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HOUSE BILL 1342

State of Washington 64th Legislature 2015 Regular Session

By Representatives Bergquist, Condotta, Takko, S. Hunt, Wylie, Magendanz, and Moscoso

Read first time 01/19/15. Referred to Committee on Commerce & Gaming.

- AN ACT Relating to permitting the sale of cider in microbrewery
- 2 tasting rooms; and amending RCW 66.24.244.
- 3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 4 **Sec. 1.** RCW 66.24.244 and 2014 c 105 s 3 are each amended to 5 read as follows:
 - (1) There shall be a license for microbreweries; fee to be one hundred dollars for production of less than sixty thousand barrels of malt liquor, including strong beer, per year.
 - (2)(a) Any microbrewery licensed under this section may also act as a distributor and/or retailer for beer and strong beer of its own production. ((Strong beer may not be sold at a farmers market or under any endorsement which may authorize microbreweries to sell beer at farmers markets.))
- (b) Any microbrewery operating as a distributor and/or retailer under this subsection ((shall)) must comply with the applicable laws and rules relating to distributors and/or retailers, except that a microbrewery operating as a distributor may maintain a warehouse off the premises of the microbrewery for the distribution of beer provided that:
- 20 $((\frac{a}{a}))$ <u>(i)</u> The warehouse has been approved by the board under 21 RCW 66.24.010; and

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- $((\frac{b}{b}))$ <u>(ii)</u> The number of warehouses off the premises of the 2 microbrewery does not exceed one.
 - (c) A microbrewery holding a spirits, beer, and wine restaurant license may sell beer of its own production for off-premises consumption from its restaurant premises in kegs or in a sanitary container brought to the premises by the purchaser or furnished by the licensee and filled at the tap by the licensee at the time of sale.
- 9 (3) Any microbrewery licensed under this section may also sell 10 from its premises for on-premises and off-premises consumption:
 - ((for on and off-premises consumption from its premises)) as long as the other breweries' brands do not exceed twenty-five percent of the microbrewery's on-tap ((offering of its own brands)) offerings; or
 - (b) Cider produced by a domestic winery.

- (4) The board may issue up to two retail licenses allowing a microbrewery to operate an on or off-premises (([off-premises])) tavern, beer and/or wine restaurant, or spirits, beer, and wine restaurant.
- (5) A microbrewery that holds a tavern license, spirits, beer, and wine restaurant license, or a beer and/or wine restaurant license ((shall)) holds the same privileges and endorsements as permitted under RCW 66.24.320, 66.24.330, and 66.24.420.
- (6)(a) A microbrewery licensed under this section may apply to the board for an endorsement to sell bottled beer of its own production at retail for off-premises consumption at a qualifying farmers market. The annual fee for this endorsement is seventy-five dollars. However, strong beer may not be sold at a farmers market or under any endorsement which may authorize microbreweries to sell beer at farmers markets.
- (b) For each month during which a microbrewery will sell beer at a qualifying farmers market, the microbrewery must provide the board or its designee a list of the dates, times, and locations at which bottled beer may be offered for sale. This list must be received by the board before the microbrewery may offer beer for sale at a qualifying farmers market.
- 37 (c) Any person selling or serving beer must obtain a class 12 or 38 class 13 alcohol server permit.
- 39 (d) The beer sold at qualifying farmers markets must be produced 40 in Washington.

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

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- (f) Before a microbrewery may sell bottled beer at a qualifying 9 farmers market, the farmers market must apply to the board for 10 11 authorization for any microbrewery with an endorsement approved under 12 this subsection (6) to sell bottled beer at retail at the farmers market. This application ((shall)) must include, at a minimum: (i) A 13 14 map of the farmers market showing all booths, stalls, or other designated locations at which an approved microbrewery may sell 15 16 bottled beer; and (ii) the name and contact information for the on-17 site market managers who may be contacted by the board or its designee to verify the locations at which bottled beer may be sold. 18 19 Before authorizing a qualifying farmers market to allow an approved microbrewery to sell bottled beer at retail at its farmers market 20 location, the board ((shall)) <u>must</u> notify the persons or entities of 21 the application for authorization pursuant to RCW 66.24.010 (8) and 22 (9). An authorization granted under this subsection (6)(f) may be 23 withdrawn by the board for any violation of this title or any rules 24 25 adopted under this title.
- 26 (g) The board may adopt rules establishing the application and 27 approval process under this section and any additional rules 28 necessary to implement this section.
 - (h) For the purposes of this subsection (6):
- 30 (i) "Qualifying farmers market" has the same meaning as defined 31 in RCW 66.24.170.
- (ii) "Farmer" means a natural person who sells, with or without processing, agricultural products that he or she raises on land he or she owns or leases in this state or in another state's county that borders this state.
- (iii) "Processor" means a natural person who sells processed food that he or she has personally prepared on land he or she owns or leases in this state or in another state's county that borders this state.

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- 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 (7) Any microbrewery licensed under this section may 5 contract-produce beer for another microbrewer. This contract-production is not a sale for the purposes of RCW 66.28.170 and 66.28.180.

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