



# Washington State Liquor and Cannabis Board

## WA Craft Beer Summit 2019

November 8, 2019



# Washington State Liquor and Cannabis Board

## Mission

Promote public safety and trust through fair administration and enforcement of liquor, cannabis, tobacco, and vapor laws.



# Tied House Laws and Rules

- What's Allowed
- What's Not Allowed



## Defining “Tied House”

- Laws and rules designed to prevent inappropriate or coercive business practices among the various sectors of the liquor industry, either through domination of one tier over another or through exclusion of competitor’s products.



## 3 Tier System

- Retail and Non-Retail Relationships
- No Inducements or Coercion
- Equal Responsibility



# Prohibited Practices

- No money or money's worth
- No exclusive agreements
- No contingency Sales



## Allowed

May perform;

- Service of building, rotating, and restocking displays and stockroom inventories
- Rotate and rearrange can and bottle displays of your own products;
- Provide point of sale material and brand signs
- Price case goods of your own brands



## Point of Sale (POS)

- May furnish brand signs and POS material to retailers as follows;
  - Must have no value to the retailer except brand advertising
    - Cash register lights, pool table lights and similar items of value are not authorized
- Must remain as the property of the brewery





# Cash Sales

RCW 66.28.270, WAC 314-13, WAC 314-20-090

- No credit to retailers on beer, wine, spirits sales
  - Payment upon delivery
- Payment may be by cash, credit/debit card, electronic funds transfer and pre-paid accounts



# Washington State Liquor and Cannabis Board

## Not Allowed

- Gifts
- Discounts
- Money
- Loans
- Premiums
- Rebates
- Kick-backs
- Free Liquor of any Kind
- Renting or loaning equipment (includes jockey boxes)
- Treats or Services of any nature whatsoever except those authorized



# Branded Promotional Material

- Trays
- Lighters
- Blotters
- Post cards
- Pencils
- Coasters
- Menu cards
- Meal check
- Napkins
- Clocks
- Glasses
- Bottle and can openers
- Matches
- Printed recipes
- Shirts, hats, visors



# Branded Promotional Material

- Breweries may provide retailers with branded/logo promotional items for business use which are of nominal value -
  - Singly
  - Or in the aggregate



## Branded Promotional Material Provided to Retailers without charge must be;

- Used exclusively by the retailer or its employees
- Imprinted with advertising of your brands/logo only
- Not targeted to or appealing principally to youth
- Must be documented/Invoiced
- Brewery is not obligated to provide
- Retailers may not require



## Not Allowed

- Providing novelty advertising items (SWAG) to retailers' patrons
- Selling SWAG to retailers' patrons
- Passing out SWAG to retailers' patrons
- Bartending or serving retailers' patrons
- Buying retailers' patrons drinks
- Conducting retailers' events (bingo, contests, drawings, raffles)



## Advertising

- MEDIA
  - Newspaper/Magazine
  - Radio/TV
  - Social Media (Facebook/Twitter)
  - Web sites
- NON-PROFITS
  - Special Occasion Licenses



# Internet Advertising

- Brewery web site may list names of retailers that carry its products
  - Including name, address, phone number and link to retailer's web site.
  - May indicate you will be there to talk about your products





# Internet Advertising

- For on-premises accounts (restaurants, taverns, nightclubs, private clubs) may use web site and social media to;
  - Post, repost, share promotional information featuring your products
  - Include links to purchase event tickets
  - May not pay a 3<sup>rd</sup> party to enhance viewership
- May not advertise retailer drink “specials” or menu items.
- May not be the brewery’s event or be called the brewery’s event.



# Advertising

- Example
  - Tavern is having a Brewer's Night. The brewery may put the following on its web site;
    - Name of Tavern
    - Address of Tavern
    - Date and time of event
    - Indicate the brewer will be there to talk about its beers.
    - Link to retailer's web site
    - Link to event ticket sales site



## Retailer Promotions – Brewer's Night, Tap Takeover

- Allowed
  - Brewers may attend and talk about their beers
  - Brewers may provide adult patrons with product information
- Not Allowed
  - Give away or sell novelties (swag) to consumers
  - Buy anyone a drink
  - Run the event, raffle, drawing, contest
  - Serve patrons
- Retailer may not require the purchase of beer to participate



## Not Allowed

Pouring for or at:

- Beer/wine specialty store
- Any On-Premise liquor licensee (Restaurants, Taverns)
- Special Occasion License\*

\*May pour beer at a Special Occasion licensed event that is a beer tasting, judging, exhibition, festival



# Allowed

- Grocery Store Tastings
  - You may participate by;
    - Pouring – must have MAST permit
    - Bottle signing
    - Similar informational or educational activities
  - You are not obligated to participate
  - A grocery store may not require these services as a condition of including your products. RCW 66.28.310



# Samples WAC 314-64-080

- Allowed
  - One sample of new product per retailer
  - Limits
    - 72 oz of beer in sealed containers
    - 12 oz pour
- Bottles must be labeled
- Records kept for 2 years
- Samples to retailers are taxed



# Special Occasion Licenses

- Allowed
  - Paying for Advertising – media, posters
  - Draft beer dispensing and cooling equipment
  - Pouring – only if at a beer tasting, judging or exhibition event
  - Booth fees
  - Payment for beer at end of event
  - May sponsor public and civic events



## Special Occasion Licenses

- Allowed
  - Donation of tax paid beer to 501(c)3 and 501(c)6 federal IRS tax exempt non-profit organizations





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Thank You!