



Washington State Liquor and Cannabis Board

To: David Postman, Board Chair
Ollie Garrett, Board Member
Russ Hauge, Board Member

From: Kathy Hoffman, Policy and Rules Manager

Date: September 29, 2021

Copy: Rick Garza, Agency Director
Toni Hood, Deputy Director
Justin Nordhorn, Policy and External Affairs Director
Becky Smith, Licensing and Regulation Director
Chandra Brady, Director of Enforcement and Education

Subject: Request for approval to rescind Board Interim Policy (BIP) 08-2015 concerning beer/wine gift delivery license (WAC 314-03-040).

On October 7, 2015, the Board approved Board Interim Policy 08-2015 to outline the requirements for internet sales and delivery of beer and wine. At the time, the beer/wine gift delivery license allowed a business primarily engaged in the retail sale of gifts or flowers to deliver beer or wine in bottles or original packages. Many of these types of orders were placed online. Although the Board had previously allowed internet sales for this particular license type, rules had not been adopted to outline the requirements for internet sales and delivery of beer and wine. At the request of Becky Smith, Licensing Director, BIP 08-2015 provided the following specific provisions:

- A beer delivery license, wine delivery license or both, may accept orders for beer or wine from and deliver beer or wine to customers.
 - **Resale.** Beer and wine shall not be for resale.
 - **Stock location.** Beer and wine must come directly from the licensed beer/wine gift delivery retail location.
 - **How to place an order.** Beer and wine maybe ordered in person at a licensed location, by mail, telephone or internet, or by other similar methods.
 - **Sales and payment.**
 - Only a licensee or a licensee's direct employees may accept and process orders and payments. A contractor may not do so on behalf of a licensee, except for transmittal of payments through a third party service. A third-party service may not solicit customer business on behalf of a licensee.
 - All orders and payments shall be fully processed before liquor transfers ownership, or in the case of delivery, leaves the licensed premises.
 - *Payment method.* Payment methods include, but are not limited to: Cash, credit, or debit card, check or money order, electronic funds

transfer, or an existing prepaid account. An existing prepaid account may not have a negative balance.

- *Internet.* To sell beer and wine via the internet, a new license applicant must request internet-sales privileges in his or her application. An existing licensee must notify the board prior to beginning internet sales. A corporate entity representing multiple stores may notify the board in a single letter on behalf of affiliated licensees, as long as the liquor license numbers of all licensees locations utilizing internet sales privileges are clearly identified.
- **Delivery location.** Delivery shall be made only to a residence or business that has an address recognized by the United States postal service; however, the board may grant an exception to this rule at its discretion. A residence includes a hotel room, a motel room, or other similar lodging that temporarily serves as a residence.
- **Hours of delivery.** Beer and wine may be delivered each day of the week between the hours of six a.m. and two a.m. Delivery must be fully completed by two a.m.
- **Age requirement.**
 - Per chapter 66.44 RCW, any person under twenty-one years of age is prohibited from purchasing, delivering, or accepting delivery of beer and wine.
 - A delivery person must verify the age of the person accepting delivery before handing over beer and wine.
 - If no person twenty-one years of age or older is present to accept a beer and wine order at the time of delivery, the beer and wine shall be returned.
- **Intoxication.** Delivery of beer and wine is prohibited to any person who shows signs of intoxication.
- **Containers and packaging.**
 - Individual units of beer and wine must be factory sealed in bottles, cans or other like packaging. Delivery of growlers, jugs or other similar, nonfactory-sealed containers is prohibited. Delivery of malt liquor in kegs or other containers capable of holding four gallons or more of liquid is allowed, provided that kegs or containers are factory sealed and that the keg sales requirements (see WAC 314-02-0115) are met prior to delivery. For the purposes of this subsection, “factory sealed” means that a unit is in one hundred percent resealable condition, with all manufacturer’s seals intact.
 - The outermost surface of a beer and wine package, delivered by a third party must have language stating that:
 - The package contains liquor;
 - The recipient must be twenty-one years of age or older; and
 - Delivery to intoxicated persons is prohibited.
- **Required information.**
 - Records and files shall be maintained at a licensed premises. Each delivery sales record shall include the following:
 - Name of the purchaser;

- Name of the person who accepts delivery;
 - Street addresses of the purchaser and the delivery location; and
 - Times and dates of purchase and delivery.
- A private carrier must obtain the signature of the person who receives beer or wine upon delivery.
 - A sales record does not have to include the name of the delivery person, but it is encouraged.
- **Web site requirements.** When selling over the internet, all web site pages associated with the sale of beer and wine must display a licensee's registered trade name.
 - **Accountability.** A licensee shall be accountable for all deliveries of beer and wine made on its behalf.
 - **Violations.** The board may impose administrative enforcement action upon a licensee, or suspend or revoke a licensee's delivery privileges, or any combination thereof, should a licensee violate any condition, requirement or restriction.

BIP 08-2015 was designed to be rescinded upon the adoption of rules to make the BIP permanent. Permanent rules were adopted (WAC 314-03-040) on August 9, 2017 as WSR #17-17-030, effective September 9, 2017. These rules have not been revised or updated since that time, and no rulemaking is currently open concerning this rule section. As a result, BIP 08-2015 is no longer necessary.

If the Board approves rescission of BIP 08-2015, the agency will send notice to stakeholders, and remove the BIP from the LCB website.

The Board approves/disapproves the rescission of BIP 08-2015.

Approve Disapprove



9.29.2021
Date

David Postman, Chair

Approve Disapprove



9.29.2021
Date

Ollie Garrett, Board Member

Approve Disapprove

Not Present

9.29.2021
Date

Russ Hauge, Board Member



Washington State
Liquor and Cannabis Board

Liquor and Cannabis Board Interim Policy BIP-08-2015

Subject: Beer/Wine gift Delivery License

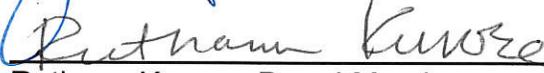
Effective Date: October 7, 2015

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

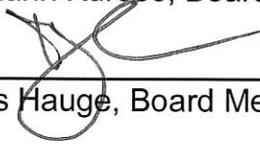
Approved:



 Jane Rushford, Chairman



 Ruthann Kurose, Board Member



 Russ Hauge, Board Member

Purpose:
 The Beer/Wine Gift Delivery license allows a business that is primarily engaged in the retail sale of gifts or flowers to deliver beer and/or wine in bottles or original packages. The beer or wine must be delivered in conjunction with the gifts or flowers. Many of the orders are placed via the internet. The board has in the past allowed internet sales for holders of this license but there are currently no rules that outline the requirements for this practice. Becky Smith, Licensing Director, has asked for an interim policy and rules to outline the requirements for internet sales and delivery of beer and wine.

Policy Statement

Consumer orders, internet sales, and delivery for beer and/or wine gift delivery licenses.

A beer and/or wine gift delivery licensee may accept orders for beer or wine from, and deliver beer or wine to, customers.

- (1) **Resale.** Beer and wine shall not be for resale.
- (2) **Stock location.** Beer and wine must come directly from the licensed beer/wine gift delivery retail location.
- (3) **How to place an order.** Beer and wine may be ordered in person at a licensed location, by mail, telephone or internet, or by other similar methods.
- (4) **Sales and payment.**
 - (a) Only a licensee or a licensee's direct employees may accept and process orders and payments. A contractor may not do so on behalf of a licensee, except for transmittal of payment through a third-party service. A third-party service may not solicit customer business on behalf of a licensee.



Washington State
Liquor and Cannabis Board

(b) All orders and payments shall be fully processed before liquor transfers ownership or, in the case of delivery, leaves a licensed premises.

(c) *Payment method.* Payment methods include, but are not limited to: Cash, credit or debit card, check or money order, electronic funds transfer, or an existing prepaid account. An existing prepaid account may not have a negative balance.

(d) *Internet.* To sell beer and wine via the internet, a new license applicant must request internet-sales privileges in his or her application. An existing licensee must notify the board prior to beginning internet sales. A corporate entity representing multiple stores may notify the board in a single letter on behalf of affiliated licensees, as long as the liquor license numbers of all licensee locations utilizing internet sales privileges are clearly identified.

(5) **Delivery location.** Delivery shall be made only to a residence or business that has an address recognized by the United States postal service; however, the board may grant an exception to this rule at its discretion. A residence includes a hotel room, a motel room, or other similar lodging that temporarily serves as a residence.

(6) **Hours of delivery.** Beer and wine may be delivered each day of the week between the hours of six a.m. and two a.m. Delivery must be fully completed by two a.m.

(7) **Age requirement.**

(a) Per chapter 66.44 RCW, any person under twenty-one years of age is prohibited from purchasing, delivering, or accepting delivery of beer and wine.

(b) A delivery person must verify the age of the person accepting delivery before handing over beer and wine.

(c) If no person twenty-one years of age or older is present to accept a beer and wine order at the time of delivery, the beer and wine shall be returned.

(8) **Intoxication.** Delivery of beer and wine is prohibited to any person who shows signs of intoxication.

(9) **Containers and packaging.**

(a) Individual units of beer and wine must be factory sealed in bottles, cans or other like packaging. Delivery of growlers, jugs or other similar, nonfactory-sealed containers is prohibited. Delivery of malt liquor in kegs or other containers capable of holding four gallons or more of liquid is allowed, provided that kegs or containers are factory sealed and that the keg sales requirements (see WAC 314-02-115) are met prior to delivery. For the purposes of this subsection, "factory sealed" means that a unit is in one hundred percent resalable condition, with all manufacturer's seals intact.

(b) The outermost surface of a beer and wine package, delivered by a third party, must have language stating that:

- (i) The package contains liquor;
- (ii) The recipient must be twenty-one years of age or older; and
- (iii) Delivery to intoxicated persons is prohibited.

(10) **Required information.**

(a) Records and files shall be retained at a licensed premises. Each delivery sales record shall include the following:

- (i) Name of the purchaser;
- (ii) Name of the person who accepts delivery;
- (iii) Street addresses of the purchaser and the delivery location; and



Washington State
Liquor and Cannabis Board

(iv) Times and dates of purchase and delivery.

(b) A private carrier must obtain the signature of the person who receives beer and wine upon delivery.

(c) A sales record does not have to include the name of the delivery person, but it is encouraged.

(11) **Web site requirements.** When selling over the internet, all web site pages associated with the sale of beer and wine must display a licensee's registered trade name.

(12) **Accountability.** A licensee shall be accountable for all deliveries of beer and wine made on its behalf.

(13) **Violations.** The board may impose administrative enforcement action upon a licensee, or suspend or revoke a licensee's delivery privileges, or any combination thereof, should a licensee violate any condition, requirement or restriction.