

HOUSE BILL REPORT

SB 6514

As Passed House:
March 6, 2014

Title: An act relating to modifying the definition of qualifying farmers markets for the purposes of serving and sampling beer and wine.

Brief Description: Modifying the definition of qualifying farmers markets for the purposes of serving and sampling beer and wine.

Sponsors: Senators Kohl-Welles, Hewitt, Holmquist Newbry, Hatfield, King, Schoesler, Keiser, Tom and Kline.

Brief History:

Committee Activity:

Government Accountability & Oversight: 2/24/14 [DP].

Floor Activity:

Passed House: 3/6/14, 85-12.

Brief Summary of Bill

- Changes definition of "qualifying farmers market" such that farmers markets may qualify for retail sales and sampling of beer and wine produced by domestic wineries and microbreweries if the combined gross annual sales of farmers and processors at the market is at least \$1 million.
- Unifies the definition of "qualifying farmers market" for domestic wineries and microbreweries.

HOUSE COMMITTEE ON GOVERNMENT ACCOUNTABILITY & OVERSIGHT

Majority Report: Do pass. Signed by 9 members: Representatives Hurst, Chair; Wylie, Vice Chair; Condotta, Ranking Minority Member; Holy, Assistant Ranking Minority Member; Blake, Kirby, Moscoso, Shea and Vick.

Staff: David Rubenstein (786-7153).

Background:

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.

Since 2003, Washington wineries, breweries, and microbreweries have been able to seek an endorsement from the Liquor Control Board to sell bottled wine and beer for off-premises consumption at qualifying farmers markets.

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. The pilot program was conducted until October 31, 2012, and in 2013, the Legislature enacted a law permanently allowing domestic wineries and microbreweries holding the farmers market endorsement to offer samples of wine and beer at qualifying farmers markets under certain conditions.

"Qualifying farmers market" is defined separately but identically for wineries, breweries, and microbreweries. To be considered a "qualifying farmers market" the market must sponsor an assembly of 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.

For the purposes of sampling, even if the combined gross annual sales of farmer vendors does not exceed the combined gross annual sales of processor or reseller vendors, a farmers market may still qualify if the combined gross annual sales of all vendors at the market is at least \$1 million.

Summary of Bill:

The definition of "qualifying farmers market" is unified for domestic wineries and microbreweries under the domestic winery statute. The definition under the domestic brewery statute remains separate and unchanged.

The definition of "qualifying farmers market" for domestic wineries and microbreweries is amended to allow that even if the combined gross annual sales of farmer vendors does not exceed the combined gross annual sales of processor or reseller vendors, a farmers market may still qualify if the combined gross annual sales of farmers and processors at the market is at least \$1 million. A similar provision is stricken from the sampling statute in favor of the new definition.

For the purposes of sampling wine and beer, a farmers market may still qualify under the same conditions as for retailing. This is a change from the current law, which is based on the gross annual sales of *all* vendors at a farmers market, rather than just farmers and processors.

Appropriation: None.

Fiscal Note: Available.

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

Staff Summary of Public Testimony:

(In support) This bill is part of a great program for sampling, but it is necessary to fix a glitch in the bill from last year that allowed sampling but not sales in certain farmers markets. Additionally, the bill would put front and center Washington farm products and processed food products. Farmers markets are designed to feature Washington state products, including beer and wine.

(Opposed) None.

Persons Testifying: Senator Kohl-Welles, prime sponsor; and Joel Wachs, Washington State Farmers Market Association.

Persons Signed In To Testify But Not Testifying: None.