

CERTIFICATION OF ENROLLMENT

**SUBSTITUTE SENATE BILL 5898**

Chapter 16, Laws of 2007

60th Legislature  
2007 Regular Session

SHIPMENT OF WINE--COMMON CARRIERS

EFFECTIVE DATE: 07/22/07

Passed by the Senate March 10, 2007  
YEAS 45 NAYS 1

BRAD OWEN

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**President of the Senate**

Passed by the House March 30, 2007  
YEAS 94 NAYS 0

FRANK CHOPP

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**Speaker of the House of Representatives**

Approved April 9, 2007, 1:19 p.m.

CHRISTINE GREGOIRE

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**Governor of the State of Washington**

CERTIFICATE

I, Thomas Hoemann, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **SUBSTITUTE SENATE BILL 5898** as passed by the Senate and the House of Representatives on the dates hereon set forth.

THOMAS HOEMANN

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**Secretary**

FILED

April 9, 2007

**Secretary of State  
State of Washington**

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**SUBSTITUTE SENATE BILL 5898**

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Passed Legislature - 2007 Regular Session

**State of Washington                      60th Legislature                      2007 Regular Session**

**By** Senate Committee on Labor, Commerce, Research & Development  
(originally sponsored by Senators Kohl-Welles, Clements, Keiser,  
Murray, McAuliffe and Honeyford)

READ FIRST TIME 02/28/07.

1            AN ACT Relating to the use of a common carrier for the shipment of  
2 wine; and amending RCW 66.24.206 and 66.24.170.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4            **Sec. 1.** RCW 66.24.206 and 2006 c 302 s 4 are each amended to read  
5 as follows:

6            (1)(a) A United States winery located outside the state of  
7 Washington must hold a certificate of approval to allow sales and  
8 shipment of the certificate of approval holder's wine to licensed  
9 Washington wine distributors, importers, or retailers. A certificate  
10 of approval holder with a direct shipment endorsement may act as a  
11 distributor of its own production. Notwithstanding any language in  
12 this title to the contrary, a certificate of approval holder with a  
13 direct shipment endorsement may use a common carrier to deliver up to  
14 one hundred cases of its own production, in the aggregate, per month to  
15 licensed Washington retailers. A certificate of approval holder may  
16 not arrange for any such common carrier shipments to licensed retailers  
17 of wine not of its own production.

18            (b) Authorized representatives must hold a certificate of approval

1 to allow sales and shipment of United States produced wine to licensed  
2 Washington wine distributors or importers.

3 (c) Authorized representatives must also hold a certificate of  
4 approval to allow sales and shipments of foreign produced wine to  
5 licensed Washington wine distributors or importers.

6 (2) The certificate of approval shall not be granted unless and  
7 until such winery (~~or manufacturer of wine~~) or authorized  
8 representative shall have made a written agreement with the board to  
9 furnish to the board, on or before the twentieth day of each month, a  
10 report under oath, on a form to be prescribed by the board, showing the  
11 quantity of wine sold or delivered to each licensed wine distributor,  
12 importer, or retailer, during the preceding month, and shall further  
13 have agreed with the board, that such wineries, manufacturers, or  
14 authorized representatives, and all general sales corporations or  
15 agencies maintained by them, and all of their trade representatives,  
16 shall and will faithfully comply with all laws of the state of  
17 Washington pertaining to the sale of intoxicating liquors and all rules  
18 and regulations of the Washington state liquor control board. A  
19 violation of the terms of this agreement will cause the board to take  
20 action to suspend or revoke such certificate.

21 (3) The fee for the certificate of approval and related  
22 endorsements, issued pursuant to the provisions of this title, shall be  
23 from time to time established by the board at a level that is  
24 sufficient to defray the costs of administering the certificate of  
25 approval program. The fee shall be fixed by rule by the board in  
26 accordance with the provisions of the administrative procedure act,  
27 chapter 34.05 RCW.

28 (4) Certificate of approval holders are deemed to have consented to  
29 the jurisdiction of Washington concerning enforcement of this chapter  
30 and all laws and rules related to the sale and shipment of wine.

31 **Sec. 2.** RCW 66.24.170 and 2006 c 302 s 1 are each amended to read  
32 as follows:

33 (1) There shall be a license for domestic wineries; fee to be  
34 computed only on the liters manufactured: Less than two hundred fifty  
35 thousand liters per year, one hundred dollars per year; and two hundred  
36 fifty thousand liters or more per year, four hundred dollars per year.

1 (2) The license allows for the manufacture of wine in Washington  
2 state from grapes or other agricultural products.

3 (3) Any domestic winery licensed under this section may also act as  
4 a retailer of wine of its own production. Any domestic winery licensed  
5 under this section may act as a distributor of its own production.  
6 Notwithstanding any language in this title to the contrary, a domestic  
7 winery may use a common carrier to deliver up to one hundred cases of  
8 its own production, in the aggregate, per month to licensed Washington  
9 retailers. A domestic winery may not arrange for any such common  
10 carrier shipments to licensed retailers of wine not of its own  
11 production. Except as provided in this section, any winery operating  
12 as a distributor and/or retailer under this subsection shall comply  
13 with the applicable laws and rules relating to distributors and/or  
14 retailers.

15 (4) A domestic winery licensed under this section, at locations  
16 separate from any of its production or manufacturing sites, may serve  
17 samples of its own products, with or without charge, and sell wine of  
18 its own production at retail for off-premise consumption, provided  
19 that: (a) Each additional location has been approved by the board  
20 under RCW 66.24.010; (b) the total number of additional locations does  
21 not exceed two; and (c) a winery may not act as a distributor at any  
22 such additional location. Each additional location is deemed to be  
23 part of the winery license for the purpose of this title. Nothing in  
24 this subsection shall be construed to prevent a domestic winery from  
25 holding multiple domestic winery licenses.

26 (5)(a) A domestic winery licensed under this section may apply to  
27 the board for an endorsement to sell wine of its own production at  
28 retail for off-premises consumption at a qualifying farmers market.  
29 The annual fee for this endorsement is seventy-five dollars. An  
30 endorsement issued pursuant to this subsection does not count toward  
31 the two additional retail locations limit specified in this section.

32 (b) For each month during which a domestic winery will sell wine at  
33 a qualifying farmers market, the winery must provide the board or its  
34 designee a list of the dates, times, and locations at which bottled  
35 wine may be offered for sale. This list must be received by the board  
36 before the winery may offer wine for sale at a qualifying farmers  
37 market.

1 (c) The wine sold at qualifying farmers markets must be made  
2 entirely from grapes grown in a recognized Washington appellation or  
3 from other agricultural products grown in this state.

4 (d) Each approved location in a qualifying farmers market is deemed  
5 to be part of the winery license for the purpose of this title. The  
6 approved locations under an endorsement granted under this subsection  
7 do not include the tasting or sampling privilege of a winery. The  
8 winery may not store wine at a farmers market beyond the hours that the  
9 winery offers bottled wine for sale. The winery may not act as a  
10 distributor from a farmers market location.

11 (e) Before a winery may sell bottled wine at a qualifying farmers  
12 market, the farmers market must apply to the board for authorization  
13 for any winery with an endorsement approved under this subsection to  
14 sell bottled wine at retail at the farmers market. This application  
15 shall include, at a minimum: (i) A map of the farmers market showing  
16 all booths, stalls, or other designated locations at which an approved  
17 winery may sell bottled wine; and (ii) the name and contact information  
18 for the on-site market managers who may be contacted by the board or  
19 its designee to verify the locations at which bottled wine may be sold.  
20 Before authorizing a qualifying farmers market to allow an approved  
21 winery to sell bottled wine at retail at its farmers market location,  
22 the board shall notify the persons or entities of such application for  
23 authorization pursuant to RCW 66.24.010 (8) and (9). An authorization  
24 granted under this subsection (5)(e) may be withdrawn by the board for  
25 any violation of this title or any rules adopted under this title.

26 (f) The board may adopt rules establishing the application and  
27 approval process under this section and such additional rules as may be  
28 necessary to implement this section.

29 (g) For the purposes of this subsection:

30 (i) "Qualifying farmers market" means an entity that sponsors a  
31 regular assembly of vendors at a defined location for the purpose of  
32 promoting the sale of agricultural products grown or produced in this  
33 state directly to the consumer under conditions that meet the following  
34 minimum requirements:

35 (A) There are at least five participating vendors who are farmers  
36 selling their own agricultural products;

37 (B) The total combined gross annual sales of vendors who are

1 farmers exceeds the total combined gross annual sales of vendors who  
2 are processors or resellers;

3 (C) The total combined gross annual sales of vendors who are  
4 farmers, processors, or resellers exceeds the total combined gross  
5 annual sales of vendors who are not farmers, processors, or resellers;

6 (D) The sale of imported items and secondhand items by any vendor  
7 is prohibited; and

8 (E) No vendor is a franchisee.

9 (ii) "Farmer" means a natural person who sells, with or without  
10 processing, agricultural products that he or she raises on land he or  
11 she owns or leases in this state or in another state's county that  
12 borders this state.

13 (iii) "Processor" means a natural person who sells processed food  
14 that he or she has personally prepared on land he or she owns or leases  
15 in this state or in another state's county that borders this state.

16 (iv) "Reseller" means a natural person who buys agricultural  
17 products from a farmer and resells the products directly to the  
18 consumer.

19 (6) Wine produced in Washington state by a domestic winery licensee  
20 may be shipped out-of-state for the purpose of making it into sparkling  
21 wine and then returned to such licensee for resale. Such wine shall be  
22 deemed wine manufactured in the state of Washington for the purposes of  
23 RCW 66.24.206, and shall not require a special license.

Passed by the Senate March 10, 2007.

Passed by the House March 30, 2007.

Approved by the Governor April 9, 2007.

Filed in Office of Secretary of State April 9, 2007.