



## Notice of Rule Change – Explanatory Statement Penalty Guidelines

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This explanatory statement concerns the **Washington State Liquor Control Board's adoption of changes to rules regarding Penalty Guidelines.**

The Administrative Procedure Act (RCW 34.05.325(6)) requires agencies to complete a concise explanatory statement before filing adopted rules with the Office of the Code Reviser. This statement must be provided to anyone who gave comment about the proposed rule making.

Once persons who gave comment during this rule making have had a chance to receive this document, the Liquor Control Board will file the amended rules with the Office of the Code Reviser. These rule changes will become effective 31 days after filing (approximately November 15, 2009).

The Liquor Control Board appreciates your involvement in this rule making process. If you have any questions, please contact Karen McCall, Rules Coordinator, at (360) 664-1631 or e-mail at [rules@liq.wa.gov](mailto:rules@liq.wa.gov).

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### **What are the agency's reasons for revising these rules?**

These rules are being revised as part of the Rules review process.

### **What changes are being made?**

**Amendatory Section WAC 314-29-015 – What are the penalties if a liquor license holder violates a liquor law or rule?** Renamed group two and group three violation types. Revised examples of mitigating and aggravating circumstances.

**Amendatory Section WAC 314-29-020 – Group 1 violations against public safety.** Added applicable RCW or WAC to violations. Grouped violations by type.

### **Amendatory Section WAC 314-29-025 – Group 2 regulatory violations.**

Changed the group name from "conduct" to "regulatory" violations. Moved many of the violation types from current Group 3 to this new Group 2. Added applicable RCW or WAC to violations.

**Amendatory Section WAC 314-29-030 – Group 3 license violations.**

Changed group name from “regulatory” to “license” violations. Moved many violation types from other groups into this new Group 3. Added applicable RCW or WAC to violations.

**Amendatory Section WAC 314-29-035 – Group 4 nonretail violations.**

Added “nonretail” to the group name. Added applicable RCW or WAC to violations.

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**Summary of all public comments received on this rule proposal.**

**Michael Transue – Washington Restaurant Association - WRA**

**WAC 314-29-015 (4) (a) and (b):** WRA would like to see examples of mitigating and aggravating circumstances in this rule. The members prefer a list.

Response: A partial list of mitigating and aggravating circumstances was retained in this rule.

**WAC 314-29-020:** WRA is concerned there will be no monetary penalty for a second or third violation for public safety violations.

Response: Language was added to 314-29-015(4) indicating a monetary option in lieu of suspension may be offered during a settlement conference based on mitigating circumstances.

**Comment:** WRA would like the board to consider suspended sentences for first time violaters.

Response: This is a subject for discussion at a later date. It will not be part of this rulemaking.

**Carolyn Logue – Washington Food Industry (WFI)**

**WAC 314-29-015(4)(a) and (b):** WFI would like to see examples of mitigating and aggravating circumstances in this rule. Keeping some examples in rule is a help for their members. It is understood that it couldn't be a complete list, but a complete list could be kept on the LCB website.

Response: A partial list of mitigating and aggravating circumstances was retained in this rule.

**Testimony at Public Hearing – September 2, 2009 Olympia, WA**

Michael Transue – Washington Restaurant Association  
(Comments above)

Carolyn Logue – Washington Food Industry  
(Comments above)

**WAC Changes**

AMENDATORY SECTION (Amending WSR 03-09-015, filed 4/4/03, effective 5/5/03)

**WAC 314-29-015 What are the penalties if a liquor license holder violates a liquor law or rule?** (1) The purpose of WAC 314-29-015 through 314-29-040 is to outline what penalty a liquor licensee can expect if a licensee or employee violates a liquor control board law or rule (the penalty guidelines for mandatory alcohol server training permit holders are in WAC 314-17-100 through 314-17-110). WAC rules listed in the categories provide reference areas, and may not be all inclusive.

(2) Penalties for violations by liquor licensees or employees are broken down into four categories:

(a) Group One--Public safety violations, WAC 314-29-020.

(b) Group Two--(~~Conduct~~) Regulatory violations, WAC 314-29-025.

(c) Group Three--(~~Regulatory~~) License violations, WAC 314-29-030.

(d) Group Four--Nonretail violations involving the manufacture, supply, and/or distribution of liquor by nonretail licensees and prohibited practices between nonretail licensees and retail licensees, WAC 314-29-035.

(3) For the purposes of chapter 314-29 WAC, a two year window for violations is measured from the date one violation occurred to the date a subsequent violation occurred.

(4) The following schedules are meant to serve as guidelines. Based on mitigating or aggravating circumstances, the liquor control board may impose a different penalty than the standard penalties outlined in these schedules. Based on mitigating circumstances, the board may offer a monetary option in lieu of suspension during a settlement conference as outlined in WAC 314-29-010(3).

<b>(a) Mitigating circumstances</b>	<b>(b) Aggravating circumstances</b>
<p><del>((Examples of))</del> <u>Mitigating</u> circumstances that may result in <del>((a))</del> fewer <del>((number of))</del> days of suspension <u>and/or</u> a lower monetary option <u>may</u> include<del>((, but are not limited to, having in place))</del> <u>demonstrated</u> business policies and/or practices <del>((such as:</del>  <del>✍</del> Using licensee certification cards that are correctly filled out and filed;  <del>✍</del> Having direct on-site supervision of employees;  <del>✍</del> Having a signed acknowledgment of the business' alcohol policy on file for each employee;  <del>✍</del> Having an employee training plan that includes annual training on liquor laws;  <del>✍</del> Showing cooperation with local law enforcement; etc.)) <u>that reduce the risk of future violations.</u>  <u>Examples include:</u>  <del>✍</del> <u>Having a signed acknowledgment of the business' alcohol policy on file for each employee;</u>  <del>✍</del> <u>Having an employee training plan that includes annual training on liquor laws.</u></p>	<p><del>((Examples of))</del> <u>Aggravating</u> circumstances that may result in <del>((a higher number of))</del> <u>increased</u> days of suspension, <del>((a higher))</del> <u>and/or</u> increased monetary option, <u>and/or</u> cancellation of a liquor license <u>may</u> include<del>((, but are not limited to:</del>  <del>✍</del> Failing to cooperate with local law enforcement or liquor control board employees;  <del>✍</del> Not calling for local law enforcement when requested by a customer or liquor control board agent;  <del>✍</del> Not checking to ensure employees are of legal age or have appropriate work permits;  <del>✍</del> Committing the violation willfully; etc.)) <u>business operations or behaviors that create an increased risk for a violation and/or intentional commission of a violation.</u>  <u>Examples include:</u>  <del>✍</del> <u>Failing to call 911 for local law enforcement or medical assistance when requested by a customer, a liquor control board officer, or when people have sustained injuries;</u>  <del>✍</del> <u>Not checking to ensure employees are of legal age or have appropriate work permits.</u></p>

(c) In addition to the examples in (a) and (b) of this subsection, the liquor control board will provide and maintain a list of business practices for reference as examples where business policies and/or practices may influence mitigating and/or aggravating circumstances. The established list will not be all inclusive for determining mitigating and/or aggravating circumstances, and may be modified by the liquor control board. The list shall be accessible to all stakeholders and the general public via the internet.

[Statutory Authority: RCW 66.08.030, 66.24.010, 66.24.120. 03-09-015, § 314-29-015, filed 4/4/03, effective 5/5/03.]

AMENDATORY SECTION (Amending WSR 03-09-015, filed 4/4/03, effective 5/5/03)

**WAC 314-29-020 Group 1 violations against public safety.**  
 Group 1 violations are considered the most serious because they present a direct threat to public safety. Violations beyond the first violation do not have a monetary option upon issuance of a violation notice. The liquor control board may offer a monetary option in lieu of suspension days based on mitigating circumstances as outlined in WAC 314-29-015(4).

<b>Violation Type</b>	<b>1st Violation</b>	<b>2nd Violation in a two-year window</b>	<b>3rd Violation in a two-year window</b>	<b>4th Violation in a two-year window</b>

<p><b><u>Violations involving minors:</u></b></p> <p><b>Sale or service to minor:</b> Sale or service of alcohol to a person under 21 years of age.</p> <p><b><u>Minor frequenting a tavern, lounge, or other restricted area.</u></b>  <u>RCW 66.44.270</u>  <u>RCW 66.44.310</u>  <u>WAC 314-11-020</u>  <u>WAC 314-16-150</u></p>	5 day suspension or \$500 monetary option	7 day suspension (( <del>with no monetary option</del> ))	30 day suspension (( <del>with no monetary option</del> ))	Cancellation of license
<p>((<del>Minor frequenting a tavern, lounge, or other age restricted area.</del></p>	5 day suspension or \$500 monetary option	7 day suspension with <del>no monetary option</del>	30 day suspension with <del>no monetary option</del>	Cancellation of license))
<p><b>Sale or service to apparently intoxicated person:</b> Sale or service of alcohol to, or permitting consumption or possession by, an apparently intoxicated person.  <u>RCW 66.44.200</u>  <u>WAC 314-16-150</u></p>	5 day suspension or \$500 monetary option	(( <del>5</del> ) <u>7</u> day suspension (( <del>or \$2,500</del> )) <u>with no monetary option</u>	(( <del>10</del> ) <u>30</u> day suspension (( <del>or \$5,000</del> )) <u>with no monetary option</u>	Cancellation of license
<p><b><u>Conduct violations:</u></b></p>				

<p><b>Disorderly conduct</b> by licensee or employee, or permitting on premises.</p> <p><b><u>Licensee and/or employee</u></b> intoxicated on the licensed premises and/or drinking on duty.</p> <p><b><u>Criminal conduct:</u></b> Permitting or engaging in criminal conduct. WAC 314-11-015</p>	5 day suspension or \$500 monetary option	<del>((5))</del> <u>7 day suspension ((<del>or</del> \$2,500)) with no monetary option</u>	<del>((10))</del> <u>30 day suspension ((<del>or</del> \$5,000)) with no monetary option</u>	Cancellation of license
<p><del>((<b>Criminal conduct:</b> Permitting or engaging in criminal conduct.</del></p>	<del>5 day suspension or \$500 monetary option</del>	<del>7 day suspension with no monetary option</del>	<del>30 day suspension with no monetary option</del>	<del>Cancellation of license))</del>
<p><b><u>Lewd conduct:</u></b> Engaging in or permitting conduct in violation of WAC 314-11-050.</p>	5 day suspension or \$500 monetary option	<u>7 day suspension with no monetary option</u>	<u>30 day suspension with no monetary option</u>	<u>Cancellation of license</u>
<p><b><u>Refusal to allow an inspection and/or obstructing a law enforcement officer from performing their official duties.</u></b> RCW 66.28.090 RCW 66.44.370 WAC 314-11-090</p>	5 day suspension or \$500 monetary option	<u>7 day suspension with no monetary option</u>	<u>30 day suspension with no monetary option</u>	<u>Cancellation of license</u>
<p><b><u>Condition of suspension violation:</u></b> Failure to follow any suspension restriction while liquor license is suspended. WAC 314-29-040</p>	Original penalty plus 10 day suspension with no monetary option	<u>Cancellation of license</u>		

[Statutory Authority: RCW 66.08.030, 66.24.010, 66.24.120. 03-09-015, § 314-29-020, filed 4/4/03, effective 5/5/03.]

AMENDATORY SECTION (Amending WSR 03-09-015, filed 4/4/03, effective 5/5/03)

~~WAC 314-29-025 Group 2 ((conduct)) regulatory violations, Group 2 violations are violations involving ((conduct)), general regulation and administration of retail or nonretail ((licensee, employees, or patrons)) licenses.~~

<b>Violation Type</b>	<b>1st Violation</b>	<b>2nd Violation in a two-year window</b>	<b>3rd Violation in a two-year window</b>	<b>4th Violation in a two-year window</b>
<del><b>((Misuse or unauthorized use of liquor license.</b></del>	<del>5 day suspension or \$1,500 monetary option</del>	<del>Cancellation of license</del>	<del>Cancellation of license</del>	<del>Cancellation of license</del>
<del><b>Sale of alcohol in violation of a board-approved alcohol impact area restriction.</b></del>	<del>5 day suspension or \$500 monetary option</del>	<del>7 day suspension or \$1,500 monetary option</del>	<del>10 day suspension with no monetary option</del>	<del>Cancellation of license))</del>
<u><b>Club liquor to the public.</b></u> <u>WAC 314-40-010</u>	<u>5 day suspension or \$500 monetary option</u>	<u>5 day suspension or \$1,500 monetary option</u>	<u>10 day suspension or \$3,000 monetary option</u>	<u>Cancellation of license</u>



<b>Employee under legal age or without required mandatory alcohol server training permit.</b> <u>RCW 66.44.316</u> <u>RCW 66.44.318</u> <u>RCW 66.44.340</u> <u>RCW 66.44.350</u> <u>WAC 314-11-040</u> <u>WAC 314-11-045</u> <u>Chapter 314-17</u> <u>WAC</u>	5 day suspension or <del>((250))</del> \$500 monetary option	5 day suspension or \$1,500 monetary option	10 day suspension or \$3,000 monetary option	Cancellation of license
<b><u>Failure to follow 11:00 p.m. entertainment rules.</u></b> <u>WAC 314-02-025(2)</u>	<u>5 day suspension or \$500 monetary option</u>	<u>5 day suspension or \$1,500 monetary option</u>	<u>10 day suspension or \$3,000 monetary option</u>	<u>Cancellation of license</u>
<b>Hours of service:</b> Sales, service, removal, or consumption of alcohol between 2:00 a.m. and 6:00 a.m. <u>WAC 314-11-070</u>	5 day suspension or <del>((250))</del> \$500 monetary option	5 day suspension or \$1,500 monetary option	10 day suspension or \$3,000 monetary option	Cancellation of license
<b><u>Keg registration:</u></b> Failure to properly register kegs. <u>RCW 66.28.200</u> <u>RCW 66.28.210</u> <u>WAC 314-02-115</u>	<u>5 day suspension or \$500 monetary option</u>	<u>5 day suspension or \$1,500 monetary option</u>	<u>10 day suspension or \$3,000 monetary option</u>	<u>Cancellation of license</u>
<b><u>Spirituos liquor not sold by the individual drink.</u></b> <u>RCW 66.24.400</u> <u>WAC 314-02-015</u> (1)(a)	<u>5 day suspension or \$500 monetary option</u>	<u>5 day suspension or \$1,500 monetary option</u>	<u>10 day suspension or \$3,000 monetary option</u>	<u>Cancellation of license</u>

<b>Food service:</b> Required food service not available. <u>WAC 314-02-035</u> <u>WAC 314-02-0411</u> <u>WAC 314-02-065</u> <u>WAC 314-02-075</u>	5 day suspension or \$250 monetary option	5 day suspension or \$1,500 monetary option	10 day suspension or \$3,000 monetary option	Cancellation of license
<b><u>Hours of operation:</u></b> Failure to meet required hours of operation. <u>WAC 314-02-015(2)</u>	<u>5 day suspension or \$250 monetary option</u>	<u>5 day suspension or \$1,500 monetary option</u>	<u>10 day suspension or \$3,000 monetary option</u>	<u>Cancellation of license</u>
<b><u>NSF check:</u></b> Payment by a retail licensee for alcohol purchases. <u>WAC 314-13-020</u>	<u>5 day suspension or \$250 monetary option</u>	<u>5 day suspension or \$1,500 monetary option</u>	<u>10 day suspension or \$3,000 monetary option</u>	<u>Cancellation of license</u>
<b><u>Premises not open to the general public while liquor is sold, served, or consumed.</u></b> <u>WAC 314-11-072</u>	<u>5 day suspension or \$250 monetary option</u>	<u>5 day suspension or \$1,500 monetary option</u>	<u>10 day suspension or \$3,000 monetary option</u>	<u>Cancellation of license</u>
<b><u>Sampling and/or cooking class violations.</u></b> <u>WAC 314-02-105</u>	<u>5 day suspension or \$250 monetary option</u>	<u>5 day suspension or \$1,500 monetary option</u>	<u>10 day suspension or \$3,000 monetary option</u>	<u>Cancellation of license</u>
<b><u>Substituting, tampering, improper labeling, unlawful removal, possession, or unauthorized sale of liquor.</u></b> <u>WAC 314-11-065</u> <u>WAC 314-11-080</u> <u>WAC 314-16-020</u>	5 day suspension or \$250 monetary option	5 day suspension or \$1,500 monetary option	10 day suspension or \$3,000 monetary option	Cancellation of license
<b><u>(Lewd conduct:</u></b> Engaging in or permitting conduct in violation of <u>WAC 314-11-050.</u>	<u>5 day suspension or \$250 monetary option</u>	<u>5 day suspension or \$1,500 monetary option</u>	<u>10 day suspension or \$3,000 monetary option</u>	<u>Cancellation of license</u>

<b><u>Inspections:</u></b> Refusing to allow inspection(s) by law enforcement.	5 day suspension or \$100 monetary option	5 day suspension or \$500 monetary option	10 day suspension or \$1,000 monetary option	20 day suspension with no monetary option-))
<b><u>Advertising:</u></b> Advertising violations other than those involving prohibited practices between a nonretail and a retail licensee. Chapter 314-52 WAC.	5 day suspension or \$100 monetary option	5 day suspension or \$500 monetary option	10 day suspension or \$1,000 monetary option	20 day suspension with no monetary option
<b><u>Hotel/motel honor bar violation.</u></b> WAC 314-02-080	5 day suspension or \$100 monetary option	5 day suspension or \$500 monetary option	10 day suspension or \$1,000 monetary option	20 day suspension with no monetary option
<b><u>Inventory:</u></b> Inventory below required amount. WAC 314-02-100 WAC 314-02-105	5 day suspension or \$100 monetary option	5 day suspension or \$500 monetary option	10 day suspension or \$1,000 monetary option	20 day suspension with no monetary option
<b><u>Lighting:</u></b> Inadequate lighting. WAC 314-11-055	5 day suspension or \$100 monetary option	5 day suspension or \$500 monetary option	10 day suspension or \$1,000 monetary option	20 day suspension with no monetary option
<b><u>Liquor purchased from unauthorized source or sale below cost in violation of liquor law or rule.</u></b> WAC 314-11-085 WAC 314-13-010 WAC 314-13-040	5 day suspension or \$100 monetary option	5 day suspension or \$500 monetary option	10 day suspension or \$1,000 monetary option	20 day suspension with no monetary option
<b><u>Private club violations:</u></b> Club regulations other than club liquor to the public. Chapter 314-40 WAC	5 day suspension or \$100 monetary option	5 day suspension or \$500 monetary option	10 day suspension or \$1,000 monetary option	20 day suspension with no monetary option

<b><u>Records: Improper recordkeeping.</u></b> <u>WAC 314-11-090</u> <u>WAC 314-11-095</u> <u>WAC 314-12-135</u>	<u>5 day suspension or \$100 monetary option</u>	<u>5 day suspension or \$500 monetary option</u>	<u>10 day suspension or \$1,000 monetary option</u>	<u>20 day suspension with no monetary option</u>
<b><u>Retailer/nonretailer violation:</u></b> Violation on the part of a retail licensee that involves a nonretail licensee, other than group four violations.	5 day suspension or \$100 monetary option	5 day suspension or \$500 monetary option	10 day suspension or \$1,000 monetary option	20 day suspension with no monetary option
<b><u>Signs: Failure to post required signs.</u></b> <u>WAC 314-11-060</u>	<u>5 day suspension or \$100 monetary option</u>	<u>5 day suspension or \$500 monetary option</u>	<u>10 day suspension or \$1,000 monetary option</u>	<u>20 day suspension with no monetary option</u>
<b><u>Unauthorized alterations, change of trade name, or added activity.</u></b> <u>WAC 314-02-025</u> <u>WAC 314-02-125</u> <u>WAC 314-02-130</u>	<u>5 day suspension or \$100 monetary option</u>	<u>5 day suspension or \$500 monetary option</u>	<u>10 day suspension or \$1,000 monetary option</u>	<u>20 day suspension with no monetary option</u>

[Statutory Authority: RCW 66.08.030, 66.24.010, 66.24.120. 03-09-015, § 314-29-025, filed 4/4/03, effective 5/5/03.]

AMENDATORY SECTION (Amending WSR 03-09-015, filed 4/4/03, effective 5/5/03)

**WAC 314-29-030 Group 3 ((regulatory)) license violations.**

Group 3 violations are violations involving ((administrative)) licensing requirements, license classification, and special restrictions.

<b>Violation Type</b>	<b>1st Violation</b>	<b>2nd Violation in a two-year window</b>	<b>3rd Violation in a two-year window</b>	<b>4th Violation in a two-year window</b>
<del><b>((Keg registration:</b> Failure to properly register kegs.</del>	5-day suspension or \$500 monetary option	5-day suspension or \$1,000 monetary option	10-day suspension or \$1,500 monetary option	20-day suspension with no monetary option
<del><b>Signs:</b> Failure to post required signs.</del>	5-day suspension or \$100 monetary option	5-day suspension or \$500 monetary option	10-day suspension or \$1,000 monetary option	20-day suspension with no monetary option
<del><b>Records:</b> Improper record-keeping.</del>	5-day suspension or \$100 monetary option	5-day suspension or \$500 monetary option	10-day suspension or \$1,000 monetary option	20-day suspension with no monetary option
<del><b>Advertising:</b> Advertising violations other than those involving prohibited practices between a nonretail and a retail licensee.</del>	5-day suspension or \$100 monetary option	5-day suspension or \$500 monetary option	10-day suspension or \$1,000 monetary option	20-day suspension with no monetary option
<del><b>Inventory:</b> Inventory below required amount.</del>	5-day suspension or \$100 monetary option	5-day suspension or \$500 monetary option	10-day suspension or \$1,000 monetary option	20-day suspension with no monetary option

<b>Unauthorized alterations, change of trade name, or added activity.</b>	5-day suspension or \$100 monetary option	5-day suspension or \$500 monetary option	10-day suspension or \$1,000 monetary option	20-day suspension with no monetary option
<b>Lighting:</b> Inadequate lighting.	5-day suspension or \$100 monetary option	5-day suspension or \$500 monetary option	10-day suspension or \$1,000 monetary option	20-day suspension with no monetary option
<b>Liquor purchased from unauthorized source or sale below cost</b> in violation of liquor law or rule.	5-day suspension or \$100 monetary option	5-day suspension or \$500 monetary option	10-day suspension or \$1,000 monetary option	20-day suspension with no monetary option))
<b>True party of interest violation.</b> <u>RCW 66.24.010(1)</u> <u>WAC 314-12-030</u>	<u>Cancellation of license</u>			
<b>Failure to furnish required documents.</b> <u>WAC 314-12-035</u>	<u>Cancellation of license</u>			
<b>Misrepresentation of fact.</b> <u>WAC 314-12-010</u>	<u>Cancellation of license</u>			
<b>Misuse or unauthorized use of liquor license (operating outside of license class, lending or contracting license to another person/entity).</b> <u>Chapter 66.24 RCW</u> <u>WAC 314-02-015</u> <u>WAC 314-02-041</u> <u>WAC 314-02-045</u> <u>WAC 314-02-065</u> <u>WAC 314-02-070</u> <u>WAC 314-02-075</u> <u>WAC 314-02-090</u> <u>WAC 314-02-095</u> <u>WAC 314-02-100</u> <u>WAC 314-02-105</u> <u>WAC 314-02-110</u> <u>WAC 314-12-030</u>	5 day suspension or \$1,500 monetary option	<u>Cancellation of license</u>		

<b><u>Operating plan:</u></b> <u>Violations of a board-approved operating plan.</u> <u>WAC 314-16-270</u> <u>WAC 314-16-275</u>	<u>5 day suspension or \$500 monetary option</u>	<u>7 day suspension or \$1,500 monetary option</u>	<u>10 day suspension with no monetary option</u>	<u>Cancellation of license</u>
<b><u>Sale of alcohol in violation of a board-approved local authority restriction.</u></b> <u>Chapter 66.24 RCW</u>	<u>5 day suspension or \$500 monetary option</u>	<u>7 day suspension or \$1,500 monetary option</u>	<u>10 day suspension with no monetary option</u>	<u>Cancellation of license</u>
<b><u>Sale of alcohol in violation of a board-approved alcohol impact area restriction.</u></b> <u>WAC 314-12-215</u>	<u>5 day suspension or \$500 monetary option</u>	<u>7 day suspension or \$1,500 monetary option</u>	<u>10 day suspension with no monetary option</u>	<u>Cancellation of license</u>
<b><u>Catering endorsement violation.</u></b> <u>WAC 314-02-060</u> <u>WAC 314-02-061</u>	<u>5 day suspension or \$250 monetary option</u>	<u>5 day suspension or \$1,500 monetary option</u>	<u>10 day suspension or \$3,000 monetary option</u>	<u>Cancellation of license</u>

[Statutory Authority: RCW 66.08.030, 66.24.010, 66.24.120. 03-09-015, § 314-29-030, filed 4/4/03, effective 5/5/03.]

AMENDATORY SECTION (Amending WSR 03-09-015, filed 4/4/03, effective 5/5/03)

**WAC 314-29-035 Group 4 nonretail violations.** Group 4 violations are violations involving the manufacture, supply, and/or distribution of liquor by nonretail licensees and prohibited practices between a nonretail licensee and a retail licensee.

<b>Violation type</b>	<b>1st Violation</b>	<b>2nd Violation in a two-year window</b>	<b>3rd Violation in a two-year window</b>	<b>4th Violation in a two-year window</b>
<b>Providing credit to a retail licensee.</b> <u>RCW 66.28.010</u> <u>WAC 314-12-140</u> <u>WAC 314-12-145</u> <u>WAC 314-13-015</u> <u>WAC 314-13-020</u>	3 day suspension or \$500 monetary option	5 day suspension or \$2,500 monetary option	10 day suspension or \$5,000 monetary option	20 day suspension or \$10,000 monetary option
<b>Quantity discount.</b> <u>RCW 66.28.170</u> <u>RCW 66.28.180</u>	3 day suspension or \$500 monetary option	5 day suspension or \$2,500 monetary option	10 day suspension or \$5,000 monetary option	20 day suspension or \$10,000 monetary option
<b>Giving away liquor</b> in violation of liquor law or rule. <u>RCW 66.28.040</u> <u>WAC 314-64-080</u> <u>WAC 314-64-08001</u>	3 day suspension or \$500 monetary option	5 day suspension or \$2,500 monetary option	10 day suspension or \$5,000 monetary option	20 day suspension or \$10,000 monetary option



<p><b>Consignment sales/return of product in violation of liquor law or rule.</b>  <u>RCW 66.28.010</u>  <u>WAC 314-12-140</u>  <u>WAC 314-13-015</u>  <u>WAC 314-20-070</u>  <u>WAC 314-20-090</u>  <u>WAC 314-24-210</u></p>	<p>3 day suspension or \$500 monetary option</p>	<p>5 day suspension or \$2,500 monetary option</p>	<p>10 day suspension or \$5,000 monetary option</p>	<p>20 day suspension or \$10,000 monetary option</p>
<p><b>Advertising violations</b> involving prohibited practices between a nonretail and a retail licensee.  <u>RCW 66.28.010</u>  <u>RCW 66.24.570</u>  <u>WAC 314-05-030</u>  <u>WAC 314-52-040</u>  <u>WAC 314-52-070</u>  <u>WAC 314-52-080</u>  <u>WAC 314-52-090</u>  <u>WAC 314-52-113</u></p>	<p>3 day suspension or \$500 monetary option</p>	<p>5 day suspension or \$2,500 monetary option</p>	<p>10 day suspension or \$5,000 monetary option</p>	<p>20 day suspension or \$10,000 monetary option</p>
<p><b>Price ((posting)) lists/labeling/ packaging violations.</b>  <u>RCW 66.24.145</u>  <u>RCW 66.28.100</u>  <u>RCW 66.28.110</u>  <u>RCW 66.28.120</u>  <u>RCW 66.28.180</u>  <u>WAC 314-20-020</u>  <u>WAC 314-20-030</u>  <u>WAC 314-20-100</u>  <u>WAC 314-20-130</u>  <u>WAC 314-24-003</u>  <u>WAC 314-24-006</u>  <u>WAC 314-24-040</u>  <u>WAC 314-24-080</u>  <u>WAC 314-24-090</u>  <u>WAC 314-24-190</u>  <u>WAC 314-28-090</u></p>	<p>3 day suspension or \$500 monetary option</p>	<p>5 day suspension or \$2,500 monetary option</p>	<p>10 day suspension or \$5,000 monetary option</p>	<p>20 day suspension or \$10,000 monetary option</p>

<b>Agents violations:</b> Nonretail licensee employing an unlicensed agent. <u>RCW 66.24.310</u> <u>RCW 66.28.050</u> <u>WAC 314-44-005</u>	3 day suspension or \$500 monetary option	5 day suspension or \$2,500 monetary option	10 day suspension or \$5,000 monetary option	20 day suspension or \$10,000 monetary option
<b>Unauthorized product/unapproved storage or delivery.</b> <u>RCW 66.24.140</u> <u>RCW 66.24.160</u> <u>RCW 66.24.170</u> <u>RCW 66.24.185</u> <u>RCW 66.24.200</u> <u>RCW 66.24.203</u> <u>RCW 66.24.206</u> <u>RCW 66.24.240</u> <u>RCW 66.24.244</u> <u>RCW 66.24.250</u> <u>RCW 66.24.261</u> <u>RCW 66.24.395</u> <u>RCW 66.28.010</u> <u>RCW 66.44.140</u> <u>RCW 66.44.150</u> <u>RCW 66.44.160</u> <u>RCW 66.44.170</u> <u>WAC 314-20-015</u> <u>WAC 314-20-017</u> <u>WAC 314-20-055</u> <u>WAC 314-20-095</u> <u>WAC 314-20-120</u> <u>WAC 314-20-160</u> <u>WAC 314-20-170</u> <u>WAC 314-24-070</u> <u>WAC 314-24-115</u> <u>WAC 314-24-120</u> <u>WAC 314-24-140</u> <u>WAC 314-24-160</u> <u>WAC 312-24-161</u> <u>WAC 314-24-220</u> <u>WAC 314-25-020</u> <u>WAC 314-25-030</u> <u>WAC 314-25-040</u> <u>WAC 314-28-050</u>	3 day suspension or \$500 monetary option	5 day suspension or \$2,500 monetary option	10 day suspension or \$5,000 monetary option	20 day suspension or \$10,000 monetary option

<b>Sampling/tasting violations.</b> <u>RCW 66.20.010</u> <u>RCW 66.24.145</u> <u>RCW 66.24.170</u> <u>RCW 66.28.040</u> <u>RCW 66.28.150</u> <u>WAC 314-20-015</u> <u>WAC 314-24-160</u> <u>WAC 314-45-010</u> <u>Chapter 314-64</u> <u>WAC</u>	3 day suspension or \$500 monetary option	5 day suspension or \$2,500 monetary option	10 day suspension or \$5,000 monetary option	20 day suspension or \$10,000 monetary option
<b>Entertainment/instruction/meeting/trade show violations.</b> <u>RCW 66.20.010</u> <u>RCW 66.28.010</u> <u>RCW 66.28.042</u> <u>RCW 66.28.043</u> <u>RCW 66.28.150</u> <u>RCW 66.28.155</u> <u>WAC 314-45-010</u>	3 day suspension or \$500 monetary option	5 day suspension or \$2,500 monetary option	10 day suspension or \$5,000 monetary option	20 day suspension or \$10,000 monetary option
<b><del>((Providing money or money's worth less than \$100.</del></b>	3-day suspension or \$250 monetary option	5-day suspension or \$500 monetary option	10-day suspension or \$1,000 monetary option	20-day suspension or \$2,000 monetary option))
<b>Providing/accepting money or money's worth: Goods or services worth (<del>(\$100 to \$1,000)</del>) <u>up to \$1,500.</u></b> <u>RCW 66.28.010</u> <u>WAC 314-12-140</u> <u>WAC 314-44-005</u>	3 day suspension or \$500 monetary option	5 day suspension or \$2,500 monetary option	10 day suspension or \$5,000 monetary option	20 day suspension or \$10,000 monetary option

<b>Providing/accepting money or money's worth: Goods or services worth over ((<del>\$1,000</del>) <u>\$1,500</u>.</b> <u>RCW 66.28.010</u> <u>WAC 314-12-140</u> <u>WAC 314-44-005</u>	Cost of item or service provided plus: 3 day suspension or \$1,000 monetary option	Cost of item or service provided plus: 5 day suspension or \$2,500 monetary option	Cost of item or service provided plus: 10 day suspension or \$5,000 monetary option	Cost of item or service provided plus: 20 day suspension or \$10,000 monetary option
<b>Providing/accepting exclusive or contingency agreements.</b> <u>RCW 66.28.010</u> <u>RCW 66.24.570</u> <u>WAC 314-12-140</u> <u>WAC 314-05-030</u>	3 day suspension or \$1,000 monetary option	10 day suspension or \$6,000 monetary option	20 day suspension or \$12,000 monetary option	30 day suspension or \$20,000 monetary option
<b>Unauthorized interest or ownership in retail license.</b> <u>RCW 66.28.010</u> <u>WAC 314-12-030</u>	3 day suspension or \$1,000 monetary option	30 day suspension or \$20,000 monetary option	Cancellation of license	
<b>Failure to obtain surety bond/savings account, if required by the board.</b> <u>RCW 66.24.210</u> <u>RCW 66.24.290</u> <u>WAC 314-19-020</u>	Immediate suspension of license until surety bond has been obtained and all missing reports are filed and late taxes are paid.			
<b>Failure to file tax/shipment report.</b> <u>RCW 66.24.210</u> <u>RCW 66.24.290</u> <u>WAC 314-19-005</u> <u>WAC 314-19-010</u> <u>WAC 314-19-020</u>	3 day suspension or \$250 monetary option	5 day suspension or \$500 monetary option	10 day suspension or \$1,000 monetary option	20 day suspension or \$2,000 monetary option

<u><b>Certificate of approval (COA) and/or authorized representative violations.</b></u> <u>RCW 66.24.206</u> <u>WAC 314-19-005</u> <u>WAC 314-19-010</u> <u>WAC 314-19-020</u>	<u>15 day suspension or \$100 monetary option</u>	<u>30 day suspension or \$500 monetary option</u>	<u>180 day suspension or \$1,000 monetary option</u>	<u>Cancellation of license</u>
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[Statutory Authority: RCW 66.08.030, 66.24.010, 66.24.120.  
03-09-015, § 314-29-035, filed 4/4/03, effective 5/5/03.]