

Chapter 66.28 RCW
MISCELLANEOUS REGULATORY PROVISIONS

Sections

- 66.28.030 Responsibility of breweries, microbreweries, wineries, certificate of approval holders, and importers for conduct of distributors—Penalties.
- 66.28.035 Spirits certificate of approval holders—Reporting—Spirits shipments.
- 66.28.040 Giving away of liquor prohibited—Exceptions.
- 66.28.042 Providing food and beverages for business meetings permitted.
- 66.28.043 Providing food, beverages, transportation, and admission to events permitted.
- 66.28.050 Solicitation of orders prohibited.
- 66.28.060 Distillers to make monthly report.
- 66.28.070 Restrictions on purchases of spirits, beer, or wine by retail spirits, beer, or wine licensees or special occasion licensees.
- 66.28.090 Licensed premises or banquet permit premises open to inspection—Failure to allow, violation.
- 66.28.100 Spirits to be labeled—Contents.
- 66.28.110 Wine to be labeled—Contents.
- 66.28.120 Malt liquor to be labeled—Contents.
- 66.28.130 Selling, supplying, or serving of liquor to or consumption by standing or walking person.
- 66.28.140 Removing family beer or wine from home for use at wine tastings or competitions—Conditions.
- 66.28.150 Breweries, microbreweries, wineries, distilleries, distributors, certificate of approval holders, and agents authorized to conduct courses of instruction on beer and wine.
- 66.28.155 Breweries, microbreweries, wineries, distilleries, distributors, certificate of approval holders, and agents authorized to conduct educational activities on licensed premises of retailer.
- 66.28.160 Promotion of liquor at colleges and universities.
- 66.28.170 Wine or malt beverage manufacturers—Discrimination in price to purchaser for resale prohibited—Price differentials.
- 66.28.180 Price list—Contents—Contracts and memoranda with distributors.
- 66.28.185 Sales of wine and spirits to the employees of licensed wine and spirits distributors.
- 66.28.190 Sales of nonliquor food and food ingredients.
- 66.28.200 Keg registration—Special endorsement for grocery store licensee—Requirements of seller.
- 66.28.210 Keg registration—Requirements of purchaser.
- 66.28.220 Keg registration—Identification of containers—Rules—Fees—Sale in violation of rules unlawful.
- 66.28.230 Keg registration—Furnishing to minors—Penalties.
- 66.28.240 Keg registration—State preemption.
- 66.28.260 Beer distributors—Restricted transactions.
- 66.28.270 Cash payments—Electronic funds transfers.
- 66.28.280 Finding.

- 66.28.285 Three-tier system—Definitions.
- 66.28.290 Three-tier system—Direct or indirect interests between industry members, affiliates, and retailers.
- 66.28.295 Three-tier system—Direct or indirect interests—Allowed activities.
- 66.28.300 Three-tier system—Undue influence—Determination by board.
- 66.28.305 Three-tier system—Money advances—Prohibition.
- 66.28.310 Three-tier system—Promotional items.
- 66.28.315 Three-tier system—Recordkeeping.
- 66.28.320 Three-tier system—Rule adoption.
- 66.28.330 Spirits sales—Foreign wine—Distilled spirits.
- 66.28.340 Retailer of wine or spirits—Wine or spirits delivery, warehouse, and distribution.
- 66.28.350 Theft prevention—Regulating spirits retailers.
- 66.28.360 Cider sales—Container brought by purchaser.
- 66.28.370 Failure to submit required reports or payment for license issuance—Penalty.
- 66.28.380 Products combining alcohol and cannabis prohibited.

Grower licensee deemed a manufacturer: RCW 66.24.520.

Labels, unlawful refilling, etc., of trademarked containers: Chapter 19.76 RCW.

Minors, access to tobacco, role of liquor and cannabis board: Chapter 70.155 RCW.

RCW 66.28.030 Responsibility of breweries, microbreweries, wineries, certificate of approval holders, and importers for conduct of distributors—Penalties. Every domestic distillery, brewery, and microbrewery, domestic winery, certificate of approval holder, licensed spirits importer, licensed wine importer, and licensed beer importer is responsible for the conduct of any licensed spirits, beer, or wine distributor in selling, or contracting to sell, to retail licensees, spirits, beer, or wine manufactured by such domestic distillery, brewery, microbrewery, domestic winery, manufacturer holding a certificate of approval, sold by an authorized representative holding a certificate of approval, or imported by such spirits, beer, or wine importer. Where the board finds that any licensed spirits, beer, or wine distributor has violated any of the provisions of this title or of the regulations of the board in selling or contracting to sell spirits, beer, or wine to retail licensees, the board may, in addition to any punishment inflicted or imposed upon such distributor, prohibit the sale of the brand or brands of spirits, beer, or wine involved in such violation to any or all retail licensees within the trade territory usually served by such distributor for such period of time as the board may fix, irrespective of whether the distiller manufacturing such spirits or the spirits importer importing such spirits, brewer manufacturing such beer or the beer importer importing such beer, or the domestic winery manufacturing such wine or the wine importer importing such wine or the certificate of approval holder manufacturing such spirits, beer, or wine or acting as authorized representative actually participated

in such violation. [2016 c 235 § 13; 2012 c 2 § 113 (Initiative Measure No. 1183, approved November 8, 2011); 2004 c 160 § 10; 1997 c 321 § 47; 1975 1st ex.s. c 173 § 8; 1969 ex.s. c 21 § 6; 1939 c 172 § 8 (adding new section 27-D to 1933 ex.s. c 62); RRS § 7306-27D.]

Finding—Application—Rules—Effective date—Contingent effective date—2012 c 2 (Initiative Measure No. 1183): See notes following RCW 66.24.620.

Effective date—2004 c 160: See note following RCW 66.04.010.

Effective date—1997 c 321: See note following RCW 66.24.010.

Severability—Effective date—1975 1st ex.s. c 173: See notes following RCW 66.08.050.

Effective date—1969 ex.s. c 21: See note following RCW 66.04.010.

RCW 66.28.035 Spirits certificate of approval holders—Reporting—Spirits shipments. (1) By the 20th day of each month, all spirits certificate of approval holders must file with the board, in a form and manner required by the board, a report of all spirits delivered to purchasers in this state during the preceding month. Copies of the invoices for all such purchases or other information required by the board that would disclose the identity of the purchasers must be made available upon request.

(2) A spirits certificate of approval holder may not ship or cause to be transported into this state any spirits unless the purchaser to whom the spirits are to be delivered is:

(a) Licensed by the board to sell spirits in this state, and the license is in good standing; or

(b) Otherwise legally authorized to sell spirits in this state.

(3) The liquor and cannabis board must maintain on its website a list of all purchasers that meet the conditions of subsection (2) of this section.

(4) A violation of this section is grounds for suspension of a spirits certificate of approval license in accordance with RCW 66.08.150, in addition to any punishment as may be authorized by RCW 66.28.030. [2016 c 235 § 14; 2012 c 39 § 7.]

Construction—Effective date—2012 c 39: See notes following RCW 82.08.155.

RCW 66.28.040 Giving away of liquor prohibited—Exceptions. (1) Except as permitted by the board under RCW 66.20.010, or as allowed under this title, no domestic brewery, microbrewery, distributor, distiller, domestic winery, importer, rectifier, certificate of approval holder, or other manufacturer of liquor may, within the state of Washington, give to any person any liquor without charge.

(2) Nothing in this section nor in RCW 66.28.305 prevents a domestic brewery, microbrewery, distributor, domestic winery, distiller, certificate of approval holder, or importer from furnishing samples of beer, wine, or spirituous liquor to authorized licensees

for the purpose of negotiating a sale, in accordance with regulations adopted by the liquor and cannabis board, provided that the samples are subject to taxes imposed by RCW 66.24.290 and 66.24.210.

(3) Nothing in this section prevents a domestic brewery, microbrewery, domestic winery, distillery, certificate of approval holder, or distributor from furnishing beer, wine, or spirituous liquor for instructional purposes under RCW 66.28.150.

(4) Nothing in this section prevents a domestic winery, certificate of approval holder, or distributor from furnishing wine without charge, subject to the taxes imposed by RCW 66.24.210, to a not-for-profit group organized and operated solely for the purpose of enology or the study of viticulture which has been in existence for at least six months and that uses wine so furnished solely for such educational purposes or a domestic winery, or an out-of-state certificate of approval holder, from furnishing wine without charge or a domestic brewery, or an out-of-state certificate of approval holder, from furnishing beer without charge, subject to the taxes imposed by RCW 66.24.210 or 66.24.290, or a domestic distiller licensed under RCW 66.24.140 or an accredited representative of a distiller, manufacturer, importer, or distributor of spirituous liquor licensed under RCW 66.24.310, from furnishing spirits without charge, to a nonprofit charitable corporation or association exempt from taxation under 26 U.S.C. Sec. 501(c)(3) or (6) of the internal revenue code of 1986 for use consistent with the purpose or purposes entitling it to such exemption.

(5) Nothing in this section prevents a domestic brewery or microbrewery from serving beer without charge, on the brewery premises.

(6) Nothing in this section prevents donations of wine for the purposes of RCW 66.12.180.

(7) Nothing in this section prevents a domestic winery from serving wine without charge, on the winery premises.

(8) Nothing in this section prevents a distillery licensed under RCW 66.24.140 or 66.24.145, or an off-site tasting room authorized under RCW 66.24.146, from providing, without charge, samples of spirits, including spirits adulterated with other alcohol entitled to be served to customers on the distillery premises or at an off-site tasting room. [2020 c 238 § 8; 2016 c 235 § 15; 2014 c 92 § 2; 2012 c 2 § 116 (Initiative Measure No. 1183, approved November 8, 2011). Prior: (2011 c 186 § 4 expired December 1, 2012); 2011 c 119 § 207; (2011 c 62 § 4 expired December 1, 2012); 2009 c 373 § 8; prior: 2008 c 94 § 6; 2008 c 41 § 12; 2004 c 160 § 11; 2000 c 179 § 1; prior: 1998 c 256 § 1; 1998 c 126 § 12; 1997 c 39 § 1; 1987 c 452 § 15; 1983 c 13 § 2; 1983 c 3 § 165; 1982 1st ex.s. c 26 § 2; 1981 c 182 § 2; 1975 1st ex.s. c 173 § 10; 1969 ex.s. c 21 § 7; 1935 c 174 § 4; 1933 ex.s. c 62 § 30; RRS § 7306-30.]

Finding—Application—Rules—Effective date—Contingent effective date—2012 c 2 (Initiative Measure No. 1183): See notes following RCW 66.24.620.

Spirit sampling—Liquor store pilot project—Expiration date—2011 c 186: See notes following RCW 66.08.050.

Expiration date—2011 c 62: See note following RCW 66.24.170.

Effective date—2004 c 160: See note following RCW 66.04.010.

Effective date—1998 c 126: See note following RCW 66.20.010.

Construction—Effective dates—1987 c 452: See RCW 15.88.900 and 15.88.901.

Severability—Effective date—1975 1st ex.s. c 173: See notes following RCW 66.08.050.

Effective date—1969 ex.s. c 21: See note following RCW 66.04.010.

RCW 66.28.042 Providing food and beverages for business meetings permitted. A liquor manufacturer, importer, authorized representative holding a certificate of approval, or distributor may provide to licensed retailers and their employees food and beverages for consumption at a meeting at which the primary purpose is the discussion of business, and may provide local ground transportation to and from such meetings. The value of the food, beverage, or transportation provided under this section shall not be considered the advancement of moneys or moneys' worth within the meaning of RCW 66.28.305, nor shall it be considered the giving away of liquor within the meaning of RCW 66.28.040. The board may adopt rules for the implementation of this section. [2011 c 119 § 208; 2004 c 160 § 12; 1990 c 125 § 1.]

Effective date—2004 c 160: See note following RCW 66.04.010.

RCW 66.28.043 Providing food, beverages, transportation, and admission to events permitted. A liquor manufacturer, importer, authorized representative holding a certificate of approval, or distributor may provide to licensed retailers and their employees tickets or admission fees for athletic events or other forms of entertainment occurring within the state of Washington, if the manufacturer, importer, distributor, authorized representative holding a certificate of approval, or any of their employees accompanies the licensed retailer or its employees to the event. A liquor manufacturer, importer, authorized representative holding a certificate of approval, or distributor may also provide to licensed retailers and their employees food and beverages for consumption at such events, and local ground transportation to and from activities allowed under this section. The value of the food, beverage, transportation, or admission to events provided under this section shall not be considered the advancement of moneys or moneys' worth within the meaning of RCW 66.28.305, nor shall it be considered the giving away of liquor within the meaning of RCW 66.28.040. The board may adopt rules for the implementation of this section. [2011 c 119 § 209; 2004 c 160 § 13; 1990 c 125 § 2.]

Effective date—2004 c 160: See note following RCW 66.04.010.

RCW 66.28.050 Solicitation of orders prohibited. No person shall canvass for, solicit, receive, or take orders for the purchase or sale of any liquor, or act as representative for the purchase or sale of liquor except as authorized by RCW 66.24.310 or by RCW 66.24.550. [1997 c 321 § 49; 1982 c 85 § 11; 1975-'76 2nd ex.s. c 74 § 2; 1969 ex.s. c 21 § 8; 1937 c 217 § 4; 1933 ex.s. c 62 § 42; RRS § 7306-42.]

Effective date—1997 c 321: See note following RCW 66.24.010.

Effective date—1975-'76 2nd ex.s. c 74: See note following RCW 66.24.310.

Effective date—1969 ex.s. c 21: See note following RCW 66.04.010.

RCW 66.28.060 Distillers to make monthly report. Every distillery licensed under this title must make monthly reports to the board pursuant to the regulations. [2012 c 2 § 117 (Initiative Measure No. 1183, approved November 8, 2011); 2008 c 94 § 7; 1933 ex.s. c 62 § 26; RRS § 7306-26.]

Finding—Application—Rules—Effective date—Contingent effective date—2012 c 2 (Initiative Measure No. 1183): See notes following RCW 66.24.620.

RCW 66.28.070 Restrictions on purchases of spirits, beer, or wine by retail spirits, beer, or wine licensees or special occasion licensees. (1) Except as provided in subsection (2) of this section, it is unlawful for any retail spirits, beer, or wine licensee to purchase spirits, beer, or wine, except from a duly licensed distributor, domestic winery, domestic brewer, or certificate of approval holder with a direct shipment endorsement.

(2) (a) A spirits, beer, or wine retailer may purchase spirits, beer, or wine:

(i) From a government agency that has lawfully seized liquor possessed by a licensed distributor or retailer;

(ii) From a board-authorized manufacturer or certificate holder authorized by this title to act as a distributor of liquor;

(iii) From a licensed retailer which has discontinued business if the distributor has refused to accept spirits, beer, or wine from that retailer for return and refund;

(iv) From a retailer whose license or license endorsement permits resale to a retailer of wine and/or spirits for consumption on the premises, if the purchasing retailer is authorized to sell such wine and/or spirits.

(b) Goods purchased under this subsection (2) must meet the quality standards set by the manufacturer of the goods.

(3) Special occasion licensees holding a special occasion license may only purchase spirits, beer, or wine from a spirits, beer, or wine retailer duly licensed to sell spirits, beer, or wine for off-premises consumption, or from a duly licensed spirits, beer, or wine distributor. [2012 c 2 § 118 (Initiative Measure No. 1183, approved November 8, 2011); 2006 c 302 § 8. Prior: 1994 c 201 § 5; 1994 c 63 §

2; 1987 c 205 § 1; 1937 c 217 § 1(23H) (adding new section 23-H to 1933 ex.s. c 62); RRS § 7306-23H.]

~~**Finding—Application—Rules—Effective date—Contingent effective date—2012 c 2 (Initiative Measure No. 1183):**~~ See notes following RCW 66.24.620.

~~**Effective date—2006 c 302:**~~ See note following RCW 66.24.170.

RCW 66.28.090 Licensed premises or banquet permit premises open to inspection—Failure to allow, violation. (1) All licensed premises used in the manufacture, storage, or sale of liquor, or any premises or parts of premises used or in any way connected, physically or otherwise, with the licensed business, and/or any premises where a banquet permit has been granted, shall at all times be open to inspection by any liquor enforcement officer, inspector or peace officer.

(2) Every person, being on any such premises and having charge thereof, who refuses or fails to admit a liquor enforcement officer, inspector or peace officer demanding to enter therein in pursuance of this section in the execution of his/her duty, or who obstructs or attempts to obstruct the entry of such liquor enforcement officer, inspector or officer of the peace, or who refuses to allow a liquor enforcement officer, and/or an inspector to examine the books of the licensee, or who refuses or neglects to make any return required by this title or the regulations, shall be guilty of a violation of this title. [1981 1st ex.s. c 5 § 20; 1935 c 174 § 7; 1933 ex.s. c 62 § 52; RRS § 7306-52.]

~~**Effective date—1981 1st ex.s. c 5:**~~ See RCW 66.98.100.

RCW 66.28.100 Spirits to be labeled—Contents. Every person manufacturing spirits as defined in this title shall put upon all packages containing spirits so manufactured a distinctive label, showing the nature of the contents, the name of the person by whom the spirits were manufactured, the place where the spirits were manufactured, and showing the alcoholic content of such spirits. For the purpose of this section the contents of packages containing spirits shall be shown by the use of the words "whiskey", "rum", "brandy", and the like, on the outside of such packages. [1933 ex.s. c 62 § 46; RRS § 7306-46.]

RCW 66.28.110 Wine to be labeled—Contents. (1) Every person producing, manufacturing, bottling, or distributing wine shall put upon all packages a distinctive label that will provide the consumer with adequate information as to the identity and quality of the product, the alcoholic content thereof, the net contents of the package, the name of the producer, manufacturer, or bottler thereof, and such other information as the board may by rule prescribe.

(2) Subject to subsection (3) of this section:

(a) If the appellation of origin claimed or implied anywhere on a wine label is "Washington," then at least ninety-five percent of the

grapes used in the production of the wine must have been grown in Washington.

(b) If the appellation of origin claimed or implied anywhere on a wine label is "Washington" and the name of an American viticultural area located wholly within Washington, then at least ninety-five percent of the grapes used in the production of the wine must have been grown in Washington.

(c) If the appellation of origin claimed or implied anywhere on a wine label is "Washington" and the name of an American viticultural area located within both Washington and an adjoining state, then at least ninety-five percent of the grapes used in the production of the wine must have been grown within the defined boundaries of that American viticultural area or in Washington.

(3) Upon evidence of material damage, destruction, disease, or other loss to one or more vineyards in any American viticultural area, region, subregion, or other discrete area, the director of the department of agriculture must notify the board and the board may suspend the requirements of subsection (2) of this section with respect to the adversely affected area for such period of time as the board reasonably may determine.

(4) For purposes of this section, "American viticultural area" is a delimited grape growing region distinguishable by geographical features, the boundaries of which have been recognized and defined by the federal alcohol and trade tax bureau and recognized by the board.

(5) This section does not apply to wines that are produced with the addition of wine spirits, brandy, or alcohol. [2009 c 404 § 1; 1939 c 172 § 4; 1933 ex.s. c 62 § 45; RRS § 7306-45.]

Application—2009 c 404: "This act applies to wine made from grapes harvested after December 31, 2009." [2009 c 404 § 2.]

RCW 66.28.120 Malt liquor to be labeled—Contents. Every person manufacturing or distributing malt liquor for sale within the state shall put upon all packages containing malt liquor so manufactured or distributed a distinctive label showing the nature of the contents, the name of the person by whom the malt liquor was manufactured, and the place where it was manufactured. For the purpose of this section, the contents of packages containing malt liquor shall be shown by the use of the word "beer," "ale," "malt liquor," "lager," "stout," or "porter," on the outside of the packages. [1997 c 100 § 1; 1982 c 39 § 2; 1961 c 36 § 1; 1933 ex.s. c 62 § 44; RRS § 7306-44.]

Severability—1982 c 39: See note following RCW 66.04.010.

RCW 66.28.130 Selling, supplying, or serving of liquor to or consumption by standing or walking person. It shall not be unlawful for a retail licensee whose premises are open to the general public to sell, supply, or serve liquor to a person for consumption on the licensed retail premises if said person is standing or walking, nor shall it be unlawful for such licensee to permit any said person so standing or walking to consume liquor on such premises: PROVIDED HOWEVER, That the retail licensee of such a premises may, at his or her discretion, promulgate a house rule that no person shall be served

nor allowed to consume liquor unless said person is seated. [2012 c 117 § 282; 1969 ex.s. c 112 § 2.]

RCW 66.28.140 Removing family beer or wine from home for use at wine tastings or competitions—Conditions. (1) An adult member of a household may remove family beer or wine from the home subject to the following conditions:

- (a) The quantity removed by a producer is limited to a quantity not exceeding twenty gallons;
 - (b) Family beer or wine is not removed for sale; and
 - (c) Family beer or wine is removed from the home for private use, including use at organized affairs, exhibitions, or competitions such as homemaker's contests, tastings, or judging.
- (2) As used in this section, "family beer or wine" means beer or wine manufactured in the home for private consumption, and not for sale. [2009 c 360 § 2; 1994 c 201 § 6; 1981 c 255 § 2.]

RCW 66.28.150 Breweries, microbreweries, wineries, distilleries, distributors, certificate of approval holders, and agents authorized to conduct courses of instruction on beer and wine. A domestic brewery, microbrewery, domestic winery, distillery, distributor, certificate of approval holder, or its licensed agent may, without charge, instruct licensees and their employees, or conduct courses of instruction for licensees and their employees, including chefs, on the subject of beer, wine, or spirituous liquor, including but not limited to, the history, nature, values, and characteristics of beer, wine, or spirituous liquor, the use of wine lists, and the methods of presenting, serving, storing, and handling beer, wine, or spirituous liquor, and what wines go well with different types of food. The domestic brewery, microbrewery, domestic winery, distillery, distributor, certificate of approval holder, or its licensed agent may furnish beer, wine, or spirituous liquor and such other equipment, materials, and utensils as may be required for use in connection with the instruction or courses of instruction. The instruction or courses of instruction may be given at the premises of the domestic brewery, microbrewery, domestic winery, distillery, or authorized representative holding a certificate of approval, at the premises of a retail licensee, or elsewhere within the state of Washington. [2007 c 217 § 2; 2004 c 160 § 14; 1997 c 39 § 2; 1982 1st ex.s. c 26 § 1.]

Effective date—2004 c 160: See note following RCW 66.04.010.

RCW 66.28.155 Breweries, microbreweries, wineries, distilleries, distributors, certificate of approval holders, and agents authorized to conduct educational activities on licensed premises of retailer. A domestic brewery, microbrewery, domestic winery, distillery, distributor, certificate of approval holder, or its licensed agent may conduct educational activities or provide product information to the consumer on the licensed premises of a retailer. Information on the subject of wine, beer, or spirituous liquor, including but not limited to, the history, nature, quality, and characteristics of a wine, beer, or spirituous liquor, methods of harvest, production, storage, handling, and distribution of a wine, beer, or spirituous liquor, and

the general development of the wine, beer, and spirituous liquor industry may be provided by a domestic brewery, microbrewery, domestic winery, distillery, distributor, certificate of approval holder, or its licensed agent to the public on the licensed premises of a retailer. The retailer requesting such activity shall attempt to schedule a series of brewery, winery, authorized representative, or distillery and distributor appearances in an effort to equitably represent the industries. Nothing in this section permits a domestic brewery, microbrewery, domestic winery, distillery, distributor, certificate of approval holder, or its licensed agent to receive compensation or financial benefit from the educational activities or product information presented on the licensed premises of a retailer. The promotional value of such educational activities or product information shall not be considered advancement of moneys or of moneys' worth within the meaning of RCW 66.28.305. [2011 c 119 § 210; 2004 c 160 § 15; 1997 c 39 § 3; 1984 c 196 § 1.]

Effective date—2004 c 160: See note following RCW 66.04.010.

RCW 66.28.160 Promotion of liquor at colleges and universities.

No liquor manufacturer, importer, distributor, retailer, authorized representative holding a certificate of approval, agent thereof, or campus representative of any of the foregoing, may conduct promotional activities for any liquor product on the campus of any college or university nor may any such entities engage in activities that facilitate or promote the consumption of alcoholic beverages by the students of the college or university at which the activity takes place. This section does not prohibit the following:

- (1) The sale of alcoholic beverages, by retail licensees on their licensed premises, to persons of legal age and condition to consume alcoholic beverages;
- (2) Sponsorship of broadcasting services for events on a college or university campus;
- (3) Liquor advertising in campus publications; or
- (4) Financial assistance to an activity and acknowledgment of the source of the assistance, if the assistance, activity, and acknowledgment are each approved by the college or university administration. [2004 c 160 § 16; 1985 c 352 § 20.]

Effective date—2004 c 160: See note following RCW 66.04.010.

Severability—1985 c 352: See note following RCW 10.05.010.

RCW 66.28.170 Wine or malt beverage manufacturers—

Discrimination in price to purchaser for resale prohibited—Price differentials. It is unlawful for a manufacturer of spirits, wine, or malt beverages holding a certificate of approval or the manufacturer's authorized representative, a distillery, brewery, or a domestic winery to discriminate in price in selling to any purchaser for resale in the state of Washington. Price differentials for sales of spirits or wine based upon competitive conditions, costs of servicing a purchaser's account, efficiencies in handling goods, or other bona fide business factors, to the extent the differentials are not unlawful under trade regulation laws applicable to goods of all kinds, do not violate this

section. [2012 c 2 § 119 (Initiative Measure No. 1183, approved November 8, 2011); 2004 c 160 § 17; 1997 c 321 § 50; 1985 c 226 § 3.]

Finding—Application—Rules—Effective date—Contingent effective date—2012 c 2 (Initiative Measure No. 1183): See notes following RCW 66.24.620.

Effective date—2004 c 160: See note following RCW 66.04.010.

Effective date—1997 c 321: See note following RCW 66.24.010.

RCW 66.28.180 Price list—Contents—Contracts and memoranda with distributors. (1) Beer and/or wine distributors.

(a) Every beer distributor must maintain at its liquor-licensed location a price list showing the wholesale prices at which any and all brands of beer sold by the distributor are sold to retailers within the state.

(b) Each price list must set forth:

(i) All brands, types, packages, and containers of beer offered for sale by the distributor; and

(ii) The wholesale prices thereof to retail licensees, including allowances, if any, for returned empty containers.

(c) No beer distributor may sell or offer to sell any package or container of beer to any retail licensee at a price differing from the price for such package or container as shown in the price list, according to rules adopted by the board.

(d) Quantity discounts of sales prices of beer are prohibited. No distributor's sale price of beer may be below the distributor's acquisition cost.

(e) Distributor prices below acquisition cost on a "close-out" item are allowed if the item to be discontinued has been listed for a period of at least six months, and upon the further condition that the distributor who offers such a close-out price may not restock the item for a period of one year following the first effective date of such close-out price.

(f) Any beer distributor may sell beer at the distributor's listed prices to any annual or special occasion retail licensee upon presentation to the distributor at the time of purchase or delivery of an original or facsimile license or a special permit issued by the board to such licensee.

(g) Every annual or special occasion retail licensee, upon purchasing any beer from a distributor, must immediately cause such beer to be delivered to the licensed premises, and the licensee may not thereafter permit such beer to be disposed of in any manner except as authorized by the license.

(h) Beer sold as provided in this section must be delivered by the distributor or an authorized employee either to the retailer's licensed premises or directly to the retailer at the distributor's licensed premises. When a brewery, microbrewery, or certificate of approval holder with a direct shipping endorsement is acting as a distributor of beer of its own production, a licensed retailer may contract with a common carrier to obtain the beer directly from the brewery, microbrewery, or certificate of approval holder with a direct shipping endorsement. A distributor's prices to retail licensees for beer must be the same at both such places of delivery. Wine sold to

retailers must be delivered to the retailer's licensed premises, to a location specified by the retailer and approved for deliveries by the board, or to a carrier engaged by either party to the transaction.

(2) Beer suppliers' contracts and memoranda.

(a) Every domestic brewery, microbrewery, certificate of approval holder, and beer and/or wine importer offering beer for sale to distributors within the state and any beer distributor who sells to other beer distributors must maintain at its liquor-licensed location a beer price list and a copy of every written contract and a memorandum of every oral agreement which such brewery may have with any beer distributor for the supply of beer, which contracts or memoranda must contain:

(i) All advertising, sales and trade allowances, and incentive programs; and

(ii) All commissions, bonuses or gifts, and any and all other discounts or allowances.

(b) Whenever changed or modified, such revised contracts or memoranda must also be maintained at its liquor licensed location.

(c) Each price list must set forth all brands, types, packages, and containers of beer offered for sale by such supplier.

(d) Prices of a domestic brewery, microbrewery, or certificate of approval holder for beer must be uniform prices to all distributors or retailers on a statewide basis less bona fide allowances for freight differentials. Quantity discounts of suppliers' prices for beer are prohibited. No price may be below the supplier's acquisition or production cost.

(e) A domestic brewery, microbrewery, certificate of approval holder, importer, or distributor acting as a supplier to another distributor must file with the board a list of all distributor licensees of the board to which it sells or offers to sell beer.

(f) No domestic brewery, microbrewery, or certificate of approval holder may sell or offer to sell any package or container of beer to any distributor at a price differing from the price list for such package or container as shown in the price list of the domestic brewery, microbrewery, or certificate of approval holder and then in effect, according to rules adopted by the board.

(3) In selling wine to another retailer, to the extent consistent with the purposes of chapter 2, Laws of 2012, a grocery store licensee with a reseller endorsement must comply with all provisions of and regulations under this title applicable to wholesale distributors selling wine to retailers.

(4) With respect to any alleged violation of this title by sale of wine at a discounted price, all defenses under applicable trade regulation laws are available including, without limitation, good faith meeting of a competitor's lawful price and absence of harm to competition. [2012 c 2 § 121 (Initiative Measure No. 1183, approved November 8, 2011); 2009 c 506 § 10; 2006 c 302 § 10; (2006 c 302 § 9 expired July 1, 2006); 2005 c 274 § 327. Prior: 2004 c 269 § 1; 2004 c 160 § 18; 1997 c 321 § 51; 1995 c 232 § 10; 1985 c 226 § 4.]

Finding—Application—Rules—Effective date—Contingent effective date—2012 c 2 (Initiative Measure No. 1183): See notes following RCW 66.24.620.

Effective date—2006 c 302 §§ 10 and 12: "Sections 10 and 12 of this act take effect July 1, 2006." [2006 c 302 § 15.]

Expiration date—2006 c 302 §§ 9 and 11: "Sections 9 and 11 of this act expire July 1, 2006." [2007 c 9 § 1; 2006 c 302 § 14.]

Effective date—2004 c 269: "This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect immediately [March 31, 2004]." [2004 c 269 § 2.]

Effective date—2004 c 160: See note following RCW 66.04.010.

Effective date—1997 c 321: See note following RCW 66.24.010.

RCW 66.28.185 Sales of wine and spirits to the employees of licensed wine and spirits distributors. (1) A person holding a spirits distributor license issued pursuant to RCW 66.24.055 may sell spirits directly to bona fide, full-time employees, subject to the following requirements:

(a) No spirits may be sold under this section unless they are in such condition that they cannot reasonably be sold in the normal course of business, such as, for example, because of damage to the labels on individual bottles;

(b) No spirits may be sold under this section for less than the spirits distributor licensee's cost of acquisition;

(c) All sales of spirits made under this section are subject to the license issuance fee established by RCW 66.24.630(4) and the taxes imposed on a retail sale under RCW 82.08.150;

(d) No spirits may be sold under this section to a person who has been employed by the spirits distributor licensee for less than ninety days at the time of the sale or who is under the age of twenty-one;

(e) No person purchasing spirits under this section may sell such spirits by the drink or otherwise to a third person, or otherwise dispose of all or any part of such spirits in any manner or for any purpose other than personal use; and

(f) No spirits may be sold under this section by a person holding any license other than a spirits distributor license, whether or not the license held by such person permits the sale of spirits to consumers.

(2) A person holding a wine distributor license issued pursuant to RCW 66.24.200 may sell wine directly to bona fide, full-time employees, subject to the following requirements:

(a) No wine may be sold under this section unless it is in such condition that it cannot reasonably be sold in the normal course of business, such as, for example, because of damage to the labels on individual bottles;

(b) No wine may be sold under this section for less than the wine distributor licensee's cost of acquisition;

(c) All sales of wine made under this section are subject to the same taxes that would be applicable if the sale were made to a consumer;

(d) No wine may be sold under this section to a person who has been employed by the wine distributor licensee for less than ninety days at the time of the sale or who is under the age of twenty-one;

(e) No person purchasing wine under this section may sell such wine by the glass or otherwise to a third person, or otherwise dispose

of all or any part of such wine in any manner or for any purpose other than personal use; and

(f) No wine may be sold under this section by a person holding any license other than a wine distributor license, whether or not the license held by such person permits the sale of wine to consumers. [2017 c 160 § 1.]

RCW 66.28.190 Sales of nonliquor food and food ingredients. (1)

Any other provision of this title notwithstanding, persons licensed under this title to sell liquor for resale may sell at wholesale nonliquor food and food ingredients on thirty-day credit terms to persons licensed as retailers under this title, but complete and separate accounting records must be maintained on all sales of nonliquor food and food ingredients to ensure that such persons are in compliance with this title.

(2) For the purpose of this section, "nonliquor food and food ingredients" includes, without limitation, all food and food ingredients for human consumption as defined in RCW 82.08.0293 as it existed on July 1, 2004. [2012 c 2 § 122 (Initiative Measure No. 1183, approved November 8, 2011); 2011 c 119 § 211; 2003 c 168 § 305; 1997 c 321 § 52; 1988 c 50 § 1.]

Reviser's note: This section was amended by 2011 c 119 § 211 and by 2012 c 2 § 122, each without reference to the other. Both amendments are incorporated in the publication of this section under RCW 1.12.025(2). For rule of construction, see RCW 1.12.025(1).

Finding—Application—Rules—Effective date—Contingent effective date—2012 c 2 (Initiative Measure No. 1183): See notes following RCW 66.24.620.

Effective dates—Part headings not law—2003 c 168: See notes following RCW 82.08.010.

Effective date—1997 c 321: See note following RCW 66.24.010.

RCW 66.28.200 Keg registration—Special endorsement for grocery store licensee—Requirements of seller. (1) Licensees holding a beer and/or wine restaurant or a tavern license in combination with an off-premises beer and wine retailer's license, licensees holding a spirits, beer, and wine restaurant license with an endorsement issued under RCW 66.24.400(4), and licensees holding a beer and/or wine specialty shop license with an endorsement issued under RCW 66.24.371(1) may sell malt liquor in kegs or other containers capable of holding four gallons or more of liquid. Under a special endorsement from the board, a grocery store licensee may sell malt liquor in containers no larger than five and one-half gallons. The sale of any container holding four gallons or more must comply with the provisions of this section and RCW 66.28.210 through 66.28.240.

(2) Except as provided in subsection (3) of this section, any person who sells or offers for sale the contents of kegs or other containers containing four gallons or more of malt liquor, or leases kegs or other containers that will hold four gallons of malt liquor, to consumers who are not licensed under chapter 66.24 RCW shall do the following for any transaction involving the container:

(a) Require the purchaser of the malt liquor to sign a declaration and receipt for the keg or other container or beverage in substantially the form provided in RCW 66.28.220;

(b) Require the purchaser to provide one piece of identification pursuant to *RCW 66.16.040;

(c) Require the purchaser to sign a sworn statement, under penalty of perjury, that:

(i) The purchaser is of legal age to purchase, possess, or use malt liquor;

(ii) The purchaser will not allow any person under the age of twenty-one years to consume the beverage except as provided by RCW 66.44.270;

(iii) The purchaser will not remove, obliterate, or allow to be removed or obliterated, the identification required under RCW 66.28.220 to be affixed to the container;

(d) Require the purchaser to state the particular address where the malt liquor will be consumed, or the particular address where the keg or other container will be physically located; and

(e) Require the purchaser to maintain a copy of the declaration and receipt next to or adjacent to the keg or other container, in no event a distance greater than five feet, and visible without a physical barrier from the keg, during the time that the keg or other container is in the purchaser's possession or control.

(3) Domestic breweries licensed under RCW 66.24.240 and microbreweries licensed under RCW 66.24.244 are not subject to this section when selling or offering for sale kegs or other containers containing four gallons or more of malt liquor of the licensee's own production, or when selling, offering for sale, or leasing kegs or other containers that will hold four gallons or more of liquid.

(4) A violation of this section is a gross misdemeanor. [2020 c 230 § 3; 2009 c 373 § 7; 2007 c 53 § 2; 2003 c 53 § 296; 1998 c 126 § 13; 1997 c 321 § 38; 1993 c 21 § 2; 1989 c 271 § 229.]

***Reviser's note:** RCW 66.16.040 was repealed by 2012 c 2 § 215 (Initiative Measure No. 1183).

Intent—Effective date—2003 c 53: See notes following RCW 2.48.180.

Effective date—1998 c 126: See note following RCW 66.20.010.

Effective date—1997 c 321: See note following RCW 66.24.010.

Effective dates—1989 c 271: "This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and shall take effect immediately, except:

(1) Sections 502 and 504 of this act shall take effect June 1, 1989; and

(2) Sections 229 through 233, 501, 503, and 505 through 509 of this act shall take effect July 1, 1989." [1989 c 271 § 607.]

Severability—1989 c 271: See note following RCW 9.94A.510.

RCW 66.28.210 Keg registration—Requirements of purchaser. (1) Except as provided in subsection (2) of this section, any person who

purchases the contents of kegs or other containers containing four gallons or more of malt liquor, or purchases or leases the container shall:

(a) Sign a declaration and receipt for the keg or other container or beverage in substantially the form provided in RCW 66.28.220;

(b) Provide one piece of identification pursuant to *RCW 66.16.040;

(c) Be of legal age to purchase, possess, or use malt liquor;

(d) Not allow any person under the age of twenty-one to consume the beverage except as provided by RCW 66.44.270;

(e) Not remove, obliterate, or allow to be removed or obliterated, the identification required under rules adopted by the board;

(f) Not move, keep, or store the keg or its contents, except for transporting to and from the distributor, at any place other than that particular address declared on the receipt and declaration; and

(g) Maintain a copy of the declaration and receipt next to or adjacent to the keg or other container, in no event a distance greater than five feet, and visible without a physical barrier from the keg, during the time that the keg or other container is in the purchaser's possession or control.

(2) A person who purchases the contents of a keg or other container containing four gallons or more of malt liquor from a domestic brewery licensed under RCW 66.24.240 or a microbrewery licensed under RCW 66.24.244, or who purchases or leases a keg or other container that will hold four gallons or more of liquid from such a domestic brewery or microbrewery, is not subject to this section except for the requirements in subsection (1)(c) and (d) of this section.

(3) A violation of this section is a gross misdemeanor. [2020 c 230 § 4; 2003 c 53 § 297; 1989 c 271 § 230.]

***Reviser's note:** RCW 66.16.040 was repealed by 2012 c 2 § 215 (Initiative Measure No. 1183).

Intent—Effective date—2003 c 53: See notes following RCW 2.48.180.

Effective dates—1989 c 271: See note following RCW 66.28.200.

Severability—1989 c 271: See note following RCW 9.94A.510.

RCW 66.28.220 Keg registration—Identification of containers—Rules—Fees—Sale in violation of rules unlawful. (1) The board shall adopt rules requiring retail licensees to affix appropriate identification on all containers of four gallons or more of malt liquor for the purpose of tracing the purchasers of such containers. The rules may provide for identification to be done on a statewide basis or on the basis of smaller geographical areas. The rules do not apply to sales by domestic breweries and microbreweries of malt liquor of the licensee's own production in kegs or other containers containing four gallons or more of malt liquor, or to sales or leases by domestic breweries and microbreweries of kegs or containers that will hold four or more gallons of liquid.

(2) The board shall develop and make available forms for the declaration and receipt required by RCW 66.28.200. The board may

charge spirits, beer, and wine restaurant licensees with an endorsement issued under RCW 66.24.400(4) and grocery store licensees for the costs of providing the forms and that money collected for the forms shall be deposited into the liquor revolving fund for use by the board, without further appropriation, to continue to administer the cost of the keg registration program.

(3) Except as provided in subsection (4) of this section, it is unlawful for any person to sell or offer for sale kegs or other containers containing four gallons or more of malt liquor to consumers who are not licensed under chapter 66.24 RCW if the kegs or containers are not identified in compliance with rules adopted by the board.

(4) In accordance with *RCW 66.24.200, sales by domestic breweries and microbreweries of malt liquor of the licensee's own production in kegs or other containers containing four gallons or more of malt liquor are not subject to the keg and container identification requirements in this section or the board's rules.

(5) A violation of this section is a gross misdemeanor. [2020 c 230 § 5; 2007 c 53 § 3; 2003 c 53 § 298; 1999 c 281 § 7; 1993 c 21 § 3; 1989 c 271 § 231.]

***Reviser's note:** The reference to RCW 66.24.200 appears to be erroneous. RCW 66.28.200 was apparently intended.

Intent—Effective date—2003 c 53: See notes following RCW 2.48.180.

Effective dates—1989 c 271: See note following RCW 66.28.200.

Severability—1989 c 271: See note following RCW 9.94A.510.

RCW 66.28.230 Keg registration—Furnishing to minors—Penalties. Except as provided in RCW 66.44.270, a person who intentionally furnishes a keg or other container containing four or more gallons of malt liquor to a person under the age of twenty-one years is guilty of a gross misdemeanor punishable under RCW 9.92.020. [1999 c 189 § 1; 1989 c 271 § 232.]

Application—1999 c 189: "This act applies to crimes committed on or after July 25, 1999." [1999 c 189 § 5.]

Effective dates—1989 c 271: See note following RCW 66.28.200.

Severability—1989 c 271: See note following RCW 9.94A.510.

RCW 66.28.240 Keg registration—State preemption. The state of Washington fully occupies and preempts the entire field of keg registration. Cities, towns, and counties or other municipalities may enact only those laws and ordinances relating to keg registration that are consistent with this chapter. Such local ordinances shall have the same or lesser penalties as provided for by state law. Local laws and ordinances that are inconsistent with, more restrictive than, or exceed the requirements of state law shall not be enacted and are preempted and repealed, regardless of the nature of the code, charter,

or home rule status of the city, town, county, or municipality. [1989 c 271 § 233.]

Effective dates—1989 c 271: See note following RCW 66.28.200.

Severability—1989 c 271: See note following RCW 9.94A.510.

RCW 66.28.260 Beer distributors—Restricted transactions.

Licensed beer distributors may not buy or sell beer, for purposes of distribution, at farmers market locations authorized by the board pursuant to chapter 154, Laws of 2003. [2003 c 154 § 3.]

RCW 66.28.270 Cash payments—Electronic funds transfers. (1)

Nothing in this chapter prohibits the use of checks, credit or debit cards, prepaid accounts, electronic funds transfers, and other similar methods as approved by the board, as cash payments for purposes of this title. Electronic funds transfers must be: (a) Voluntary; (b) conducted pursuant to a prior written agreement of the parties that includes a provision that the purchase be initiated by an irrevocable invoice or sale order before the time of delivery; (c) initiated by the retailer, manufacturer, importer, or distributor no later than the first business day following delivery; and (d) completed as promptly as is reasonably practical, and in no event later than five business days following delivery.

(2) Any person licensed as a distributor of beer, spirits, and/or wine may pass credit card fees on to a purchaser licensed to sell beer, spirits, and/or wine for consumption on the licensed premises, if the decision to use a credit card is entirely voluntary and the credit card fees are set out as a separate line item on the distributor's invoice. Nothing in this section requires the use of a credit card by any licensee. In establishing the fees to be passed on as authorized in this section a distributor must use the same method of determining or calculating such fees for all customers who elect to use a credit card when accepting delivery of beer, spirits and/or wine. The aggregate of all credit card fees passed on to customers by a distributor as authorized under this section during a calendar month, or such longer time as may be established by the board, may not exceed the aggregate of the fees imposed on that distributor by credit card issuers during that same time period. [2017 c 190 § 1; 2009 c 373 § 11.]

RCW 66.28.280 Finding. The legislature recognizes that the historical total prohibition on ownership of an interest in one tier by a person with an ownership interest in another tier, as well as the historical restriction on financial incentives and business relationships between tiers, is unduly restrictive. The legislature finds the provisions of RCW 66.28.285 through 66.28.320 appropriate for all varieties of liquor, because they do not impermissibly interfere with protecting the public interest and advancing public safety by preventing the use and consumption of alcohol by minors and other abusive consumption, and promoting the efficient collection of taxes by the state. [2012 c 2 § 124 (Initiative Measure No. 1183, approved November 8, 2011); 2009 c 506 § 1.]

~~Finding—Application—Rules—Effective date—Contingent effective date—2012 c 2 (Initiative Measure No. 1183)~~: See notes following RCW 66.24.620.

RCW 66.28.285 Three-tier system—Definitions. The definitions in this section apply throughout RCW 66.28.280 through 66.28.315 unless the context clearly requires otherwise.

(1) "Adverse impact on public health and safety" means that an existing or proposed practice or occurrence has resulted or is more likely than not to result in alcohol being made significantly more attractive or available to minors than would otherwise be the case or has resulted or is more likely than not to result in overconsumption, consumption by minors, or other harmful or abusive forms of consumption.

(2) "Affiliate" means any one of two or more persons if one of those persons has actual or legal control, directly or indirectly, whether by stock ownership or otherwise, of the other person or persons and any one of two or more persons subject to common control, actual or legal, directly or indirectly, whether by stock ownership or otherwise.

(3) "Industry member" means a licensed manufacturer, producer, supplier, importer, wholesaler, distributor, authorized representative, certificate of approval holder, warehouse, and any affiliates, subsidiaries, officers, directors, partners, agents, employees, and representatives of any industry member. "Industry member" does not include the board or any of the board's employees.

(4) "Person" means any individual, partnership, joint stock company, business trust, association, corporation, or other form of business enterprise, including a receiver, trustee, or liquidating agent and includes any officer or employee of a retailer or industry member.

(5) "Retailer" means the holder of a license issued by the board to allow for the sale of alcoholic beverages to consumers for consumption on or off premises and any of the retailer's agents, officers, directors, shareholders, partners, or employees. "Retailer" does not include the board or any of the board's employees.

(6) "Undue influence" means one retailer or industry member directly or indirectly influencing the purchasing, marketing, or sales decisions of another retailer or industry member by any agreement written or unwritten or any other business practices or arrangements such as but not limited to the following:

(a) Any form of coercion between industry members and retailers or between retailers and industry members through acts or threats of physical or economic harm, including threat of loss of supply or threat of curtailment of purchase;

(b) A retailer on an involuntary basis purchasing less than it would have of another industry member's product;

(c) Purchases made by a retailer or industry member as a prerequisite for purchase of other items;

(d) A retailer purchasing a specific or minimum quantity or type of a product or products from an industry member;

(e) An industry member requiring a retailer to take and dispose of a certain product type or quota of the industry member's products;

(f) A retailer having a continuing obligation to purchase or otherwise promote or display an industry member's product;

(g) An industry member having a continuing obligation to sell a product to a retailer;

(h) A retailer having a commitment not to terminate its relationship with an industry member with respect to purchase of the industry member's products or an industry member having a commitment not to terminate its relationship with a retailer with respect to the sale of a particular product or products;

(i) An industry member being involved in the day-to-day operations of a retailer or a retailer being involved in the day-to-day operations of an industry member in a manner that violates the provisions of this section;

(j) Discriminatory pricing practices as prohibited by law or other practices that are discriminatory in that product is not offered to all retailers in the local market on the same terms. [2009 c 506 § 2.]

RCW 66.28.290 Three-tier system—Direct or indirect interests between industry members, affiliates, and retailers. (1)

Notwithstanding any prohibitions and restrictions contained in this title, it shall be lawful for an industry member or affiliate to have a direct or indirect financial interest in another industry member or a retailer, and for a retailer or affiliate to have a direct or indirect financial interest in an industry member unless such interest has resulted or is more likely than not to result in undue influence over the retailer or the industry member or has resulted or is more likely than not to result in an adverse impact on public health and safety. The structure of any such financial interest must be consistent with subsection (2) of this section.

(2) Subject to subsection (1) of this section and except as provided in RCW 66.28.295:

(a) An industry member in whose name a license or certificate of approval has been issued pursuant to this title may wholly own or hold a financial interest in a separate legal entity licensed pursuant to RCW 66.24.320, 66.24.330, 66.24.350, 66.24.360, 66.24.371, 66.24.380, 66.24.395, 66.24.400, 66.24.425, 66.24.452, 66.24.495, 66.24.540, 66.24.550, 66.24.570, 66.24.580, 66.24.590, 66.24.600, and 66.24.610, but may not have such a license issued in its name; and

(b) A retailer in whose name a license has been issued pursuant to this title may wholly own or hold a financial interest in a separate legal entity licensed or holding a certificate of approval pursuant to RCW 66.24.140, 66.24.170, 66.24.206, 66.24.240, 66.24.244, 66.24.270(2), 66.24.200, or 66.24.250, but may not have such a license or certificate of approval issued in its name; and

(c) A supplier in whose name a license or certificate of approval has been issued pursuant to this title may wholly own or hold a financial interest in a separate legal entity licensed as a distributor or importer under this title, but such supplier may not have a license as a distributor or importer issued in its own name; and

(d) A distributor or importer in whose name a license has been issued pursuant to this title may wholly own or hold a financial interest in a separate legal entity licensed or holding a certificate of approval as a supplier under this title, but such distributor or importer may not have a license or certificate of approval as a

supplier issued in its own name. [2011 c 325 § 6; 2011 c 119 § 202; 2009 c 506 § 3.]

Reviser's note: This section was amended by 2011 c 119 § 202 and by 2011 c 325 § 6, each without reference to the other. Both amendments are incorporated in the publication of this section under RCW 1.12.025(2). For rule of construction, see RCW 1.12.025(1).

RCW 66.28.295 Three-tier system—Direct or indirect interests—Allowed activities. Nothing in RCW 66.28.290 shall prohibit:

(1) A licensed domestic brewery or microbrewery from being licensed as a retailer pursuant to chapter 66.24 RCW for the purpose of selling beer or wine at retail on the brewery premises and at one additional off-site retail only location.

(2) A domestic winery from being licensed as a retailer pursuant to chapter 66.24 RCW for the purpose of selling beer or wine at retail on the winery premises. Such beer and wine so sold at retail shall be subject to the taxes imposed by RCW 66.24.290 and 66.24.210 and to reporting and bonding requirements as prescribed by regulations adopted by the board pursuant to chapter 34.05 RCW, and beer and wine that is not produced by the brewery or winery shall be purchased from a licensed beer or wine distributor.

(3) A microbrewery holding a beer and/or wine restaurant license under RCW 66.24.320 from holding the same privileges and endorsements attached to the beer and/or wine restaurant license.

(4) A licensed craft distillery from selling spirits of its own production under RCW 66.24.145.

(5) A licensed distiller, domestic brewery, microbrewery, domestic winery, or a lessee of a licensed domestic brewer, microbrewery, or domestic winery, from being licensed as a spirits, beer, and wine restaurant pursuant to chapter 66.24 RCW for the purpose of selling liquor at a spirits, beer, and wine restaurant premises on the property on which the primary manufacturing facility of the licensed distiller, domestic brewer, microbrewery, or domestic winery is located or on contiguous property owned or leased by the licensed distiller, domestic brewer, microbrewery, or domestic winery as prescribed by rules adopted by the board pursuant to chapter 34.05 RCW.

(6) A microbrewery holding a spirits, beer, and wine restaurant license under RCW 66.24.420 from holding the same privileges and endorsements attached to the spirits, beer, and wine restaurant license.

(7) A brewery or microbrewery holding a spirits, beer, and wine restaurant license or a beer and/or wine license under chapter 66.24 RCW operated on the premises of the brewery or microbrewery from holding a second retail only license at a location separate from the premises of the brewery or microbrewery.

(8) Retail licensees with a caterer's endorsement issued under RCW 66.24.320 or 66.24.420 from operating on a domestic winery premises.

(9) An organization qualifying under RCW 66.24.375 formed for the purpose of constructing and operating a facility to promote Washington wines from holding retail licenses on the facility property or leasing all or any portion of such facility property to a retail licensee on the facility property if the members of the board of directors or officers of the board for the organization include officers,

directors, owners, or employees of a licensed domestic winery. Financing for the construction of the facility must include both public and private money.

(10) A bona fide charitable nonprofit society or association registered under Title 26 U.S.C. Sec. 501(c)(3) of the federal internal revenue code, or a local wine industry association registered under Title 26 U.S.C. Sec. 501(c)(6) of the federal internal revenue code as it existed on July 22, 2007, and having an officer, director, owner, or employee of a licensed domestic winery or a wine certificate of approval holder on its board of directors from holding a special occasion license under RCW 66.24.380.

(11) A person licensed pursuant to RCW 66.24.170, 66.24.240, or 66.24.244 from exercising the privileges of distributing and selling at retail such person's own production or from exercising any other right or privilege that attaches to such license.

(12) A person holding a certificate of approval pursuant to RCW 66.24.206 from obtaining an endorsement to act as a distributor of their own product or from shipping their own product directly to consumers as authorized by RCW 66.20.360.

(13) A person holding a wine shipper's permit pursuant to RCW 66.20.375 from shipping their own product directly to consumers.

(14) A person holding a certificate of approval pursuant to RCW 66.24.270(2) from obtaining an endorsement to act as a distributor of their own product.

(15) A domestic winery and a restaurant licensed under RCW 66.24.320 or 66.24.400 from entering an arrangement to waive a corkage fee. [2011 c 66 § 2; 2009 c 506 § 4.]

Finding—Intent—2011 c 66: "The legislature finds that some restaurants allow patrons to bring bottles of wine to the restaurant so long as restaurant personnel open and serve the beverage. In these cases, the restaurants often charge a fee known as a corkage fee. The legislature supports activities in the free market that facilitate local businesses in selling their products. One of the methods restaurants and wineries have found to be mutually beneficial is a waiver of corkage fees for local businesses. The legislature intends to allow wineries and restaurants the ability to make agreements as to whether to charge a corkage fee without restriction or regulation under the tied-house laws." [2011 c 66 § 1.]

RCW 66.28.300 Three-tier system—Undue influence—Determination by board. Any industry member or retailer or any other person seeking a determination by the board as to whether a proposed or existing financial interest has resulted or is more likely than not to result in undue influence or has resulted or is more likely than not to result in an adverse impact on public health and safety may file a complaint or request for determination with the board. Upon receipt of a request or complaint the board may conduct such investigation as it deems appropriate in the circumstances. If the investigation reveals the financial interest has resulted or is more likely than not to result in undue influence or has resulted or is more likely than not to result in an adverse impact on public health and safety the board may issue an administrative violation notice or a notice of intent to deny the license to the industry member, to the retailer, or both. If the financial interest was acquired through a transaction that has

already been consummated when the board issues its administrative violation notice, the board shall have the authority to require that the transaction be rescinded or otherwise undone. The recipient of the administrative notice of violation or notice of intent to deny the license may request a hearing under chapter 34.05 RCW. [2009 c 506 § 5.]

RCW 66.28.305 Three-tier system—Money advances—Prohibition.

Except as provided in RCW 66.28.310, no industry member shall advance and no retailer shall receive moneys or moneys' worth under an agreement written or unwritten or by means of any other business practice or arrangement. [2009 c 506 § 6.]

RCW 66.28.310 Three-tier system—Promotional items. (1) (a)

Nothing in RCW 66.28.305 prohibits an industry member from providing retailers, including common carriers licensed under RCW 66.24.395, branded promotional items which are of nominal value, singly or in the aggregate. Such items include but are not limited to: Trays, lighters, blotters, postcards, pencils, coasters, menu cards, meal checks, napkins, clocks, mugs, glasses, bottles or can openers, corkscrews, matches, printed recipes, shirts, hats, visors, and other similar items. Branded promotional items:

(i) Must be used exclusively by the retailer, including common carriers licensed under RCW 66.24.395, or its employees in a manner consistent with its license;

(ii) Must bear imprinted advertising matter of the industry member only, except imprinted advertising matter of the industry member can include the logo of a professional sports team which the industry member is licensed to use;

(iii) May be provided by industry members to: (A) Common carriers licensed under RCW 66.24.395 for use by their employees or ticketed passengers; or (B) retailers, other than common carriers licensed under RCW 66.24.395, and their employees and may not be provided by or through retailers or their employees to retail customers; and

(iv) May not be targeted to or appeal principally to youth.

(b) An industry member is not obligated to provide any such branded promotional items, and a retailer, including common carriers licensed under RCW 66.24.395, may not require an industry member to provide such branded promotional items as a condition for selling any alcohol to the retailer, including common carriers licensed under RCW 66.24.395.

(c) Any industry member or retailer or any other person asserting that the provision of branded promotional items as allowed in (a) of this subsection has resulted or is more likely than not to result in undue influence or an adverse impact on public health and safety, or is otherwise inconsistent with the criteria in (a) of this subsection may file a complaint with the board. Upon receipt of a complaint the board may conduct such investigation as it deems appropriate in the circumstances. If the investigation reveals the provision of branded promotional items has resulted in or is more likely than not to result in undue influence or has resulted or is more likely than not to result in an adverse impact on public health and safety or is otherwise inconsistent with (a) of this subsection the board may issue an administrative violation notice to the industry member, to the

retailer, or both. The recipient of the administrative violation notice may request a hearing under chapter 34.05 RCW.

(2) Nothing in RCW 66.28.305 prohibits:

(a) An industry member from providing to a special occasion licensee and a special occasion licensee from receiving services for:

(i) Installation of draft beer dispensing equipment or advertising;

(ii) Advertising, pouring, or dispensing of beer or wine at a beer or wine tasting exhibition or judging event; or

(iii) Pouring or dispensing of spirits by a licensed domestic distiller or the accredited representative of a distiller, manufacturer, importer, or distributor of spirituous liquor licensed under RCW 66.24.310; or

(b) Special occasion licensees from paying for beer, wine, or spirits immediately following the end of the special occasion event; or

(c) Wineries, breweries, or distilleries that are participating in a special occasion event from paying reasonable booth fees to the special occasion licensee.

(3) Nothing in RCW 66.28.305 prohibits industry members from performing, and retailers from accepting the service of building, rotating, and restocking displays and stockroom inventories; rotating and rearranging can and bottle displays of their own products; providing point of sale material and brand signs; pricing case goods of their own brands; and performing such similar business services consistent with board rules, or personal services as described in subsection (5) of this section.

(4) Nothing in RCW 66.28.305 prohibits:

(a) Industry members from listing on their internet websites information related to retailers who sell or promote their products, including direct links to the retailers' internet websites;

(b) Retailers from listing on their internet websites information related to industry members whose products those retailers sell or promote, including direct links to the industry members' websites;

(c) Manufacturers, distributors, or their licensed representatives from using websites or social media accounts in their name to post, repost, or share promotional information or images about events featuring a product of the manufacturer's own production or a product sold by the distributor, held at an on-premises licensed liquor retailer's location or a licensed special occasion event. The promotional information may include links to purchase event tickets. Manufacturers, distributors, or their licensed representatives may not pay a third party to enhance viewership of a specific post. Industry members, or their licensed representatives, are not obligated to post, repost, or share information or images on a website or on social media. A licensed liquor retailer may not require an industry member or their licensed representative to post, repost, or share information or images on a website or on social media as a condition for selling any alcohol to the retailer or participating in a retailer's event; or

(d) Industry members and retailers from producing, jointly or together with regional, state, or local industry associations, brochures and materials promoting tourism in Washington state which contain information regarding retail licensees, industry members, and their products.

(5) Nothing in RCW 66.28.305 prohibits the performance of personal services offered from time to time by a domestic winery or certificate of approval holder to retailers, including common carriers

licensed under RCW 66.24.395, when the personal services are (a) conducted at a licensed premises, and (b) intended to inform, educate, or enhance customers' knowledge or experience of the manufacturer's products. The performance of personal services may include participation and pouring, bottle signing events, and other similar informational or educational activities at the premises of a retailer holding a spirits, beer, and wine restaurant license, a wine and/or beer restaurant license, a specialty wine shop license, a special occasion license, a grocery store license with a tasting endorsement, a common carrier license under RCW 66.24.395, or a private club license. A domestic winery or certificate of approval holder is not obligated to perform any such personal services, and a retail licensee, including common carrier licensees under RCW 66.24.395, may not require a domestic winery or certificate of approval holder to conduct any personal service as a condition for selling any alcohol to the retail licensee, or as a condition for including any product of the domestic winery or certificate of approval holder in any tasting conducted by the licensee. Except as provided in RCW 66.28.150, the cost of sampling may not be borne, directly or indirectly, by any domestic winery or certificate of approval holder or any distributor. Nothing in this section prohibits wineries, breweries, microbreweries, certificate of approval holders, and retail licensees from identifying the producers on private labels authorized under RCW 66.24.400, 66.24.425, 66.24.450, 66.24.360, and 66.24.371.

(6) Nothing in RCW 66.28.305 prohibits an industry member from entering into an arrangement with any holder of a sports entertainment facility license or an affiliated business for brand advertising at the licensed facility or promoting events held at the sports entertainment facility as authorized under RCW 66.24.570.

(7) Nothing in RCW 66.28.305 prohibits the performance of personal services offered from time to time by a domestic brewery, microbrewery, or beer certificate of approval holder to grocery store licensees with a tasting endorsement, or common carrier licensees under RCW 66.24.395, when the personal services are (a) conducted at a licensed premises in conjunction with a tasting event, and (b) intended to inform, educate, or enhance customers' knowledge or experience of the manufacturer's products. The performance of personal services may include participation and pouring, bottle signing events, and other similar informational or educational activities. A domestic brewery, microbrewery, or beer certificate of approval holder is not obligated to perform any such personal services, and a grocery store licensee may not require the performance of any personal service as a condition for including any product in any tasting conducted by the licensee.

(8) Nothing in RCW 66.28.305 prohibits an arrangement between a domestic winery and a restaurant licensed under RCW 66.24.320 or 66.24.400 to waive a corkage fee.

(9) Nothing in this section prohibits professional sports teams who hold a retail liquor license or their agents from accepting bona fide liquor advertising from manufacturers, importers, distributors, or their agents for use in the sporting arena. Professional sports teams who hold a retail liquor license or their agents may license the manufacturer, importer, distributor, or their agents to use the name and trademarks of the professional sports team in their advertising and promotions, under the following conditions:

(a) Such advertising must be paid for by said manufacturer, importer, distributor, or their agent at the published advertising rate or at a reasonable fair market value.

(b) Such advertising may carry with it no express or implied offer on the part of the manufacturer, importer, distributor, or their agent, or promise on the part of the retail licensee whose operation is directly or indirectly part of the sporting arena, to stock or list any particular brand of liquor to the total or partial exclusion of any other brand.

(10) Nothing in RCW 66.28.305 prohibits a licensed domestic brewery or microbrewery from providing branded promotional items which are of nominal value, singly or in the aggregate, to a nonprofit charitable corporation or association exempt from taxation under 26 U.S.C. Sec. 501(c)(3) of the internal revenue code as it existed on July 24, 2015, for use consistent with the purpose or purposes entitling it to such exemption.

(11) Nothing in RCW 66.28.305 prohibits a common carrier licensed under RCW 66.24.395 from:

(a) Transporting liquor without charge or at a discounted rate when the liquor was purchased by a ticketed passenger and is not intended to be sold for resale;

(b) Displaying or distributing information about an industry member, provided the industry member did not pay the common carrier to have the information displayed or distributed;

(c) Sponsoring any public or private event including those hosted by or otherwise affiliated with an industry member;

(d) Engaging in joint promotional activities with an industry member, provided the industry member does not pay the common carrier or a third party to participate in the joint promotional activity and any branded promotional items provided by the industry member are of nominal value;

(e) Accepting payment from an industry member for advertising, provided:

(i) The advertising appears in a publication produced and distributed to passengers of the common carrier;

(ii) The amount of the payment is consistent with the advertising rates paid by other advertisers purchasing similar advertisements in the same publication; and

(iii) The payment is not used as an inducement to purchase the products of the industry member paying for the advertising nor does it result in the exclusion of products of other industry members.

(12) Nothing in RCW 66.28.305 prohibits an industry member, subject to the requirements of its license, from entering into an agreement to provide tastings with or without charge to passengers of a common carrier holding a license under RCW 66.24.395.

(13) Nothing in RCW 66.28.305 prohibits a distillery, craft distillery, or spirits certificate of approval holder from providing branded promotional items of nominal value, singly or in the aggregate, to a nonprofit charitable corporation or association exempt from taxation under Title 26 U.S.C. Sec. 501(c)(3) of the federal internal revenue code of 1986, as amended, as of January 1, 2021, for use consistent with the purpose or purposes entitling it to such exemption. [2020 c 238 § 10; 2020 c 200 § 1; 2019 c 149 § 1; 2015 c 94 § 1; 2014 c 92 § 5; 2013 c 107 § 1. Prior: 2011 c 119 § 101; 2011 c 66 § 3; prior: 2010 c 290 § 3; 2010 c 141 § 4; 2009 c 506 § 7.]

Reviser's note: This section was amended by 2020 c 200 § 1 and by 2020 c 238 § 10, each without reference to the other. Both amendments are incorporated in the publication of this section under RCW 1.12.025(2). For rule of construction, see RCW 1.12.025(1).

Effective date—2020 c 238 §§ 3, 5, 6, 7, and 10: See note following RCW 66.24.146.

Finding—Intent—2011 c 66: See note following RCW 66.28.295.

RCW 66.28.315 Three-tier system—Recordkeeping. All industry members and retailers shall keep and maintain the following records on their premises for a three-year period:

(1) Records of all items, services, and moneys' worth furnished to and received by a retailer and of all items, services, and moneys' worth provided to a retailer and purchased by a retailer at fair market value; and

(2) Records of all industry member financial ownership or interests in a retailer and of all retailer financial ownership interests in an industry member. [2009 c 506 § 8.]

RCW 66.28.320 Three-tier system—Rule adoption. The board shall adopt rules as are deemed necessary to carry out the purposes and provisions of this chapter in accordance with the administrative procedure act, chapter 34.05 RCW. [2009 c 506 § 9.]

RCW 66.28.330 Spirits sales—Foreign wine—Distilled spirits.

(1) No price for spirits sold in the state by a distributor or other licensee acting as a distributor pursuant to this title may be below acquisition cost unless the item sold below acquisition cost has been stocked by the seller for a period of at least six months. The seller may not restock the item for a period of one year following the first effective date of such below cost price.

(2) Spirits sold to retailers for resale for consumption on or off the licensed premises may be delivered to the retailer's licensed premises, to a location specified by the retailer and approved for deliveries by the board, or to a carrier engaged by either party to the transaction.

(3) In selling spirits to another retailer, to the extent consistent with the purposes of chapter 2, Laws of 2012, a spirits retail licensee must comply with all provisions of and regulations under this title applicable to wholesale distributors selling spirits to retailers.

(4) A distiller holding a license or certificate of compliance as a distiller under this title may act as distributor in the state of spirits of its own production or of foreign-produced spirits it is entitled to import. The distiller must, to the extent consistent with the purposes of chapter 2, Laws of 2012, comply with all provisions of and regulations under this title applicable to wholesale distributors selling spirits to retailers.

(5) With respect to any alleged violation of this title by sale of spirits at a discounted price, all defenses under applicable trade regulation laws are available, including without limitation good faith

meeting of a competitor's lawful price and absence of harm to competition.

(6) Notwithstanding any other provision of law, no licensee may import, purchase, distribute, or accept delivery of any wine that is produced outside of the United States or any distilled spirits without the written consent of the brand owner or its authorized agent. [2012 c 2 § 120 (Initiative Measure No. 1183, approved November 8, 2011).]

Finding—Application—Rules—Effective date—Contingent effective date—2012 c 2 (Initiative Measure No. 1183): See notes following RCW 66.24.620.

RCW 66.28.340 Retailer of wine or spirits—Wine or spirits delivery, warehouse, and distribution. (1) A retailer authorized to sell wine may accept delivery of wine at its licensed premises or at one or more warehouse facilities registered with the board, which facilities may also warehouse and distribute nonliquor items, and from which it may deliver to its own licensed premises and, pursuant to sales permitted by this title, to other licensed retailers, to other registered facilities, or to lawful purchasers outside the state; such facilities may be registered and utilized by associations, cooperatives, or comparable groups of retailers including at least one retailer licensed to sell wine. A restaurant retailer authorized to sell spirits may accept delivery of spirits at its licensed premises or at one or more warehouse facilities registered with the board, which facilities may also warehouse and distribute nonliquor items, from which it may deliver to its own licensed premises and, pursuant to sales permitted by this title, to other licensed retailers, to other registered facilities, or to lawful purchasers outside the state; such facilities may be registered and utilized by associations, cooperatives, or comparable groups of retailers including at least one restaurant retailer licensed to sell spirits. Nothing in this section authorizes sales of spirits or wine by a retailer holding only an on-sale privilege to another retailer.

(2) A retailer authorized to sell both wine and spirits for consumption off the licensed premises may accept delivery of wine and spirits at its licensed premises, at another licensed premises as designated by the retailer, or at one or more warehouse facilities registered with the board, which facilities may also warehouse and distribute nonliquor items, and from which it may deliver to its own licensed premises and, pursuant to sales permitted by this title, to other licensed retailers, to other registered facilities, or to lawful purchasers outside the state. Such warehouse facilities may be registered and utilized by associations, cooperatives, or comparable groups of retailers including at least one retailer licensed to sell both spirits and wine. For purposes of negotiating volume discounts, a group of individual retailers authorized to sell both wine and spirits for consumption off the licensed premises may accept delivery of wine and spirits at a single location, which may be their individual licensed premises or at any one of the individual licensee's premises, or at a warehouse facility registered with the board. [2016 c 190 § 2; 2012 c 2 § 123 (Initiative Measure No. 1183, approved November 8, 2011).]

~~Finding—Application—Rules—Effective date—Contingent effective date—2012 c 2 (Initiative Measure No. 1183)~~: See notes following RCW 66.24.620.

RCW 66.28.350 Theft prevention—Regulating spirits retailers.

(1) Subject to the procedural requirements of subsection (3) of this section, the board is authorized to regulate spirits retailers licensed under RCW 66.24.630 for the purpose of reducing the theft of spirits from the premises of such retailers. The authority of the board to implement the regulatory measures set forth in this section requires a finding by the board that a licensee is experiencing an unacceptable rate of spirits theft from its premises. For the purposes of this section, "unacceptable rate of spirits theft" means two or more thefts of spirits from a licensee in a six-month period and that result in a minor unlawfully using or gaining possession of spirits, or that involves, or results in, adults unlawfully providing spirits to minors, and where such thefts result in an incident report being generated by a law enforcement agency.

(2) The regulatory measures that may be considered and implemented under this section may require the imposition of one or more of the following requirements on licensees who are experiencing an unacceptable rate of spirits theft:

(a) Participation in one or more consultations with an authorized representative of the board to discuss and analyze spirits theft issues;

(b) The implementation of inventory control and/or other recordkeeping system designed to reveal and track spirits theft;

(c) The structural modification or relocation of the areas where spirits are displayed or stored;

(d) The installation of adequate in-store security systems;

(e) The employment of a sufficient number of staff for the purpose of monitoring display, checkout, and storage areas; and

(f) Requiring additional training for the licensee's staff.

(3) The imposition of the regulatory provisions authorized under subsection (2) of this section are subject to the following procedural steps and requirements:

(a) If a state or local law enforcement agency obtains information indicating that a licensee is experiencing an unacceptable rate of spirits theft, the law enforcement agency is granted the discretionary authority to initiate and participate in, on a voluntary basis, the procedures outlined in this subsection (3). Should the law enforcement agency opt to initiate the investigative and consultation procedures set forth in this subsection (3), the law enforcement agency must first contact the licensee's manager and/or owner to inform him or her of such alleged theft and arrange a meeting with the licensee's manager or owner to discuss theft issues and possible solutions. This first contact by the law enforcement agency with the licensee must occur prior to the law enforcement agency informing the board of the alleged theft issues and thus initiating the procedures set forth in (c) through (h) of this subsection. At this early stage of the law enforcement consultation process, the board may not be involved in the investigation of the theft allegation until such time as the law enforcement agency has had an opportunity to consult with the licensee's manager or owner as provided under this subsection (3) (a).

(b) Following the initial consultation between the law enforcement agency and the licensee as required under (a) of this subsection, the law enforcement agency is granted the discretionary authority to forego any further consultation with the licensee and may terminate its investigation of the theft allegation. However, if the law enforcement agency opts to continue the consultation process with the licensee and proceed with its investigation, the law enforcement agency must endeavor to work with the licensee to identify theft issues and reach cooperative agreements regarding measures that should be taken to eliminate spirits theft problems.

(c) If during the consultation process outlined under (a) and (b) of this subsection the law enforcement agency determines that no spirits theft problem exists at the premises of the licensee, or that the licensee has taken the steps necessary to adequately address the theft problem, then the procedural processes outlined in this section may be terminated at the discretion of the law enforcement agency without the involvement of the board. However, if the law enforcement agency finds that a spirits theft problem exists at the licensee's premises and the licensee either refuses or fails to implement remedial measures adequate to address the theft problem, or otherwise fails to cooperate with the law enforcement agency, then the law enforcement agency must formally inform the board in writing regarding the licensee's lack of cooperation in resolving its spirits theft problem.

(d) Upon the receipt of law enforcement agency notification as required under (c) of this subsection, the board must provide written notification to the licensee of the alleged theft problem and may demand that the licensee participate in a consultation process involving a representative of the board and the licensee. The reporting law enforcement agency may be included in this consultation process at the discretion of the board and upon the agreement of the law enforcement agency. The licensee's participation in the consultation process is mandatory and the licensee is entitled to at least thirty days' notice by the board. In the event a licensee fails to attend or otherwise cooperate in initial or subsequent consultations, the board is authorized to suspend the licensee's spirits retail license until such time as the retailer is in compliance with the requirements of this subsection (3)(d).

(e) At the consultation, the board must provide the licensee with any information or evidence pertinent to any allegation that the retailer has an unacceptable spirits theft rate. The licensee must be provided with a reasonable opportunity to respond and present evidence, and, if necessary, the consultation may be continued at the discretion of the board to allow adequate time for the licensee to prepare such response.

(f) At the conclusion of the initial consultation process, if the board finds that the licensee has an unacceptable spirits theft rate, it may develop a corrective action plan outlining the remedial measures that must be taken by the licensee pursuant to subsection (2) of this section. In developing the plan, the board must make a concerted effort to obtain voluntary participation in the plan by the licensee. At every step in the consultation and corrective action plan process, the board is encouraged to work with the licensee in a cooperative manner and, where possible, to strive for voluntary agreements with the licensee. However, in the absence of licensee cooperation or agreement, the board is authorized to unilaterally develop and enforce a corrective action plan as authorized under this

section. Once the plan is finalized, it must be filed with the board and a copy provided to the licensee either personally or through certified mail.

(g) Not more than thirty days after the filing and service of the original corrective action plan, the board must schedule one or more follow-up consultations with the licensee. The purpose of these consultations is to review the licensee's performance with respect to the requirements of the corrective action plan and to generally assess the licensee's progress in addressing spirits theft issues. If the licensee is following the corrective action plan but is continuing to experience an unacceptable spirits theft rate, then the board and the licensee may review and revise the plan as deemed necessary by the board. Following the filing of a revised plan, the board may schedule one or more follow-up consultations at its discretion.

(h) During the review process established in (g) of this subsection, if the board finds that the licensee has failed to comply with the requirements of the original or revised corrective action plan the board may:

(i) Demand that the licensee take remedial steps so as to be compliant with the corrective action plan and schedule an additional follow-up consultation at the board's discretion; or

(ii) If the licensee's noncompliance is deemed to be willful, suspend the retailer's spirits retail license for a period to be determined by the board by rule.

(i) If a licensee remains consistently noncompliant with the original corrective action plan and any revised plans for a period of at least nine months, then the board is authorized to suspend or revoke the licensee's spirits retail license.

(4) The board is granted the rule-making authority necessary to implement and enforce the provisions of this section pertaining to the regulation of licensees deemed to have unacceptable spirits theft rates.

(5) If the board suspends or revokes a licensee's spirits retail license under this section, the licensee may appeal and request a hearing under chapter 34.05 RCW, the administrative procedure act. [2014 c 63 § 1.]

RCW 66.28.360 Cider sales—Container brought by purchaser. (1) Licensees holding either a license that permits or a license with an endorsement that permits the sale of beer to a purchaser in a container supplied by the licensee or a sanitary container brought to the premises by the purchaser and filled at the tap at the time of sale may similarly sell cider and mead to a purchaser in such a container, subject to subsection (2) of this section. Nothing in this section relieves a licensee from complying with federal law.

(2) Any mead sold pursuant to this section must have an alcohol content equal to or less than fourteen percent alcohol by volume.

(3) For purposes of this section, "cider" has the same meaning as in RCW 66.24.210(6) and "mead" has the same meaning as in RCW 66.24.215. [2017 c 8 § 2; 2014 c 54 § 1.]

RCW 66.28.370 Failure to submit required reports or payment for license issuance—Penalty. If a licensee subject to the license issuance fee requirements of RCW 66.24.630(4) fails to submit its

quarterly reports or payment to the board, the board may assess a penalty at a rate no higher than one percent per month on the balance of the unpaid license issuance fee. [2015 c 186 § 2.]

RCW 66.28.380 Products combining alcohol and cannabis prohibited. In accordance with RCW 69.50.3271, it is unlawful to manufacture, import, offer, or sell in this state a consumable product that contains cannabis or any form of tetrahydrocannabinol in combination with beer, wine, spirits, or any other type of liquor in the same product. [2023 c 217 § 2.]