



Washington State
Liquor Control Board

November 6, 2013

To: Sharon Foster, Board Chairman
Ruthann Kurose, Board Member
Chris Marr, Board Member

From: Karen McCall, Senior Policy/Legislative Analyst

Subject: Rescind LCB BIP-02-2012 Central Warehousing

The purpose of this interim policy was to memorialize the direction the board was taking in implementation of central warehousing in I-1183. Permanent rules were adopted by the board to implement this interim policy on June 6, 2012.

Move to rescind BIP-02-2012.

Approve

Not Approve

Sharon Foster, Board Chairman

Approve

Not Approve

Ruthann Kurose, Board Member

Approve

Not Approve

Chris Marr, Board Member

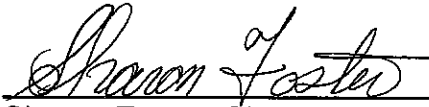


Washington State
Liquor Control Board


Liquor Control Board Interim Policy BIP-02-2012

Subject: Central Warehousing
Effective Date: March 14, 2012
Ending Date: Upon adoption of rules to implement this policy.

Approved:



Sharon Foster, Chairman



Ruthann Kurose, Board Member



Chris Marr, Board Member

Purpose:

Initiative 1183 passed November 8, 2011, privatizing liquor sales and distribution in the state of Washington. Central warehousing by retail licensees is allowed under I-1183. The initiative states that a retail licensee may register a warehouse with the board to accept delivery of spirits and wine and deliver spirits and wine from the registered warehouse.

Policy Statement:

This policy memorializes the direction the board is taking in implementation of central warehousing in I-1183. This language will be part of the permanent rules to implement I-1183.

- Each retail liquor licensee having a warehouse facility where they intend to receive wine and/or spirits must register their warehouse facility with the board and include the following information:
 - Documentation that shows the licensee has a right to the warehouse property;
 - If a warehouse facility is to be shared by more than one licensee, each licensee must demonstrate to the board that a recordkeeping

system is utilized that will account for all wine and/or spirits entering and leaving the warehouse for each license holder. The system must also account for product loss. Licensees may consolidate their commitment of the amount of product they plan to order, but their orders must be made separately and paid for by each licensee.

- Alternatively, if the warehouse does not have a record-keeping system that provides the required information, wine and/or spirits for each licensee in a shared warehouse must be separated by a physical barrier. Where physical separation is utilized, a sketch of the interior of the warehouse facility must be submitted indicating the designated area the licensee will be storing product. (Example: If ABC Grocery and My Grocery, each licensed to a different ownership entity, both lease space in a warehouse facility, the wine and/or spirits must be in separate areas separated by a physical barrier.) Licensees may consolidate their commitment of the amount of product they plan to order, but their orders must be made separately and paid for by each licensee.
- If a licensee has multiple locations and plans to use one location as the registered warehouse for all locations, the location to be used as a warehouse must be registered with the board for all locations.
- Upon the request of the board, the licensee must provide any of the required records for review. Retail liquor licensees must keep the following records for three years:
 - Purchase invoices and supporting documents for wine and/or spirits purchased;

- Invoices showing incoming and outgoing wine and/or spirits (product transfers);
 - Documentation of the recordkeeping system in a shared warehouse as referenced in subsection (1)(b) of this section; and
 - A copy of records for liquor stored in the shared warehouse.
- Each licensee must allow the board access to the warehouse for audit and review of records.
 - If the wine and/or spirits for each licensee in a shared warehouse is not kept separate, and a violation is found, each licensee that has registered the warehouse with the board may be held accountable for the violation.

