



## Washington State Liquor and Cannabis Board

**Topic:** Petition for Adoption, Amendment, or Repeal of a State Administrative Rule – Defining wine of a domestic winery's own production (WAC 314-24-265).

**Date:** September 28, 2022

**Presented by:** Audrey Vasek, Policy and Rules Coordinator

### Background

On August 1, 2022, Josh McDonald on behalf of the Washington Wine Institute, submitted a petition for adoption, amendment, or repeal of a state administrative rule. The petition requests that the agency amend WAC 314-24-265 to allow Washington domestic wineries to sell any wine that they produce in Oregon at their Washington winery locations.

In the rule petition, Josh McDonald stated:

☒ **2. AMEND RULE** - I am requesting the agency to change an existing rule.

List rule number (WAC), if known: WAC 314-24-265

- ☒ I am requesting the following change: Please see second attachment sent for exact wording of requested change to WAC 314-24-265
- ☐ This change is needed because: Many Washington wineries now produce one or more of their wines in Oregon, yet our current rules (beyond a shared AVA exception) do not allow them to sell this wine they own in their Washington-based winery and tasting rooms
- ☒ The effect of this rule change will be: To allow domestic winery licensees to sell wine of their own production that is produced in Oregon in their Washington State tasting rooms. This rule change will create more wine sales in Washington State that in turn will create more tax revenue.
- ☒ The rule is not clearly or simply stated: The rule requires word changes to properly recognize the allowance of these sales

A petition attachment included the following requested revisions to WAC 314-24-265:

#### Defining wine of a winery's own production.

A domestic winery ~~holding a valid license in both Washington and Oregon~~ may market and distribute wine produced in Oregon utilizing their Washington winery license as the premises for transactions if the following conditions are met:

(1) The licensee must request approval from the WSLCB to market and retail their Oregon wine at their Washington winery premises. Approval will be granted based on the documentation that demonstrates compliance with this regulation.

(2) The licensee must demonstrate ~~a valid Oregon winery license and~~ that the underlying ownership ~~of the Oregon winery license~~ is identical to the Washington winery license.

~~(3) Both the Washington and Oregon wineries must manufacture wine within the same TTB authorized appellation. Only wine from cross-border appellations will be approved.~~

(4) Oregon wine to be marketed and/or sold in Washington must have the appropriate taxes paid (RCW 66.24.210).

## Issue

Whether the Board should initiate the rulemaking process to consider amending WAC 314-24-265 to allow domestic wineries to sell any wine that they produce in Oregon at their Washington winery locations, such that any wine that a domestic winery produces in Oregon is considered wine of a domestic winery's own production.

## Authority

### *Laws*

RCW 66.04.010(16) defines "domestic winery" as "a place where wines are manufactured or produced **within the state of Washington.**" (emphasis added). In contrast, RCW 66.04.010(51) defines "winery" as "a business conducted by any person for the manufacture of wine for sale, other than a domestic winery."

RCW 66.24.170 creates the domestic winery license, which "allows for **the manufacture of wine in Washington state** from grapes or other agricultural products." RCW 66.24.170(2) (emphasis added).

Subsection (3) specifies that "[a]ny domestic winery licensed under this section may also act as a retailer of **wine of its own production.** Any domestic winery licensed under this section may act as a distributor of its own production. . . . A domestic winery may not arrange for any such common carrier shipments to licensed retailers of **wine not of its own production.**" RCW 66.24.170(3) (emphasis added).

Subsection (4) describes the privileges and requirements for winery "additional locations," also commonly referred to as tasting rooms. The statute specifies that certain tasting room privileges apply only to wine of the winery's own production:

(4)(a) A domestic winery licensed under this section, at locations separate from any of its production or manufacturing sites, **may serve samples of its own products, with or without charge, may sell wine of its own production at retail, and may sell for off-premises consumption wines of its own production** in kegs or sanitary containers meeting the applicable requirements of federal law brought to the premises by the purchaser or furnished by the licensee and filled at the tap at the time of sale, provided that: . . . [describing the requirements applicable to winery additional locations].

RCW 66.24.170(4) (emphasis added).

Subsection (6) specifies that "[w]ine produced in Washington state by a domestic winery licensee may be shipped out-of-state for the purpose of making it into sparkling wine and then returned to such licensee for resale. Such wine is deemed wine manufactured in the state of Washington for the purposes of RCW 66.24.206, and shall not require a special license." RCW 66.24.170(6).

RCW 66.24.200 creates the wine distributor's license, RCW 66.24.203 creates the wine importer's license, and RCW 66.24.206 creates the "certificate of approval" for out-of-state wineries.

RCW 66.28.295, which provides exceptions to the three-tier system restrictions in RCW 66.28.290, states that:

**"Nothing in RCW 66.28.290 shall prohibit:**

. . .

**(2) A domestic winery from being licensed as a retailer pursuant to chapter 66.24 RCW for the purpose of selling beer or wine at retail on the winery premises.** Such beer and wine so sold at retail shall be subject to the taxes imposed by RCW 66.24.290 and 66.24.210 and to reporting and bonding requirements as prescribed by regulations adopted by the board pursuant to chapter 34.05 RCW, and **beer and wine that is not produced by the brewery or winery shall be purchased from a licensed beer or wine distributor.**

RCW 66.28.295(2)(emphasis added). For the purpose of the three-tier system, RCW 66.28.285 defines "retailer," in part, as "the holder of a license issued by the board to allow for the sale of alcoholic beverages to consumers for consumption on or off premises and any of the retailer's agents, officers, directors, shareholders, partners, or employees." RCW 66.28.285(5).

RCW 66.08.030(12) and (19) authorize the Board to adopt regulations related to licensing, sale, and manufacture of alcohol. Specifically, subsection (12) authorizes the Board to adopt regulations "[p]rescribing the conditions, accommodations, and qualifications requisite for the obtaining of licenses to sell beer, wines, and spirits, and regulating the sale of beer, wines, and spirits thereunder." Subsection (19) authorizes the Board to adopt regulations "[p]rescribing methods of manufacture, conditions of sanitation, standards of ingredients, quality and identity of alcoholic beverages manufactured, sold, bottled, or handled by licensees and the board."

### *Rules*

WAC 314-24-160 describes the privileges of a domestic winery. Subsection (1) states that "[a] domestic winery may sell wine of its own production at retail on the winery premises." WAC 314-24-160(1). In order to sell wine not of its own production on the winery premises, the rule specifies: "A winery is required to obtain the appropriate retail license pursuant to chapter 66.24 RCW to sell beer, wine, or spirits on the winery premises that is not of its own production. The winery shall follow the appropriate rules for such retail licenses." WAC 314-24-160(8). These requirements are consistent with the winery license statute RCW 66.24.170, and the three-tier system statute RCW 66.28.295.

WAC 314-24-265 defines “wine of a winery’s own production” by allowing a domestic winery holding a valid license in both Washington and Oregon to market and distribute wine produced in Oregon using their Washington winery license as the premises for transactions under certain conditions. In brief, these conditions include: (1) The licensee requests approval from the Board; (2) The licensee has a valid Oregon winery license with an identical underlying ownership as the Washington winery license; (3) Both the Washington and Oregon wineries manufacture wine within the same cross border, TTB authorized appellation; and (4) The appropriate Washington State taxes are paid on the Oregon wine.

WAC 314-24-001, which is the definition section for the domestic winery rules in chapter 314-24 WAC, defines “custom crush” as follows: “(4) Custom crush - A custom crush arrangement involves an agreement or formal contract where one domestic winery (customer) pays another domestic winery (producer) to produce wine to order. (It is not an alternating proprietorship arrangement.)” WAC 314-24-001(4).

## Analysis

In this rule petition, Josh McDonald requests that the Board initiate the rulemaking process to consider amending WAC 314-24-265 to allow domestic wineries to sell any wine that they produce in Oregon at their Washington winery locations, such that any wine that a domestic winery produces in Oregon (e.g. through a contractual agreement with an Oregon winery) is considered wine of a domestic winery’s own production.

While wine of a winery’s “own production” is not defined in statute, the statutory framework for domestic wineries indicates that wine of a domestic winery’s own production must be produced within Washington state. A “domestic winery” is defined in statute as “a place where wines are manufactured or produced **within the state of Washington.**” RCW 66.04.010(16) (emphasis added)<sup>1</sup>. Similarly, the domestic winery license created in RCW 66.24.170 “allows for **the manufacture of wine in Washington state** from grapes or other agricultural products.” RCW 66.24.170(2) (emphasis added).

Under RCW 66.24.170, domestic wineries are granted limited rights to act as retailers and distributors of wine of their own production without a separate license. A domestic winery is allowed to sell wine of its own production at retail on the winery premises (RCW 66.24.170(3)) and at tasting room locations (RCW 66.24.170(4)), but is required to obtain a separate retail<sup>2</sup> license in order to sell wine not of its own production at these same premises (RCW 66.28.295(2)).

---

<sup>1</sup> In contrast, RCW 66.04.010(51) defines “winery” as “a business conducted by any person for the manufacture of wine for sale, other than a domestic winery.”

<sup>2</sup> Wineries can add any retail license to their production or manufacturing sites, but are limited to beer and/or wine restaurant licenses at their separate tasting room locations (see WAC 314-24-161(4)). A description of all the currently available retail liquor licenses is posted on the [LCB website](#). The [current LIQ 180](#) “Retail Liquor Licenses and Endorsement Description and Fees Information” form (last updated 12/2021) lists 25 types of retail licenses and 21 types of endorsements. Examples of retail licenses that wineries commonly add at their winery premises include spirits, beer, and wine restaurant licenses, beer and/or wine restaurant licenses, and retail specialty shop licenses.

Additionally, RCW 66.24.170(6) specifies that wine that is produced in Washington state by a domestic winery, shipped out of state to be made into sparkling wine, and then returned to the domestic winery for resale, is “deemed wine manufactured in the state of Washington . . . , and shall not require a special license.” RCW 66.24.170(6). This limited statutory provision for sparkling wine illustrates that wine produced out of state is not generally considered wine of a domestic winery’s own production.

Wineries “located outside the state of Washington” are required to hold a “certificate of approval” under RCW 66.24.206 in order to sell and ship their wine to Washington wine distributors, importers, or retailers. Similarly, in order to “import wine purchased from certificate of approval holders into the state of Washington,” a separate wine importer license is required under RCW 66.24.203. In order to distribute “wine, purchased from . . . wine certificate of approval holders, licensed wine importers, or suppliers of foreign wine located outside of the United States,” a wine distributor license is required under RCW 66.24.200.

Based on this statutory framework, the agency has interpreted “wine of a winery’s own production” to mean wine that the domestic winery produces or manufactures in Washington state at its own production facilities or through a custom crush agreement with another domestic winery, as defined in WAC 314-24-001. Although current Board regulations recognize a limited circumstance where wine produced out of state by a domestic winery can be considered wine of a domestic winery’s own production, this exception is very narrow: as described in WAC 314-24-265, if a winery holds both a Washington domestic winery license and an Oregon winery license where the underlying ownership of the Oregon and Washington winery licenses is identical, wine that the Oregon winery produces in an area of Oregon along the Washington-Oregon border can be considered wine of the domestic winery’s own production. This very limited exception represents the outer edge of the Board’s authority under the current statutory framework.

The Board is not authorized to adopt rules that conflict with statutes. This petition request would require statutory changes which can be made by the Legislature or by voters through the initiative process, but are beyond the Board’s rulemaking authority. For this reason, agency staff do not recommend initiating rulemaking as requested in this petition.

## **Recommendation**

Director’s Office staff recommends that consistent with RCW 34.05.330(1)(a)(i), the Board deny Josh McDonald’s rule petition request, received on August 1, 2022, for the reasons described above.

## Board Action

After considering the recommendation of Director's Office staff, the Board accepts/denies the petition for rulemaking received from Josh McDonald on August 1, 2022.

\_\_\_\_\_ Accept \_\_\_\_\_ Deny

\_\_\_\_\_  
David Postman, Chair

\_\_\_\_\_  
Date

\_\_\_\_\_ Accept \_\_\_\_\_ Deny

\_\_\_\_\_  
Ollie Garrett, Board Member

\_\_\_\_\_  
Date

\_\_\_\_\_ Accept \_\_\_\_\_ Deny

\_\_\_\_\_  
Jim Vollendroff, Board Member

\_\_\_\_\_  
Date

## Attachments

1. Email from Josh McDonald received August 1, 2022, containing rule petition and attachment with requested language changes to WAC 314-24-265.
2. Laws and Rules cited under the "Authority" section above.

## Vasek, Audrey (LCB)

---

**From:** josh@wwi.wine  
**Sent:** Monday, August 1, 2022 3:59 PM  
**To:** LCB DL Rules  
**Subject:** Petition for Amendment of WAC 314-24-265  
**Attachments:** WSLCB Rule Making Petition - Wine of your production rule revision.pdf; WAC 314-24-265 Defining wine of a winery rule change request wording.docx

---

### External Email

---

Good afternoon – Please find attached our petition for rulemaking to amend WAC 314-24-265. If you have any questions or we can be of assistance, please do not hesitate to contact me.

Kindly

Josh McDonald  
Executive Director  
WA Wine Institute  
“Celebrating 40 years of advocating for the needs of Washington wineries!”







## PETITION FOR ADOPTION, AMENDMENT, OR REPEAL OF A STATE ADMINISTRATIVE RULE

Print Form

In accordance with \_\_\_\_\_, the Office of Financial Management (OFM) created this form for individuals or groups who wish to petition a state agency or institution of higher education to adopt, amend, or repeal an administrative rule. You may use this form to submit your request. You also may contact agencies using other formats, such as a letter or email.

The agency or institution will give full consideration to your petition and will respond to you within 60 days of receiving your petition. For more information on the rule petition process, see Chapter 82-05 of the Washington Administrative Code (WAC) at \_\_\_\_\_

### CONTACT INFORMATION *(please type or print)*

Petitioner's Name Josh McDonald  
Name of Organization Washington Wine Institute  
Mailing Address 325 Washington Ste NE, Box 302  
City Olympia State WA Zip Code 98501  
Telephone 253-228-1590 Email josh@wwi.wine

### COMPLETING AND SENDING PETITION FORM

- Check all of the boxes that apply.
- Provide relevant examples.
- Include suggested language for a rule, if possible.
- Attach additional pages, if needed.
- Send your petition to the agency with authority to adopt or administer the rule. Here is a list of agencies and their rules coordinators:

### INFORMATION ON RULE PETITION

Agency responsible for adopting or administering the rule: Washington State Liquor and Cannabis Board

☐ 1. NEW RULE - I am requesting the agency to adopt a new rule.

☐ The subject (or purpose) of this rule is: \_\_\_\_\_

☐ The rule is needed because: \_\_\_\_\_

☐ The new rule would affect the following people or groups: \_\_\_\_\_



☒ **2. AMEND RULE - I am requesting the agency to change an existing rule.**

List rule number (WAC), if known: WAC 314-24-265

- ☒ I am requesting the following change: Please see second attachment sent for exact wording of requested change to WAC 314-24-265
- ☐ This change is needed because: Many Washington wineries now produce one or more of their wines in Oregon, yet our current rules (beyond a shared AVA exception) do not allow them to sell this wine they own in their Washington-based winery and tasting rooms
- ☒ The effect of this rule change will be: To allow domestic winery licensees to sell wine of their own production that is produced in Oregon in their Washington State tasting rooms. This rule change will create more wine sales in Washington State that in turn will create more tax revenue.
- ☒ The rule is not clearly or simply stated: The rule requires word changes to properly recognize the allowance of these sales

☐ **3. REPEAL RULE - I am requesting the agency to eliminate an existing rule.**

List rule number (WAC), if known: \_\_\_\_\_

*(Check one or more boxes)*

- ☐ It does not do what it was intended to do.
- ☐ It is no longer needed because: \_\_\_\_\_
- ☐ It imposes unreasonable costs: \_\_\_\_\_
- ☐ The agency has no authority to make this rule: \_\_\_\_\_
- ☐ It is applied differently to public and private parties: \_\_\_\_\_
- ☐ It conflicts with another federal, state, or local law or rule. List conflicting law or rule, if known: \_\_\_\_\_
- ☐ It duplicates another federal, state or local law or rule. List duplicate law or rule, if known: \_\_\_\_\_
- ☐ Other (please explain): \_\_\_\_\_



**Defining wine of a winery's own production.**

A domestic winery ~~holding a valid license in both Washington and Oregon~~ may market and distribute wine produced in Oregon utilizing their Washington winery license as the premises for transactions if the following conditions are met:

(1) The licensee must request approval from the WSLCB to market and retail their Oregon wine at their Washington winery premises. Approval will be granted based on the documentation that demonstrates compliance with this regulation.

(2) The licensee must demonstrate ~~a valid Oregon winery license and~~ that the underlying ownership ~~of the Oregon winery license~~ is identical to the Washington winery license.

~~(3) Both the Washington and Oregon wineries must manufacture wine within the same TTB authorized appellation. Only wine from cross border appellations will be approved.~~

(4) Oregon wine to be marketed and/or sold in Washington must have the appropriate taxes paid (RCW 66.24.210).

## Definitions.

In this title, unless the context otherwise requires:

(1) "Alcohol" is that substance known as ethyl alcohol, hydrated oxide of ethyl, or spirit of wine, which is commonly produced by the fermentation or distillation of grain, starch, molasses, or sugar, or other substances including all dilutions and mixtures of this substance. The term "alcohol" does not include alcohol in the possession of a manufacturer or distiller of alcohol fuel, as described in RCW 66.12.130, which is intended to be denatured and used as a fuel for use in motor vehicles, farm implements, and machines or implements of husbandry.

(2) "Authorized representative" means a person who:

(a) Is required to have a federal basic permit issued pursuant to the federal alcohol administration act, 27 U.S.C. Sec. 204;

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

(c) Acquires ownership of beer or wine for transportation into and resale in the state of Washington; and which beer or wine is produced by a brewery or winery in the United States outside of the state of Washington; and

(d) Is appointed by the brewery or winery referenced in (c) of this subsection as its authorized representative for marketing and selling its products within the United States in accordance with a written agreement between the authorized representative and such brewery or winery pursuant to this title.

(3) "Beer" means any malt beverage, flavored malt beverage, or malt liquor as these terms are defined in this chapter.

(4) "Beer distributor" means a person who buys beer from a domestic brewery, microbrewery, beer certificate of approval holder, or beer importers, or who acquires foreign produced beer from a source outside of the United States, for the purpose of selling the same pursuant to this title, or who represents such brewer or brewery as agent.

(5) "Beer importer" means a person or business within Washington who purchases beer from a beer certificate of approval holder or who acquires foreign produced beer from a source outside of the United States for the purpose of selling the same pursuant to this title.

(6) "Board" means the liquor and cannabis board, constituted under this title.

(7) "Brewer" or "brewery" means any person engaged in the business of manufacturing beer and malt liquor. Brewer includes a brand owner of malt beverages who holds a brewer's notice with the federal bureau of alcohol, tobacco, and firearms at a location outside the state and whose malt beverage is contract-produced by a licensed in-state brewery, and who may exercise within the state, under a domestic brewery license, only the privileges of storing, selling to licensed beer distributors, and exporting beer from the state.

(8) "Club" means an organization of persons, incorporated or unincorporated, operated solely for fraternal, benevolent, educational, athletic, or social purposes, and not for pecuniary gain.

(9) "Confection" means a preparation of sugar, honey, or other natural or artificial sweeteners in combination with chocolate, fruits, nuts, dairy products, or flavorings, in the form of bars, drops, or pieces.

(10) "Consume" includes the putting of liquor to any use, whether by drinking or otherwise.

(11) "Contract liquor store" means a business that sells liquor on behalf of the board through a contract with a contract liquor store manager.

(12) "Craft distillery" means a distillery that pays the reduced licensing fee under RCW 66.24.140.

(13) "Dentist" means a practitioner of dentistry duly and regularly licensed and engaged in the practice of his or her profession within the state pursuant to chapter 18.32 RCW.

(14) "Distiller" means a person engaged in the business of distilling spirits.



(15) "Domestic brewery" means a place where beer and malt liquor are manufactured or produced by a brewer within the state.

(16) "Domestic winery" means a place where wines are manufactured or produced within the state of Washington.

(17) "Drug store" means a place whose principal business is, the sale of drugs, medicines, and pharmaceutical preparations and maintains a regular prescription department and employs a registered pharmacist during all hours the drug store is open.

(18) "Druggist" means any person who holds a valid certificate and is a registered pharmacist and is duly and regularly engaged in carrying on the business of pharmaceutical chemistry pursuant to chapter 18.64 RCW.

(19) "Employee" means any person employed by the board.

(20) "Flavored malt beverage" means:

(a) A malt beverage containing six percent or less alcohol by volume to which flavoring or other added nonbeverage ingredients are added that contain distilled spirits of not more than forty-nine percent of the beverage's overall alcohol content; or

(b) A malt beverage containing more than six percent alcohol by volume to which flavoring or other added nonbeverage ingredients are added that contain distilled spirits of not more than one and one-half percent of the beverage's overall alcohol content.

(21) "Fund" means 'liquor revolving fund.'

(22) "Hotel" means buildings, structures, and grounds, having facilities for preparing, cooking, and serving food, that are kept, used, maintained, advertised, or held out to the public to be a place where food is served and sleeping accommodations are offered for pay to transient guests, in which twenty or more rooms are used for the sleeping accommodation of such transient guests. The buildings, structures, and grounds must be located on adjacent property either owned or leased by the same person or persons.

(23) "Importer" means a person who buys distilled spirits from a distillery outside the state of Washington and imports such spirituous liquor into the state for sale to the board or for export.

(24) "Imprisonment" means confinement in the county jail.

(25) "Liquor" includes the four varieties of liquor herein defined (alcohol, spirits, wine, and beer), and all fermented, spirituous, vinous, or malt liquor, or combinations thereof, and mixed liquor, a part of which is fermented, spirituous, vinous or malt liquor, or otherwise intoxicating; and every liquid or solid or semisolid or other substance, patented or not, containing alcohol, spirits, wine, or beer, and all drinks or drinkable liquids and all preparations or mixtures capable of human consumption, and any liquid, semisolid, solid, or other substance, which contains more than one percent of alcohol by weight shall be conclusively deemed to be intoxicating. Liquor does not include confections or food products that contain one percent or less of alcohol by weight.

(26) "Malt beverage" or "malt liquor" means any beverage such as beer, ale, lager beer, stout, and porter obtained by the alcoholic fermentation of an infusion or decoction of pure hops, or pure extract of hops and pure barley malt or other wholesome grain or cereal in pure water containing not more than eight percent of alcohol by weight, and not less than one-half of one percent of alcohol by volume. For the purposes of this title, any such beverage containing more than eight percent of alcohol by weight shall be referred to as "strong beer."

(27) "Manufacturer" means a person engaged in the preparation of liquor for sale, in any form whatsoever.

(28) "Nightclub" means an establishment that provides entertainment and has as its primary source of revenue (a) the sale of alcohol for consumption on the premises, (b) cover charges, or (c) both.

(29) "Package" means any container or receptacle used for holding liquor.

(30) "Passenger vessel" means any boat, ship, vessel, barge, or other floating craft of any kind carrying passengers for compensation.

(31) "Permit" means a permit for the purchase of liquor under this title.

(32) "Person" means an individual, copartnership, association, or corporation.

(33) "Physician" means a medical practitioner duly and regularly licensed and engaged in the practice of his or her profession within the state pursuant to chapter **18.71** RCW.

(34) "Powdered alcohol" means any powder or crystalline substance containing alcohol that is produced for direct use or reconstitution.

(35) "Prescription" means a memorandum signed by a physician and given by him or her to a patient for the obtaining of liquor pursuant to this title for medicinal purposes.

(36) "Public place" includes streets and alleys of incorporated cities and towns; state or county or township highways or roads; buildings and grounds used for school purposes; public dance halls and grounds adjacent thereto; those parts of establishments where beer may be sold under this title, soft drink establishments, public buildings, public meeting halls, lobbies, halls and dining rooms of hotels, restaurants, theaters, stores, garages and filling stations which are open to and are generally used by the public and to which the public is permitted to have unrestricted access; railroad trains, stages, and other public conveyances of all kinds and character, and the depots and waiting rooms used in conjunction therewith which are open to unrestricted use and access by the public; publicly owned bathing beaches, parks, and/or playgrounds; and all other places of like or similar nature to which the general public has unrestricted right of access, and which are generally used by the public.

(37) "Regulations" means regulations made by the board under the powers conferred by this title.

(38) "Restaurant" means any establishment provided with special space and accommodations where, in consideration of payment, food, without lodgings, is habitually furnished to the public, not including drug stores and soda fountains.

(39) "Sale" and "sell" include exchange, barter, and traffic; and also include the selling or supplying or distributing, by any means whatsoever, of liquor, or of any liquid known or described as beer or by any name whatever commonly used to describe malt or brewed liquor or of wine, by any person to any person; and also include a sale or selling within the state to a foreign consignee or his or her agent in the state. "Sale" and "sell" shall not include the giving, at no charge, of a reasonable amount of liquor by a person not licensed by the board to a person not licensed by the board, for personal use only. "Sale" and "sell" also does not include a raffle authorized under RCW **9.46.0315**: PROVIDED, That the nonprofit organization conducting the raffle has obtained the appropriate permit from the board.

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

(41) "Soda fountain" means a place especially equipped with apparatus for the purpose of dispensing soft drinks, whether mixed or otherwise.

(42) "Soju" means a traditional Korean distilled alcoholic beverage, produced using authentic Korean recipes and production methods, and derived from agricultural products, that contains not more than twenty-four percent of alcohol by volume.

(43) "Spirits" means any beverage which contains alcohol obtained by distillation, except flavored malt beverages, but including wines exceeding twenty-four percent of alcohol by volume.

(44) "Store" means a state liquor store established under this title.

(45) "Tavern" means any establishment with special space and accommodation for sale by the glass and for consumption on the premises, of beer, as herein defined.

(46) "VIP airport lounge" means an establishment within an international airport located beyond security checkpoints that provides a special space to sit, relax, read, work, and enjoy beverages where access is controlled by the VIP airport lounge operator and is generally limited to the following classifications of persons:

(a) Airline passengers of any age whose admission is based on a first-class, executive, or business class ticket;

(b) Airline passengers of any age who are qualified members or allowed guests of certain frequent flyer or other loyalty incentive programs maintained by airlines that have agreements describing the conditions for access to the VIP airport lounge;

(c) Airline passengers of any age who are qualified members or allowed guests of certain enhanced amenities programs maintained by companies that have agreements describing the conditions for access to the VIP airport lounge;

(d) Airport and airline employees, government officials, foreign dignitaries, and other attendees of functions held by the airport authority or airlines related to the promotion of business objectives such as increasing international air traffic and enhancing foreign trade where access to the VIP airport lounge will be controlled by the VIP airport lounge operator; and

(e) Airline passengers of any age or airline employees whose admission is based on a pass issued or permission given by the airline for access to the VIP airport lounge.

(47) "VIP airport lounge operator" means an airline, port district, or other entity operating a VIP airport lounge that: Is accountable for compliance with the alcohol beverage control act under this title; holds the license under chapter 66.24 RCW issued to the VIP airport lounge; and provides a point of contact for addressing any licensing and enforcement by the board.

(48)(a) "Wine" means any alcoholic beverage obtained by fermentation of fruits (grapes, berries, apples, et cetera) or other agricultural product containing sugar, to which any saccharine substances may have been added before, during or after fermentation, and containing not more than twenty-four percent of alcohol by volume, including sweet wines fortified with wine spirits, such as port, sherry, muscatel, and angelica, not exceeding twenty-four percent of alcohol by volume and not less than one-half of one percent of alcohol by volume. For purposes of this title, any beverage containing no more than fourteen percent of alcohol by volume when bottled or packaged by the manufacturer shall be referred to as "table wine," and any beverage containing alcohol in an amount more than fourteen percent by volume when bottled or packaged by the manufacturer shall be referred to as "fortified wine." However, "fortified wine" shall not include: (i) Wines that are both sealed or capped by cork closure and aged two years or more; and (ii) wines that contain more than fourteen percent alcohol by volume solely as a result of the natural fermentation process and that have not been produced with the addition of wine spirits, brandy, or alcohol.

(b) This subsection shall not be interpreted to require that any wine be labeled with the designation "table wine" or "fortified wine."

(49) "Wine distributor" means a person who buys wine from a domestic winery, wine certificate of approval holder, or wine importer, or who acquires foreign produced wine from a source outside of the United States, for the purpose of selling the same not in violation of this title, or who represents such vintner or winery as agent.

(50) "Wine importer" means a person or business within Washington who purchases wine from a wine certificate of approval holder or who acquires foreign produced wine from a source outside of the United States for the purpose of selling the same pursuant to this title.

(51) "Winery" means a business conducted by any person for the manufacture of wine for sale, other than a domestic winery.

[ 2019 c 61 § 1; 2015 c 193 § 3; 2012 c 117 § 264. Prior: 2011 c 325 § 2; 2011 c 195 § 3; prior: 2009 c 373 § 1; 2009 c 271 § 2; 2008 c 94 § 4; (2008 c 94 § 3 expired July 1, 2008); prior: 2007 c 370 § 10; 2007 c 226 § 1; prior: 2006 c 225 § 1; 2006 c 101 § 1; 2005 c 151 § 1; 2004 c 160 § 1; 2000 c 142 § 1; 1997 c 321 § 37; 1991 c 192 § 1; 1987 c 386 § 3; 1984 c 78 § 5; 1982 c 39 § 1; 1981 1st ex.s. c 5 § 1; 1980 c 140 § 3; 1969 ex.s. c 21 § 13; 1935 c 158 § 1; 1933 ex.s. c 62 § 3; RRS § 7306-3. Formerly RCW 66.04.010 through 66.04.380.]

## NOTES:

**Reviser's note:** The definitions in this section have been alphabetized pursuant to RCW 1.08.015(2)(k).



**Finding—Intent—Effective date—2015 c 193:** See notes following RCW **66.44.380**.

**Effective date—2008 c 94 §§ 4 and 11:** "Sections 4 and 11 of this act take effect July 1, 2008." [ **2008 c 94 § 13**.]

**Expiration date—2008 c 94 § 3:** "Section 3 of this act expires July 1, 2008." [ **2008 c 94 § 12**.]

**Effective date—2007 c 370 §§ 10-20:** "Sections 10 through 20 of this act take effect July 1, 2008." [ **2007 c 370 § 23**.]

**Effective date—2004 c 160:** "This act takes effect January 1, 2005." [ **2004 c 160 § 20**.]

**Effective date—1997 c 321:** See note following RCW **66.24.010**.

**Finding and declaration—Severability—1984 c 78:** See notes following RCW **66.12.160**.

**Severability—1982 c 39:** "If any provision of this amendatory act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected." [ **1982 c 39 § 3**.]

**Effective date—1981 1st ex.s. c 5:** See RCW **66.98.100**.

**Effective date—1969 ex.s. c 21:** "The effective date of this 1969 amendatory act is July 1, 1969." [ **1969 ex.s. c 21 § 15**.]

**Domestic winery license—Winery as distributor and/or retailer of own wine—Off-premises samples—Domestic wine made into sparkling wine—Sales at qualifying farmers markets. (*Effective until December 31, 2023.*)**

(1)(a) There is a license for domestic wineries; fee to be computed only on the liters manufactured: Less than two hundred fifty thousand liters per year, \$50 per year; and two hundred fifty thousand liters or more per year, \$200 per year.

(b) The annual fees in (a) of this subsection are waived during the 12-month period beginning with the second calendar month after February 28, 2021, for:

(i) Licenses that expire during the 12-month waiver period under this subsection (1)(b); and

(ii) Licenses issued to persons previously licensed under this section at any time during the 12-month period prior to the 12-month waiver period under this subsection (1)(b).

(c) The waivers in (b) of this subsection do not apply to any licensee that:

(i) Had their license suspended by the board for health and safety violations of state COVID-19 guidelines; or

(ii) Received an order of immediate restraint or citation from the department of labor and industries for allowing an employee to perform work where business activity was prohibited in violation of an emergency proclamation of the governor under RCW 43.06.220.

(d) Upon request of the department of revenue, the board and the department of labor and industries must both provide a list of persons that they have determined to be ineligible for a fee waiver under (b) of this subsection for the reasons described in (c) of this subsection. Unless otherwise agreed, any list must be received by the department of revenue no later than 15 calendar days after the request is made.

(2) The license allows for the manufacture of wine in Washington state from grapes or other agricultural products.

(3) Any domestic winery licensed under this section may also act as a retailer of wine of its own production. Any domestic winery licensed under this section may act as a distributor of its own production. Notwithstanding any language in this title to the contrary, a domestic winery may use a common carrier to deliver up to one hundred cases of its own production, in the aggregate, per month to licensed Washington retailers. A domestic winery may not arrange for any such common carrier shipments to licensed retailers of wine not of its own production. Except as provided in this section, any winery operating as a distributor and/or retailer under this subsection must comply with the applicable laws and rules relating to distributors and/or retailers, except that a winery operating as a distributor may maintain a warehouse off the premises of the winery for the distribution of wine of its own production provided that: (a) The warehouse has been approved by the board under RCW 66.24.010; and (b) the number of warehouses off the premises of the winery does not exceed one.

(4)(a) A domestic winery licensed under this section, at locations separate from any of its production or manufacturing sites, may serve samples of its own products, with or without charge, may sell wine of its own production at retail, and may sell for off-premises consumption wines of its own production in kegs or sanitary containers meeting the applicable requirements of federal law brought to the premises by the purchaser or furnished by the licensee and filled at the tap at the time of sale, provided that: (i) Each additional location has been approved by the board under RCW 66.24.010; (ii) the total number of additional locations does not exceed four; (iii) a winery may not act as a distributor at any such additional location; and (iv) any person selling or serving wine at an additional location for on-premises consumption must obtain a class 12 or class 13 alcohol server permit. Each additional location is deemed to be part of the winery license for the purpose of this title. At additional locations operated by multiple wineries under this section, if the board cannot connect a violation of RCW 66.44.200 or 66.44.270 to a single licensee, the board may hold all licensees operating the additional location jointly

liable. Nothing in this subsection may be construed to prevent a domestic winery from holding multiple domestic winery licenses.

(b) A customer of a domestic winery may remove from the premises of the domestic winery or from a tasting room location approved under (a) of this subsection, recorked or recapped in its original container, any portion of wine purchased for on-premises consumption.

(5)(a) A domestic winery licensed under this section may apply to the board for an endorsement to sell wine of its own production at retail for off-premises consumption at a qualifying farmers market. The annual fee for this endorsement is seventy-five dollars. An endorsement issued pursuant to this subsection does not count toward the four additional retail locations limit specified in this section.

(b) For each month during which a domestic winery will sell wine at a qualifying farmers market, the winery must provide the board or its designee a list of the dates, times, and locations at which bottled wine may be offered for sale. This list must be received by the board before the winery may offer wine for sale at a qualifying farmers market.

(c) The wine sold at qualifying farmers markets must be made entirely from grapes grown in a recognized Washington appellation or from other agricultural products grown in this state.

(d) Each approved location in a qualifying farmers market is deemed to be part of the winery license for the purpose of this title. The approved locations under an endorsement granted under this subsection include tasting or sampling privileges subject to the conditions pursuant to RCW 66.24.175. The winery may not store wine at a farmers market beyond the hours that the winery offers bottled wine for sale. The winery may not act as a distributor from a farmers market location.

(e) Before a winery may sell bottled wine at a qualifying farmers market, the farmers market must apply to the board for authorization for any winery with an endorsement approved under this subsection to sell bottled wine at retail at the farmers market. This application shall include, at a minimum: (i) A map of the farmers market showing all booths, stalls, or other designated locations at which an approved winery may sell bottled wine; and (ii) the name and contact information for the on-site market managers who may be contacted by the board or its designee to verify the locations at which bottled wine may be sold. Before authorizing a qualifying farmers market to allow an approved winery to sell bottled wine at retail at its farmers market location, the board must notify the persons or entities of such application for authorization pursuant to RCW 66.24.010 (8) and (9). An authorization granted under this subsection (5) (e) may be withdrawn by the board for any violation of this title or any rules adopted under this title.

(f) The board may adopt rules establishing the application and approval process under this section and such additional rules as may be necessary to implement this section.

(g) For the purposes of this subsection:

(i) "Qualifying farmers market" means an entity that sponsors a regular assembly of vendors at a defined location for the purpose of promoting the sale of agricultural products grown or produced in this state directly to the consumer under conditions that meet the following minimum requirements:

(A) There are at least five participating vendors who are farmers selling their own agricultural products;

(B) The total combined gross annual sales of vendors who are farmers exceeds the total combined gross annual sales of vendors who are processors or resellers. However, if a farmers market does not satisfy this subsection (5)(g)(i)(B), a farmers market is still considered a "qualifying farmers market" if the total combined gross annual sales of farmers and processors at the farmers market is one million dollars or more;

(C) The total combined gross annual sales of vendors who are farmers, processors, or resellers exceeds the total combined gross annual sales of vendors who are not farmers, processors, or resellers;

(D) The sale of imported items and secondhand items by any vendor is prohibited; and

(E) No vendor is a franchisee.

(ii) "Farmer" means a natural person who sells, with or without processing, agricultural products that he or she raises on land he or she owns or leases in this state or in another state's county that borders this state.



(iii) "Processor" means a natural person who sells processed food that he or she has personally prepared on land he or she owns or leases in this state or in another state's county that borders this state.

(iv) "Reseller" means a natural person who buys agricultural products from a farmer and resells the products directly to the consumer.

(6) Wine produced in Washington state by a domestic winery licensee may be shipped out-of-state for the purpose of making it into sparkling wine and then returned to such licensee for resale. Such wine is deemed wine manufactured in the state of Washington for the purposes of RCW **66.24.206**, and shall not require a special license.

(7) During an event held by a nonprofit holding a special occasion license issued under RCW **66.24.380**, a domestic winery licensed under this section may take orders, either in writing or electronically, and accept payment for wines of its own production under the following conditions:

(a) Wine produced by the domestic winery may be served for on-premises consumption by the special occasion licensee;

(b) The domestic winery delivers wine to the consumer on a date after the conclusion of the special occasion event;

(c) The domestic winery delivers wine to the consumer at a location different from the location at which the special occasion event is held;

(d) The domestic winery complies with all requirements in chapter **66.20** RCW for direct sale of wine to consumers;

(e) The wine is not sold for resale; and

(f) The domestic winery is entitled to all proceeds from the sale and delivery of its wine to a consumer after the conclusion of the special occasion event, but may enter into an agreement to share a portion of the proceeds of these sales with the special occasion licensee licensed under RCW **66.24.380**.

[ **2022 c 116 § 9**; **2021 c 6 § 3**; **2019 c 169 § 1**; **2017 c 238 § 1**; **2016 c 235 § 1**. Prior: **2014 c 105 § 1**; **2014 c 27 § 1**; **2013 c 238 § 2**; **2009 c 373 § 4**; (2011 c 62 § 2 expired December 1, 2012); **2008 c 41 § 5**; **2007 c 16 § 2**; **2006 c 302 § 1**; **2003 c 44 § 1**; **2000 c 141 § 1**; **1997 c 321 § 3**; **1991 c 192 § 2**; **1982 c 85 § 4**; **1981 1st ex.s. c 5 § 31**; **1939 c 172 § 1** (23C); **1937 c 217 § 1** (23C) (adding new section 23-C to 1933 ex.s. c 62); RRS § 7306-23C. Formerly RCW **66.24.170**, **66.24.180**, and **66.24.190**.]

## NOTES:

**Expiration date—2022 c 116 §§ 2-20:** See note following RCW **66.24.420**.

**Effective date—Finding—Intent—2022 c 116:** See notes following RCW **66.24.420**.

**Effective date—2021 c 6:** See note following RCW **66.24.140**.

**Expiration date—2011 c 62:** "This act expires December 1, 2012." [ **2011 c 62 § 5**.]

**Effective date—2006 c 302:** "Except for sections 10 and 12 of this act, this act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect April 14, 2006." [ **2006 c 302 § 16**.]

**Effective date—1997 c 321:** See note following RCW **66.24.010**.

**Effective date—1981 1st ex.s. c 5:** See RCW **66.98.100**.

**Domestic winery license—Winery as distributor and/or retailer of own wine—Off-premises samples—Domestic wine made into sparkling wine—Sales at qualifying farmers markets. (Effective December 31, 2023.)**

(1)(a) There is a license for domestic wineries; fee to be computed only on the liters manufactured: Less than two hundred fifty thousand liters per year, one hundred dollars per year; and two hundred fifty thousand liters or more per year, four hundred dollars per year.

(b) The annual fees in (a) of this subsection are waived during the 12-month period beginning with the second calendar month after February 28, 2021, for:

(i) Licenses that expire during the 12-month waiver period under this subsection (1)(b); and

(ii) Licenses issued to persons previously licensed under this section at any time during the 12-month period prior to the 12-month waiver period under this subsection (1)(b).

(c) The waivers in (b) of this subsection do not apply to any licensee that:

(i) Had their license suspended by the board for health and safety violations of state COVID-19 guidelines; or

(ii) Received an order of immediate restraint or citation from the department of labor and industries for allowing an employee to perform work where business activity was prohibited in violation of an emergency proclamation of the governor under RCW 43.06.220.

(d) Upon request of the department of revenue, the board and the department of labor and industries must both provide a list of persons that they have determined to be ineligible for a fee waiver under (b) of this subsection for the reasons described in (c) of this subsection. Unless otherwise agreed, any list must be received by the department of revenue no later than 15 calendar days after the request is made.

(2) The license allows for the manufacture of wine in Washington state from grapes or other agricultural products.

(3) Any domestic winery licensed under this section may also act as a retailer of wine of its own production. Any domestic winery licensed under this section may act as a distributor of its own production. Notwithstanding any language in this title to the contrary, a domestic winery may use a common carrier to deliver up to one hundred cases of its own production, in the aggregate, per month to licensed Washington retailers. A domestic winery may not arrange for any such common carrier shipments to licensed retailers of wine not of its own production. Except as provided in this section, any winery operating as a distributor and/or retailer under this subsection must comply with the applicable laws and rules relating to distributors and/or retailers, except that a winery operating as a distributor may maintain a warehouse off the premises of the winery for the distribution of wine of its own production provided that: (a) The warehouse has been approved by the board under RCW 66.24.010; and (b) the number of warehouses off the premises of the winery does not exceed one.

(4)(a) A domestic winery licensed under this section, at locations separate from any of its production or manufacturing sites, may serve samples of its own products, with or without charge, may sell wine of its own production at retail, and may sell for off-premises consumption wines of its own production in kegs or sanitary containers meeting the applicable requirements of federal law brought to the premises by the purchaser or furnished by the licensee and filled at the tap at the time of sale, provided that: (i) Each additional location has been approved by the board under RCW 66.24.010; (ii) the total number of additional locations does not exceed four; (iii) a winery may not act as a distributor at any such additional location; and (iv) any person selling or serving wine at an additional location for on-premises consumption must obtain a class 12 or class 13 alcohol server permit. Each additional location is deemed to be part of the winery license for the purpose of this title. At additional locations operated by multiple wineries under this section, if the board cannot connect a violation of RCW 66.44.200 or 66.44.270 to a single licensee, the board may hold all licensees operating the additional location jointly

liable. Nothing in this subsection may be construed to prevent a domestic winery from holding multiple domestic winery licenses.

(b) A customer of a domestic winery may remove from the premises of the domestic winery or from a tasting room location approved under (a) of this subsection, recorked or recapped in its original container, any portion of wine purchased for on-premises consumption.

(5)(a) A domestic winery licensed under this section may apply to the board for an endorsement to sell wine of its own production at retail for off-premises consumption at a qualifying farmers market. The annual fee for this endorsement is seventy-five dollars. An endorsement issued pursuant to this subsection does not count toward the four additional retail locations limit specified in this section.

(b) For each month during which a domestic winery will sell wine at a qualifying farmers market, the winery must provide the board or its designee a list of the dates, times, and locations at which bottled wine may be offered for sale. This list must be received by the board before the winery may offer wine for sale at a qualifying farmers market.

(c) The wine sold at qualifying farmers markets must be made entirely from grapes grown in a recognized Washington appellation or from other agricultural products grown in this state.

(d) Each approved location in a qualifying farmers market is deemed to be part of the winery license for the purpose of this title. The approved locations under an endorsement granted under this subsection include tasting or sampling privileges subject to the conditions pursuant to RCW 66.24.175. The winery may not store wine at a farmers market beyond the hours that the winery offers bottled wine for sale. The winery may not act as a distributor from a farmers market location.

(e) Before a winery may sell bottled wine at a qualifying farmers market, the farmers market must apply to the board for authorization for any winery with an endorsement approved under this subsection to sell bottled wine at retail at the farmers market. This application shall include, at a minimum: (i) A map of the farmers market showing all booths, stalls, or other designated locations at which an approved winery may sell bottled wine; and (ii) the name and contact information for the on-site market managers who may be contacted by the board or its designee to verify the locations at which bottled wine may be sold. Before authorizing a qualifying farmers market to allow an approved winery to sell bottled wine at retail at its farmers market location, the board must notify the persons or entities of such application for authorization pursuant to RCW 66.24.010 (8) and (9). An authorization granted under this subsection (5) (e) may be withdrawn by the board for any violation of this title or any rules adopted under this title.

(f) The board may adopt rules establishing the application and approval process under this section and such additional rules as may be necessary to implement this section.

(g) For the purposes of this subsection:

(i) "Qualifying farmers market" means an entity that sponsors a regular assembly of vendors at a defined location for the purpose of promoting the sale of agricultural products grown or produced in this state directly to the consumer under conditions that meet the following minimum requirements:

(A) There are at least five participating vendors who are farmers selling their own agricultural products;

(B) The total combined gross annual sales of vendors who are farmers exceeds the total combined gross annual sales of vendors who are processors or resellers. However, if a farmers market does not satisfy this subsection (5)(g)(i)(B), a farmers market is still considered a "qualifying farmers market" if the total combined gross annual sales of farmers and processors at the farmers market is one million dollars or more;

(C) The total combined gross annual sales of vendors who are farmers, processors, or resellers exceeds the total combined gross annual sales of vendors who are not farmers, processors, or resellers;

(D) The sale of imported items and secondhand items by any vendor is prohibited; and

(E) No vendor is a franchisee.

(ii) "Farmer" means a natural person who sells, with or without processing, agricultural products that he or she raises on land he or she owns or leases in this state or in another state's county that borders this state.



(iii) "Processor" means a natural person who sells processed food that he or she has personally prepared on land he or she owns or leases in this state or in another state's county that borders this state.

(iv) "Reseller" means a natural person who buys agricultural products from a farmer and resells the products directly to the consumer.

(6) Wine produced in Washington state by a domestic winery licensee may be shipped out-of-state for the purpose of making it into sparkling wine and then returned to such licensee for resale. Such wine is deemed wine manufactured in the state of Washington for the purposes of RCW 66.24.206, and shall not require a special license.

(7) During an event held by a nonprofit holding a special occasion license issued under RCW 66.24.380, a domestic winery licensed under this section may take orders, either in writing or electronically, and accept payment for wines of its own production under the following conditions:

(a) Wine produced by the domestic winery may be served for on-premises consumption by the special occasion licensee;

(b) The domestic winery delivers wine to the consumer on a date after the conclusion of the special occasion event;

(c) The domestic winery delivers wine to the consumer at a location different from the location at which the special occasion event is held;

(d) The domestic winery complies with all requirements in chapter 66.20 RCW for direct sale of wine to consumers;

(e) The wine is not sold for resale; and

(f) The domestic winery is entitled to all proceeds from the sale and delivery of its wine to a consumer after the conclusion of the special occasion event, but may enter into an agreement to share a portion of the proceeds of these sales with the special occasion licensee licensed under RCW 66.24.380.

[ 2021 c 6 § 3; 2019 c 169 § 1; 2017 c 238 § 1; 2016 c 235 § 1. Prior: 2014 c 105 § 1; 2014 c 27 § 1; 2013 c 238 § 2; 2009 c 373 § 4; (2011 c 62 § 2 expired December 1, 2012); 2008 c 41 § 5; 2007 c 16 § 2; 2006 c 302 § 1; 2003 c 44 § 1; 2000 c 141 § 1; 1997 c 321 § 3; 1991 c 192 § 2; 1982 c 85 § 4; 1981 1st ex.s. c 5 § 31; 1939 c 172 § 1 (23C); 1937 c 217 § 1 (23C) (adding new section 23-C to 1933 ex.s. c 62); RRS § 7306-23C. Formerly RCW 66.24.170, 66.24.180, and 66.24.190.]

## NOTES:

**Effective date—2021 c 6:** See note following RCW 66.24.140.

**Expiration date—2011 c 62:** "This act expires December 1, 2012." [ 2011 c 62 § 5.]

**Effective date—2006 c 302:** "Except for sections 10 and 12 of this act, this act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect April 14, 2006." [ 2006 c 302 § 16.]

**Effective date—1997 c 321:** See note following RCW 66.24.010.

**Effective date—1981 1st ex.s. c 5:** See RCW 66.98.100.

[PDF](#)**RCW 66.24.200****Wine distributor's license—Fee.**

There shall be a license for wine distributors to sell wine, purchased from licensed Washington wineries, wine certificate of approval holders, licensed wine importers, or suppliers of foreign wine located outside of the United States, to licensed wine retailers and other wine distributors and to export the same from the state; fee six hundred sixty dollars per year for each distributing unit.

[ **2004 c 160 § 2**; **1997 c 321 § 5**; **1981 1st ex.s. c 5 § 32**; **1969 ex.s. c 21 § 2**; **1937 c 217 § 1** (23K) (adding new section 23-K to 1933 ex.s. c 62); RRS § 7306-23K.]

**NOTES:**

**Effective date—2004 c 160:** See note following RCW **66.04.010**.

**Effective date—1997 c 321:** See note following RCW **66.24.010**.

**Effective date—1981 1st ex.s. c 5:** See RCW **66.98.100**.

**Effective date—1969 ex.s. c 21:** See note following RCW **66.04.010**.

PDF**RCW 66.24.203****Wine importer's license—Principal office—Report—Labels—Fee.**

There shall be a license for wine importers that authorizes the licensee to import wine purchased from certificate of approval holders into the state of Washington. The licensee may also import, from suppliers located outside of the United States, wine manufactured outside the United States.

(1) Wine so imported may be sold to licensed wine distributors or exported from the state.

(2) Every person, firm, or corporation licensed as a wine importer shall establish and maintain a principal office within the state at which shall be kept proper records of all wine imported into the state under this license.

(3) No wine importer's license shall be granted to a nonresident of the state nor to a corporation whose principal place of business is outside the state until such applicant has established a principal office and agent within the state upon which service can be made.

(4) As a requirement for license approval, a wine importer shall enter into a written agreement with the board to furnish on or before the twentieth day of each month, a report under oath, detailing the quantity of wine sold or delivered to each licensed wine distributor. Failure to file such reports may result in the suspension or cancellation of this license.

(5) Wine imported under this license must conform to the provisions of RCW 66.28.110 and have received label approval from the board. The board shall not certify wines labeled with names that may be confused with other nonalcoholic beverages whether manufactured or produced from a domestic winery or imported nor wines that fail to meet quality standards established by the board.

(6) The license fee shall be one hundred sixty dollars per year.

[ 2004 c 160 § 3; 1997 c 321 § 6.]

**NOTES:**

**Effective date—2004 c 160:** See note following RCW 66.04.010.

**Effective date—1997 c 321:** See note following RCW 66.24.010.

**Out-of-state winery—Certificate of approval—Fee.**

(1)(a) A United States winery located outside the state of Washington must hold a certificate of approval to allow sales and shipment of the certificate of approval holder's wine to licensed Washington wine distributors, importers, or retailers. A certificate of approval holder with a direct shipment endorsement may act as a distributor of its own production. Notwithstanding any language in this title to the contrary, a certificate of approval holder with a direct shipment endorsement may use a common carrier to deliver up to one hundred cases of its own production, in the aggregate, per month to licensed Washington retailers. A certificate of approval holder may not arrange for any such common carrier shipments to licensed retailers of wine not of its own production.

(b) Authorized representatives must hold a certificate of approval to allow sales and shipment of United States produced wine to licensed Washington wine distributors or importers.

(c) Authorized representatives must also hold a certificate of approval to allow sales and shipments of foreign produced wine to licensed Washington wine distributors or importers.

(2) The certificate of approval shall not be granted unless and until such winery or authorized representative shall have made a written agreement with the board to furnish to the board, on or before the twentieth day of each month, a report under oath, on a form to be prescribed by the board, showing the quantity of wine sold or delivered to each licensed wine distributor, importer, or retailer, during the preceding month, and shall further have agreed with the board, that such wineries, manufacturers, or authorized representatives, and all general sales corporations or agencies maintained by them, and all of their trade representatives, shall and will faithfully comply with all laws of the state of Washington pertaining to the sale of intoxicating liquors and all rules and regulations of the Washington \*state liquor control board. A violation of the terms of this agreement will cause the board to take action to suspend or revoke such certificate.

(3) The fee for the certificate of approval and related endorsements, issued pursuant to the provisions of this title, shall be from time to time established by the board at a level that is sufficient to defray the costs of administering the certificate of approval program. The fee shall be fixed by rule by the board in accordance with the provisions of the administrative procedure act, chapter 34.05 RCW.

(4) Certificate of approval holders are deemed to have consented to the jurisdiction of Washington concerning enforcement of this chapter and all laws and rules related to the sale and shipment of wine.

[ 2007 c 16 § 1; 2006 c 302 § 4; 2004 c 160 § 4; 1997 c 321 § 7; 1981 1st ex.s. c 5 § 34; 1973 1st ex.s. c 209 § 13; 1969 ex.s. c 21 § 10.]

**NOTES:**

**\*Reviser's note:** The "state liquor control board" was renamed the "state liquor and cannabis board" by 2015 c 70 § 3.

**Effective date—2006 c 302:** See note following RCW 66.24.170.

**Effective date—2004 c 160:** See note following RCW 66.04.010.

**Effective date—1997 c 321:** See note following RCW 66.24.010.

**Effective date—1981 1st ex.s. c 5:** See RCW 66.98.100.



**Severability—Effective date—1973 1st ex.s. c 209:** See notes following RCW **66.20.160**.

**Effective date—1969 ex.s. c 21:** See note following RCW **66.04.010**.

### Three-tier system—Direct or indirect interests—Allowed activities.

Nothing in RCW 66.28.290 shall prohibit:

(1) A licensed domestic brewery or microbrewery from being licensed as a retailer pursuant to chapter 66.24 RCW for the purpose of selling beer or wine at retail on the brewery premises and at one additional off-site retail only location.

(2) A domestic winery from being licensed as a retailer pursuant to chapter 66.24 RCW for the purpose of selling beer or wine at retail on the winery premises. Such beer and wine so sold at retail shall be subject to the taxes imposed by RCW 66.24.290 and 66.24.210 and to reporting and bonding requirements as prescribed by regulations adopted by the board pursuant to chapter 34.05 RCW, and beer and wine that is not produced by the brewery or winery shall be purchased from a licensed beer or wine distributor.

(3) A microbrewery holding a beer and/or wine restaurant license under RCW 66.24.320 from holding the same privileges and endorsements attached to the beer and/or wine restaurant license.

(4) A licensed craft distillery from selling spirits of its own production under RCW 66.24.145.

(5) A licensed distiller, domestic brewery, microbrewery, domestic winery, or a lessee of a licensed domestic brewer, microbrewery, or domestic winery, from being licensed as a spirits, beer, and wine restaurant pursuant to chapter 66.24 RCW for the purpose of selling liquor at a spirits, beer, and wine restaurant premises on the property on which the primary manufacturing facility of the licensed distiller, domestic brewer, microbrewery, or domestic winery is located or on contiguous property owned or leased by the licensed distiller, domestic brewer, microbrewery, or domestic winery as prescribed by rules adopted by the board pursuant to chapter 34.05 RCW.

(6) A microbrewery holding a spirits, beer, and wine restaurant license under RCW 66.24.420 from holding the same privileges and endorsements attached to the spirits, beer, and wine restaurant license.

(7) A brewery or microbrewery holding a spirits, beer, and wine restaurant license or a beer and/or wine license under chapter 66.24 RCW operated on the premises of the brewery or microbrewery from holding a second retail only license at a location separate from the premises of the brewery or microbrewery.

(8) Retail licensees with a caterer's endorsement issued under RCW 66.24.320 or 66.24.420 from operating on a domestic winery premises.

(9) An organization qualifying under RCW 66.24.375 formed for the purpose of constructing and operating a facility to promote Washington wines from holding retail licenses on the facility property or leasing all or any portion of such facility property to a retail licensee on the facility property if the members of the board of directors or officers of the board for the organization include officers, directors, owners, or employees of a licensed domestic winery. Financing for the construction of the facility must include both public and private money.

(10) A bona fide charitable nonprofit society or association registered under Title 26 U.S.C. Sec. 501(c)(3) of the federal internal revenue code, or a local wine industry association registered under Title 26 U.S.C. Sec. 501(c)(6) of the federal internal revenue code as it existed on July 22, 2007, and having an officer, director, owner, or employee of a licensed domestic winery or a wine certificate of approval holder on its board of directors from holding a special occasion license under RCW 66.24.380.

(11) A person licensed pursuant to RCW 66.24.170, 66.24.240, or 66.24.244 from exercising the privileges of distributing and selling at retail such person's own production or from exercising any other right or privilege that attaches to such license.

(12) A person holding a certificate of approval pursuant to RCW 66.24.206 from obtaining an endorsement to act as a distributor of their own product or from shipping their own product directly to consumers as authorized by RCW 66.20.360.

(13) A person holding a wine shipper's permit pursuant to RCW 66.20.375 from shipping their own product directly to consumers.

(14) A person holding a certificate of approval pursuant to RCW 66.24.270(2) from obtaining an endorsement to act as a distributor of their own product.

(15) A domestic winery and a restaurant licensed under RCW 66.24.320 or 66.24.400 from entering an arrangement to waive a corkage fee.

[ 2011 c 66 § 2; 2009 c 506 § 4.]

## NOTES:

**Finding—Intent—2011 c 66:** "The legislature finds that some restaurants allow patrons to bring bottles of wine to the restaurant so long as restaurant personnel open and serve the beverage. In these cases, the restaurants often charge a fee known as a corkage fee. The legislature supports activities in the free market that facilitate local businesses in selling their products. One of the methods restaurants and wineries have found to be mutually beneficial is a waiver of corkage fees for local businesses. The legislature intends to allow wineries and restaurants the ability to make agreements as to whether to charge a corkage fee without restriction or regulation under the tied-house laws." [ 2011 c 66 § 1.]

## Regulations—Scope.

The power of the board to make regulations under chapter 34.05 RCW extends to:

(1) Prescribing the duties of the employees of the board, and regulating their conduct in the discharge of their duties;

(2) Prescribing an official seal and official labels and stamps and determining the manner in which they must be attached to every package of liquor sold or sealed under this title, including the prescribing of different official seals or different official labels for different classes of liquor;

(3) Prescribing forms to be used for purposes of this title or the regulations, and the terms and conditions to be contained in permits and licenses issued under this title, and the qualifications for receiving a permit or license issued under this title, including a criminal history record information check. The board may submit the criminal history record information check to the Washington state patrol and to the identification division of the federal bureau of investigation in order that these agencies may search their records for prior arrests and convictions of the individual or individuals who filled out the forms. The board must require fingerprinting of any applicant whose criminal history record information check is submitted to the federal bureau of investigation;

(4) Prescribing the fees payable in respect of permits and licenses issued under this title for which no fees are prescribed in this title, and prescribing the fees for anything done or permitted to be done under the regulations;

(5) Prescribing the kinds and quantities of liquor which may be kept on hand by the holder of a special permit for the purposes named in the permit, regulating the manner in which the same is kept and disposed of, and providing for the inspection of the same at any time at the instance of the board;

(6) Regulating the sale of liquor kept by the holders of licenses which entitle the holder to purchase and keep liquor for sale;

(7) Prescribing the records of purchases or sales of liquor kept by the holders of licenses, and the reports to be made thereon to the board, and providing for inspection of the records so kept;

(8) Prescribing the kinds and quantities of liquor for which a prescription may be given, and the number of prescriptions which may be given to the same patient within a stated period;

(9) Prescribing the manner of giving and serving notices required by this title or the regulations, where not otherwise provided for in this title;

(10) Regulating premises in which liquor is kept for export from the state, or from which liquor is exported, prescribing the books and records to be kept therein and the reports to be made thereon to the board, and providing for the inspection of the premises and the books, records and the liquor so kept;

(11) Prescribing the conditions and qualifications requisite for the obtaining of club licenses and the books and records to be kept and the returns to be made by clubs, prescribing the manner of licensing clubs in any municipality or other locality, and providing for the inspection of clubs;

(12) Prescribing the conditions, accommodations, and qualifications requisite for the obtaining of licenses to sell beer, wines, and spirits, and regulating the sale of beer, wines, and spirits thereunder;

(13) Specifying and regulating the time and periods when, and the manner, methods and means by which manufacturers must deliver liquor within the state; and the time and periods when, and the manner, methods and means by which liquor may lawfully be conveyed or carried within the state;

(14) Providing for the making of returns by brewers of their sales of beer shipped within the state, or from the state, showing the gross amount of such sales and providing for the inspection of brewers' books and records, and for the checking of the accuracy of any such returns;

(15) Providing for the making of returns by the wholesalers of beer whose breweries are located beyond the boundaries of the state;

(16) Providing for the making of returns by any other liquor manufacturers, showing the gross amount of liquor produced or purchased, the amount sold within and exported from the state, and to



whom so sold or exported, and providing for the inspection of the premises of any such liquor manufacturers, their books and records, and for the checking of any such return;

(17) Providing for the giving of fidelity bonds by any or all of the employees of the board. However, the premiums therefor must be paid by the board;

(18) Providing for the shipment of liquor to any person holding a permit and residing in any unit which has, by election pursuant to this title, prohibited the sale of liquor therein;

(19) Prescribing methods of manufacture, conditions of sanitation, standards of ingredients, quality and identity of alcoholic beverages manufactured, sold, bottled, or handled by licensees and the board; and conducting from time to time, in the interest of the public health and general welfare, scientific studies and research relating to alcoholic beverages and the use and effect thereof;

(20) Seizing, confiscating and destroying all alcoholic beverages manufactured, sold or offered for sale within this state which do not conform in all respects to the standards prescribed by this title or the regulations of the board. However, nothing herein contained may be construed as authorizing the \*liquor board to prescribe, alter, limit or in any way change the present law as to the quantity or percentage of alcohol used in the manufacturing of wine or other alcoholic beverages;

(21) Monitoring and regulating the practices of license holders as necessary in order to prevent the theft and illegal trafficking of liquor pursuant to RCW 66.28.350.

[ 2014 c 63 § 2; 2012 c 2 § 204 (Initiative Measure No. 1183, approved November 8, 2011); 2002 c 119 § 2; 1977 ex.s. c 115 § 1; 1971 c 62 § 1; 1943 c 102 § 1; 1933 ex.s. c 62 § 79; RRS § 7306-79. Formerly RCW 66.08.030 and 66.08.040.]

## NOTES:

**\*Reviser's note:** The "state liquor control board" was renamed the "state liquor and cannabis board" by 2015 c 70 § 3.

**Finding—Application—Rules—Effective date—Contingent effective date—2012 c 2 (Initiative Measure No. 1183):** See notes following RCW 66.24.620.

## **Domestic wineries—Retail sales of wine on winery premises—Wine served without charge on premises—Spirit, beer and wine restaurant operation.**

(1) A domestic winery may sell wine of its own production at retail on the winery premises.

(2) In selling wine of its own production at retail on its premises as provided in subsection (1) of this regulation, a domestic winery shall conduct such operation in conformity with the statutes and regulations which apply to holders of such wine retailers' licenses. The winery shall maintain records of its retail operation separate from other winery operation records.

(3) Upon written authorization of the board, pursuant to RCW [66.04.011](#), wine of a domestic winery's own production and/or liquor products other than wine of a licensee's own production may be consumed in designated parks and picnic areas adjacent to and held by the same ownership as the domestic winery.

(4) A domestic winery or a lessee of a licensed domestic winery operating a spirit, beer and wine restaurant, licensed pursuant to RCW [66.28.295](#), shall conduct such operation in conformity with the statutes and regulations which apply to holders of such spirit, beer and wine restaurant licenses.

(5) A domestic winery may serve its own wine and wine not of its own production without charge on the winery premises as authorized by RCW [66.28.295](#)(2).

(6) No retail license or fee is required for the holder of a domestic winery license to serve wine without charge on the winery premises as set forth in subsection (5) of this regulation. Before exercising this privilege, however, such winery shall obtain approval of the proposed service area and facilities. Such winery shall maintain a separate record of all wine so served.

(7) A domestic winery may sell for off-premises consumption wine of its own production in kegs or sanitary containers brought to the premises by the purchaser or furnished by the licensee in compliance with WAC [314-24-006](#)(4) and filled at the tap at the time of sale.

(8) A winery is required to obtain the appropriate retail license pursuant to chapter [66.24](#) RCW to sell beer, wine, or spirits on the winery premises that is not of its own production. The winery shall follow the appropriate rules for such retail licenses.

(9) Licensed wine manufacturers and their employees may: Sample wine of their own manufacture for manufacturing, evaluating, or pricing product in areas where the public is not served, so long as the licensee or employee does not become apparently intoxicated; and the licensee or employee is not also engaged in serving alcohol to the public.

[Statutory Authority: RCW [66.24.170](#), [66.24.640](#), [66.24.695](#), and [66.08.030](#). WSR 18-02-006, § 314-24-160, filed 12/20/17, effective 1/20/18. Statutory Authority: RCW [66.08.030](#), [66.24.371](#), and [66.24.590](#). WSR 15-01-001, § 314-24-160, filed 12/3/14, effective 1/3/15. Statutory Authority: RCW [66.08.030](#) and [66.08.050](#). WSR 12-17-006, § 314-24-160, filed 8/1/12, effective 9/1/12. Statutory Authority: RCW [66.08.030](#), [66.24.210](#), [66.24.230](#), [66.24.290](#), [66.24.305](#), [66.24.270](#), [66.24.215](#), [66.24.580](#), [66.24.206](#). WSR 00-17-065, § 314-24-160, filed 8/9/00, effective 9/9/00. Statutory Authority: RCW [66.08.030](#), [15.88.030](#), [19.126.020](#), [66.04.010](#), [66.08.180](#), [66.16.100](#), [66.20.010](#), [66.20.300](#), [66.20.310](#), [66.24.150](#), [66.24.170](#), [66.24.185](#), [66.24.200](#), [66.24.206](#), [66.24.210](#), [66.24.230](#), [66.24.240](#), [66.24.244](#), [66.24.250](#), [66.24.375](#), [66.24.380](#), [66.24.395](#), [66.24.400](#), [66.24.420](#), [66.24.425](#), [66.24.440](#), [66.24.450](#), [66.24.455](#), [66.24.495](#), [66.24.540](#), [66.28.010](#), [66.28.040](#), [66.28.050](#), [66.28.170](#), [66.28.180](#), [66.28.190](#), [66.28.200](#), [66.28.310](#), [66.44.190](#), [66.44.310](#), [66.98.060](#) and [82.08.150](#). WSR 98-18-097, § 314-24-160, filed 9/2/98, effective 10/3/98. Statutory Authority: RCW [66.08.030](#). WSR 93-11-028, § 314-24-160, filed 5/10/93, effective 6/10/93; WSR 86-12-023 (Order 190, Resolution No. 199), § 314-24-160, filed 5/28/86; Order 61, § 314-24-160, filed 12/6/77; Order 40, § 314-24-160, filed 8/21/75; Order 5, § 314-24-160, filed 8/7/69, effective 9/8/69; Rule 76, filed 6/13/63.]

**HTML has links - PDF has Authentication****PDF****WAC 314-24-265****Defining wine of a winery's own production.**

A domestic winery holding a valid license in both Washington and Oregon may market and distribute wine produced in Oregon utilizing their Washington winery license as the premises for transactions if the following conditions are met:

(1) The licensee must request approval from the WSLCB to market and retail their Oregon wine at their Washington winery premises. Approval will be granted based on the documentation that demonstrates compliance with this regulation.

(2) The licensee must demonstrate a valid Oregon winery license and that the underlying ownership of the Oregon winery license is identical to the Washington winery license.

(3) Both the Washington and Oregon wineries must manufacture wine within the same TTB authorized appellation. Only wine from cross border appellations will be approved.

(4) Oregon wine to be marketed and/or sold in Washington must have the appropriate taxes paid (RCW **66.24.210**).

[Statutory Authority: RCW **66.24.170**, **66.24.640**, **66.24.695**, and **66.08.030**. WSR 18-02-006, § 314-24-265, filed 12/20/17, effective 1/20/18.]

**HTML has links - PDF has Authentication****PDF****WAC 314-24-001****Definitions.**

(1) The following terms are defined in RCW **66.04.010**:

(a) Authorized representative;

(b) Domestic winery;

(c) Manufacturer;

(d) Package;

(e) Sale and sell;

(f) Wine;

(g) Wine distributor;

(h) Wine importer; and

(i) Winery.

(2) COA means certificate of approval.

(3) COLA means certificate of label approval.

(4) Custom crush - A custom crush arrangement involves an agreement or formal contract where one domestic winery (customer) pays another domestic winery (producer) to produce wine to order. (It is not an alternating proprietorship arrangement.)

(5) TTB means the Alcohol and Tax and Trade Bureau.

U.S. Code - Title 27 of the Code of Federal Regulations.

[Statutory Authority: RCW **66.24.170**, **66.24.640**, **66.24.695**, and **66.08.030**. WSR 18-02-006, § 314-24-001, filed 12/20/17, effective 1/20/18. Statutory Authority: RCW **66.08.030** and **66.28.320**. WSR 10-01-090, § 314-24-001, filed 12/16/09, effective 1/16/10. Statutory Authority: RCW **66.08.030**, 2004 c 160. WSR 04-24-097, § 314-24-001, filed 12/1/04, effective 1/1/05.]