

**AGENDA
BOARD MEETING
WA STATE LIQUOR CONTROL BOARD
Wednesday, September 2, 2009
Headquarter Building
3000 Pacific Ave, Olympia WA 98504**

10:00 a.m.

- 1. Recognition.....Ruthann Kurose**
- 2. Adoption of the City of Tacoma’s Request to Consolidate and Update Banned Products List in Tacoma Alcohol Impact Areas.....JoAnn Sample**
- 3. Public Hearing for Rulemaking on Penalty Guidelines Karen McCall**
- 4. Approval of Final Rulemaking (CR103) for Rules Review of WAC Chapter 314-37 – Liquor VendorsKaren McCall**
- 5. New Business.....Board Members**
- 6. Old Business.....Board Members**

Recess

11:15 a.m.

- 7. Executive Session.....Board Members**

Adjourn

**OFFICE OF THE
WASHINGTON STATE LIQUOR CONTROL BOARD
Board Meeting Minutes – September 2, 2009**

Board Chair Sharon Foster called the regular meeting of the Washington State Liquor Control Board to order at 10:03 a.m., on Wednesday, September 2, 2009 in the Boardroom, 3000 Pacific Avenue SE, Olympia, Washington. Board Member Ruthann Kurose was present.

Recognition – Ruthann Kurose

Board Member Ruthann Kurose recognized Gary hacker for his hard work and positive contributions that he has made to the agency.

Adoption of the City of Tacoma’s Request to Consolidate and Update Banned Product List in Tacoma Alcohol Impact Areas – The City of Tacoma made a request to the Board to update the consolidated banned products list. During the Public Comment period, one objection and three in favor comments to the Consolidated Banned Products List were received. Tacoma Police Officer, Greg Hopkins spoke in support of the updated list. *(See attachments)*.

Board Member Ruthann Kurose moved to adopt the City of Tacoma’s Alcohol Impact Area Consolidated and Updated Banned Product List as presented. Board Chair Sharon Foster seconded the motion. The Board unanimously approved the updated Banned Products List.

Rule Making on Penalty Guidelines (WAC 314-29-015 through 035) – Justin Nordhorn

The purpose of this issue paper is to request approval from the Liquor Control Board (LCB) to file proposed rules (CR 102) regarding standardizing and clarifying penalty guidelines covered in WAC 314-29-015 through 035. The LCB wants to create consistency in standard penalties issued to licensees for all public safety violations.

The following changes were proposed:

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

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

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

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

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

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

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

Added “nonretail” to the group name. Added applicable RCW or WAC to violations. Participants asked for clarification and flexibility of the monetary option for a second violation

Amended Section WAC 314-09-015 Objections to liquor license renewals. Revised language in section (1)(d) regarding objections to renewals received within 30 days of the expiration date when the license has already been renewed. Clarified language in section (2).

Participants requested flexibility and clarity around a second violation with a monetary option. The concern of ample training time in large businesses to mitigate another violation was discussed. Board Chair Sharon Foster asked if there could be discussion between concerned participants, Justin Nordhorn and our Assistant Attorney General to further define timelines and options occurring around a second violation. Board Member Kurose asked for the discussion to be transparent and include suspension or deferment.

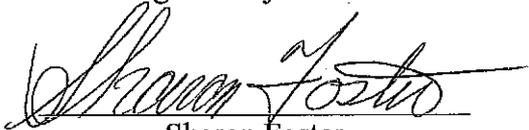
Rule Making on Liquor Vendors – Karen McCall

The purpose of this issue paper is to recommend that the Washington State Liquor Control Board (WSLCB) proceed with final rule making to revise the current rules regarding **Liquor Vendors (Chapter 314-37 WAC)**. *(see attachments)*

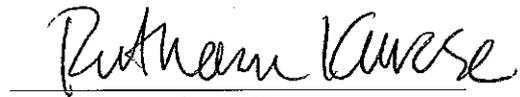
As part of the Liquor Control Board’s on-going rules review process, rules regarding liquor vendors are being reviewed for relevance, clarity, and accuracy. No public comment was received on this rulemaking.

Board Member Ruthann Kurose moved to approve the Rulemaking for Rules Review of WAC Chapter 314-37 – Liquor Vendors as presented. Board Chair Sharon Foster seconded the motion. The Board unanimously approved.

The Board Meeting was adjourned at 11:10 AM.



Sharon Foster
Board Chair



Ruthann Kurose
Board Member



Washington State Liquor Control Board

3000 Pacific Ave SE • PO Box 43075 Olympia WA 98504-3075 • (360) 664-1600

A RESOLUTION OF THE WASHINGTON STATE LIQUOR CONTROL BOARD RECOGNIZING THE CITY OF TACOMA'S PROPOSED UPDATE AND CONSOLIDATION OF BANNED PRODUCTS LIST

Whereas, the Board recognizes its statutory mandate to protect the public's welfare, health, peace, and safety, and its responsibility to work with communities to help mitigate negative impact of chronic public inebriation associated with the sale of alcohol by the businesses it regulates.

Whereas, in recognition of this mandate, in 1999, the Liquor Control Board adopted the Alcohol Impact Area rules, Washington Administrative Code (WAC) 314-12-210 through WAC 314-12-225. These rules establish a framework for the Liquor Control Board, working in partnership with local government and community organizations, to mitigate the negative impacts that result from the presence of chronic public inebriation. Preventing and reducing the harm caused by untenable alcohol consumption requires a comprehensive, multi-dimensional response by neighborhood residents, businesses, and government agencies, including coordinated treatment services, health care, housing services and vocational training. Mandatory restrictions on alcohol sales imposed by the Board are a key element in the effort to mitigate the negative impacts of chronic public inebriation.

Whereas, WAC 314-12-215 sets forth the requirements that the government subdivision must satisfy in order for the Liquor Control Board to recognize the proposed Alcohol Impact Areas.

Whereas, the city of Tacoma's request meets the requirements for Board recognition, as outlined in WAC 314-12-215 includes findings of fact pertaining to the presence of chronic public inebriation. Data submitted by the city of Tacoma finds that crime statistics, police reports, emergency response data, sanitation reports, and public health records demonstrate that chronic public inebriation and illegal activity associated with alcohol sales and consumption within the Downtown Core and the Lincoln District continue to contribute to the deterioration of the general quality of life within these areas.

Whereas, the City of Tacoma requests that the Liquor Control Board impose mandatory restrictions on the off-premises sale of alcohol by licensees in the Downtown Core and Lincoln District Alcohol Impact Areas. Specifically, the city requests no sales of certain low cost/high alcohol content beer and wine products identified by a banned products list. This request modifies Board recognition of the Downtown Core adopted December 12, 2001 and all subsequent amendments, and modifies Board recognition of the Lincoln District adopted July 16, 2008 and all subsequent amendments.

Whereas, in reaching our decision, the Board has duly considered the city of Tacoma's April 30, 2009 request to consolidate and update the Banned Products List, written comments received from stakeholders and the public regarding Tacoma's request, and LCB staff presentation at a public work session August 19, 2009.

Now therefore, be it resolved,

Section 1 The Board resolves to impose the following mandatory restrictions requested by the city of Tacoma, to take effect October 15, 2009.

No sales of the following beer and wine products listed. All flavors, alcohol content, and container sizes of the following named products are hereby banned from off-premise sale by licensees in the Downtown Core and Lincoln District Alcohol Impact Areas.

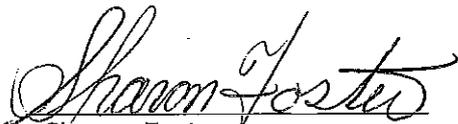
<u>Wine</u>	<u>Beer and Malt Beverages</u>	<u>Beer and Malt Beverages (cont.)</u>
Cisco	3 Sum	Mike's Harder Lemonade
MD 20/20	Big Bear	Mickey's Iced Brewed Ale
Night Train Express	Bud Ice	Milwaukee Best Ice
Richard's Wild Irish Rose	Bull Ice	Milwaukee Best Premium Ice
Thunderbird	Busch Ice	Molson Ice
	Camo	Natural Ice
	Colt 45 Ice	Old Milwaukee Ice
	Colt 45 Malt Liquor	Olde English 800
	Core High Gravity	Olde English HG 800
	Four Loko	Rainier Ale
	Four Max	Rize Up!
	Hard Wired X	Red Dog
	Hurricane High Gravity	Rock Star 21
	Hurricane Ice Malt Liquor	Schlitz High Gravity
	Ice House	Schmidt's Ice
	Joose	Sparks
	Keystone Ice	Special 800 Reserve
	King Cobra Malt Liquor	St. Ide's Special Brew
	Labatt Max Ice	Steel Reserve
	Liquid Charge	Tilt

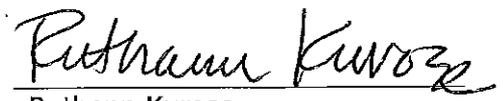
The Board resolves that these restrictions are reasonably related to addressing the problem of chronic public inebriation demonstrated to exist within the defined Alcohol Impact Areas.

The Board further resolves that such restrictions are a reasonable control measure aimed at mitigating the negative effects of chronic public inebriation, and are necessary to augment the city of Tacoma's efforts to address such problems within the defined Alcohol Impact Areas.

Section 4 The city of Tacoma shall submit annual updates of data demonstrating how the restrictions imposed by this resolution have mitigated the negative impacts associated with chronic public inebriation within the recognized Alcohol Impact Areas. The first report for the Lincoln District to the Director of the Board's Licensing and Regulation Division is due by September 30, 2009.

Signed and Dated: September 2, 2009


Sharon Foster
Chair


Ruthann Kurose
Board Member

Consolidated Banned Products List
City of Tacoma Alcohol Impact Areas
New Products* Effective October 15, 2009
All Flavors and Container Sizes

WINE

Cisco
MD 20/20
Night Train Express
Richard's Wild Irish Rose
Thunderbird

MALT BEVERAGES

3 Sum*
Big Bear*
Bud Ice
Bull Ice
Busch Ice
Camo*
Colt 45 Ice
Colt 45 Malt Liquor
Core High Gravity*
Four Loko*
Four Max*
Hard Wired X*
Hurricane High Gravity
HG 800
Hurricane Ice Malt Liquor
Ice House
Joose*
Keystone Ice
King Cobra Malt Liquor
Labatt Max Ice*
Liquid Charge*
Mike's Harder Lemonade*
Mickey's Iced Brewed Ale
Milwaukee Best Ice
Milwaukee Best Premium Ice Beer
Molson Ice*
Natural Ice*
Old Milwaukee Ice
Olde English 800
Rainier Ale*
Rize Up!*
Red Dog
Rock Star 21
Schlitz High Gravity*
Schmidt's Ice
Sparks
Special 800 Reserve
St. Ide's Liquor and Special Brews
Steel Reserve
Tilt*



Washington State
Liquor Control Board

Date: September ² 8, 2009
To: Sharon Foster, Board Chairman
Ruthann Kurose, Board Member
From: Karen McCall, Agency Rules Coordinator
Copy: Pat Kohler, Administrative Director
Rick Garza, Deputy Administrator
Pat McLaughlin, Director of Business Enterprises
Debi Besser, Director of Purchasing
Subject: Approval of final rulemaking (CR 103) for rules review of WAC
Chapter 314-37 – Liquor Vendors

At the Board meeting on September 2, 2009, the rules coordinator requests that the Liquor Control Board approve final rule making (CR 103) regarding WAC Chapter 314-37.

The Board was briefed on the rule making background, public comment, and agency response for this rule making. An issue paper and text of rule changes are attached.

If approved, the Agency Rules Coordinator will send an explanation of the rule making to all persons who submitted comments. After sending this explanation, the Rules Coordinator will file the rules with the Office of the Code Reviser. The effective date of the rules will be 31 days after filing.

Approve Disapprove Sharon Foster 9-2-09
Sharon Foster, Chairman Date

Approve Disapprove Ruthann Kurose 9/2/09
Ruthann Kurose, Board Member Date

Attachment: Issue Paper

Washington State Liquor Control Board

Issue Paper

Rule Making on Liquor Vendors

Date: September 2, 2009

Presented by: Karen McCall, Agency Rules Coordinator

Description of the Issue

The purpose of this issue paper is to recommend that the Washington State Liquor Control Board (WSLCB) proceed with final rule making to revise the current rules regarding **Liquor Vendors (Chapter 314-37 WAC)**.

Why is rule making necessary?

As part of the Liquor Control Board's on-going rules review process, rules regarding liquor vendors are being reviewed for relevance, clarity, and accuracy.

Public Comment

No public comment was received on this rulemaking.

What changes are being proposed?

WAC 314-37 – Liquor Vendors.

Changes the title to "Contract Liquor Stores".

Amendatory Section WAC 314-37-010 – Liquor sales in Indian country.

Changes "liquor vendor" to "contract liquor store".

Amendatory Section WAC 314-37-020 – Manufacturer's onsite vending appointment—Qualifications.

Changes "vendor" to "contract liquor store".

Amendatory Section WAC 314-37-030 – Bank credit cards and debit cards.

Changes "liquor vendor" to "contract liquor store". Changes "SPS" procedures to "PCI" procedures in relation to credit/debit card sales transactions.

Attachment: WAC 314-37 Proposed Language

Chapter 314-37 WAC

NONSTATE LIQUOR ((VENDORS)) STORES

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

WAC 314-37-010 Liquor sales in Indian country--Appointment of tribal liquor ((vendors)) stores--Qualifications. (1) The Washington state liquor control board deems it necessary and advisable to adopt this rule for the following reasons:

(a) The decision of the United States Supreme Court in the case of *Rice v. Rehner* (filed July 1, 1983) has established that the state of Washington has licensing jurisdiction over tribal liquor sales, in Indian country and that those sales, when made in conformity with federal law, are subject to both tribal and state liquor regulatory requirements.

(b) It is contrary to state law (see chapter 66.44 RCW) for purchasers of Indian liquor to remove that liquor from the reservation and into the state of Washington in those instances where the tribal liquor sellers are not authorized by the board to sell liquor.

(2) Accordingly, pursuant to RCW 66.08.050(2), the Washington state liquor control board will appoint qualifying Indian tribes, which have entered into negotiated business agreements with the board, as tribal liquor ((vendors)) stores which will authorize those ((vendor)) tribes to sell liquor by the bottle to such persons, firms or corporations as may be sold liquor from a state liquor store. All such appointments will be subject to the following conditions:

(a) The tribe must enter into a business agreement with the Washington state liquor control board for the purchase and sale of liquor which will insure that the state's control over liquor traffic will be maintained while taking into consideration the unique nature of a tribal liquor ((vendor)) store operation.

(b) The tribe must purchase all of its spirituous liquor for resale in Indian country from the board at a negotiated price: Provided, That a quota of spirituous liquor will be sold by the board each year to the ((vendor)) tribe without the payment of state taxes, which quota shall be negotiated between the board and the qualified tribes and approved by the department of revenue.

(c) The tribe must have in force a tribal ordinance governing liquor sales, which ordinance must have been certified by the

Secretary of the Interior and published in the Federal Register as required by 18 U.S.C. § 1161.

(d) The tribe must make all liquor sales in Indian country in conformity with both state and federal law.

(3) Should a tribe which has been appointed as a tribal liquor ((vendor)) store pursuant to this section fail to comply with all the above enumerated conditions, which shall be construed as continuing requirements to maintain the status of tribal liquor ((vendor)) store, the appointment of that tribe as a tribal liquor ((vendor)) store may be revoked by the board.

(4) A tribe, whether or not it has status as ((an Indian)) a tribal liquor ((vendor)) store, which desires to sell beer and wine purchased from a licensed distributor must obtain state licenses for the sale of beer and wine and must abide by all state laws and rules applicable to sale of beer and wine by state licensees. Tribes selling beer and wine shall collect and remit to the state department of revenue the retail sales tax imposed by RCW 82.08.020 on retail sales of beer and wine to nontribal members.

(5) "Indian country" as used herein shall have the meaning ascribed to it in Title 18 U.S.C. § 1151 as qualified by Title 18 U.S.C. § 1154 as of July 1, 1983.

AMENDATORY SECTION (Amending Order 180, Resolution No. 189, filed 3/13/86)

WAC 314-37-020 Manufacturer's on-site ((vending)) liquor store appointment--Qualifications. (1) Pursuant to RCW 66.08.050, the board, in its discretion, may appoint a domestic winery which also manufactures liquor products other than wine pursuant to a license under Title 66 RCW, as a ((vendor)) manufacturer liquor store for the purpose of sale of liquor products of its own manufacture on the licensed premises only.

(2) Such appointment may not be made to domestic wineries located inside incorporated cities or towns in which there is a state liquor store.

(3) Such appointment shall only be made after a contract has been entered into between the board and the domestic winery. Such contract shall contain the following:

(a) A designation of the location on the licensed premises from which the sales will be made;

(b) A designation of the nonwine products manufactured by the winery which will be sold under the appointment;

(c) That the manufacturer/((vendor)) liquor store shall not be considered an employee of the state for any purpose;

(d) That the manufacturer/((vendor)) liquor store shall agree to hold the state harmless from any and all claims resulting from operation of the manufacturer's on-site ((vendorship)) liquor store; and

(e) Such other aspects of the appointment relationship as the parties may agree to.

(4) All sales made under a manufacturer's on-site ((vending)) liquor store appointment shall be made at the prices established by the board for sales of the same product through state liquor stores and agencies.

(5) All sales made under a manufacturer's on-site ((vending)) liquor store appointment shall be subject to all applicable state taxes.

AMENDATORY SECTION (Amending WSR 99-04-114, filed 2/3/99, effective 3/6/99)

WAC 314-37-030 Bank credit cards and debit cards. (1) **May contract liquor ((vendors)) stores accept bank credit cards and debit cards?** Yes. Per RCW 66.16.041, contract liquor ((vendors)) stores may accept bank credit cards and debit cards for liquor purchases from nonlicensees. Any equipment provided by the board to ((an agency)) a contract liquor ((vendor)) store may be used only for the sale of liquor obtained from the board.

(2) **What are the procedures for accepting bank credit cards and debit cards for liquor purchases?** The procedures for accepting bank credit cards and debit cards for liquor purchases are as follows:

(a) **Sales transactions.**

(i) All credit/debit card sales transactions will be made in accordance with liquor control board and ((SPS)) payment card industry (PCI) procedures.

(ii) Cash back is not allowed.

(iii) Batch closing must be done nightly in order to ensure transactions are processed in a timely manner.

(b) **Recording transactions.** Contract liquor ((vendors)) stores will record transactions on forms provided by the liquor control board.

(c) **Reporting.** Contract liquor ((vendors)) stores will report all credit/debit card sales to the administrative services division of the liquor control board.

(d) **Retention of records.**

(i) All credit/debit card receipts and balancing reports will be kept for the current fiscal year, in addition to the prior two complete fiscal years.

(ii) Contract liquor ((vendors)) stores are responsible for the security of all credit/debit card records.

Washington State Liquor Control Board

Public Hearing Sign-Up Sheet

Subject of hearing: Penalty Guidelines

Date of hearing: September 2, 2009

If you wish to speak at this public hearing, please sign-up below. Your mailing or e-mail address will allow us to communicate with you in the future regarding this issue. Thank you.

Please Print

Name	Wish to speak? Indicate Pro or Con	Organization/Affiliation	Mailing Address OR e-mail
TRANSUE	Yes/CONCERN'S	WRA	on file

Washington State Liquor Control Board

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Please Print

Name	Wish to speak? Indicate Pro or Con	Organization/Affiliation	Mailing Address OR e-mail
Cordyn Logue	Con to parts	Wa Food Industry	6514 73 rd Ave NE Olympia 98516

Cordyn Logue
@Concast.net

Washington State Liquor Control Board

Issue Paper

Rule Making on Penalty Guidelines (WAC 314-29-015 through 035)

Date: July 15, 2009

Presented by: Captain Justin Nordhorn, Enforcement & Education

Description of the Issue

The purpose of this issue paper is to request approval from the Liquor Control Board (LCB) to file proposed rules (CR 102) regarding standardizing and clarifying penalty guidelines covered in WAC 314-29-015 through 035.

Why is rule making necessary?

The LCB wants to create consistency in standard penalties issued to licensees for all public safety violations. Licensees and other stakeholders have questions about penalty guidelines for commonly violated rules that are not currently covered in the guidelines of WAC 314-29. The intent of this rule revision is to include standard penalties for commonly violated laws that are not represented in the current penalty matrix, and provide clarity for the progression of penalties for subsequent violations in various categories.

Background

The Liquor Control Board filed a Pre-Proposal (CR 101) for this rulemaking on May 6, 2009. The WSLCB now enters into the second step of rule development by filing proposed rules language with the State Register (CR-102).

What changes are being proposed?

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

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

Amendatory Section WAC 314-29-025 – Group 2 regulatory violations. Changed the group name from "conduct" to "regulatory" violations. Moved many of the violation types from current Group 3 to this new Group 2. Added applicable RCW or WAC to violations.

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

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

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

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

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

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

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

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

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

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

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

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

(4) The following schedules are meant to serve as guidelines. Based on mitigating or aggravating circumstances, the liquor control board may impose a different penalty than the standard penalties outlined in these schedules.

(a) Mitigating circumstances	(b) Aggravating circumstances
<p>((Examples of)) <u>Mitigating</u> circumstances that may result in ((a)) <u>fewer</u> ((number of)) days of suspension <u>and/or</u> a lower monetary option <u>may</u> include ((, but are not limited to, having in place)) <u>demonstrated</u> business policies and/or practices ((such as:</p> <ul style="list-style-type: none"> ● Using licensee certification cards that are correctly filled out and filed; ● Having direct on-site supervision of employees; ● Having a signed acknowledgment of the business' alcohol policy on file for each employee; ● Having an employee training plan that includes annual training on liquor laws; ● Showing cooperation with local law enforcement; etc:)) <u>that reduce the risk of future violations.</u> 	<p>((Examples of)) <u>Aggravating</u> circumstances that may result in ((a higher number of)) <u>increased</u> days of suspension, ((a higher)) <u>and/or increased</u> monetary option, <u>and/or</u> cancellation of a liquor license <u>may</u> include ((, but are not limited to:</p> <ul style="list-style-type: none"> ● Failing to cooperate with local law enforcement or liquor control board employees; ● Not calling for local law enforcement when requested by a customer or liquor control board agent; ● Not checking to ensure employees are of legal age or have appropriate work permits; ● Committing the violation willfully; etc:)) <u>business operations or behaviors that create an increased risk for a violation and/or intentional commission of a violation.</u>

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

WAC 314-29-020 Group 1 violations against public safety.
 Group 1 violations are considered the most serious because they present a direct threat to public safety.

Violation Type	1st Violation	2nd Violation in a two-year window	3rd Violation in a two-year window	4th Violation in a two-year window
<u>Violations involving minors:</u> Sale or service to minor: Sale or service of alcohol to a person under 21 years of age. <u>Minor frequenting a tavern, lounge, or other restricted area.</u> <u>RCW 66.44.270</u> <u>RCW 66.44.310</u> <u>WAC 314-11-020</u> <u>WAC 314-16-150</u>	5 day suspension or \$500 monetary option	7 day suspension with no monetary option	30 day suspension with no monetary option	Cancellation of license
((<u>Minor frequenting a tavern, lounge, or other age restricted area.</u>	5-day suspension or \$500 monetary option	7-day suspension with no monetary option	30 day suspension with no monetary option	Cancellation of license))
Sale or service to apparently intoxicated person: Sale or service of alcohol to, or permitting consumption or possession by, an apparently intoxicated person. <u>RCW 66.44.200</u> <u>WAC 314-16-150</u>	5 day suspension or \$500 monetary option	((5)) 7 day suspension ((or \$2,500)) with no monetary option	((10)) 30 day suspension ((or \$5,000)) with no monetary option	Cancellation of license
<u>Conduct violations:</u>				

Violation Type	1st Violation	2nd Violation in a two-year window	3rd Violation in a two-year window	4th Violation in a two-year window
Disorderly conduct by licensee or employee, or permitting on premises. <u>Licensee and/or employee intoxicated on the licensed premises and/or drinking on duty.</u> <u>Criminal conduct: Permitting or engaging in criminal conduct.</u> <u>WAC 314-11-015</u>	5 day suspension or \$500 monetary option	((5)) 7 day suspension ((or \$2,500)) with no monetary option	((10)) 30 day suspension ((or \$5,000)) with no monetary option	Cancellation of license
((Criminal conduct: Permitting or engaging in criminal conduct:))	5 day suspension or \$500 monetary option	7 day suspension with no monetary option	30 day suspension with no monetary option	Cancellation of license))
<u>Lewd conduct: Engaging in or permitting conduct in violation of WAC 314-11-050.</u>	5 day suspension or \$500 monetary option	7 day suspension with no monetary option	30 day suspension with no monetary option	Cancellation of license
<u>Refusal to allow an inspection and/or obstructing a law enforcement officer from performing their official duties.</u> <u>RCW 66.28.090</u> <u>RCW 66.44.370</u> <u>WAC 314-11-090</u>	5 day suspension or \$500 monetary option	7 day suspension with no monetary option	30 day suspension with no monetary option	Cancellation of license
<u>Condition of suspension violation: Failure to follow any suspension restriction while liquor license is suspended.</u> <u>WAC 314-29-040</u>	Original penalty plus 10 day suspension with no monetary option	Cancellation of license		

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

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

Violation Type	1st Violation	2nd Violation in a two-year window	3rd Violation in a two-year window	4th Violation in a two-year window
((Misuse or unauthorized use of liquor license:	5 day suspension or \$1,500 monetary option	Cancellation of license	Cancellation of license	Cancellation of license
Sale of alcohol in violation of a board-approved alcohol impact area restriction:	5 day suspension or \$500 monetary option	7 day suspension or \$1,500 monetary option	10 day suspension with no monetary option	Cancellation of license))
Club liquor to the public. <u>WAC 314-40-010</u>	5 day suspension or \$500 monetary option	5 day suspension or \$1,500 monetary option	10 day suspension or \$3,000 monetary option	Cancellation of license
Employee under legal age or without required mandatory alcohol server training permit. <u>RCW 66.44.316</u> <u>RCW 66.44.318</u> <u>RCW 66.44.340</u> <u>RCW 66.44.350</u> <u>WAC 314-11-040</u> <u>WAC 314-11-045</u> <u>Chapter 314-17 WAC</u>	5 day suspension or (\$250) \$500 monetary option	5 day suspension or \$1,500 monetary option	10 day suspension or \$3,000 monetary option	Cancellation of license
Failure to follow 11:00 p.m. entertainment rules. <u>WAC 314-02-025(2)</u>	5 day suspension or \$500 monetary option	5 day suspension or \$1,500 monetary option	10 day suspension or \$3,000 monetary option	Cancellation of license
Hours of service: Sales, service, removal, or consumption of alcohol between 2:00 a.m. and 6:00 a.m. <u>WAC 314-11-070</u>	5 day suspension or (\$250) \$500 monetary option	5 day suspension or \$1,500 monetary option	10 day suspension or \$3,000 monetary option	Cancellation of license
Keg registration: Failure to properly register kegs. <u>RCW 66.28.200</u> <u>RCW 66.28.210</u> <u>WAC 314-02-115</u>	5 day suspension or \$500 monetary option	5 day suspension or \$1,500 monetary option	10 day suspension or \$3,000 monetary option	Cancellation of license
Spirituos liquor not sold by the individual drink. <u>RCW 66.24.400</u> <u>WAC 314-02-015</u> (1)(a)	5 day suspension or \$500 monetary option	5 day suspension or \$1,500 monetary option	10 day suspension or \$3,000 monetary option	Cancellation of license

Violation Type	1st Violation	2nd Violation in a two-year window	3rd Violation in a two-year window	4th Violation in a two-year window
Food service: Required food service not available. <u>WAC 314-02-035</u> <u>WAC 314-02-0411</u> <u>WAC 314-02-065</u> <u>WAC 314-02-075</u>	5 day suspension or \$250 monetary option	5 day suspension or \$1,500 monetary option	10 day suspension or \$3,000 monetary option	Cancellation of license
Hours of operation: <u>Failure to meet required hours of operation.</u> <u>WAC 314-02-015(2)</u>	<u>5 day suspension or \$250 monetary option</u>	<u>5 day suspension or \$1,500 monetary option</u>	<u>10 day suspension or \$3,000 monetary option</u>	<u>Cancellation of license</u>
NSF check: Payment by a retail licensee for alcohol purchases. <u>WAC 314-13-020</u>	<u>5 day suspension or \$250 monetary option</u>	<u>5 day suspension or \$1,500 monetary option</u>	<u>10 day suspension or \$3,000 monetary option</u>	<u>Cancellation of license</u>
Premises not open to the general public while liquor is sold, served, or consumed. <u>WAC 314-11-072</u>	<u>5 day suspension or \$250 monetary option</u>	<u>5 day suspension or \$1,500 monetary option</u>	<u>10 day suspension or \$3,000 monetary option</u>	<u>Cancellation of license</u>
Sampling and/or cooking class violations. <u>WAC 314-02-105</u>	<u>5 day suspension or \$250 monetary option</u>	<u>5 day suspension or \$1,500 monetary option</u>	<u>10 day suspension or \$3,000 monetary option</u>	<u>Cancellation of license</u>
Substituting, tampering, improper labeling, unlawful removal, possession, or unauthorized sale of liquor. <u>WAC 314-11-065</u> <u>WAC 314-11-080</u> <u>WAC 314-16-020</u>	5 day suspension or \$250 monetary option	5 day suspension or \$1,500 monetary option	10 day suspension or \$3,000 monetary option	Cancellation of license
(Lewd conduct- Engaging in or permitting conduct in violation of <u>WAC 314-11-050</u> .	5 day suspension or \$250 monetary option	5 day suspension or \$1,500 monetary option	10 day suspension or \$3,000 monetary option	Cancellation of license
Inspections: Refusing to allow inspection(s) by law enforcement.	5-day suspension or \$100 monetary option	5-day suspension or \$500 monetary option	10-day suspension or \$1,000 monetary option	20-day suspension with no monetary option))
Advertising: Advertising violations other than those involving prohibited practices between a nonretail and a retail licensee. Chapter 314-52 WAC.	<u>5 day suspension or \$100 monetary option</u>	<u>5 day suspension or \$500 monetary option</u>	<u>10 day suspension or \$1,000 monetary option</u>	<u>20 day suspension with no monetary option</u>

Violation Type	1st Violation	2nd Violation in a two-year window	3rd Violation in a two-year window	4th Violation in a two-year window
<u>Hotel/motel honor bar violation.</u> <u>WAC 314-02-080</u>	<u>5 day suspension or \$100 monetary option</u>	<u>5 day suspension or \$500 monetary option</u>	<u>10 day suspension or \$1,000 monetary option</u>	<u>20 day suspension with no monetary option</u>
<u>Inventory: Inventory below required amount.</u> <u>WAC 314-02-100</u> <u>WAC 314-02-105</u>	<u>5 day suspension or \$100 monetary option</u>	<u>5 day suspension or \$500 monetary option</u>	<u>10 day suspension or \$1,000 monetary option</u>	<u>20 day suspension with no monetary option</u>
<u>Lighting: Inadequate lighting.</u> <u>WAC 314-11-055</u>	<u>5 day suspension or \$100 monetary option</u>	<u>5 day suspension or \$500 monetary option</u>	<u>10 day suspension or \$1,000 monetary option</u>	<u>20 day suspension with no monetary option</u>
<u>Liquor purchased from unauthorized source or sale below cost in violation of liquor law or rule.</u> <u>WAC 314-11-085</u> <u>WAC 314-13-010</u> <u>WAC 314-13-040</u>	<u>5 day suspension or \$100 monetary option</u>	<u>5 day suspension or \$500 monetary option</u>	<u>10 day suspension or \$1,000 monetary option</u>	<u>20 day suspension with no monetary option</u>
<u>Private club violations: Club regulations other than club liquor to the public.</u> <u>Chapter 314-40 WAC</u>	<u>5 day suspension or \$100 monetary option</u>	<u>5 day suspension or \$500 monetary option</u>	<u>10 day suspension or \$1,000 monetary option</u>	<u>20 day suspension with no monetary option</u>
<u>Records: Improper recordkeeping.</u> <u>WAC 314-11-090</u> <u>WAC 314-11-095</u> <u>WAC 314-12-135</u>	<u>5 day suspension or \$100 monetary option</u>	<u>5 day suspension or \$500 monetary option</u>	<u>10 day suspension or \$1,000 monetary option</u>	<u>20 day suspension with no monetary option</u>
<u>Retailer/nonretailer violation: Violation on the part of a retail licensee that involves a nonretail licensee, other than group four violations.</u>	<u>5 day suspension or \$100 monetary option</u>	<u>5 day suspension or \$500 monetary option</u>	<u>10 day suspension or \$1,000 monetary option</u>	<u>20 day suspension with no monetary option</u>
<u>Signs: Failure to post required signs.</u> <u>WAC 314-11-060</u>	<u>5 day suspension or \$100 monetary option</u>	<u>5 day suspension or \$500 monetary option</u>	<u>10 day suspension or \$1,000 monetary option</u>	<u>20 day suspension with no monetary option</u>
<u>Unauthorized alterations, change of trade name, or added activity.</u> <u>WAC 314-02-025</u> <u>WAC 314-02-125</u> <u>WAC 314-02-130</u>	<u>5 day suspension or \$100 monetary option</u>	<u>5 day suspension or \$500 monetary option</u>	<u>10 day suspension or \$1,000 monetary option</u>	<u>20 day suspension with no monetary option</u>

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

WAC 314-29-030 Group 3 ((regulatory)) license violations.
 Group 3 violations are violations involving ((administrative)) licensing requirements, license classification, and special restrictions.

Violation Type	1st Violation	2nd Violation in a two-year window	3rd Violation in a two-year window	4th Violation in a two-year window
((Keg registration: Failure to properly register kegs:	5-day suspension or \$500 monetary option	5-day suspension or \$1,000 monetary option	10-day suspension or \$1,500 monetary option	20-day suspension with no monetary option
Signs: Failure to post required signs:	5-day suspension or \$100 monetary option	5-day suspension or \$500 monetary option	10-day suspension or \$1,000 monetary option	20-day suspension with no monetary option
Records: Improper record keeping:	5-day suspension or \$100 monetary option	5-day suspension or \$500 monetary option	10-day suspension or \$1,000 monetary option	20-day suspension with no monetary option
Advertising: Advertising violations other than those involving prohibited practices between a nonretail and a retail licensee:	5-day suspension or \$100 monetary option	5-day suspension or \$500 monetary option	10-day suspension or \$1,000 monetary option	20-day suspension with no monetary option
Inventory: Inventory below required amount:	5-day suspension or \$100 monetary option	5-day suspension or \$500 monetary option	10-day suspension or \$1,000 monetary option	20-day suspension with no monetary option
Unauthorized alterations, change of trade name, or added activity:	5-day suspension or \$100 monetary option	5-day suspension or \$500 monetary option	10-day suspension or \$1,000 monetary option	20-day suspension with no monetary option
Lighting: Inadequate lighting:	5-day suspension or \$100 monetary option	5-day suspension or \$500 monetary option	10-day suspension or \$1,000 monetary option	20-day suspension with no monetary option
Liquor purchased from unauthorized source or sale below cost in violation of liquor law or rule:	5-day suspension or \$100 monetary option	5-day suspension or \$500 monetary option	10-day suspension or \$1,000 monetary option	20-day suspension with no monetary option))
True party of interest violation, RCW 66.24.010(1) WAC 314-12-030	Cancellation of license			
Failure to furnish required documents, WAC 314-12-035	Cancellation of license			
Misrepresentation of fact, WAC 314-12-010	Cancellation of license			

Violation Type	1st Violation	2nd Violation in a two-year window	3rd Violation in a two-year window	4th Violation in a two-year window
<u>Misuse or unauthorized use of liquor license (operating outside of license class, lending or contracting license to another person/entity).</u> <u>Chapter 66.24 RCW</u> <u>WAC 314-02-015</u> <u>WAC 314-02-041</u> <u>WAC 314-02-045</u> <u>WAC 314-02-065</u> <u>WAC 314-02-070</u> <u>WAC 314-02-075</u> <u>WAC 314-02-090</u> <u>WAC 314-02-095</u> <u>WAC 314-02-100</u> <u>WAC 314-02-105</u> <u>WAC 314-02-110</u> <u>WAC 314-12-030</u>	<u>5 day suspension or \$1,500 monetary option</u>	<u>Cancellation of license</u>		
<u>Operating plan: Violations of a board-approved operating plan.</u> <u>WAC 314-16-270</u> <u>WAC 314-16-275</u>	<u>5 day suspension or \$500 monetary option</u>	<u>7 day suspension or \$1,500 monetary option</u>	<u>10 day suspension with no monetary option</u>	<u>Cancellation of license</u>
<u>Sale of alcohol in violation of a board-approved local authority restriction.</u> <u>Chapter 66.24 RCW</u>	<u>5 day suspension or \$500 monetary option</u>	<u>7 day suspension or \$1,500 monetary option</u>	<u>10 day suspension with no monetary option</u>	<u>Cancellation of license</u>
<u>Sale of alcohol in violation of a board-approved alcohol impact area restriction.</u> <u>WAC 314-12-215</u>	<u>5 day suspension or \$500 monetary option</u>	<u>7 day suspension or \$1,500 monetary option</u>	<u>10 day suspension with no monetary option</u>	<u>Cancellation of license</u>
<u>Catering endorsement violation.</u> <u>WAC 314-02-060</u> <u>WAC 314-02-061</u>	<u>5 day suspension or \$250 monetary option</u>	<u>5 day suspension or \$1,500 monetary option</u>	<u>10 day suspension or \$3,000 monetary option</u>	<u>Cancellation of license</u>

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

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

Violation type	1st Violation	2nd Violation in a two-year window	3rd Violation in a two-year window	4th Violation in a two-year window
Providing credit to a retail licensee. <u>RCW 66.28.010</u> <u>WAC 314-12-140</u> <u>WAC 314-12-145</u> <u>WAC 314-13-015</u> <u>WAC 314-13-020</u>	3 day suspension or \$500 monetary option	5 day suspension or \$2,500 monetary option	10 day suspension or \$5,000 monetary option	20 day suspension or \$10,000 monetary option
Quantity discount. <u>RCW 66.28.170</u> <u>RCW 66.28.180</u>	3 day suspension or \$500 monetary option	5 day suspension or \$2,500 monetary option	10 day suspension or \$5,000 monetary option	20 day suspension or \$10,000 monetary option
Giving away liquor in violation of liquor law or rule. <u>RCW 66.28.040</u> <u>WAC 314-64-080</u> <u>WAC 314-64-08001</u>	3 day suspension or \$500 monetary option	5 day suspension or \$2,500 monetary option	10 day suspension or \$5,000 monetary option	20 day suspension or \$10,000 monetary option
Consignment sales/return of product in violation of liquor law or rule. <u>RCW 66.28.010</u> <u>WAC 314-12-140</u> <u>WAC 314-13-015</u> <u>WAC 314-20-070</u> <u>WAC 314-20-090</u> <u>WAC 314-24-210</u>	3 day suspension or \$500 monetary option	5 day suspension or \$2,500 monetary option	10 day suspension or \$5,000 monetary option	20 day suspension or \$10,000 monetary option
Advertising violations involving prohibited practices between a nonretail and a retail licensee. <u>RCW 66.28.010</u> <u>RCW 66.24.570</u> <u>WAC 314-05-030</u> <u>WAC 314-52-040</u> <u>WAC 314-52-070</u> <u>WAC 314-52-080</u> <u>WAC 314-52-090</u> <u>WAC 314-52-113</u>	3 day suspension or \$500 monetary option	5 day suspension or \$2,500 monetary option	10 day suspension or \$5,000 monetary option	20 day suspension or \$10,000 monetary option
Price ((posting)) lists/labeling/ packaging violations. <u>RCW 66.24.145</u> <u>RCW 66.28.100</u> <u>RCW 66.28.110</u> <u>RCW 66.28.120</u> <u>RCW 66.28.180</u>	3 day suspension or \$500 monetary option	5 day suspension or \$2,500 monetary option	10 day suspension or \$5,000 monetary option	20 day suspension or \$10,000 monetary option

Violation type	1st Violation	2nd Violation in a two-year window	3rd Violation in a two-year window	4th Violation in a two-year window
<u>WAC 314-20-020</u> <u>WAC 314-20-030</u> <u>WAC 314-20-100</u> <u>WAC 314-20-130</u> <u>WAC 314-24-003</u> <u>WAC 314-24-006</u> <u>WAC 314-24-040</u> <u>WAC 314-24-080</u> <u>WAC 314-24-090</u> <u>WAC 314-24-190</u> <u>WAC 314-28-090</u>				
Agents violations: Nonretail licensee employing an unlicensed agent. <u>RCW 66.24.310</u> <u>RCW 66.28.050</u> <u>WAC 314-44-005</u>	3 day suspension or \$500 monetary option	5 day suspension or \$2,500 monetary option	10 day suspension or \$5,000 monetary option	20 day suspension or \$10,000 monetary option
Unauthorized product/unapproved storage or delivery. <u>RCW 66.24.140</u> <u>RCW 66.24.160</u> <u>RCW 66.24.170</u> <u>RCW 66.24.185</u> <u>RCW 66.24.200</u> <u>RCW 66.24.203</u> <u>RCW 66.24.206</u> <u>RCW 66.24.240</u> <u>RCW 66.24.244</u> <u>RCW 66.24.250</u> <u>RCW 66.24.261</u> <u>RCW 66.24.395</u> <u>RCW 66.28.010</u> <u>RCW 66.44.140</u> <u>RCW 66.44.150</u> <u>RCW 66.44.160</u> <u>RCW 66.44.170</u> <u>WAC 314-20-015</u> <u>WAC 314-20-017</u> <u>WAC 314-20-055</u> <u>WAC 314-20-095</u> <u>WAC 314-20-120</u> <u>WAC 314-20-160</u> <u>WAC 314-20-170</u> <u>WAC 314-24-070</u> <u>WAC 314-24-115</u> <u>WAC 314-24-120</u>	3 day suspension or \$500 monetary option	5 day suspension or \$2,500 monetary option	10 day suspension or \$5,000 monetary option	20 day suspension or \$10,000 monetary option

Violation type	1st Violation	2nd Violation in a two-year window	3rd Violation in a two-year window	4th Violation in a two-year window
<u>WAC 314-24-140</u> <u>WAC 314-24-160</u> <u>WAC 312-24-161</u> <u>WAC 314-24-220</u> <u>WAC 314-25-020</u> <u>WAC 314-25-030</u> <u>WAC 314-25-040</u> <u>WAC 314-28-050</u>				
Sampling/tasting violations. <u>RCW 66.20.010</u> <u>RCW 66.24.145</u> <u>RCW 66.24.170</u> <u>RCW 66.28.040</u> <u>RCW 66.28.150</u> <u>WAC 314-20-015</u> <u>WAC 314-24-160</u> <u>WAC 314-45-010</u> Chapter 314-64 WAC	3 day suspension or \$500 monetary option	5 day suspension or \$2,500 monetary option	10 day suspension or \$5,000 monetary option	20 day suspension or \$10,000 monetary option
Entertainment/instruction/meeting/trade show violations. <u>RCW 66.20.010</u> <u>RCW 66.28.010</u> <u>RCW 66.28.042</u> <u>RCW 66.28.043</u> <u>RCW 66.28.150</u> <u>RCW 66.28.155</u> <u>WAC 314-45-010</u>	3 day suspension or \$500 monetary option	5 day suspension or \$2,500 monetary option	10 day suspension or \$5,000 monetary option	20 day suspension or \$10,000 monetary option
((Providing money or money's worth less than \$100:	3-day suspension or \$250 monetary option	5-day suspension or \$500 monetary option	10-day suspension or \$1,000 monetary option	20-day suspension or \$2,000 monetary option))
Providing/accepting money or money's worth: Goods or services worth ((\$100 to \$1,000)) up to \$1,500. <u>RCW 66.28.010</u> <u>WAC 314-12-140</u> <u>WAC 314-44-005</u>	3 day suspension or \$500 monetary option	5 day suspension or \$2,500 monetary option	10 day suspension or \$5,000 monetary option	20 day suspension or \$10,000 monetary option
Providing/accepting money or money's worth: Goods or services worth over ((\$1,000)) \$1,500. <u>RCW 66.28.010</u> <u>WAC 314-12-140</u> <u>WAC 314-44-005</u>	Cost of item or service provided plus: 3 day suspension or \$1,000 monetary option	Cost of item or service provided plus: 5 day suspension or \$2,500 monetary option	Cost of item or service provided plus: 10 day suspension or \$5,000 monetary option	Cost of item or service provided plus: 20 day suspension or \$10,000 monetary option

Violation type	1st Violation	2nd Violation in a two-year window	3rd Violation in a two-year window	4th Violation in a two-year window
Providing/accepting exclusive or contingency agreements. <u>RCW 66.28.010</u> <u>RCW 66.24.570</u> <u>WAC 314-12-140</u> <u>WAC 314-05-030</u>	3 day suspension or \$1,000 monetary option	10 day suspension or \$6,000 monetary option	20 day suspension or \$12,000 monetary option	30 day suspension or \$20,000 monetary option
Unauthorized interest or ownership in retail license. <u>RCW 66.28.010</u> <u>WAC 314-12-030</u>	3 day suspension or \$1,000 monetary option	30 day suspension or \$20,000 monetary option	Cancellation of license	
Failure to obtain surety bond/savings account, if required by the board. <u>RCW 66.24.210</u> <u>RCW 66.24.290</u> <u>WAC 314-19-020</u>	Immediate suspension of license until surety bond has been obtained and all missing reports are filed and late taxes are paid.			
Failure to file tax/shipment report. <u>RCW 66.24.210</u> <u>RCW 66.24.290</u> <u>WAC 314-19-005</u> <u>WAC 314-19-010</u> <u>WAC 314-19-020</u>	3 day suspension or \$250 monetary option	5 day suspension or \$500 monetary option	10 day suspension or \$1,000 monetary option	20 day suspension or \$2,000 monetary option
Certificate of approval (COA) and/or authorized representative violations. <u>RCW 66.24.206</u> <u>WAC 314-19-005</u> <u>WAC 314-19-010</u> <u>WAC 314-19-020</u>	<u>15 day suspension or \$100 monetary option</u>	<u>30 day suspension or \$500 monetary option</u>	<u>180 day suspension or \$1,000 monetary option</u>	<u>Cancellation of license</u>