THESE ARE CONCEPTUAL DRAFT RULES DESIGNED FOR DISCUSSION 06/06/2022

NEW SECTION

WAC 314-20-350. Contract Packaging Services Endorsement for Domestic Breweries and Microbreweries.

Consistent with RCW 66.24.XXX (section 1, chapter 64, Laws of 2022 [SB 5940]):

- (1) There is an endorsement available to domestic breweries, microbreweries, wineries, distilleries, and craft distilleries to provide contract packaging services to other domestic breweries, microbreweries, wineries, distilleries, craft distilleries, and non-liquor licensed businesses.
- (2) Contract packaging services allowed under the endorsement include:
- (a) Canning, bottling, and bagging;
- (b) Mixing products before packaging;
- (c) Repacking of finished products into mixed consumer packs or multipacks; and
- (d) Receiving and returning products to the originating liquor licensed businesses as part of a contract in which the contracting liquor licensed party for which the services are being provided retains title and ownership of the products at all times.
- (3) An application for an endorsement under this section must be submitted to the board's licensing division. If a licensee is in good standing at the time of the application request, the endorsement will be issued without further requirement for additional licensing or administrative review. "Good standing" means currently licensed, not suspended, and having the proper federal alcohol and tobacco tax and trade bureau permits. The applicant must submit a copy of the proper federal permits with the application. If at any time after the endorsement is issued a licensee begins contract packaging a product for which new federal permits are required, the licensee must submit a copy of the proper federal permits to the board's licensing division.
- (4) Consistent with RCW 66.08.130, endorsement holders must make a copy of any contracts and federal permits available to representatives of the board upon request.
- (5) The annual fee for this endorsement is \$100.

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NEW SECTION

WAC 314-24-350. Contract packaging services endorsement for domestic wineries.

Consistent with RCW 66.24.XXX (section 1, chapter 64, Laws of 2022 [SB 5940]):

- (1) There is an endorsement available to domestic breweries, microbreweries, wineries, distilleries, and craft distilleries to provide contract packaging services to other domestic breweries, microbreweries, wineries, distilleries, craft distilleries, and non-liquor licensed businesses.
- (2) Contract packaging services allowed under the endorsement include:
- (a) Canning, bottling, and bagging;
- (b) Mixing products before packaging;
- (c) Repacking of finished products into mixed consumer packs or multipacks; and
- (d) Receiving and returning products to the originating liquor licensed businesses as part of a contract in which the contracting liquor licensed party for which the services are being provided retains title and ownership of the products at all times.
- (3) An application for an endorsement under this section must be submitted to the board's licensing division. If a licensee is in good standing at the time of the application request, the endorsement will be issued without further requirement for additional licensing or administrative review. "Good standing" means currently licensed, not suspended, and having the proper federal alcohol and tobacco tax and trade bureau permits. The applicant must submit a copy of the proper federal permits with the application. If at any time after the endorsement is issued a licensee begins contract packaging a product for which new federal permits are required, the licensee must submit a copy of the proper federal permits to the board's licensing division.
- (4) Consistent with RCW 66.08.130, endorsement holders must make a copy of any contracts and federal permits available to representatives of the board upon request.
- (5) The annual fee for this endorsement is \$100.

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NEW SECTION

WAC 314-28-350. Contract packaging services endorsement for domestic distilleries and craft distilleries.

Consistent with RCW 66.24.XXX (section 1, chapter 64, Laws of 2022 [SB 5940]):

- (1) There is an endorsement available to domestic breweries, microbreweries, wineries, distilleries, and craft distilleries to provide contract packaging services to other domestic breweries, microbreweries, wineries, distilleries, craft distilleries, and non-liquor licensed businesses.
- (2) Contract packaging services allowed under the endorsement include:
- (a) Canning, bottling, and bagging;
- (b) Mixing products before packaging;
- (c) Repacking of finished products into mixed consumer packs or multipacks; and
- (d) Receiving and returning products to the originating liquor licensed businesses as part of a contract in which the contracting liquor licensed party for which the services are being provided retains title and ownership of the products at all times.
- (3) An application for an endorsement under this section must be submitted to the board's licensing division. If a licensee is in good standing at the time of the application request, the endorsement will be issued without further requirement for additional licensing or administrative review. "Good standing" means currently licensed, not suspended, and having the proper federal alcohol and tobacco tax and trade bureau permits. The applicant must submit a copy of the proper federal permits with the application. If at any time after the endorsement is issued a licensee begins contract packaging a product for which new federal permits are required, the licensee must submit a copy of the proper federal permits to the board's licensing division.
- (4) Consistent with RCW 66.08.130, endorsement holders must make a copy of any contracts and federal permits available to representatives of the board upon request.
- (5) The annual fee for this endorsement is \$100.

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AMENDATORY SECTION

WAC 314-11-065 What typeTypes of liquor is allowed on a licensed premises.

- (1) Licensees may only possess and allow persons to consume or possess the type of liquor permitted by the type of liquor license held on the premises; except:
- (a) Under authority of a banquet permit (see chapter 314-18 WAC);
- (b) Restaurant licensees may allow patrons to bring wine into the premises for consumption with a meal;
- (c) Beer and/or wine restaurant or tavern licensees may keep spirituous liquor on the premises for use in the manufacture of food products, provided that:
- (i) All food products manufactured contain one percent or less of alcohol by weight (per RCW 66.12.160);
- (ii) Customers are made aware that the food products contain liquor; and
- (iii) The beer and/or wine restaurant or tavern licensee notifies the local liquor control board enforcement office in writing before they bring spirituous liquor on the premises;
- (d) Under the authority of a special occasion license; and
- (e) Licensees with an endorsement under WAC 314-20-350, 314-24-350, or 314-28-350 may keep other types of liquor on the premises to provide contract packaging services consistent with RCW 66.24.XXX (section 1, chapter 64, Laws of 2022 [SB 5940]).
- (2) For on-premises liquor licenses, the licensee or employees may not permit the removal of liquor in an open container from the licensed premises, except:
- (a) Liquor brought on a licensed premises under authority of a banquet permit may be resealed in its original container and removed at the end of the banquet permit function;
- (b) Per RCW 66.24.320 and 66.24.400, wine that is sold with a meal may be recorked or resealed and removed from the premises;
- (c) Liquor purchased by registered guests for consumption inside a hotel or motel room may be resealed in its original container and removed from the hotel or motel premises by the guest; and
- (d) Liquor removed from a licensed premises that holds a caterer's endorsement, for the purpose of catering an approved event.