These Draft Rules are intended to implement Engrossed Substitute House Bill (ESHB) 1731, chapter 257, Laws of 2023.

WAC 314-24-180 Wine distributors, wine importers-Certain

rights granted. (1) Wine distributors may sell to retailers, export wine from the state, and purchase wine from or sell wine to another wine distributor.

(2) Wine distributors must sell and deliver product from their licensed premises.

(3) Wine importers may sell to the board, export wine from the state, or sell to wine distributors, but may not sell to another wine importer or to retailers.

(4) Wine distributors may sell to holders of annual special permits for short term rental operators under RCW 66.20.010. [Statutory Authority: RCW 66.08.030 and 66.08.050. WSR 12-17-006, § 314-24-180, filed 8/1/12, effective 9/1/12. 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, \$ 314-24-180, filed 9/2/98, effective 10/3/98; Order 5, \$ 314-24-180, filed 8/7/69, effective 9/8/69; Rule 78, filed 6/13/63.]

WAC 314-24-190 Wine suppliers and distributors. (1) Definitions - For the purposes of this chapter:

(a) A "wine supplier" means a domestic winery, certificate of approval holder, wine importer, wine distributor acting as the first United States importer, or a distributor selling wine to another distributor.

(b) A "wine distributor" means a distributor selling to a retailer or a holder of an annual special permit for short term <u>rental owners under RCW 66.20.010</u>, a domestic winery acting as a distributor, or a certificate of approval holder with a direct shipping to Washington retailer endorsement selling wine of its own production to a retailer.

(2) **Products** - All products must be made available to all retail licensees to the extent it is reasonably practical to do so.

(3) Distributor changes:

(a) The following guidelines apply when a wine supplier makes a distributor change. The supplier must notify the board in writing that he/she wishes to change his/her current distributor and appoint a new distributor.

(b) A wine supplier must notify the board if any of the contracts or agreements listed in this rule are revised or terminated by either party.

(4) Accommodation sales - The provisions of this rule do not apply when a wine distributor makes an accommodation sale to another wine distributor and this sale is made at a selling price that does not exceed the laid-in cost of the wine being sold. Accommodation sales may only be made when the distributor purchasing the wine is an appointed distributor of the supplier, when the distributor is an authorized purchaser of the brand and product being sold, and when the supplying distributor is appointed by the supplier.

[Statutory Authority: RCW 66.24.170, 66.24.640, 66.24.695, and 66.08.030. WSR 18-02-006, § 314-24-190, filed 12/20/17, effective 1/20/18. Statutory Authority: RCW 66.08.030 and 66.08.050. WSR 12-17-006, § 314-24-190, filed 8/1/12, effective 9/1/12. Statutory Authority: RCW 66.08.030 and 66.28.320. WSR

10-01-090, § 314-24-190, filed 12/16/09, effective 1/16/10. Statutory Authority: RCW 66.08.030, 66.20.360 through [66.20].380, 66.20.390, 66.24.170, 66.24.206, 66.24.210, 66.24.240, 66.24.244, 66.24.270, 66.24.290, 66.28.170, 66.28.180, and 42.56.270. WSR 07-02-076, § 314-24-190, filed 12/29/06, effective 1/29/07. Statutory Authority: RCW 66.08.030, 66.28.180, and 2004 c 160. WSR 04-19-155, § 314-24-190, filed 9/22/04, effective 10/23/04. 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, § 314-24-190, filed 9/2/98, effective 10/3/98. Statutory Authority: RCW 66.08.030. WSR 87-15-111 (Order 222, Resolution No. 231), § 314-24-190, filed 7/22/87. Statutory Authority: RCW 66.08.030, 66.98.070 and 66.08.060. WSR 86-16-060 (Order 173, Resolution No. 182), § 314-24-190, filed 8/5/86. Statutory Authority: RCW 66.08.030. WSR 82-16-069 (Order 91, Resolution No. 100), § 314-24-190, filed 8/2/82. Statutory Authority: RCW 66.08.030 and 66.98.070. WSR 81-22-026 (Order 85, Resolution No. 94), § 314-24-190, filed 10/28/81. Statutory Authority: RCW 66.08.030, 66.08.060 and 66.98.070. WSR 78-02-056 (Order 62), § 314-24-190, filed 1/20/78, effective 7/1/78; Order

54, § 314-24-190, filed 5/24/77, effective 7/1/77; Order 51, § 314-24-190, filed 12/15/76; Order 26, § 314-24-190, filed 8/14/73; Order 18, § 314-24-190, filed 1/13/72, effective 2/14/72; Order 15, § 314-24-190, filed 5/13/71, effective 7/1/71; Order 5, § 314-24-190, filed 8/7/69, effective 9/8/69; Rule 81, filed 6/13/63.]

PROPOSED NEW RULE

WAC 314-38-XXX - Short term rental operator permits

- (1) As used herein, the terms "short term rental", "operator", and "guest" are used as defined in RCW 64.37.010.
- (2) A permit shall exist for a short term rental operator to provide one complimentary bottle of wine to rental guests who are 21 and over.
- (3) The annual fee for the permit shall be \$75.
- (4) A short term rental operator shall obtain a single permit for all short term rental properties identified on the permit application.
- (5) No more than one bottle of wine may be provided per rental booking, regardless of the number of guests.
- (6) Prior to providing the guests with a complimentary bottle of wine, the operator must comply with the following:
 - (a) Provide written advanced notice that a complimentary bottle of wine will be provided for consumption by guests21 years of age and over.
 - (b) Provide guests with an opportunity to decline the complimentary bottle of wine prior to the rental.

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- (C) Operator or staff person of short term rental present at the rental verifies that each person who will consume is over 21 years of age by checking for a valid form of identification as provided in WAC 314-11-025 as the guests arrive.
- (d) Advise that public consumption of alcohol is illegal per RCW 66.44.100.
- (7) The complimentary bottle of wine may be consumed on or off premises.
- (8) Permit holders may purchase wine from wine distributors as permitted in RCW 66.24.200.