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RULE-MAKING ORDER PERMANENT RULE ONLY

CR-103P (December 2017) (Implements RCW 34.05.360)

OFFICE OF THE CODE REVISER STATE OF WASHINGTON FIL FD

DATE: September 27, 2023 TIME: 10:23 AM

WSR 23-20-039

Agency: Washington State Liquor and Cannabis Board

Effective date of rule:

Permanent Rules

 \mathbf{X} 31 days after filing.

Other (specify) (If less than 31 days after filing, a specific finding under RCW 34.05.380(3) is required and should be stated below)

Any other findings required by other provisions of law as precondition to adoption or effectiveness of rule? □ Yes 🛛 No If Yes, explain: .

Purpose: The Washington State Liquor and Cannabis Board (Board) has adopted amendments to WAC 314-24-180 and WAC 314-24-190 to align the language in these two regulations to match the new language in RCW 66.20.010(18) and RCW 66.24.200 regarding holders of special permits for short-term rental operators obtaining wine directly from wine distributors.

Citation of rules affected by this order:

New:

Repealed: WAC 314-24-180, WAC 314-24-190

Amended:

Suspended: Statutory authority for adoption: RCW 66.08.030

Other authority: None.

PERMANENT RULE (Including Expedited Rule Making)

Adopted under notice filed as WSR 23-16-146 on August 2, 2023 (date). Describe any changes other than editing from proposed to adopted version: There were no changes from the proposed to adopted version.

If a preliminary cost-benefit analysis was prepared under RCW 34.05.328, a final cost-benefit analysis is available by contacting:

Name: Daniel Jacobs, Rules & Policy Coordinator Address: 1025 Union Avenue SE, Olympia WA 98501 Phone: 360-480-1238 Fax: 360-664-3208 TTY: Email: rules@lcb.wa.gov Web site: www.lcb.wa.gov Other:

Note: If any category is left blank, it will be calculated as zero. No descriptive text.	
Count by whole WAC sections only, from the WAC number through the history note. A section may be counted in more than one category.	
The number of sections adopted in order to comply with:	
Federal statute: N	ew Amended Repealed
Federal rules or standards: N	ew Amended Repealed
Recently enacted state statutes: N	ew Amended 2 Repealed
The number of sections adopted at the request of a nongovernmental entity:	
N	ew Amended Repealed
The number of sections adopted on the agency's own initiative:	
N	ew Amended 0 Repealed
The number of sections adopted in order to clarify, streamline, or reform agency procedures:	
N	ew Amended Repealed
The number of sections adopted using:	
Negotiated rule making: Negoti	ew Amended Repealed
Pilot rule making: N	ew Amended Repealed
Other alternative rule making: N	ew Amended 2 Repealed
Date Adopted: September 27, 2023	Signature:
Name: David Postman	
Title: Chair	

AMENDATORY SECTION (Amending WSR 12-17-006, filed 8/1/12, effective 9/1/12)

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.

AMENDATORY SECTION (Amending WSR 18-02-006, filed 12/20/17, effective 1/20/18)

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 rental owners under RCW 66.20.010, 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.