



Washington State
Liquor Control Board

Liquor Control Board Interim Policy BIP-06-2013

Subject: Return of Washington Wine

Effective Date: November 6, 2013

Ending Date: Upon adoption of rules to implement this policy.

Approved:

Handwritten signature of Sharon Foster in blue ink.

Sharon Foster, Chairman

Handwritten signature of Ruthann Kurose in blue ink.

Ruthann Kurose, Board Member

Handwritten signature of Chris Marr in blue ink.

Chris Marr, Board Member

Purpose:

Currently WAC 314-24-070 authorizes Washington Wine that has been exported out of state to only be returned to the winery of origin. Wineries that have business models that include out of state central warehousing for the West Coast and their Washington distributors find this requirement to be onerous and have asked for modifications to the rule. The Board upon reviewing the requirements finds the following:

1. Altering the requirement that Washington Wine that is being returned to the state first be returned to the winery of origin would not pose a public safety hazard;
2. The current requirement does not add value to the regulatory process and is currently being complied with through a process that is often referred to as "bumping the dock".
3. While the current process does provide a physical audit trail, this chain of regulatory responsibility can currently be accomplished through alternative electronic invoicing, which will assist in streamlining and removing costs and waste from the process

Policy Statement

Wine produced and bottled by a Washington domestic winery that has been reported as an export may be returned to Washington State. The following conditions apply:

- a) The wine is produced and bottled in Washington by a licensed winery;
- b) The returned wine must not be altered, except for sparkling wine;

- c) The export shall be from the licensed winery and returned to the same entity, a licensed wine distributor or bonded wine warehouse.
- d) A domestic winery, a licensed wine distributor, or bonded wine warehouse receiving previously exported Washington wine must comply with tax collection and tracking requirements initiated by the liquor control board;
- e) A domestic winery, a licensed wine distributor, or bonded wine warehouse directly receiving previously exported Washington wine must keep on file for audit purposes clear source records (shipping documents, etc.) with reporting documents. Records need to indicate what wine was returned to the state that was previously reported as an export (including number of cases and gallons).