

HOUSE BILL REPORT

SB 5674

As Passed House - Amended:
April 9, 2013

Title: An act relating to wine and beer sampling at farmers markets.

Brief Description: Allowing wine and beer sampling at farmers markets.

Sponsors: Senators Kohl-Welles, Smith, Hatfield, Conway, Schoesler, King, Hobbs, Murray, Keiser, Ranker, Harper, Hewitt and Rolfes.

Brief History:

Committee Activity:

Government Accountability & Oversight: 3/26/13, 4/2/13 [DPA].

Floor Activity:

Passed House - Amended: 4/9/13, 81-12.

**Brief Summary of Bill
(As Amended by House)**

- Allows for the sampling of domestic wine and beer at qualifying farmers markets under certain conditions.

HOUSE COMMITTEE ON GOVERNMENT ACCOUNTABILITY & OVERSIGHT

Majority Report: Do pass as amended. Signed by 8 members: Representatives Hurst, Chair; Wylie, Vice Chair; Condotta, Ranking Minority Member; Holy, Assistant Ranking Minority Member; Kirby, Moscoso, Shea and Smith.

Staff: Trudes Tango (786-7384).

Background:

In 2011 the Legislature authorized a one year pilot project to allow 10 farmers markets and a limited number of domestic wineries and microbreweries to offer a tasting program. One of the goals of the pilot program was to provide small wineries and microbreweries opportunities to market their Washington wine and beer. The pilot program was conducted from September 1, 2011, to October 31, 2012.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Under the program, only one winery or microbrewery was allowed to offer samples at the farmers market per day. Samples were limited to two ounces or less, with a total of four ounces per customer per day.

To be considered a "qualifying farmers market" the market must sponsor vendors promoting the sale of agricultural products grown or produced in this state. At least five vendors must be farmers selling their own agricultural products. The total combined gross annual sales of farmer vendors must exceed the total combined gross annual sales of vendors who are processors or resellers. And the total combined gross annual sales of farmer vendors, processors, or resellers must exceed the total combined gross annual sales of vendors who are not farmers, processors, or resellers. No imported items or secondhand items may be sold, and no vendor can be a franchise.

Summary of Amended Bill:

Sampling of wine and beer by domestic wineries and microbreweries is allowed at all qualifying farmers markets under certain conditions.

A qualifying farmers market must be authorized by the Liquor Control Board (LCB) to allow domestic wineries and microbreweries to sell bottled beer and wine at the farmers market and must apply to the LCB for an endorsement to allow sampling. The wineries and microbreweries offering samples must also have an endorsement from the LCB to sell wine or beer at a qualifying farmers market. For the purposes of sampling, a farmers market that does not have total combined gross annual sales of farmer vendors exceeding the sales of processors and resellers, is still considered a "qualifying farmers market" if the total combined gross annual sales of vendors at the farmers market is \$1 million or more.

The following other conditions apply to sampling at the farmers market:

- No more than three wineries or microbreweries combined may offer samples at the market per day.
- Samples must be two ounces or less, and a winery or microbrewery may provide a maximum of two ounces of wine or beer to a customer per day.
- A winery or microbrewery may advertise that it offers samples only at its designated booth, stall, or other designated location at the farmers market.
- Customers must remain at the designated booth, stall, or other designated location while sampling.
- A winery or microbrewery must either have food available for customers or must be adjacent to a vendor offering prepared food.
- Those licensees and employees involved in sampling must hold the appropriate alcohol server permit.

The LCB may establish additional requirements to ensure that persons under 21 years of age and apparently intoxicated persons may not possess or consume alcohol under the sampling provisions. The LCB may also prohibit sampling at a farmers market that is within the boundaries of an alcohol impact area if the LCB finds that sampling activities have an adverse effect on the reduction of chronic public inebriation in the area.

The LCB may suspend, for up to two years, a winery's or microbrewery's farmers market endorsement if the winery or microbrewery has committed a public safety violation in conjunction with tasting activities. The LCB may offer a monetary penalty in lieu of suspension if mitigating circumstances exist.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Amended Bill: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) Legislation passed a few years ago allowed wineries to sell their wine at farmers markets. The wineries selling their products wanted to be able to offer samples, so a pilot project was created last year. During the pilot project, sales of wine increased. There were no public safety issues during the pilot project. This bill is helpful to the wineries and to the farmers markets. It is consistent with the goal of farmers markets to provide local products to people who want to support Washington's agriculture. The bill limits the samples to a total of six ounces. This bill will help to strengthen small farms and businesses. Small wineries make boutique wines that are more expensive and people hesitate buying expensive wine unless they can taste it first. It is important that the bill pass this year so that sampling could be offered this year and there would be no break from last year's sampling.

(Other) The Olympia's Farmers Market does not currently meet the requirements of a qualifying farmers market. That definition was created 10 years ago by the Washington State Farmers Market Association and excludes some markets from being able to offer sampling.

(Opposed) None.

Persons Testifying: (In support) Senator Kohl-Welles, prime sponsor; Joel Wachs, Washington State Farmers Market Association; Mike Lempriere, Perennial Vineyards; Jean Leonard, Washington Wine Institute; and Paul Beveridge, Family Wineries of Washington State.

(Other) Rick Garza, Liquor Control Board.

Persons Signed In To Testify But Not Testifying: None.