



## NOTICE OF RULE ADOPTION

### **Establishing a fee for an endorsement to the certificate of approval (COA) allowing self-distribution of beer and wine by U.S. breweries and wineries to Washington retailers.**

The Washington State Liquor Control Board has adopted rule changes establishing a fee for an endorsement to the certificate of approval (COA) allowing self-distribution of beer and wine by U.S. breweries and wineries to Washington retailers. These rules will become effective June 11, 2006. Text of these rules is attached at the end of this notice.

If you have any questions, please contact Pam Madson, Rules Coordinator, at 360-664-1648 (or e-mail at [rules@liq.wa.gov](mailto:rules@liq.wa.gov)).

---

### **BACKGROUND**

As a result of federal district court Judge Marsha Pechman's ruling in *Costco V Hoen* in December of 2005, the Washington legislature passed 2SSB 6823. This bill expands the self-distribution privilege of in-state wineries and breweries to out-of-state wineries or breweries who hold a Certificate of Approval (COA). This self-distribution privilege allows wineries and breweries to distribute their own products directly to licensed Washington retailers.

The fee for the COA license is \$200. An additional fee of \$100 is proposed for the endorsement allowing out-of-state wineries and breweries to self-distribute.

In the fiscal statement to the legislature on 2SSB 6823, a fee of \$100 was used for the self-distribution to Washington retailer privilege. The primary consideration was the increased cost to the agency in administering this program, particularly with respect to the tax collection function, because of the anticipated increase in the number of licensees who would be paying the liter tax and reporting monthly to the Tax Desk.

**The following rule changes will become effective June 11, 2006.**

AMENDATORY SECTION (Amending WSR 04-24-097, filed 12/1/04, effective 1/1/05)

**WAC 314-20-145 Beer certificate of approval fee.** (1)  
The fee for a beer certificate of approval license is \$200 per year. The certificate of approval holder must pay the \$200 fee for each privilege as described below:

((~~1~~)) (a) Manufacturer of beer produced in the United States but outside of Washington state, shipping beer to licensed Washington beer distributors or importers.

((~~2~~)) (b) Authorized representative for beer produced in the United States but outside of Washington state, shipping beer to licensed Washington beer distributors or importers.

((~~3~~)) (c) Authorized representative for beer produced outside of the United States, shipping beer to licensed Washington beer distributors or importers.

(2) A certificate of approval holder under RCW 66.24.270 (2)(a) may add an endorsement to the certificate of approval that allows the holder to ship beer or strong beer of the holder's own production directly to licensed liquor retailers. The fee for this endorsement is \$100 and is in addition to the fee required for a certificate of approval license.

AMENDATORY SECTION (Amending WSR 04-24-097, filed 12/1/04, effective 1/1/05)

**WAC 314-24-117 Wine certificate of approval fee.** (1)  
The fee for a wine certificate of approval license is \$200 per year. The certificate of approval holder must pay the \$200 fee for each privilege as described below:

**The following rule changes will become effective June 11, 2006.**

~~((a))~~ (a) Manufacturer of wine produced in the United States but outside of Washington state, shipping wine to licensed Washington wine distributors or importers.

~~((b))~~ (b) Authorized representative for wine produced in the United States but outside of Washington state, shipping wine to licensed Washington wine distributors or importers.

~~((c))~~ (c) Authorized representative for wine produced outside of the United States, shipping wine to licensed Washington wine distributors or importers.

(2) A certificate of approval holder under RCW 66.24.206 (1)(a) may add an endorsement to the certificate of approval that allows the holder to ship wine of the holder's own production directly to licensed liquor retailers. The fee for this endorsement is \$100 and is in addition to the fee required for a certificate of approval license.