Olympia, Washington. Board Members Roger Hoen and Ruthann Kurose were present. This meeting was audio recorded.

Budget Directed Price Increase – Randy Simmons, Administrative Services Director, and Debi Besser, Purchasing Director

Randy Simmons presented the price increase memo to the Board. The budget bill requires distribution of an additional \$80 million dollars from the Liquor Revolving Fund. A request for board approval to increase the markup from 39.2% to 51.9% is proposed.

Roger Hoen asked Randy to clarify the period of time the price increase will be in effect. Randy clarified that the increase is for the 09 – 11 biennium and is currently proposed to begin on August 1, 2009 and end on June 30, 2011. Lorraine Lee added that this is a price mark-up and is not a tax increase.

Lorraine Lee asked Debi Besser how many products the increase will affect. Debi estimated price modifications on 400 – 600 products and that her staff would need one month to complete the changes. Debi noted that suppliers may also need time to make necessary adjustments to prices.

Michael Transue with the Washington Restaurant Association addressed the Board. Michael referred the Board to a House of Representatives discussion on the budget bill that included a colloquy. The colloquy indicated that any Liquor Control Board (LCB) price increase actions would not affect liquor licensees. The price increase would only include consumers. Michael asked the Board to consider only approving a price increase to consumers and wait for specifics from the legislature on retail licensees.

Lorraine Lee asked Randy Simmons what the impact would be on the consumer if the proposed price increase did not include retail licensees. Randy stated that the price would be higher for the consumer if retail licensees were not included in the proposed increase. Ruthann Kurose expressed her concern that we be cognizant about placing an unfair burden on consumers as well in any further consideration. The Board asked Rick Garza for clarification on the colloquy. Rick clarified that the increase is on the “retail price”, in addition, no direction was given from the Senate to exclude retail licensees in the price increase.

Michael Transue stated that the WRA is currently working with leaders in the Senate to gain a support letter. Lorraine Lee asked Michael to provide the Board with a copy of the support letter upon receiving it.

Roger Hoen recommended moving forward to approve the price increase effective August 1, 2009. Lorraine Lee stated the importance of making a decision now to allow staff and suppliers ample time to prepare. Roger Hoen moved that the Board approve the budget directed price increase, Lorraine Lee seconded the motion, the motion was approved unanimously. *See attached May 6, 2009 memo “Budget Directed Price Increase”.*

Potential One-Time-Only Washington Wine Month Listings – Jamie Storm, Purchasing

Jamie made recommendations as explained in the May 6, 2009 memo. 123 items were selected by the Washington Wine Month Committee to offer as One-Time-Only listings for Washington Wine Month

2009. The product selection represents 55 wineries in Washington. The Board members unanimously approved the recommendation. *(See attachment)*

Board Approval to file CR 102 – Liquor Samples - Karen McCall, Rules Coordinator

As part of the LCB’s on-going rules review process, rules regarding liquor samples have been reviewed for relevance, clarity, and accuracy. Rules regarding Liquor Samples do not represent the LCB’s current practice in it’s entirety, and need to be expanded to provide more detail about the process and to plain talk the language used. The Board members unanimously approved the filing notice of proposed rulemaking (CR 102) for rules review of Chapter 314-64 WAC – Liquor Samples. *(See attachment)*

Board Approval to file a pre-proposal statement of inquiry (CR 101) for rules review of WAC 314-29-015 through WAC 314-29-035 – Karen McCall, Rules Coordinator

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.

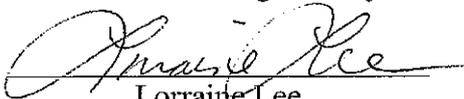
Retail Annual Awards – John Redal, Retail Services Director

John recognized the following 2009 winners:

- Store of the Year – Store 21, Ellensburg
- District Manager of the Year – Jonathan Harkness
- Contract Store Manager of the Year – Jerry McAlpine, Allyn
- Clerk of the Year – Dawn Moon, Store 189, Puyallup
- Assistant Manager of the Year – Susan Dahl, Store 90, Port Orchard
- Store Manager of the Year – Traci Johnston, Store 65, Spokane
- Employee of the Year – Liz Jacks, Store 162, Belfair

John thanked the Retail Recognition Committee. Lorraine Lee thanked all persons involved in the process and congratulated all nominees and committee members.

The Board Meeting was adjourned at 11:15 AM.



Lorraine Lee
Board Chairman

Roger Hoen
Board Member



Ruthann Kurose
Board Member

**Revised
AGENDA
BOARD MEETING
WA STATE LIQUOR CONTROL BOARD
Wednesday, May 6, 2009
3000 Pacific Avenue SE
Olympia, WA 98504**

10:00 a.m.

- 1. Budget Directed Price Increase.....Randy Simmons, Debi Besser**

- 2. Potential One-Time-Only Washington Wine Month
Listings.....Jamie Storm**

- 3. Board Approval to File CR 102 – Liquor Samples.....Karen McCall**

- 4. Board Approval to File CR 101 – Penalty GuidelinesKaren McCall**

- 5. Retail Annual Awards.....John Redal**

- 6. Approval of MinutesBoard Members**

- 7. Old Business.....Board Members**

- 8. New Business.....Board Members**

Recess/Adjourn





Washington State Liquor Control Board

May 6, 2009

To: Lorraine Lee, Board Chairman
Roger Hoen, Board Member
Ruthann Kurose, Board Member

From: Randy Simmons, Administrative Services Director
Debi Besser, Purchasing Director

RE: Budget Directed Price Increase

Whereas, ESHB1244 requires distribution of an additional \$80 million dollars from the Liquor Revolving Fund to include a transfer of \$2 million to the State General Fund from licensee fee increases, a transfer of \$60 million to the State General Fund and additional liquor profit distributions of \$18,677,000 to local governments we are requesting approval of an increase of the markup from 39.2% to 51.9 % effective August 1, 2009. This increased is based on results from our forecast model and would produce the increased revenue to cover both the directive of the budget bill and an increase needed to fund additional operating expenses as requested by the agency. As noted in the budget bill, "neither the transfer of funds nor the additional distribution of liquor profits to local governments during the 2009-2011 fiscal biennium may reduce the excess fund distributions that otherwise would occur under RCW 66.08.190."

Proposed Markup % Increase

Based on the need to address agency requests and transfers from the Liquor Revolving Account as directed by the budget bill for 2009-2011 the markup would need to move from the current 39.2% to 51.9%.

Each month of delay adds almost an additional 1% to the markup to achieve the results needed. If the delay was to extend into the holiday season, the increase needed to offset these liter sales would be significantly greater than this amount.

Process and Timeline

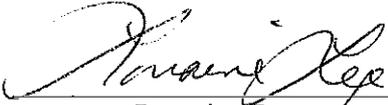
Between May 7 and June 5, 2009, it will be necessary to notify our suppliers of the change and request updated pricing quotes. Our suppliers are aware of the impact that retail pricing has on consumer behavior. Because of this business dynamic, it is recommend we allow our stakeholders four weeks to recalculate and submit to us their adjusted quotes. In addition, our Information Technology Services division will need to make changes within the iSeries to the mark-up formula.

Processing the anticipated volume of 400-600 pricing quotes would occur between June 8 and July 2, 2009. This process will be a significant demand on limited resources and will potentially take four weeks to complete.

Printing of Price Books and store shelf tickets would occur between July 6 and August 1, 2009. This final stage requires that pricing be finalized for the upcoming month by the 5th of the prior month.

August 1, 2009 would be the effective date of the prices with the proposed markup increase.

Based on the information presented, we recommend Board approval.

<input checked="" type="checkbox"/>	Approve	<input type="checkbox"/>	Disapprove	 _____ Lorraine Lee Board Chairman	Date	<u>5-6-09</u>
<input checked="" type="checkbox"/>	Approve	<input type="checkbox"/>	Disapprove	 _____ Roger Hoeh Board Member		
<input type="checkbox"/>	Approve	<input type="checkbox"/>	Disapprove	_____ Ruthann Kurose Board Member		

**WASHINGTON STATE LIQUOR CONTROL BOARD
INTEROFFICE CORRESPONDENCE**

Date: May 6, 2009

To: Chairman Lorraine Lee
Board Member Roger Hoen
Board Member Ruthann Kurose

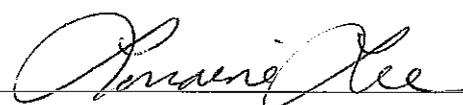
From: Steve Burnell, Marketing Manager

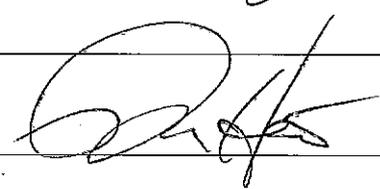
Subject: POTENTIAL ONE-TIME-ONLY WASHINGTON WINE MONTH LISTINGS

The 123 items on the attached list were selected by the Washington Wine Month Committee to offer as One-Time-Only listings for Washington Wine Month 2009. This product selection represents 55 wineries in Washington. Stores will be surveyed to determine the case quantities to order.

I recommend the Board approve these One-Time-Only listings.

FOR BOARD CONCURRENCE: 5-6-09
DATE





ma
attachment
cc: Pat Kohler
Pat McLaughlin
John Redal
Debi Besser
Randy Simmons
Meagan Renick
Kelly Higbee
Jeffrey James
Cindy Doughty
Robin Hall
Kim Ward
Casey Walker
Lacinda Thomas
Frances Munez-Carter
Gary Hacker

WASHINGTON WINE MONTH SILVER ANNIVERSARY....



"25 YEAR CRUSH ON WASHINGTON WINES"

Varietal / Wine	Vntg	Size	Retail Price
CHARDONNAY			
Pine and Post Chard	2006	750 ml	\$4.99
Rainier Ridge Chard	2006	750 ml	\$4.99
Pavin & Riley Chardonnay	2006	750 ml	\$6.99
Magnificent Wine Co White Table Wine (Chardonnay)	2006	750 ml	\$7.99
Revelry Chardonnay	2007	750 ml	\$8.89
Apex II Chardonnay	2007	750 ml	\$9.99
Terra Blanca Chardonnay Red Mtn	2005	750 ml	\$9.99
Airfield Estates Chardonnay	2008	750 ml	\$11.39
Dusted Valley Boom Town Chardonnay	2007	750 ml	\$12.29
Charles Smith Wines "Eve" Chardonnay	2007	750 ml	\$12.59
Mercer Estates Chardonnay	2007	750 ml	\$13.99
"O" Chardonnay	2007	750 ml	\$13.99
SEMILLON			
L'Ecole No 41 Semillon	2007	750 ml	\$16.29
PINOT GRIS			
Willow Crest Pinot Gris	2007	750 ml	\$7.99
Goose Ridge Pinot Gris	2007	750 ml	\$8.99
Barnard Griffin Pinot Gris	2008	750 ml	\$9.99
Mercer Estates Pinot Gris	2008	750 ml	\$10.99
Airfield Estates Pinot Gris	2008	750 ml	\$14.99
GEWURZTRAMINER			
Okanogan Estate Gewurzt	2007	750 ml	\$9.99
RIESLING			
Avery Lane Riesling	2006	750 ml	\$4.99
Pine & Post Riesling	NV	750 ml	\$4.99
Latah Creek Riesling	2007	750 ml	\$6.49
Willow Crest Riesling	2007	750 ml	\$6.99
Barnard Griffin White Riesling	2008	750 ml	\$7.99
Kiona Riesling	2007/08	750 ml	\$8.99
Hudson Shah Riesling	2006	750 ml	\$9.99
Mercer Estate Riesling	2007	750 ml	\$10.99
Charles Smith Wines "Kung Fu Girl" Riesling	2008	750 ml	\$12.59
Whitman Riesling	2008	750 ml	\$13.99
Olsen Hills Riesling	2007	750 ml	\$16.19
SAUVIGNON BLANC			
Washington Hills Sauv Blanc	2007	750 ml	\$4.99
Randall Harris Sauvignon Blanc	2008	750 ml	\$6.95
Terra Blanca Sauvignon Blanc Yak Val	2007	750 ml	\$9.99
Vin du Lac "Savy Blanc" Sauvignon Blanc	2008	750 ml	\$11.59
VIOGNIER			
Vin du Lac "Vie" Viognier	2008	750 ml	\$15.69
OTHER WHITES/BLENDS			
Latah Creek Maywine	NV	750 ml	\$6.49

Board Memo

Latah Creek Muscat Canelli	2007	750 ml	\$7.69
Maryhill Winemakers White Blend	2007	750 ml	\$9.99
Waterbrook Melange Blanc	2007	750 ml	\$11.99
Thurston Wolfe PGV White Blend	2007	750 ml	\$12.69
Airfield Estates Thunderbolt (Sauv Blanc/Semillon Blend)	2008	750 ml	\$13.39
Sky River Raspberry Honey Mead	NV	750 ml	\$12.99
ROSE			
Maryhill Rose' of Sangiovese	2007	750 ml	\$9.99
Sagelands Dry Rose'	2008	750 ml	\$9.99
CABERNET SAUVIGNON			
Pine & Post Cabernet Sauv	2006	750 ml	\$4.99
Rainier Ridge Cabernet Sauv	2005	750 ml	\$4.99
Pavin & Riley Cabernet Sauv	2005	750 ml	\$6.99
Magnificent Wine Co "Steak House" Cabernet Sauv	2007	750 ml	\$9.99
Apex II Cabernet Sauv	2006	750 ml	\$11.99
Terra Blanca Cabernet Sauv, Red Mtn	2003	750 ml	\$11.99
Dusted Valley "Boom Town" Cabernet Sauv, Columbia Val	2006	750 ml	\$15.29
Skylite Cellars Cabernet Sauv Walla Walla Val	2005	750 ml	\$28.69
J Bookwalter Foreshadow Cabernet Sauv, Columbia Val	2006	750 ml	\$29.99
Kiona Cabernet Sauv Red Mtn	2003	750 ml	\$29.99
Hightower Cabernet Sauv	2005	750 ml	\$32.99
L'Ecole No 41 Cabernet Sauv	2006	750 ml	\$33.29
MERLOT			
Avery Lane Merlot	2004	750 ml	\$4.99
Pine & Post Merlot	2006	750 ml	\$4.99
Rainier Ridge Merlot	2006	750 ml	\$4.99
Pavin & Riley Merlot	2005	750 ml	\$6.99
Magnificent Wine Co Red Table Wine (Merlot)	2006	750 ml	\$7.99
Revelry Merlot	2007	750 ml	\$8.89
Badger Mtn NSA Organic Merlot	2007	750 ml	\$9.99
Bridgman Merlot	2006	750 ml	\$9.99
Terra Blanca Merlot, Red Mtn	2003	750 ml	\$11.99
Charles Smith Wines "The Velvet Devil" Merlot	2007	750 ml	\$12.59
Kennedy Shah Merlot	2007	750 ml	\$12.99
Kiona Merlot, Columbia Vly	2005	750 ml	\$14.99
Barnard Griffin Reserve Merlot	2006	750 ml	\$18.99
Mannina Merlot, Walla Walla Val	2006	750 ml	\$21.99
J Bookwalter Foreshadow Merlot, Columbia Val	2006	750 ml	\$29.99
L'Ecole No 41 Merlot	2006	750 ml	\$30.29
PINOT NOIR			
Magnificent Wine Co "The Originals" Pinot Noir	2006	750 ml	\$14.99
Okanogan Estate Pinot Noir	2004	750 ml	\$12.99
CABERNET FRANC			
DiStefano Sogno Cabernet Franc, Col Val	2004	750 ml	\$14.69
ZINFANDEL			
Red Diamond Zinfandel	NV	750 ml	\$6.99
Barnard Griffin Zinfandel	2006	750 ml	\$18.99
Kiona Zinfandel, Red Mtn	2006	750 ml	\$14.99
SYRAH			
Randall Harris Syrah	2007	750 ml	\$6.95
Columbia Crest 2 Vines Shiraz	2004	1.5 L	\$9.99
Willow Crest Syrah	2006	750 ml	\$9.99

Board Memo

Apex II Syrah	2006	750 ml	\$11.99
Terra Blanca Syrah Red Mtn	2003	750 ml	\$11.99
Okanogan Estate Syrah	2005	750 ml	\$12.99
Kiona Syrah Red Mtn	2003	750 ml	\$14.99
Olsen Hills Syrah	2006	750 ml	\$21.29
DeLille Cellars Doyenne Syrah	2006	750 ml	\$34.99
SANGIOVESE			
Latah Creek Sangiovese	2007	750 ml	\$7.69
Snoqualmie Sangiovese	2002	750 ml	\$6.99
Cougar Creek Sangiovese	2007	500 ml/12	\$14.85
Kiona Sangiovese Red Mtn	2003	750 ml	\$14.99
Mannina Cellars Sangiovese Walla Walla Val	2007	750 ml	\$22.99
RED BLEND			
Arbor Crest Cliff House Red	NV	750 ml	\$9.99
Thurston Wolfe Dr Wolfe's Family Red	2007	750 ml	\$12.99
J Bookwalter Subplot #22 Col Valley Red	NV	750 ml	\$14.99
Washington Wine Co. Volterra Red Blend	2006	750 ml	\$19.69
Fidelitas M100 Red Wine, Col Val	2007	750 ml	\$20.19
Va Piano Vyds Bruno's Blend IV Red Wine, Col Val	NV	750 ml	\$23.29
Yellow Hawk Solstice Red Wine	2005	750 ml	\$23.79
PORT			
Knipprath Cellars "Au Chocolat" Choco Port	NV	375 ml/12	\$15.99
Thurston Wolfe JTW Port	2006	750 ml/12	\$15.69
LATE HARVEST			
Claar Late Harvest Est Riesling	2007	750 ml	\$15.29
Kiona Late Harvest Riesling	2008	750 ml	\$11.99
Okanogan Estate Late Harvest Sauv Blanc	2007	375 ml/12	\$10.99
Terra Blanca Late Harvest Riesling Yak Val	2005	750 ml	\$9.99
ICE WINE			
Horizon's Edge "Brittney's Butterfly" Ice Wine (Chard)	2008	375 ml/12	\$14.99
Kiona Ice Wine Chenin	2008	375 ml/12	\$19.99
FRUIT WINE			
Cougar Creek Blackberry Wine	NV	500 ml/12	\$9.79
Cougar Creek Blueberry Wine	NV	500 ml/12	\$9.79
Huck Huckleberry Wine	NV	750 ml	\$6.99
Huck Blackberry Wine	NV	750 ml	\$6.99
Latah Creek Huckleberry d'Latah	NV	750 ml	\$6.99
Pasek Cellars Blackerry Wine	NV	750 ml	\$9.99
Pasek Cellars Cranberry Wine	NV	750 ml	\$9.99
Pasek Cellars Pineapple Wine	NV	750 ml	\$9.99
Pasek Cellars Raspberry Wine	NV	750 ml	\$9.99
Sweet Pea Apple Blackberry	NV	750 ml	\$4.99
Sweet Pea Apple Peach	NV	750 ml	\$4.99
Sweet Pea Apple Strawberry	NV	750 ml	\$4.99
Wind Fall Asian Pear Wine	NV	750 ml	\$10.99
CIDER			
Spire Mtn Apple Draft Cider (22 oz.)	2009	650 ml/12	\$3.19
Spire Mtn Pear Draft Cider (22 oz.)	2009	650 ml/12	\$3.19
123 TOTAL WINES			



**Washington State
Liquor Control Board**

Date: May 6, 2009

To: Lorraine Lee, Board Chairman
Roger Hoen, Board Member
Ruthann Kurose, Board Member

From: Karen McCall, Agency Rules Coordinator

Copy: Pat Kohler, Administrative Director
Rick Garza, Deputy Administrator
Pat McLaughlin, Director of Business Enterprises
Debi Besser, Director of Purchasing

Subject: Approval for filing notice of proposed rulemaking (CR 102) for rules review of Chapter 314-64 WAC – Liquor Samples

At the Board meeting on May 6, 2009, the rules coordinator requests that the Liquor Control Board approve the filing of notice of proposed rule making (CR 102) regarding rules review of Chapter 314-64 WAC. An issue paper on the proposed rule changes is attached.

Process

The Rules Coordinator requests approval to file the preproposal statement of inquiry (CR 102) for the rule making described above. An issue paper on this rules review was presented at the Board meeting on May 6, 2009, and is attached to this order.

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

May 6, 2009	Board is asked to approve filing the proposed rule making (CR 102 filing)
May 20, 2009	Code Reviser publishes notice, LCB sends notice to rules distribution list
June 10, 2009	Public hearing held
June 15, 2009	End of written comment period
June 17, 2009	Board is asked to adopt rules
June 19, 2009	Agency sends notice to those who commented both at the public hearing and in writing.
June 19, 2009	Agency files adopted rules with the Code Reviser
July 20, 2009	Rules are effective (31 days after filing)

Approve Disapprove  5-6-09
Lorraine Lee, Chairman Date

Approve Disapprove  5/6/09
Roger Hoen, Board Member Date

Approve Disapprove _____ _____
Ruthann Kurose, Board Member Date

Attachment: Issue Paper

Issue Paper

Rule Making on Liquor Samples

Date: May 6, 2009

Presented by: Karen McCall, Agency Rules Coordinator

Description of the Issue

The purpose of this Issue Paper is to request approval from the Board to file proposed rules (CR 102) on rules regarding **Liquor Samples (Chapter 314-64 WAC)**.

Why is rule making necessary?

As part of the Liquor Control Board's on-going rules review process, rules regarding liquor samples have been reviewed for relevance, clarity, and accuracy. Rules regarding Liquor Samples do not represent the Liquor Control Board's current practice in its entirety, and need to be expanded to provide more detail about the process and to plain talk the language used.

What changes are being proposed?

No changes. WAC 314-64-010 – Purpose.

Amendatory Section WAC 314-64-020 – Definitions.

Defines "samples" submitted to the board.

Amendatory Section WAC 314-64-040 - Procedures for board samples.

Describes the procedures for submitting samples to the board for the purpose of negotiating the sale of liquor to the board.

Amendatory Section 314-64-050 – Accounting for board samples.

Explains how samples submitted to the board shall be accounted for.

No changes. WAC 314-64-070 – Definition for samples furnished to licensees.

No changes. WAC 314-64-080 – Procedures for furnishing samples of beer and wine to licensees for the purpose of negotiating a sale.

Amendatory Section WAC 314-64-08001 – Procedure for providing spirit samples to authorized retailers for the purpose of negotiating a sale.

Added craft distiller to this rule.

No changes. WAC 314-64-090 – Accounting.

Attachment: Issue Paper
WAC 314-64

AMENDATORY SECTION (Amending Order 40, filed 8/21/75)

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

~~((1) Beer and/or containers submitted to the board for chemical analysis of the beer, as required by WAC 314-20-020 (2)(b).~~

~~(2) Wine and/or containers submitted to the board for chemical analysis of the wine, as required by WAC 314-24-040 (1)(b).~~

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

AMENDATORY SECTION (Amending Order 200, Resolution No. 209, filed 10/21/86)

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

(1) Quantity. Samples shall not exceed in quantity that authorized by the ~~((U.S. Bureau of Alcohol, Tobacco and Firearms))~~ Tobacco Tax and Trade Bureau.

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

(3) Shipping instructions: Suppliers shall deliver or ship samples prepaid to the Washington State Liquor Control Board, Attention ~~((Liquor Purchasing Agent))~~ Director of Purchasing, ~~((1025 East Union Avenue))~~ 3000 Pacific Ave. S.E., Olympia, Washington 98504.

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

(5) Use and disposition of samples. Samples furnished for the purpose of negotiating the sale of liquor to the board shall be examined and tested by members of the board, or their designees, and/or the ~~((liquor purchasing agent))~~ director of purchasing, or ~~((his))~~ their designee, for appearance, aroma and taste, and to determine their probable customer acceptability. ~~((After such examination and testing, any remaining portion of said samples shall be disposed of by members of the board, or their designees who examined and tested said samples, or by the purchasing agent, or his designee who examined and tested said samples.))~~

(6) Reports. Members of the board, or their designees, and/or

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

(7) Excess. Samples received in excess of the quantity authorized in (~~(WAC 314-64-040)~~) this section for the purpose of negotiating the sale of liquor to the board will be held by the (~~(liquor board purchasing agent)~~) director of purchasing until the supplier has been notified of the overshipment and given fifteen days in which to respond as to whether he wants the excess returned to him at his expense. Failure of the supplier to respond within the time limitation, or notification from the supplier that he does not want the excess returned to him, will result in the excess item or items being destroyed by a liquor control board auditor in the presence of the (~~(liquor purchasing agent)~~) director of purchasing, or (~~(his)~~) their designee, after which a destruction notice will be prepared by the auditor and be certified by the (~~(liquor board purchasing agent)~~) director of purchasing or (~~(his)~~) their designee who witnessed the destruction. Copies of such destruct notices shall be (~~(distributed to members of the board, the liquor purchasing agent, and the liquor control board controller)~~) kept in the purchasing division of the liquor control board.

(8) Containers. Containers submitted without alcohol to the board for the purpose of negotiating the sale of liquor shall, after examination by the board and/or the (~~(liquor purchasing agent)~~) director of purchasing, be disposed of as follows:

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

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

~~((c) Containers whose anticipated revenue to be derived from their sale as surplus property is deemed not to exceed the anticipated costs attributable to the sale shall be disposed of by members of the board, or their designees who examined and tested said samples, or by the liquor purchasing agent, or his designee~~

~~who examined and tested said samples.))~~

AMENDATORY SECTION (Amending WSR 91-19-070, filed 9/16/91, effective 10/17/91)

WAC 314-64-050 Accounting for board samples. Samples as defined in WAC 314-64-020 shall be accounted for as follows:

~~((1) Malt liquor, wine or spirits submitted to the board for the purpose of negotiating the sale of liquor to the board.~~

~~((a)) (1) Upon receipt of the samples by the ((liquor purchasing agent)) director of purchasing in Olympia, the ((liquor purchasing agent)) director of purchasing, or his designee, shall ((prepare a multiple copy receiving and disposition report)) record the receipt for said samples ((, clearly identifying them as "samples for the purpose of negotiating the sale of liquor to the board."~~

~~((b)).~~

~~((2) If more than the amount authorized in WAC 314-64-040 is received, the ((liquor purchasing agent)) director of purchasing, or ((his)) their designee, ((shall prepare a separate receiving report for the)) will record them as excess samples and dispose of them as provided in WAC 314-64-040(7).~~

~~((c)) (3) The ((liquor purchasing agent)) director of purchasing, or ((his)) their designee, shall sign the ((multiple copy receiving and disposition report in the applicable section,)) record of receipt indicating ((his)) receipt of the samples.~~

~~((d)) (4) The ((liquor purchasing agent)) director of purchasing, or ((his)) their designee, shall ((distribute)) retain the signed ((multiple copies of the receiving and disposition reports as follows: The original to be retained by the liquor purchasing agent, one copy to each member of the board, and one copy to the liquor control board controller)) record of receipt.~~

~~((e)) (5) The ((purchasing agent)) director of purchasing, or ((his)) their designee, shall provide ((an analysis report form, as required in WAC 314-64-040(6)) a sample survey for each sample. ((The receiving and disposition reports and analysis report forms shall be numbered consecutively, and shall correspond one with the other.~~

~~((f)) (6) The ((liquor purchasing agent)) director of purchasing shall deliver a copy of the ((receiving and disposition report and the analysis report forms)) sample survey with the samples, to members of the board, or their designees, and/or to the ((liquor purchasing agent)) director of purchasing, or ((his)) their designee, for examination, testing and reporting as provided in WAC 314-64-040 (4) ((7)) and (5) ((and (6))).~~

~~((g)) (7) Members of the board, or their designees, and/or the ((liquor purchasing agent)) director of purchasing, or ((his)) their designee, shall sign the ((receiving and disposition report))~~

copy of the record of receipt in the applicable section, indicating receipt of the samples.

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

~~(i)) (8) Members of the board, or their designees, and/or the ((liquor purchasing agent)) director of purchasing, or ((his)) their designee, shall examine, test and report on the sample, as provided in WAC 314-64-040 ((4), (5), and (6),)) complete the ((analysis report form,)) sample survey, sign, and ((distribute the form as follows: The original)) return to the ((liquor purchasing agent, one copy to the liquor control board controller, and one copy to be retained by the member of the board, or his designee, and/or the liquor purchasing agent, or his designee who examined and tested the sample.~~

~~(j)) director of purchasing, or their designee.~~

(9) The ((liquor control board controller)) purchasing division shall maintain the official copies of the ((receiving and disposition reports)) records of receipt, together with the ((matching analysis report forms)) sample surveys, and, where applicable, the destruction notices.

AMENDATORY SECTION (Amending WSR 94-14-022, filed 6/27/94, effective 7/28/94)

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

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

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

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

If a particular product is not available in a size within the quantity limitations of this section, a brewer, winery, importer or wholesaler may furnish the next largest size.

(c) Out-of-state brewers and wineries who hold a certificate of approval to ship their products into this state who provide samples to retailers as outlined in (b) of this subsection shall be responsible for reporting monthly to the board any shipments of samples to retailers in Washington state and shall also be responsible for paying the taxes due on such beer and wine samples provided to retailers as provided for in WAC 314-20-010 and 314-24-110 as if they were a domestic brewer or a domestic winery.

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

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

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

(iii) A licensed importer or licensed wholesaler may furnish samples to authorized licensees on the licensed premises of the importer or wholesaler.

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

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

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

AMENDATORY SECTION (Amending WSR 98-08-041, filed 3/25/98, effective 4/25/98)

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

1. Samples are limited to 1.7 ounces (50 ml) and no more than

one sample of each product may be provided to any one licensed business.

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

3. Only products not previously purchased or existing products with a change in alcohol proof or formula may be sampled.

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



**Washington State
Liquor Control Board**

Date: May 6, 2009

To: Lorraine Lee, Board Chairman
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, Enforcement and Education Director

Subject: **Approval for filing a pre-proposal statement of inquiry (CR 101) 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.

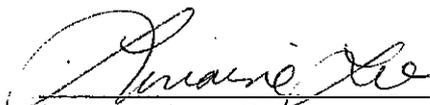
Process

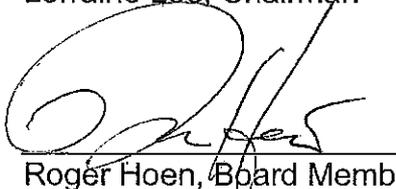
The Rules Coordinator requests approval to file the pre-proposal statement of inquiry (CR 101) for the rule making described above. An issue paper on this rules review was presented at the Board meeting on May 6, 2009, and is attached to this order.

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

May 6, 2009	Board is asked to approve filing the pre-proposal statement of inquiry (CR 101)
May 20, 2009	Code Reviser publishes notice, LCB sends notice to rules distribution list
May 27, 2009	End of written comment period
June 17, 2009	Board is asked to approve filing the proposed rules (CR 102 filing). Proposed rules sent to rules distribution list.
July 1, 2009	Code Reviser publishes notice
July 22, 2009	Public hearing held
July 29, 2009	End of written comment period
August 5, 2009	Board is asked to adopt rules
August 6, 2009	Agency sends notice to those who commented both at

	the public hearing and in writing.
August 6, 2009	Agency files adopted rules with the Code Reviser (CR 103)
September 6, 2009	Rules are effective (31 days after filing)

Approve Disapprove  5-6-09
Lorraine Lee, Chairman Date

Approve Disapprove  5/6/09
Roger Hoen, Board Member Date

Approve Disapprove _____ _____
Ruthann Kurose, Board Member Date

Attachment: Issue Paper

6/11

Washington State Liquor Control Board

Issue Paper

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

Date: May 6, 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 the first stage of rule making (CR 101) 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

WAC 314-29 was created, in part, to identify penalties assessed for various liquor violations. Penalty guidelines also included increased assessments for repeat violations within a two year period. Current WAC penalty guidelines do not include all relevant violations or accurately describe the progression of penalties involving like violations.

Questions have arisen involving how original penalties are prescribed for violations not listed in the penalty guidelines. These questions have been raised by Board members, stakeholders, and internal work groups involved with Enforcement's Electronic Notebook. In addition to the absence of prescribed penalties, conflicting language between violations and category grouping within WAC 314-29 creates further confusion. For example, the penalty matrix specifies a "Conduct Group" (WAC 314-29-025) where conduct violations are primarily described and covered in the "Public Safety" group (314-29-020).

Process

The rule making process begins by announcing the Liquor Control Board's (LCB) intent to change existing rules and propose new rules by filing a CR 101 form. This allows staff and stakeholders to begin discussing necessary changes and new rules. No proposed language is offered at this stage. The public may

comment during the designated comment period. Notice will be sent to all who have indicated that they want to receive notice of rule changes. The notice will identify the public comment period and where comments can be sent. Based on public input received, staff will draft proposed changes for presentation to the Board at the next phase of the rule making process.

A tentative timeline for the rule making process is outlined below:

May 6, 2009	Board is asked to approve filing the pre-proposal statement of inquiry (CR 101)
May 20, 2009	Code Reviser publishes notice, LCB sends notice to rules distribution list
May 27, 2009	End of first written comment period
June 17, 2009	<i>Proposed</i> date the Board will consider approval of proposed rule making (CR 102 filing by noon)
July 1, 2009	<i>Earliest</i> date notice can be published in state register
July 22, 2009	Public hearing (Wednesday)
July 29, 2009	End of written comment period
August 5, 2009	<i>Earliest</i> date Board may adopt rules
August 6, 2009	Agency sends notice to those who commented both at the public hearing and in writing.
August 6, 2009	Agency files adopted rules with the Code Reviser
September 6, 2009	Rules are effective (31 days after filing)

<u>314-29-015</u>	What are the penalties if a liquor license holder violates a liquor law or rule?
<u>314-29-020</u>	Group 1 violations against public safety.
<u>314-29-025</u>	Group 2 conduct violations.
<u>314-29-030</u>	Group 3 regulatory violations.
<u>314-29-035</u>	Group 4 violations.

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).

(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 violations, WAC 314-29-025.

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

(d) Group Four -- 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

Examples of mitigating circumstances that may result in a fewer number of days of suspension or a lower monetary option include, but are not limited to, having in place business policies and practices such as:

- 
- 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.

(b) Aggravating circumstances

Examples of aggravating circumstances that may result in a higher number of days of suspension, a higher monetary option, or cancellation of a liquor license include, but are not limited to:

- 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.

[Statutory Authority: RCW 66.08.030, 66.24.010, 66.24.120. 03-09-015, § 314-29-015, filed 4/4/03, effective 5/5/03.]

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
Sale or service to minor: Sale or service of alcohol to a person under 21 years of age.	5 day suspension or \$500 monetary option	7 day suspension with no monetary option	30 day suspension with no monetary option	Cancellation of license
Minor frequenting a tavern, lounge, or other age restricted area.	5 day suspension or \$500 monetary option	7 day suspension with no monetary option	30 day suspension with no monetary option	Cancellation of license
Sale or service to apparently intoxicated person: Sale or service of alcohol to, or permitting consumption or possession by, an apparently intoxicated person.	5 day suspension or \$500 monetary option	5 day suspension or \$2,500 monetary option	10 day suspension or \$5,000 monetary option	Cancellation of license
Disorderly conduct by licensee or employee, or permitting on premises.	5 day suspension or \$500 monetary option	5 day suspension or \$2,500 monetary option	10 day suspension or \$5,000 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

[Statutory Authority: RCW 66.08.030, 66.24.010, 66.24.120. 03-09-015, § 314-29-020, filed 4/4/03, effective 5/5/03.]

314-29-025

Group 2 conduct violations.

Group 2 violations are violations involving conduct of retail or nonretail licensee, employees, or patrons.

Violation Type	1st Violation	2nd Violation in a	3rd Violation in a	4th Violation in a
-----------------------	----------------------	---------------------------	---------------------------	---------------------------

		two-year window	two-year window	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
Employee under legal age or without required mandatory alcohol server training permit.	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 service: Sales, service, removal, or consumption of alcohol between 2:00 a.m. and 6:00 a.m.	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
Food service: Required food service not available.	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, unlawful removal, possession, or unauthorized sale of liquor.	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 WAC 314-11-050.	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
Retailer/nonretailer violation: Violation on the part of a retail licensee that involves a nonretail licensee, other than group four violations.	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

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

**314-29-030
Group 3 regulatory violations.**

Group 3 violations are violations involving administrative requirements.

Violation Type	1st Violation	2nd Violation in a	3rd Violation in a	4th Violation in a
		two-year window	two-year window	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

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

314-29-035
Group 4 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	3rd Violation in a	4th Violation in a
		two-year window	two-year window	two-year window
Providing credit to a retail licensee.	3 day suspension or \$500 monetary	5 day suspension or \$2,500	10 day suspension or \$5,000	20 day suspension or \$10,000

	option	monetary option	monetary option	monetary option
Quantity discount.	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.	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.	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.	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/labeling/packaging violations.	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
Agents violations: Nonretail licensee employing an unlicensed agent.	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.	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
Sampling/tasting violations.	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.	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.	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	Cost of item or	Cost of item or	Cost of item or	Cost of item or

worth: Goods or services worth over \$1,000.	service provided plus: 3 day suspension or \$1,000 monetary option	service provided plus: 5 day suspension or \$2,500 monetary option	service provided plus: 10 day suspension or \$5,000 monetary option	service provided plus: 20 day suspension or \$10,000 monetary option
Providing/accepting exclusive or contingency agreements.	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.	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.	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.	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

[Statutory Authority: RCW 66.08.030, 66.24.010, 66.24.120. 03-09-015, § 314-29-035, filed 4/4/03, effective 5/5/03.]
