

November 6, 2013

To:

Sharon Foster, Board Chairman

Ruthann Kurose, Board Member

Chris Marr, Board Member

From:

Karen McCall, Senior Policy/Legislative Analyst

Subject:

Rescind LCB BIP-05-2012 Beer/Wine Tastings at Beer/Wine

Specialty Shops

The purpose of this interim policy was to amend WAC 314-02-105 to allow beer/wine tastings if a licensee's annual gross retail sales of alcohol exceeds fifty percent of all annual gross sales for the entire business. Permanent rules were adopted by the board to implement this interim policy on March 20, 2013.

Move to rescind BIP-05-2012.

Approve

Not Approve

Sharon Foster, Board Chairman

Approve

Not Approve

Ruthann Kurose, Board Member

Approve

Not Approve

Chris Marr, Board Member

Liquor Control Board Interim Policy #05-2012

Subject:

Beer/Wine Tastings at Beer/Wine Specialty Shops

Effective Date:

October 10, 2012

Ending Date:

Upon adoption of amended rule WAC 314-02-105

Approved:

Sharon Foster, Chairman

Ruthann Kurose Board Member

Chris Marr, Board Member

Purpose:

The purpose of Liquor Control Board Interim Policy #05-2012 is to amend the language in WAC 314-02-105 What is a beer and/or wine specialty shop?

Background:

WAC 314-02-105 allows a beer/wine specialty store licensee to conduct beer/wine tastings if over 50% of their gross sales are beer and/or wine. This is not a problem for licensees that do not hold any other type of liquor license. Many licensees holding a spirits retail license also hold a beer/wine specialty shop license to allow for the sale of beer and wine in addition to spirits. They do not meet the beer and wine sales requirement to conduct beer and wine tastings because they also sell spirits.

We have received many inquiries regarding beer and wine tastings at these new businesses as well as from former contract liquor store managers. Beer and wine tastings are an important part of their business to support local wineries and build their customer base. RCW 66.24.371 (2) states, "Licensees under this section may provide, free or for a charge, single-serving samples of two ounces or less to customers for the purpose of sales promotion". Amending the current WAC language to require over 50% of their gross sales be alcohol instead of beer and wine would allow beer/wine specialty store licensees to continue to conduct beer and/or wine tastings at their premises.

Policy Statement:

The language in WAC 314-02-105 (4) (a) will be amended to read:

"(a) A licensee's <u>annual</u> gross retail sales of <u>beer and/or wine alcohol</u> exceeds fifty percent of all <u>annual</u> gross sales for the entire business."

Persons holding a beer/wine specialty shop license will be allowed to provide beer and/or wine tastings to their customers if over fifty percent of their annual gross retail sales are alcohol.