

**RULE CHANGES HAVE BEEN UPDATED ON THE WSLCB LAWS
AND RULES WEBSITE (Effective date 1/29/07)
Special Occasion Licenses**

AMENDATORY SECTION (Amending WSR 04-22-078, filed 11/2/04,
effective 12/3/04)

WAC 314-05-030 Guidelines for special occasion license events. (1) The special occasion license must be posted at the event.

(2) Special occasion licensees may get alcohol for the event only from the following sources:

(a) Spirits must be purchased from a Washington state-run or contract liquor store;

(b) Beer and wine must be purchased at retail (~~(or)~~) from a licensed retailer, from a beer or wine distributor, from a domestic brewery, microbrewery, or winery, acting as a distributor of its own product, or from a certificate of approval holder with a direct shipping to Washington retailer endorsement; and

(c) Per RCW 66.28.040, in state breweries and wineries and out-of-state breweries and wineries holding a certificate of approval license may donate beer and wine to special occasion licensees that are 501 (c)(3) charitable organizations.

(3) Special occasion licensees may not advertise or sell alcohol below cost. If donated product is sold by the special occasion licensee, it may not be advertised or sold below the manufacturers' cost.

(4) Per RCW 66.28.010, alcohol manufacturers, importers and distributors may provide advertising, pouring, or dispensing of beer or wine at a beer or wine tasting exhibition or judging event, but may not provide money, goods, or services to special occasion licensees.

(5) Per RCW 66.28.380, the sale, service, and consumption of alcohol must be confined to a designated location(s).

(6) If a special occasion license function is held at an establishment that has a liquor license:

(a) The special occasion function must be held in an area of the premises separate from areas open to the general public, and the licensed premises' liquor cannot be sold or served in the same area(s) as the special occasion license function.

(b) The liquor licensee cannot charge for the liquor purchased by the special occasion licensee for service at the special occasion event, but can charge for room usage, services, etc. The liquor licensee must sign the special occasion

application giving permission for the special occasion licensee to bring their alcohol onto the liquor licensed premises.

(c) Special occasion licensees will not be issued for use at premises whose liquor license will be suspended on the date(s) of the scheduled event.

**RULE CHANGES HAVE BEEN UPDATED ON THE WSLCB
LAWS AND RULES WEBSITE (Effective date 1/29/07)
Retail Licensees Purchasing Beer and Wine**

AMENDATORY SECTION (Amending WSR 01-06-015, filed 2/26/01, effective 3/29/01)

WAC 314-13-010 Who can retail licensees purchase beer, wine, and spirits from?

	Definition	Who licensees can purchase from
Beer	RCW 66.04.010 ((2)) (3) ((RCW 66.04.010 (21)))	<p> A licensed Washington distributor (including a licensed Washington brewery that distributes its own product)</p> <p> <u>A licensed certificate of approval holder with a direct shipping to Washington retailer endorsement</u></p> <p> Washington State Liquor Control Board store or agency</p>
Wine	RCW 66.04.010((37)) (39)	<p> A licensed Washington distributor (including a licensed Washington winery that distributes its own product)</p> <p> <u>A licensed certificate of approval holder with a direct shipping to Washington retailer endorsement</u></p> <p> Washington State Liquor Control Board state-run or contract liquor store</p>
Spirits	RCW 66.04.010((32)) (35)	A Washington State Liquor control board state-run or contract liquor store

**RULE CHANGES HAVE BEEN UPDATED ON THE WSLCB LAWS
AND RULES WEBSITE (Effective date 1/29/07)
Retail Licenses**

AMENDATORY SECTION (Amending WSR 01-06-014, filed 2/26/01, effective 3/29/01)

WAC 314-16-160 Purchases--Reports. (1) Failure by licensees to keep accurate accounting records which result in the extension of or receipt of credit from a manufacturer, importer, or distributor through the use of a prior cash deposit which is overextended may result in administrative action being taken against the liquor license.

(2) ~~((A retail licensee shall purchase beer from a beer distributor pursuant to RCW 66.28.070 and shall purchase wine from a state liquor store or agency or from a duly licensed distributor except as provided in chapter 314-70 WAC. All beer purchased must be at the posted price in accordance with WAC 314-20-100 and all wine purchased must conform to the posted price as filed under WAC 314-24-190. No retail licensee may return wine to a wine distributor except in accordance with the provisions of WAC 314-24-210, nor shall any retail licensee return beer to a beer distributor except in accordance with the provisions of WAC 314-20-070.~~

~~(3))~~ Prior to license delivery, a new beer and/or wine licensee or transferee may, with board authorization, be sold beer and/or wine for the purpose of stocking the premises. No retail sale of beer and/or wine shall take place until the applicant premises have been inspected by the board and the liquor license is delivered.

**RULE CHANGES HAVE BEEN UPDATED ON THE WSLCB LAWS
AND RULES WEBSITE (Effective date 1/29/07)
Beer and Wine Reporting and Tax Payments**

AMENDATORY SECTION (Amending WSR 04-24-007, filed 11/19/04, effective 12/20/04)

WAC 314-19-005 What is the purpose of chapter 314-19 WAC?
The purpose of this chapter is to outline the beer and wine tax reporting and payment requirements for the following liquor licensees and permittees:

Type of liquor license	Laws that outline tax rates and requirements
(a) Washington beer and/or wine distributor	RCW 66.24.210, 66.24.230, 66.24.290, 66.24.305
(b) Washington beer and/or wine importer	RCW 66.24.230
(c) Domestic brewery	RCW 66.24.270, 66.24.290, 66.24.305
(d) Domestic brewery/brand owner	RCW 66.24.270, 66.24.290, 66.24.305
(e) Microbrewery	RCW 66.24.270, 66.24.290, 66.24.305
(f) Domestic winery	RCW 66.24.210, 66.24.215, 66.24.230, 66.24.305
(g) Public house	RCW 66.24.290, 66.24.580
(h) Beer certificate of approval holder	RCW 66.24.270
(i) Wine certificate of approval holder	RCW 66.24.210, 66.24.206
(j) Authorized representative certificate of approval holder--U.S. produced beer	RCW 66.04.010, 66.24.261, 66.24.270
(k) Authorized representative certificate of approval holder--foreign produced beer	RCW 66.04.010, 66.24.261, 66.24.270

(l) Authorized representative certificate of approval holder--U.S. produced wine	RCW 66.04.010, 66.24.203, 66.24.206
(m) Authorized representative certificate of approval holder--foreign produced wine	RCW 66.04.010, 66.24.203, 66.24.206
<u>(n) Retailer with an endorsement to receive direct shipments of beer and wine from breweries, microbreweries, or wineries</u>	<u>RCW 66.24.210, 66.24.290, 66.24.270</u>
<u>(o) Wine shipper permit holder</u>	<u>RCW 66.24.210</u>

AMENDATORY SECTION (Amending WSR 00-17-065, filed 8/9/00, effective 9/9/00)

WAC 314-19-010 Definitions. The following definitions are to clarify the purpose and intent of the rules and laws governing beer and wine tax reporting and payment requirements. Additional definitions can be found in RCW 66.04.010.

(1) "Late." A monthly tax payment is considered late if it is unpaid on the due date and remains unpaid until the twentieth day of the following month.

(2) "Missing." A monthly tax report ~~((or))~~ and tax payment, if taxes are owed, is considered missing if it is more than thirty days past the required filing date. ~~((Required filing dates are outlined in RCW 66.24.206, 66.24.210, 66.24.270, 66.24.290 and WAC 314-19-015.~~

~~(2))~~ (3) "Samples" are beer and/or wine furnished to retail licensees for the purpose of negotiating a sale, per RCW 66.28.040. See WAC 314-64-080 for sampling procedures.

~~((3))~~ (4) "Tastings" are beer and/or wine products provided to customers at no charge for the purpose of promoting a sale, that are consumed on the premises of a domestic brewery, microbrewery, winery, or additional winery locations as authorized by RCW 66.24.170(4). Tastings are not taxable under this title.

AMENDATORY SECTION (Amending WSR 04-24-007, filed 11/19/04, effective 12/20/04)

WAC 314-19-015 What are the monthly reporting and tax payment requirements? (1) The required monthly beer and/or wine tax reports must be:

(a) On a form furnished by the board or in a format approved by the board;

(b) Filed every month, including months with no activity or taxes due;

(c) Submitted, with the tax due, to the board on or before the twentieth day of each month, for the previous month (for example, a report listing transactions for the month of January is due by February 20). When the twentieth day of the month falls on a Saturday, Sunday, or a legal holiday, the filing must be postmarked by the U.S. Postal Service no later than the next postal business day; and

(d) Filed separately for each type of liquor license (~~that the licensee holds~~) or permit held.

Type of Licensee	Tax Payment Requirements
(2) Washington beer and/or wine distributor	<p>(a) Distributors must pay taxes on all beer and/or wine received during the preceding calendar month, including samples received at no charge (see WAC 314-64-080 and 314-64-090 for more information). The total tax due (per barrel for beer and per liter for wine) is to be paid by the first distributor to receive the product and must be included with the monthly report.</p> <p>(b) Distributors do not pay taxes on beer and/or wine received from another in-state licensed distributor who has already paid the Washington state tax on the product.</p> <p>(c) Distributors may claim a tax refund or credit, provided that they have paid the taxes prior to claiming the credit, for the following (see WAC 314-19-030 for information on claiming a tax refund or credit):</p> <p>(i) Shipments exported directly to a point outside the state of Washington, including sales to interstate common carriers;</p> <p>(ii) Sales to any military reservation in Washington state;</p> <p>(iii) Product that is deemed unsalable due to freight damage, product quality, or other causes that occurred prior to receipt by the distributor, subject to the following conditions:</p> <p>(A) The unsalable product must be destroyed within the state of Washington (per RCW 66.24.305);</p>

	<p>(B) The licensee must notify their local liquor enforcement officer in advance for destruction of more than fifty cases of wine or two hundred cases of beer;</p> <p>(C) The licensee must report the destroyed product on the next required monthly report;</p> <p>(D) The licensee must keep records showing the reason for the destruction and an inventory of products destroyed. These records must be kept on the licensed premises and available for inspection by board employees for a period of two years; and</p> <p>(E) The licensee must provide documentation from the freight company with the report if they are claiming a credit due to freight damage.</p>
(3) Washington beer and/or wine importers	<p>Importers must pay taxes on samples received during the preceding calendar month, as follows:</p> <p>(a) If the samples are used by the importer within the state of Washington, the importer must pay the tax.</p> <p>(b) If samples are provided to a distributor, the distributor must pay the tax.</p>
(4) Domestic breweries, microbreweries, and domestic wineries	<p>(a) Domestic breweries, microbreweries, and domestic wineries must list production for the current month only. The brewery that the domestic brewery/brand owner contracts with is required to include any products they produce for the brand owner in their production count.</p> <p>(b) Domestic breweries, microbreweries, and domestic wineries must pay taxes on beer and/or wine that is:</p> <p>(i) Sold at retail on the licensed premises (or shipped to additional winery locations as authorized by RCW 66.24.170(4)), including retail sales to out-of-state residents;</p> <p>(ii) Sold to retail licensees;</p> <p>(iii) Furnished as samples to retail licensees as authorized by RCW 66.28.040, WAC 314-64-080, and 314-64-090 (does not include samples provided to distributors);</p> <p>(iv) Provided as donations to qualifying 501 (c)(3) nonprofit organizations per RCW 66.28.040 or to the Washington wine commission per RCW 66.12.180 and 66.24.210((4));</p> <p>(v) Received via an interplant transfer if used as outlined in above subsections (i), (ii), (iii), or (iv); or</p> <p>((4))(vi) Sold at farmers markets as authorized by RCW 66.24.170(5), 66.24.240(4) and/or 66.24.244(5).</p> <p>(c) Domestic breweries, microbreweries, and domestic wineries do not pay tax on beer and/or wine that is:</p> <p>(i) Sold to distributors;</p> <p>(ii) Shipped out of a particular location for an interplant transfer;</p> <p>(iii) Exported directly to a point outside the state of Washington, including sales to interstate common carriers;</p> <p>(iv) Sold to the Washington state liquor control board;</p>

	<p>(v) Sold to any military reservation in Washington state; or</p> <p>(vi) Provided as a tasting on the brewery or winery premises or at additional winery locations at no charge, as authorized by RCW 66.24.170(4). See WAC 314-19-010(3) for the definition of "tastings."</p>
(5) Domestic brewery--Brand owners	<p>(a) Domestic brewery-brand owners must file a report showing the quantity of all beer sold or delivered to each licensed beer distributor, or beer exported directly to a point outside the state of Washington, during the preceding month.</p> <p>(b) Domestic brewery-brand owners are not responsible for the tax on beer that is contract produced.</p>
(6) Out-of-state beer and/or wine certificate of approval holders	<p>(a) Certificate of approval holders must file a report showing the quantity of all beer and/or wine sold or delivered to each licensed beer or wine distributor or importer, including samples, during the preceding month.</p> <p>(b) Tax is due from the certificate of approval holder (only):</p> <p>(i) On samples shipped to licensed agents (, directly to retailers per WAC 314-64-080 and 314-64-090), and</p> <p>(ii) On donations to the Washington wine commission per RCW 66.12.180 and 66.24.210 or to 501 (c)(3) nonprofit charitable associations within Washington state per RCW 66.28.040.</p>
(7) <u>Out-of-state United States beer and/or wine certificate of approval holders with a direct shipping to Washington retailer endorsement</u>	<p>(a) <u>Certificate of approval holders with this endorsement must file an addendum report showing the quantity of beer and/or wine sold or delivered to each licensed retailer, including samples, during the preceding month.</u></p> <p>(b) <u>Tax is due from the certificate of approval holder on beer and/or wine sold or delivered to retail licensees and on sales to nonprofit charitable associations.</u></p>
(8) <u>Out-of-state United States wine certificate of approval holders with a direct shipping to consumers endorsement</u>	<p>(a) <u>A certificate of approval holder with this endorsement must report the total quantity of wine sold to consumers in Washington state during the preceding month.</u></p> <p>(b) <u>Tax is due from the certificate of approval holder on wine sold or delivered to Washington state residents.</u></p>
(9) Authorized representative certificate of approval holders-US and/or foreign produced beer or wine	<p>(a) Authorized representative certificate of approval holders must file a report showing the quantity of all beer and/or wine sold or delivered to each licensed beer or wine distributor or importer, including samples. They must list the brewery and/or winery that they represent and that had shipments into Washington state during the preceding month.</p> <p>(b) Tax is due from the authorized representative beer and/or wine certificate of approval holders only on samples shipped to licensed agents, directly to retailers per WAC 314-64-080 and 314-64-090, donations to the Washington wine commission per RCW 66.12.180 and 66.24.210, or to 501 (c)(3) nonprofit charitable associations within Washington state per RCW 66.28.040.</p>

((8)) (10) Public house licensees	Public house licensees must pay taxes on all sales of their own product during the preceding calendar month.
(11) Retailer with an endorsement allowing receipt of direct shipment of beer or wine from a United States brewery, microbrewery, or winery	A Washington retailer who receives shipments directly from a United States brewery, microbrewery, or winery, either inside or outside Washington, must file a report showing the quantity of beer and wine received by direct shipment from each licensed beer or wine producer, including samples, during the preceding month.
(12) Wine shipper permit holder	(a) An out-of-state winery must file a report showing the total quantity of wine sold or delivered to consumers during the preceding month. (b) Pay the tax due for sales of wine to Washington state residents.

AMENDATORY SECTION (Amending WSR 04-24-007, filed 11/19/04, effective 12/20/04)

WAC 314-19-020 What if a licensee doesn't report or pay the taxes due, or reports or pays late? The board may take the following actions against a licensee or permittee in order to collect any of the reports or taxes due that are outlined in this title.

(1) Suspension or revocation of license	(a) Failure to make a report and/or pay the taxes in the manner and dates outlined in this chapter will be sufficient ground for the board to suspend or revoke a liquor license, <u>wine shipper permit</u> , or certificate of approval (per RCW 66.08.150, 66.24.010, 66.24.120, 66.24.206, <u>66.20.370</u> , <u>66.20.380</u> , and 66.24.270). (b) The suspension will remain in effect until all missing reports and/or taxes have been filed with the board (see WAC 314-19-010(1) for the definition of "missing").
(2) Penalties	A penalty of two percent per month will be assessed on any tax payments postmarked after the twentieth day of the month following the month of sale (per the reporting requirements outlined in WAC 314-19-015, RCW 66.24.290, and 66.24.210). When the twentieth day of the month falls on a Saturday, Sunday, or a legal holiday, the filing must be postmarked by the U.S. Postal Service no later than the next postal business day.
(3) Surety bond requirements	(a) What is a surety bond? A "surety bond" is a type of insurance policy that guarantees beer and/or wine tax payment to the state. The surety bond must be: (i) Executed by a surety company authorized to do business in the state of Washington; (ii) On a form and in an amount acceptable to the board;

(iii) Payable to the Washington state liquor control board; and

(iv) Conditioned that the licensee will pay the taxes and penalties levied by RCW 66.24.210 and/or 66.24.290.

(v) As an option to obtaining a surety bond, a licensee may create an assignment of savings account for the board in the same amount as required for a surety bond. Requests for this option must be submitted in writing to the board's financial division.

(b) When will the board require a surety bond? The board may require a surety bond from a Washington beer and/or wine distributor, domestic microbrewery, domestic brewery, public house, domestic winery, wine shipper, or a beer or wine certificate of approval holder that has a direct shipment privilege. If any of the following occur (~~at one or more licensed locations~~), the board (~~will~~) may require the licensee or permittee to obtain a surety bond or assignment of savings account (~~for each licensed location~~), within twenty-one days after an administrative violation notice is issued:

(i) A report or tax payment is missing, as defined in WAC 314-19-010(~~(4)~~), for two or more consecutive months; or

(ii) A report or tax payment is missing, as defined in WAC 314-19-010(~~(4)~~), two or more times within a two year period.

(c) What will happen if the licensee does not acquire the surety bond or savings account? Failure to meet the bonding or savings account requirements outlined in subsections (a) and (b) of this rule may result in immediate suspension of license privileges until all missing reports are filed and late taxes have been paid and the surety bond is acquired or the savings account is established.

(d) In what amount and for how long will the board require a surety bond? The amount of a surety bond or savings account required by this chapter must be either \$3,000, or the total of the highest four months' worth of tax liability for the previous twelve month period, whichever is greater.

(i) The licensee or permittee must maintain the bond for at least two years. After the two year period the licensee or permittee may request an exemption as outlined in subsection (f) of this rule.

(ii) Surety bond and savings account amounts (~~will~~) may be reviewed annually and compared to the last twelve months' tax liability of the licensee. If the current bond or savings account amount does not meet the requirements outlined in this section, the licensee or permittee will be required to increase the bond amount or amount on deposit within twenty-one days.

(e) **What action will the board take when a licensee or permittee holds a surety bond and does not pay taxes due or pays late?** If a licensee or permittee holds a surety bond or savings account, the board will immediately start the process to collect overdue taxes from the surety company or assigned account. If the exact amount of taxes due is not known due to missing reports, the board will estimate the taxes due based on previous production, receipts, and/or sales.

(f) **Can a licensee or permittee request an exemption to the surety bond or savings account requirement?** A licensee or permittee may make a written request to the board's financial division for an exemption from the surety bond or assignment of savings account requirements. The board will grant an exemption once the following criteria are met ((for each of the requesting licensee's locations)):

(i) The licensee or permittee has filed reports and paid applicable taxes to the board for at least two years immediately prior to the exemption request; and

(ii) There have been no late or missing reports or tax payments during the previous two years.

(iii) In order to remain exempt from the surety bond or assignment of savings account requirements, the licensee must continue to meet the tax reporting and payment requirements outlined in this title (outlined in WAC 314-19-015, RCW 66.24.206, 66.24.210, 66.24.270, 66.24.290, and 66.24.580).

**RULE CHANGES HAVE BEEN UPDATED ON THE WSLCB LAWS
AND RULES WEBSITE (Effective date 1/29/07)**
Beer

AMENDATORY SECTION (Amending WSR 98-18-097, filed 9/2/98, effective 10/3/98)

WAC 314-20-050 Beer distributors--Importers--Brewers--Records--Preservation. (1) Breweries, microbreweries, beer certificate of approval holders, and beer distributors must keep beer accounts separate and independent from other accounts and maintain proper records in a form approved by the board, showing all transactions in beer(~~(, and)~~).

(2) Breweries, microbreweries, beer distributors, and beer importers must in case of beer exported or beer sold, transferred or shipped to another distributor, preserve all bills of lading or other evidence of shipment for a period of two years after such exportation, and must in the case of sales to retailers preserve all sales slips and keep the same on file in the office of the wholesaler for at least two years after each sale.

~~((+2))~~ (3) Each brewery, beer distributor, and beer importer may maintain microfilm records containing reproductions (including microfiche) of any record, document, or report if first approved by the board. Request for approval shall be directed to the financial division of the Washington state liquor control board and must include the following information:

- (a) Records proposed to be reproduced.
- (b) Reproduction process.
- (c) Manner of preserving the reproduction.
- (d) Facilities provided for examining or viewing such reproduction.

If the request is approved, the licensee shall provide for the examining, viewing, and reproduction of such records the same as if they were the original records.

~~((+3))~~ (4) If the brewery, beer distributor, or beer importer keeps records within an automated data processing (ADP) system, the system must include a method for producing legible records that will provide the same information required of that type of record within this section. The ADP system is acceptable if it complies with the following guidelines:

(a) Provides an audit trail so that details (invoices and vouchers) underlying the summary accounting data may be identified and made available upon request.

(b) Provides the opportunity to trace any transaction back to the original source or forward to a final total. If

printouts of transactions are not made when they are processed, the system must have the ability to reconstruct these transactions.

(c) Has available a full description of the ADP portion of the accounting system. This should show the applications being performed, the procedures employed in each application, and the controls used to ensure accurate and reliable processing.

~~((4))~~ (5) The provisions contained in subsections ~~((2))~~ (3) and ~~((3))~~ (4) of this section do not eliminate the requirement to maintain source documents, but they do allow the source documents to be maintained in some other location.

AMENDATORY SECTION (Amending WSR 04-19-155, filed 9/22/04, effective 10/23/04)

WAC 314-20-100 Beer supplier and distributor price postings. RCW 66.28.180 requires beer distributors and suppliers to file price postings with the board.

(1) **Definitions**--For the purposes of this chapter:

(a) A "beer price posting" or "price posting" means a declaration of the price of beer sold from a supplier to a distributor or from a distributor to a retailer, in effect as filed with the liquor control board either electronically or hard-copy, under the provisions of RCW 66.28.180 and Title 314 WAC.

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

(c) A "beer distributor" means a distributor selling to a retailer, a domestic brewery acting as a distributor, a microbrewery acting as a distributor, or a certificate of approval holder with a direct shipping to Washington retailer endorsement selling beer of its own production to a retailer.

(2) Filing deadlines.

(a) Beer supplier filing deadlines	(b) Beer distributor filing deadlines
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<p>All price postings, distributor appointments, written contracts, and memoranda of oral agreements must be received by the board not later than the twenty-fifth day of the month, and if approved will become effective on the first day of the second calendar month following the date of filing.</p>	<p>All price postings must be received by the board not later than the tenth day of the month, and if approved will become effective on the first day of the calendar month following the date of filing.</p>
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(c) The board will allow up to an additional five days for revisions of filings to correct errors and omissions filed during the current price posting period. The board may in individual cases, for good cause shown, extend the filing date.

(d) When a price posting has been deposited in the United States mail addressed to the board, it will be considered filed or received on the date shown by the United States post office cancellation mark on the envelope, or on the date it was mailed if it is established to the satisfaction of the board that the actual mailing occurred on an earlier date.

(3) **Filing date exceptions**--Whenever a filing deadline falls on Saturday, Sunday, or a legal holiday, a price posting may be filed not later than midnight the next business day.

(4) **No changes from previous month**--If a beer supplier or distributor makes no changes in any items or prices listed in the last filed and approved price posting, the prices will remain in effect for each succeeding posting period until a revised price posting is filed and approved.

(5) **Temporary price reductions**--If a beer supplier or distributor files price postings that list selected items on which prices are temporarily reduced for one posting period only, these price postings must clearly reflect all items, the selling price, and the posting period for which the price reductions will be in effect. At the expiration of the posting period during which the reductions were in effect, the special price posting will become void and the last regularly filed and effective price posting will again become effective.

(6) **Distributor changes**--

(a) The following guidelines apply when a beer supplier makes a distributor change outside of the regular distributor appointment timelines outlined in subsection (2) of this rule:

(i) The supplier must notify the board in writing that he/she wishes to change his/her current distributor and appoint a new distributor to be effective immediately.

(ii) The new distributor must agree to take the currently posted prices of the old distributor until the new distributor is able to post his/her own prices during the next regular posting period.

(iii) If a beer supplier has a territory or brand agreement with a distributor and wants to change a distributor appointed to a certain brand(s) or territory(ies), the board may allow the new distributor to assume the prior distributor's price postings for the brand and/or territory in order to avoid disruption of the market.

(b) A beer supplier must notify the board if any of the contracts or agreements listed in this rule are revised or terminated by either party. The board may immediately authorize a price posting if a beer distributor assumes the wholesale price postings from the previously appointed distributor.

(c) Prices and other conditions of price postings in effect at the time of the distributor change may not be changed until subsequent filings are submitted to the board and become effective.

(7) **Price postings for new distributors**--When the board issues a new beer distributor license, the licensee may file an initial price posting and request that the price posting be placed into effect immediately. The board may grant this immediate approval if the price posting is in compliance with this rule and with all other applicable laws and rules.

(8) **Accommodation sales**--The provisions of this rule do not apply, and filings are not required, when a beer distributor makes an accommodation sale to another beer distributor and this sale is made at a selling price that does not exceed the laid-in cost of the beer being sold. Accommodation sales may only be made when the distributor purchasing the beer 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.

**RULE CHANGES HAVE BEEN UPDATED ON THE WSLCB LAWS
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Domestic Wineries**

AMENDATORY SECTION (Amending WSR 04-24-097, filed 12/1/04,
effective 1/1/05)

WAC 314-24-040 Wine labels--Certificate of label approval required--Labels to be submitted. No wine shall be imported or sold within the state of Washington until the certificate of approval holder, or domestic winery, or United States importer of foreign wine, shall have obtained from the board a certificate of label approval for such wine.

(1) A request for certificate of label approval must be submitted to the board on forms prescribed by the board, together with the following:

(a) One label of the brand and type for which approval is requested for wines under seven percent alcohol by volume; and

(b) One copy of the federal certificate of label approval for such wine which has been issued by the Bureau of Alcohol, Tobacco, and Firearms, U.S. Treasury Department.

(2) Any change in label or product which requires reissuance of federal approval under the provisions of 27 CFR Part 4, must also be submitted to the board in accordance with the foregoing provisions of this regulation.

(3) Every producer, importer, bottler, distributor, or wine certificate of approval holder shall, upon request of the board or its authorized representative, furnish without cost to the board, samples of any brand of wine upon its premises for the purpose of analysis in order to determine whether the wine conforms to the quality standards set by the board in WAC 314-24-060 and conforms with commercial standards.

(4) No label shall be used that is misleading.

(5) No label will be approved which is designed to be especially appealing to children or other persons under legal age to consume. Persons who appear to be under legal age to consume may be depicted on a label when, in the discretion of the board, the depiction is dignified and does not promote illegal consumption of liquor.

(6) Wineries are not required to obtain a certificate of label approval from the board for wine sold directly to Washington consumers under a direct shipper's permit. Wine labels may not be misleading and may not be designed to appeal especially to persons under the age of twenty-one.

AMENDATORY SECTION (Amending WSR 98-18-097, filed 9/2/98, effective 10/3/98)

WAC 314-24-150 Wine records--Preservation. (1) Every domestic winery, wine distributor, wine certificate of approval holder, wine shipper permit holder, and wine importer shall keep wine accounts separate from other accounts, and maintain proper records in a form approved by the board showing all transactions in wine.

(2) Every domestic winery, wine distributor, and wine importer, shall, in the case of sales of wine within the state, keep and preserve all invoices, bills of lading, sales slips, and other evidence of sale, in the office of the domestic winery, wine distributor or wine importer for at least two years after each sale.

(3) Every domestic winery, wine distributor, and wine importer, shall, in the case of wine exported from the state, keep and preserve all bills of lading and other evidence of shipment in the office of the domestic winery, wine distributor, or wine importer for at least two years after each shipment.

(4) (~~In the case of sales, transfers or shipments of wine between a domestic winery and a wine distributor, or between two domestic wineries, or between two wine distributors, or between a wine importer and a wine distributor,~~) Both the shipping and receiving licensees and permittees, as the case may be, shall keep and preserve all invoices, bills of lading, sales slips, and other evidence of sale, transfer or shipment in their respective offices for at least two years after each sale, transfer or shipment.

(5) (~~Each winery, wine distributor, and wine importer~~) Licensees and permittees may maintain microfilm records containing reproductions (including microfiche) of any record, document, or report if first approved by the board. Request for approval shall be directed to the financial division of the Washington state liquor control board and must include the following information:

- (a) Records proposed to be reproduced.
- (b) Reproduction process.
- (c) Manner of preserving the reproduction.
- (d) Facilities provided for examining or viewing such reproduction.

If the request is approved, the licensee or permittee shall provide for the examining, viewing, and reproduction of such records the same as if they were the original records.

(6) If the (~~winery, wine distributor, or wine importer~~) licensee or permittee keeps records within an automated data processing (ADP) system, the system must include a method for producing legible records that will provide the same information required of that type of record within this section. The ADP system is acceptable if it complies with the following guidelines:

(a) Provides an audit trail so that details (invoices and vouchers) underlying the summary accounting data may be identified and made available upon request.

(b) Provides the opportunity to trace any transaction back to the original source or forward to a final total. If printouts of transactions are not made when they are processed, the system must have the ability to reconstruct these transactions.

(c) Has available a full description of the ADP portion of the accounting system. This should show the applications being performed, the procedures employed in each application, and the controls used to ensure accurate and reliable processing.

(7) The provisions contained in subsections (5) and (6) of this section do not eliminate the requirement to maintain source documents, but they do allow the source documents to be maintained in some other location.

AMENDATORY SECTION (Amending WSR 04-19-155, filed 9/22/04, effective 10/23/04)

WAC 314-24-190 Wine supplier and distributor price postings. RCW 66.28.180 requires wine distributors and suppliers to file price postings with the board.

(1) **Definitions**--For the purposes of this chapter:

(a) A "wine price posting" or "price posting" means a declaration of the price of wine sold from a supplier to a distributor or from a distributor to a retailer, in effect as filed with the liquor control board either electronically or hard copy, under the provisions of RCW 66.28.180 and Title 314 WAC.

(b) 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.

(c) A "wine distributor" means a distributor selling to a retailer, 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) Filing deadlines.

(a) Wine supplier filing deadlines	(b) Wine distributor filing deadlines
All price postings, distributor appointments, written contracts, and memoranda of oral agreements must be received by the board not later than the twenty-fifth day of the month, and if approved will become effective on the first day of the second calendar month following the date of filing.	All price postings must be received by the board not later than the tenth day of the month, and if approved will become effective on the first day of the calendar month following the date of filing.

(c) The board will allow up to an additional five days for revisions of filings to correct errors and omissions filed during the current posting period. The board may in individual cases, for good cause shown, extend the filing date.

(d) When a price posting has been deposited in the United States mail addressed to the board, it will be considered filed or received on the date shown by the United States post office cancellation mark on the envelope, or on the date it was mailed if it is established to the satisfaction of the board that the actual mailing occurred on an earlier date.

(3) **Filing date exception**--Whenever a filing deadline falls on Saturday, Sunday, or a legal holiday, a price posting may be filed not later than the close of business the next business day.

(4) **No changes from previous month**--If a wine supplier or distributor makes no changes in any items or prices listed in the last filed and approved price posting, the prices will remain in effect for each succeeding posting period until a revised price posting is filed and approved.

(5) **Temporary price reductions**--If a wine supplier or distributor files price postings that list selected items on which prices are temporarily reduced for one posting period only, these price postings must clearly reflect all items, the selling price, and the posting period for which the price reductions will be in effect. At the expiration of the posting period during which the reductions were in effect, the special

price posting will become void and the last regularly filed and effective price posting will again become effective.

(6) **Distributor changes--**

(a) The following guidelines apply when a wine supplier makes a distributor change outside of the regular distributor appointment timelines outlined in subsection (2) of this rule:

(i) The supplier must notify the board in writing that he/she wishes to change his/her current distributor and appoint a new distributor to be effective immediately.

(ii) The new distributor must agree to take the currently posted prices of the old distributor until the new distributor is able to post his/her own prices during the next regular posting period.

(iii) If a wine supplier has a territory or brand agreement with a distributor and wants to change a distributor appointed to a certain brand(s) or territory(ies), the board may allow the new distributor to assume the prior distributor's price postings for the brand and/or territory in order to avoid disruption of the market.

(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. The board may immediately authorize a price posting if a wine distributor assumes the wholesale price postings from the previously appointed distributor.

(c) Prices and other conditions of price postings in effect at the time of the distributor change may not be changed until subsequent filings are submitted to the board and become effective.

(7) **Price postings for new distributors--**When the board issues a new wine distributor license, the licensee may file an initial price posting and request that the price posting be placed into effect immediately. The board may grant this immediate approval if the price posting is in compliance with this rule and with all other applicable laws and rules.

(8) **Accommodation sales--**The provisions of this rule do not apply, and filings are not required, 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.

NEW SECTION

WAC 314-24-231 What is a wine shipper's permit and who may hold this permit? (1) A wine shipper's permit may be issued to a winery located in another state and licensed by that state to manufacture wine.

(2) A wine shipper's permit authorizes the permittee to ship wine of its own production to Washington residents who are over the age of twenty-one years.

**RULE CHANGES HAVE BEEN UPDATED ON THE WSLCB LAWS
AND RULES WEBSITE (Effective date 1/29/07)
Public Disclosure**

AMENDATORY SECTION (Amending WSR 94-03-060, filed 1/14/94, effective 2/14/94)

WAC 314-60-105 General guidelines--Exempt records. The following general guidelines relate to the board's records, or portions thereof, that are, or may be, considered as exempt from public disclosure under the provisions of the Public Disclosure Law, chapter ((42.17)) 42.56 RCW.

A general rule in connection with the application of any of the exemptions set forth below is that such exemptions shall be inapplicable to the extent that information, the disclosure of which would violate personal privacy or vital governmental interest, can be deleted from the specific records sought. No exemption will be construed to permit the non-disclosure of statistical information which is not descriptive of any readily identifiable person or persons.

The list of records and material generally considered exempt from disclosure by the board includes, but is not limited to, the following:

(1) Personal information of the board members and its entire staff as may be contained in the personnel records of each member or employee, including all applications for public employment, resumes, and other materials submitted relating to the applicant, and residential addresses of members, employees or volunteers, with the exception that the employee's name, job title, and rate of pay for said job title, will be furnished. (See RCW ((~~42.17.310~~ (1)(b), (t) and (u))) 42.56.230(2), and 42.56.250 (2) and (3).)

(2) Audits of, and investigation reports concerning, individual licensees, except when cited by the board as the basis for disciplinary action taken against the licensee. (See RCW ((~~42.17.310~~ (1)(d))) 42.56.240(1).)

(3) Intelligence information and investigative data and reports pertaining to the enforcement of the liquor laws and the board's regulations, the nondisclosure of which is essential to law enforcement or to the protection of any person's right to privacy. (See RCW ((~~42.17.310~~ (1)(d))) 42.56.240(1).)

(4) Special order requests and records of purchases by any person or persons, including ((~~class H~~)) spirits, beer, and wine restaurant licensees. (See RCW 66.16.090.)

(5) The board's records during the process of lease negotiations, when it would be both unfair and inequitable to disclose to contending parties what another party may have bid or offered. (See RCW (~~42.17.310 (1)(g)~~) 42.56.260.)

(6) The names of complainants in connection with alleged liquor violations, if disclosure would endanger any person's life, physical safety, or property except when the complainant authorizes the release of his or her name at the time the complaint is submitted. (See RCW (~~42.17.310 (1)(e)~~) 42.56.240(2).)

(7) Computer program and research data of the board within five years of the request for disclosure when disclosure would produce private gain and public loss. (See RCW (~~42.17.310 (1)(h)~~) 42.56.270(1).)

(8) Preliminary drafts, notes, recommendations, and intraagency memorandums in which opinions are expressed or policies formulated or recommended except that a specific record shall not be exempt when publicly cited by the board in connection with board action. (See RCW (~~42.17.310 (1)(i)~~) 42.56.280.)

(9) Financial or proprietary information supplied to the board by a domestic winery, brewery, or microbrewery, acting as its own distributor, or certificate of approval holder with a direct shipping to Washington retailer endorsement, containing the identity and amount of beer or wine sold directly to licensed Washington retailers. (See RCW 66.24.206 (1)(a), 66.24.270 (2)(a), and 42.56.270.)

(10) Financial or proprietary information supplied to the board by a licensed Washington liquor retailer containing the identity and amount of beer or wine purchased directly from a domestic winery, brewery, microbrewery, or a certificate of approval holder with a direct shipping to Washington retailer endorsement. (See RCW 66.24.210, 66.24.290, and 42.56.270.)