
HOUSE BILL 2154

State of Washington

63rd Legislature

2014 Regular Session

By Representatives Dahlquist, Hurst, S. Hunt, Buys, and Haigh

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1 AN ACT Relating to creating a liquor license for fairs; amending
2 RCW 66.24.170, 66.24.244, and 66.24.145; reenacting and amending RCW
3 66.20.300, 66.20.310, and 66.24.240; adding a new section to chapter
4 66.24 RCW; and creating a new section.

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

6 NEW SECTION. **Sec. 1.** (1) The legislature recognizes that state
7 and local fairs provide valuable educational and entertainment
8 experiences for the citizens and visitors of the state. Each year,
9 thousands of people patronize their city, county, or state fair to
10 enjoy rides, concerts, agricultural and art exhibits, and fair food.
11 Fairs have become an annual tradition for families and bring thousands
12 of people together every year.

13 (2) The legislature finds that supporting Washington's fairs is
14 important for the state and local economy. The legislature further
15 finds that the current license that allows fairgoers to enjoy a variety
16 of alcoholic beverages at the fair does not take into consideration the
17 unique characteristics of a fair and was designed originally for sport
18 entertainment facilities. It is the intent of the legislature to

1 support Washington's fairs by creating a liquor license that is
2 specifically designed for fairs, meeting the needs of the fair while
3 providing safeguards for the public.

4 NEW SECTION. **Sec. 2.** A new section is added to chapter 66.24 RCW
5 to read as follows:

6 (1) A license is created to be designated as a fair license, which
7 is a special license to be issued to any fair organization that
8 sponsors a fair. A fair license permits the licensee to:

9 (a) Sell beer, wine, and spirits at retail to be consumed on the
10 premises throughout the fairgrounds. On-premise consumption is not
11 limited to areas designated as temporary lounges, beer gardens, or club
12 rooms where seating is provided;

13 (b) Sell beer from domestic breweries and microbreweries, wine from
14 domestic wineries, and spirits from craft distilleries, at retail in
15 bottles, cans, and original containers for consumption off the
16 premises. Beer may also be sold in containers brought to the premises
17 by the purchaser and filled at the tap at the time of sale for
18 consumption off the premises. Domestic breweries, microbreweries,
19 domestic wineries, and craft distilleries must have an endorsement from
20 the board to sell its products at retail for off-premises consumption
21 at a fair;

22 (c) Provide, free or for a charge, single-serving samples of beer
23 and wine from domestic breweries, microbreweries, and domestic
24 wineries, and spirits from craft distilleries, in sample sizes of two
25 ounces or less to customers for the purpose of sales promotion.
26 Sampling activities of licensees under this section are subject to RCW
27 66.28.305 and 66.28.040 and the cost of sampling under this section may
28 not be borne, directly or indirectly, by any manufacturer, importer, or
29 distributor of liquor.

30 (2) For the purposes of this section:

31 (a) "Fair" means a fair organization's multiday event that, at a
32 minimum, includes:

33 (i) Exhibitions highlighting the state's agricultural industry,
34 including exhibitions of agricultural animals, agricultural products,
35 and other agriculturally related resources;

36 (ii) Live music entertainment;

37 (iii) Rodeo entertainment;

1 (iv) Amusement park rides; and

2 (v) Vendors selling food, crafts, and other products.

3 (b) "Fair organization" means an organization that holds at least
4 one temporary fair each year that is open to the public, requires a
5 fee, ticket, or other consideration or permission for entrance, and is
6 held at a fixed location within an enclosed area of land. The enclosed
7 area of land does not have to be exclusively used for fairs.

8 (3) The cost of the license is two thousand five hundred dollars
9 per annum.

10 (4)(a) To receive a license, a fair organization must submit an
11 operating plan for board approval.

12 (b) Once approved, the plan remains in effect until the licensee
13 requests a change or the board determines that a change is necessary
14 due to demonstrated problems or conditions not previously considered or
15 adequately addressed in the original plan.

16 (c) The plan must be submitted in a format designated by the board.

17 (d) The plan must contain, at a minimum, the following elements:

18 (i) How the fair organization will prevent the sale and service of
19 alcohol to persons under twenty-one years of age and those who appear
20 to be intoxicated;

21 (ii) The ratio of alcohol service staff and security staff to the
22 number of patrons expected to attend the fair;

23 (iii) Training provided to staff who serve, regulate, or supervise
24 the service of alcohol;

25 (iv) The fair organization's policy on the number of alcoholic
26 beverages that will be served to an individual patron during one
27 transaction; and

28 (v) A list of events to be held on fairgrounds during the fair at
29 which alcohol service is planned.

30 (5) The board may impose reasonable requirements upon a licensee
31 under this section, including reasonable restrictions on the amounts of
32 sampling and location where sampling may occur. The board must
33 consider factors such as eating facilities, amenities available on the
34 fairgrounds, and circulation patterns of patrons on fairgrounds.

35 (6)(a) A licensee and an affiliated business may enter into
36 arrangements with a manufacturer, importer, or distributor for brand
37 advertising at the fair or promotion of events held at the fair. The
38 financial arrangements providing for the brand advertising or promotion

1 of events shall not be used as an inducement to purchase the products
2 of the manufacturer, importer, or distributor entering into the
3 arrangement nor shall it result in the exclusion of brands or products
4 of other companies.

5 (b) The arrangements allowed under this subsection (6) are an
6 exception to arrangements prohibited under RCW 66.28.305. The board
7 shall monitor the impacts of these arrangements. The board may conduct
8 audits of the licensee and the affiliated business to determine
9 compliance with this subsection (6). Audits may include but are not
10 limited to product selection at the fair; purchase patterns of the
11 licensee; contracts with the liquor manufacturer, importer, or
12 distributor; and the amount allocated or used for liquor advertising by
13 the licensee, affiliated business, manufacturer, importer, or
14 distributor under the arrangements.

15 (7) Vendors of the licensee that sell beer, wine, or spirits for
16 on-premise or off-premise consumption must be licensed by the board to
17 sell beer, wine, or spirits for on-premise or off-premise consumption.
18 If a vendor commits a violation of this title at the fair, the board
19 must impose the penalties prescribed for the violation on the specific
20 vendor committing the violation. If the board cannot determine the
21 specific vendor responsible for the violation, the board may impose the
22 penalties prescribed on the licensee.

23 (8) Nothing in this section precludes a fair organization from
24 applying for or being eligible to receive a sports entertainment
25 facility license under RCW 66.24.570 or any other license under this
26 title for which it is qualified.

27 **Sec. 3.** RCW 66.20.300 and 2013 c 237 s 2 and 2013 c 219 s 2 are
28 each reenacted and amended to read as follows:

29 The definitions in this section apply throughout RCW 66.20.310
30 through 66.20.350 unless the context clearly requires otherwise.

31 (1) "Alcohol" has the same meaning as "liquor" in RCW 66.04.010.

32 (2) "Alcohol server" means any person who as part of his or her
33 employment participates in the sale or service of alcoholic beverages
34 for on-premise consumption at a retail licensed premise as a regular
35 requirement of his or her employment, and includes those persons
36 eighteen years of age or older permitted by the liquor laws of this
37 state to serve alcoholic beverages with meals.

1 (3) "Board" means the Washington state liquor control board.

2 (4) "Retail licensed premises" means any:

3 (a) Premises licensed to sell alcohol by the glass or by the drink,
4 or in original containers primarily for consumption on the premises as
5 authorized by this section and RCW 66.20.310, 66.24.320, 66.24.330,
6 66.24.350, 66.24.400, 66.24.425, 66.24.450, 66.24.570, 66.24.610,
7 66.24.650, (~~and~~) 66.24.655, and section 2 of this act;

8 (b) Distillery licensed pursuant to RCW 66.24.140 that is
9 authorized to serve samples of its own production;

10 (c) Facility established by a domestic winery for serving and
11 selling wine pursuant to RCW 66.24.170(4); and

12 (d) Grocery store licensed under RCW 66.24.360, but only with
13 respect to employees whose duties include serving during tasting
14 activities under RCW 66.24.363.

15 (5) "Training entity" means any liquor licensee associations,
16 independent contractors, private persons, and private or public
17 schools, that have been certified by the board.

18 **Sec. 4.** RCW 66.20.310 and 2013 c 237 s 3 and 2013 c 219 s 3 are
19 each reenacted and amended to read as follows:

20 (1)(a) There is an alcohol server permit, known as a class 12
21 permit, for a manager or bartender selling or mixing alcohol, spirits,
22 wines, or beer for consumption at an on-premises licensed facility.

23 (b) There is an alcohol server permit, known as a class 13 permit,
24 for a person who only serves alcohol, spirits, wines, or beer for
25 consumption at an on-premises licensed facility.

26 (c) As provided by rule by the board, a class 13 permit holder may
27 be allowed to act as a bartender without holding a class 12 permit.

28 (2)(a) Effective January 1, 1997, except as provided in (d) of this
29 subsection, every alcohol server employed, under contract or otherwise,
30 at a retail licensed premise must be issued a class 12 or class 13
31 permit.

32 (b) Every class 12 and class 13 permit issued must be issued in the
33 name of the applicant and no other person may use the permit of another
34 permit holder. The holder must present the permit upon request to
35 inspection by a representative of the board or a peace officer. The
36 class 12 or class 13 permit is valid for employment at any retail
37 licensed premises described in (a) of this subsection.

1 (c) Except as provided in (d) of this subsection, no licensee
2 holding a license as authorized by this section and RCW 66.20.300,
3 66.24.320, 66.24.330, 66.24.350, 66.24.400, 66.24.425, 66.24.450,
4 66.24.570, 66.24.600, 66.24.610, 66.24.650, ~~((and))~~ 66.24.655, and
5 section 2 of this act may employ or accept the services of any person
6 without the person first having a valid class 12 or class 13 permit.

7 (d) Within sixty days of initial employment, every person whose
8 duties include the compounding, sale, service, or handling of liquor
9 must have a class 12 or class 13 permit.

10 (e) No person may perform duties that include the sale or service
11 of alcoholic beverages on a retail licensed premises without possessing
12 a valid alcohol server permit.

13 (3) A permit issued by a training entity under this section is
14 valid for employment at any retail licensed premises described in
15 subsection (2)(a) of this section for a period of five years unless
16 suspended by the board.

17 (4) The board may suspend or revoke an existing permit if any of
18 the following occur:

19 (a) The applicant or permittee has been convicted of violating any
20 of the state or local intoxicating liquor laws of this state or has
21 been convicted at any time of a felony; or

22 (b) The permittee has performed or permitted any act that
23 constitutes a violation of this title or of any rule of the board.

24 (5) The suspension or revocation of a permit under this section
25 does not relieve a licensee from responsibility for any act of the
26 employee or agent while employed upon the retail licensed premises.
27 The board may, as appropriate, revoke or suspend either the permit of
28 the employee who committed the violation or the license of the licensee
29 upon whose premises the violation occurred, or both the permit and the
30 license.

31 (6)(a) After January 1, 1997, it is a violation of this title for
32 any retail licensee or agent of a retail licensee as described in
33 subsection (2)(a) of this section to employ in the sale or service of
34 alcoholic beverages, any person who does not have a valid alcohol
35 server permit or whose permit has been revoked, suspended, or denied.

36 (b) It is a violation of this title for a person whose alcohol
37 server permit has been denied, suspended, or revoked to accept
38 employment in the sale or service of alcoholic beverages.

1 (7) Grocery stores licensed under RCW 66.24.360, the primary
2 commercial activity of which is the sale of grocery products and for
3 which the sale and service of beer and wine for on-premises consumption
4 with food is incidental to the primary business, and employees of such
5 establishments, are exempt from RCW 66.20.300 through 66.20.350, except
6 for employees whose duties include serving during tasting activities
7 under RCW 66.24.363.

8 **Sec. 5.** RCW 66.24.170 and 2013 c 238 s 2 are each amended to read
9 as follows:

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

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

16 (3) Any domestic winery licensed under this section may also act as
17 a retailer of wine of its own production. Any domestic winery licensed
18 under this section may act as a distributor of its own production.
19 Notwithstanding any language in this title to the contrary, a domestic
20 winery may use a common carrier to deliver up to one hundred cases of
21 its own production, in the aggregate, per month to licensed Washington
22 retailers. A domestic winery may not arrange for any such common
23 carrier shipments to licensed retailers of wine not of its own
24 production. Except as provided in this section, any winery operating
25 as a distributor and/or retailer under this subsection shall comply
26 with the applicable laws and rules relating to distributors and/or
27 retailers, except that a winery operating as a distributor may maintain
28 a warehouse off the premises of the winery for the distribution of wine
29 of its own production provided that: (a) The warehouse has been
30 approved by the board under RCW 66.24.010; and (b) the number of
31 warehouses off the premises of the winery does not exceed one.

32 (4) A domestic winery licensed under this section, at locations
33 separate from any of its production or manufacturing sites, may serve
34 samples of its own products, with or without charge, and sell wine of
35 its own production at retail, provided that: (a) Each additional
36 location has been approved by the board under RCW 66.24.010; (b) the
37 total number of additional locations does not exceed two; (c) a winery

1 may not act as a distributor at any such additional location; and (d)
2 any person selling or serving wine at an additional location for on-
3 premise consumption must obtain a class 12 or class 13 alcohol server
4 permit. Each additional location is deemed to be part of the winery
5 license for the purpose of this title. At additional locations
6 operated by multiple wineries under this section, if the board cannot
7 connect a violation of RCW 66.44.200 or 66.44.270 to a single licensee,
8 the board may hold all licensees operating the additional location
9 jointly liable. Nothing in this subsection shall be construed to
10 prevent a domestic winery from holding multiple domestic winery
11 licenses.

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

18 (b) For each month during which a domestic winery will sell wine at
19 a qualifying farmers market or fair, the winery must provide the board
20 or its designee a list of the dates, times, and locations at which
21 bottled wine may be offered for sale. This list must be received by
22 the board before the winery may offer wine for sale at a qualifying
23 farmers market or fair.

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

27 (d) Each approved location in a qualifying farmers market or fair
28 is deemed to be part of the winery license for the purpose of this
29 title. The approved locations under an endorsement granted under this
30 subsection include tasting or sampling privileges subject to the
31 conditions pursuant to RCW 66.24.175. The winery may not store wine at
32 a farmers market or fair beyond the hours that the winery offers
33 bottled wine for sale. The winery may not act as a distributor from a
34 farmers market or fair location.

35 (e) Before a winery may sell bottled wine at a qualifying farmers
36 market or fair, the farmers market or fair organization must apply to
37 the board for authorization for any winery with an endorsement approved
38 under this subsection to sell bottled wine at retail at the farmers

1 market or fair. This application shall include, at a minimum: (i) A
2 map of the farmers market or fair showing all booths, stalls, or other
3 designated locations at which an approved winery may sell bottled wine;
4 and (ii) the name and contact information for the on-site market
5 managers or fair organization managers who may be contacted by the
6 board or its designee to verify the locations at which bottled wine may
7 be sold. Before authorizing a qualifying farmers market or fair to
8 allow an approved winery to sell bottled wine at retail at its farmers
9 market or fair location, the board shall notify the persons or entities
10 of such application for authorization pursuant to RCW 66.24.010 (8) and
11 (9). An authorization granted under this subsection (5)(e) may be
12 withdrawn by the board for any violation of this title or any rules
13 adopted under this title.

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

17 (g) For the purposes of this subsection:

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

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

25 (B) The total combined gross annual sales of vendors who are
26 farmers exceeds the total combined gross annual sales of vendors who
27 are processors or resellers;

28 (C) The total combined gross annual sales of vendors who are
29 farmers, processors, or resellers exceeds the total combined gross
30 annual sales of vendors who are not farmers, processors, or resellers;

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

33 (E) No vendor is a franchisee.

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

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

4 (iv) "Reseller" means a natural person who buys agricultural
5 products from a farmer and resells the products directly to the
6 consumer.

7 (v) "Fair" and "fair organization" have the same meaning as used in
8 section 2 of this act.

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

14 **Sec. 6.** RCW 66.24.240 and 2011 c 195 s 6 and 2011 c 119 s 212 are
15 each reenacted and amended to read as follows:

16 (1) There shall be a license for domestic breweries; fee to be two
17 thousand dollars for production of sixty thousand barrels or more of
18 malt liquor per year.

19 (2) Any domestic brewery, except for a brand owner of malt
20 beverages under RCW 66.04.010(7), licensed under this section may also
21 act as a distributor and/or retailer for beer of its own production.
22 Any domestic brewery operating as a distributor and/or retailer under
23 this subsection shall comply with the applicable laws and rules
24 relating to distributors and/or retailers. A domestic brewery holding
25 a spirits, beer, and wine restaurant license may sell beer of its own
26 production for off-premises consumption from its restaurant premises in
27 kegs or in a sanitary container brought to the premises by the
28 purchaser or furnished by the licensee and filled at the tap by the
29 licensee at the time of sale.

30 (3) Any domestic brewery licensed under this section may also sell
31 beer produced by another domestic brewery or a microbrewery for on and
32 off-premises consumption from its premises as long as the other
33 breweries' brands do not exceed twenty-five percent of the domestic
34 brewery's on-tap offering of its own brands.

35 (4) A domestic brewery may hold up to two retail licenses to
36 operate an on or off-premise tavern, beer and/or wine restaurant, or
37 spirits, beer, and wine restaurant. This retail license is separate

1 from the brewery license. A brewery that holds a tavern license, a
2 spirits, beer, and wine restaurant license, or a beer and/or wine
3 restaurant license shall hold the same privileges and endorsements as
4 permitted under RCW 66.24.320, 66.24.330, and 66.24.420.

5 (5) Any domestic brewery licensed under this section may contract-
6 produce beer for a brand owner of malt beverages defined under RCW
7 66.04.010(7), and this contract-production is not a sale for the
8 purposes of RCW 66.28.170 and 66.28.180.

9 (6)(a) A domestic brewery licensed under this section and qualified
10 for a reduced rate of taxation pursuant to RCW 66.24.290(3)(b) may
11 apply to the board for an endorsement to sell bottled beer of its own
12 production at retail for off-premises consumption at a qualifying
13 farmers market or fair. The annual fee for this endorsement is
14 seventy-five dollars.

15 (b) For each month during which a domestic brewery will sell beer
16 at a qualifying farmers market or fair, the domestic brewery must
17 provide the board or its designee a list of the dates, times, and
18 locations at which bottled beer may be offered for sale. This list
19 must be received by the board before the domestic brewery may offer
20 beer for sale at a qualifying farmers market or fair.

21 (c) The beer sold at qualifying farmers markets or fairs must be
22 produced in Washington.

23 (d) Each approved location in a qualifying farmers market or fair
24 is deemed to be part of the domestic brewery license for the purpose of
25 this title. The approved locations under an endorsement granted under
26 this subsection do not include the tasting or sampling privilege of a
27 domestic brewery. The domestic brewery may not store beer at a farmers
28 market or fair beyond the hours that the domestic brewery offers
29 bottled beer for sale. The domestic brewery may not act as a
30 distributor from a farmers market or fair location.

31 (e) Before a domestic brewery may sell bottled beer at a qualifying
32 farmers market or fair, the farmers market or fair organization must
33 apply to the board for authorization for any domestic brewery with an
34 endorsement approved under this subsection to sell bottled beer at
35 retail at the farmers market or fair. This application shall include,
36 at a minimum: (i) A map of the farmers market or fair showing all
37 booths, stalls, or other designated locations at which an approved
38 domestic brewery may sell bottled beer; and (ii) the name and contact

1 information for the on-site market managers or fair organization
2 managers who may be contacted by the board or its designee to verify
3 the locations at which bottled beer may be sold. Before authorizing a
4 qualifying farmers market or fair organization to allow an approved
5 domestic brewery to sell bottled beer at retail at its farmers market
6 or fair location, the board shall notify the persons or entities of
7 such application for authorization pursuant to RCW 66.24.010 (8) and
8 (9). An authorization granted under this subsection (6)(e) may be
9 withdrawn by the board for any violation of this title or any rules
10 adopted under this title.

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

14 (g) For the purposes of this subsection:

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

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

22 (B) The total combined gross annual sales of vendors who are
23 farmers exceeds the total combined gross annual sales of vendors who
24 are processors or resellers;

25 (C) The total combined gross annual sales of vendors who are
26 farmers, processors, or resellers exceeds the total combined gross
27 annual sales of vendors who are not farmers, processors, or resellers;

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

30 (E) No vendor is a franchisee.

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

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

1 (iv) "Reseller" means a natural person who buys agricultural
2 products from a farmer and resells the products directly to the
3 consumer.

4 (v) "Fair" and "fair organization" have the same meaning as used in
5 section 2 of this act.

6 **Sec. 7.** RCW 66.24.244 and 2013 c 238 s 3 are each amended to read
7 as follows:

8 (1) There shall be a license for microbreweries; fee to be one
9 hundred dollars for production of less than sixty thousand barrels of
10 malt liquor, including strong beer, per year.

11 (2) Any microbrewery licensed under this section may also act as a
12 distributor and/or retailer for beer and strong beer of its own
13 production. Strong beer may not be sold at a farmers market or fair or
14 under any endorsement which may authorize microbreweries to sell beer
15 at farmers markets or fairs. Any microbrewery operating as a
16 distributor and/or retailer under this subsection shall comply with the
17 applicable laws and rules relating to distributors and/or retailers,
18 except that a microbrewery operating as a distributor may maintain a
19 warehouse off the premises of the microbrewery for the distribution of
20 beer provided that (a) the warehouse has been approved by the board
21 under RCW 66.24.010 and (b) the number of warehouses off the premises
22 of the microbrewery does not exceed one. A microbrewery holding a
23 spirits, beer, and wine restaurant license may sell beer of its own
24 production for off-premises consumption from its restaurant premises in
25 kegs or in a sanitary container brought to the premises by the
26 purchaser or furnished by the licensee and filled at the tap by the
27 licensee at the time of sale.

28 (3) Any microbrewery licensed under this section may also sell beer
29 produced by another microbrewery or a domestic brewery for on and off-
30 premises consumption from its premises as long as the other breweries'
31 brands do not exceed twenty-five percent of the microbrewery's on-tap
32 offering of its own brands.

33 (4) The board may issue up to two retail licenses allowing a
34 microbrewery to operate an on or off-premise tavern, beer and/or wine
35 restaurant, or spirits, beer, and wine restaurant.

36 (5) A microbrewery that holds a tavern license, spirits, beer, and

1 wine restaurant license, or a beer and/or wine restaurant license shall
2 hold the same privileges and endorsements as permitted under RCW
3 66.24.320, 66.24.330, and 66.24.420.

4 (6)(a) A microbrewery licensed under this section may apply to the
5 board for an endorsement to sell bottled beer of its own production at
6 retail for off-premises consumption at a qualifying farmers market or
7 fair. The annual fee for this endorsement is seventy-five dollars.

8 (b) For each month during which a microbrewery will sell beer at a
9 qualifying farmers market or fair, the microbrewery must provide the
10 board or its designee a list of the dates, times, and locations at
11 which bottled beer may be offered for sale. This list must be received
12 by the board before the microbrewery may offer beer for sale at a
13 qualifying farmers market or fair.

14 (c) Any person selling or serving beer must obtain a class 12 or
15 class 13 alcohol server permit.

16 (d) The beer sold at qualifying farmers markets or fairs must be
17 produced in Washington.

18 (e) Each approved location in a qualifying farmers market or fair
19 is deemed to be part of the microbrewery license for the purpose of
20 this title. The approved locations under an endorsement granted under
21 this subsection (6) include tasting or sampling privileges subject to
22 the conditions pursuant to RCW 66.24.175. The microbrewery may not
23 store beer at a farmers market or fair beyond the hours that the
24 microbrewery offers bottled beer for sale. The microbrewery may not
25 act as a distributor from a farmers market or fair location.

26 (f) Before a microbrewery may sell bottled beer at a qualifying
27 farmers market or fair, the farmers market or fair organization must
28 apply to the board for authorization for any microbrewery with an
29 endorsement approved under this subsection (6) to sell bottled beer at
30 retail at the farmers market or fair. This application shall include,
31 at a minimum: (i) A map of the farmers market or fair showing all
32 booths, stalls, or other designated locations at which an approved
33 microbrewery may sell bottled beer; and (ii) the name and contact
34 information for the on-site market managers or fair organization
35 managers who may be contacted by the board or its designee to verify
36 the locations at which bottled beer may be sold. Before authorizing a
37 qualifying farmers market or fair organization to allow an approved
38 microbrewery to sell bottled beer at retail at its farmers market or

1 fair location, the board shall notify the persons or entities of the
2 application for authorization pursuant to RCW 66.24.010 (8) and (9).
3 An authorization granted under this subsection (6)(f) may be withdrawn
4 by the board for any violation of this title or any rules adopted under
5 this title.

6 (g) The board may adopt rules establishing the application and
7 approval process under this section and any additional rules necessary
8 to implement this section.

9 (h) For the purposes of this subsection (6):

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

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

17 (B) The total combined gross annual sales of vendors who are
18 farmers exceeds the total combined gross annual sales of vendors who
19 are processors or resellers;

20 (C) The total combined gross annual sales of vendors who are
21 farmers, processors, or resellers exceeds the total combined gross
22 annual sales of vendors who are not farmers, processors, or resellers;

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

25 (E) No vendor is a franchisee.

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

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

33 (iv) "Reseller" means a natural person who buys agricultural
34 products from a farmer and resells the products directly to the
35 consumer.

36 (v) "Fair" and "fair organization" have the same meaning as used in
37 section 2 of this act.

1 (7) Any microbrewery licensed under this section may
2 contract-produce beer for another microbrewer. This contract-
3 production is not a sale for the purposes of RCW 66.28.170 and
4 66.28.180.

5 **Sec. 8.** RCW 66.24.145 and 2013 c 98 s 1 are each amended to read
6 as follows:

7 (1) Any craft distillery may sell spirits of its own production for
8 consumption off the premises, up to three liters per person per day.
9 A craft distillery selling spirits under this subsection must comply
10 with the applicable laws and rules relating to retailers.

11 (2) Any craft distillery may contract distilled spirits for, and
12 sell contract distilled spirits to, holders of distillers' or
13 manufacturers' licenses, including licenses issued under RCW 66.24.520,
14 or for export.

15 (3) Any craft distillery licensed under this section may provide,
16 free of charge, one-half ounce or less samples of spirits of its own
17 production to persons on the premises of the distillery. The maximum
18 total per person per day is two ounces. Every person who participates
19 in any manner in the service of samples must obtain a class 12 alcohol
20 server permit.

21 (4) The board must adopt rules to implement the alcohol server
22 permit requirement and may adopt additional rules to implement this
23 section.

24 (5) Distilling is an agricultural practice.

25 (6)(a) A craft distillery licensed under this section may apply to
26 the board for an endorsement to sell bottled spirits of its own
27 production at retail for off-premises consumption at a fair. The
28 annual fee for this endorsement is seventy-five dollars.

29 (b) For each month during which a craft distillery will sell
30 bottled spirits at a fair, the craft distillery must provide the board
31 or its designee a list of the dates, times, and locations at which
32 bottled spirits may be offered for sale. This list must be received by
33 the board before the distillery may offer bottled spirits for sale at
34 a fair.

35 (c) The bottled spirits sold at a fair must be produced in
36 Washington.

1 (d) Before a craft distillery may sell spirits at a fair, the fair
2 organization must apply to the board for authorization for any craft
3 distillery with an endorsement approved under this subsection to sell
4 bottled spirits at retail at the fair. This application shall include,
5 at a minimum: (i) A map of the fair showing all booths, stalls, or
6 other designated locations at which an approved craft distillery may
7 sell bottled spirits; and (ii) the name and contact information for the
8 on-site fair organization managers who may be contacted by the board or
9 its designee to verify the locations at which bottled beer may be sold.
10 Before authorizing a fair organization to allow an approved craft
11 distillery to sell bottled spirits at retail at its fair location, the
12 board shall notify the persons or entities of such application for
13 authorization pursuant to RCW 66.24.010 (8) and (9). An authorization
14 granted under this subsection may be withdrawn by the board for any
15 violation of this title or any rules adopted under this title.

16 (e) The board may adopt rules establishing the application and
17 approval process under this section and such additional rules as may be
18 necessary to implement this section.

19 (f) For the purposes of this subsection, "fair" and "fair
20 organization" have the same meaning as used in section 2 of this act.

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