
HOUSE BILL 1936

State of Washington

66th Legislature

2019 Regular Session

By Representative Steele

Read first time 02/06/19. Referred to Committee on Commerce & Gaming.

1 AN ACT Relating to privileges of wineries related to liquor
2 sales; and amending RCW 66.24.170.

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

4 **Sec. 1.** RCW 66.24.170 and 2017 c 238 s 1 are each amended to
5 read as follows:

6 (1) There is a license for domestic wineries; fee to be computed
7 only on the liters manufactured: Less than two hundred fifty thousand
8 liters per year, one hundred dollars per year; and two hundred fifty
9 thousand liters or more per year, four hundred dollars per year.

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

12 (3) Any domestic winery licensed under this section may also act
13 as a retailer of wine of its own production. Any domestic winery
14 licensed under this section may act as a distributor of its own
15 production. Notwithstanding any language in this title to the
16 contrary, a domestic winery may use a common carrier to deliver up to
17 one hundred cases of its own production, in the aggregate, per month
18 to licensed Washington retailers. A domestic winery may not arrange
19 for any such common carrier shipments to licensed retailers of wine
20 not of its own production. Except as provided in this section, any
21 winery operating as a distributor and/or retailer under this

1 subsection must comply with the applicable laws and rules relating to
2 distributors and/or retailers, except that a winery operating as a
3 distributor may maintain a warehouse off the premises of the winery
4 for the distribution of wine of its own production provided that: (a)
5 The warehouse has been approved by the board under RCW 66.24.010; and
6 (b) the number of warehouses off the premises of the winery does not
7 exceed one.

8 (4) A domestic winery licensed under this section, at locations
9 separate from any of its production or manufacturing sites, may serve
10 samples of its own products, with or without charge, may sell wine of
11 its own production at retail, and may sell for off-premises
12 consumption wines of its own production in kegs or sanitary
13 containers meeting the applicable requirements of federal law brought
14 to the premises by the purchaser or furnished by the licensee and
15 filled at the tap at the time of sale, provided that: (a) Each
16 additional location has been approved by the board under RCW
17 66.24.010; (b) the total number of additional locations does not
18 exceed four; (c) a winery may not act as a distributor at any such
19 additional location; and (d) any person selling or serving wine at an
20 additional location for on-premises consumption must obtain a class
21 12 or class 13 alcohol server permit. Each additional location is
22 deemed to be part of the winery license for the purpose of this
23 title. At additional locations operated by multiple wineries under
24 this section, if the board cannot connect a violation of RCW
25 66.44.200 or 66.44.270 to a single licensee, the board may hold all
26 licensees operating the additional location jointly liable. Nothing
27 in this subsection may be construed to prevent a domestic winery from
28 holding multiple domestic winery licenses.

29 (5) A domestic winery licensed under this section may sell beer
30 by the individual glass, bottle, or can, produced by a licensed
31 domestic brewery, microbrewery, or beer certificate of approval
32 holder, to customers age twenty-one and over at retail for on-
33 premises consumption. Sales authorized under this subsection may be
34 conducted at the winery's production or manufacturing sites and at
35 any off-site tasting room locations authorized under subsection (4)
36 of this section.

37 (6)(a) A domestic winery licensed under this section may apply to
38 the board for an endorsement to sell wine of its own production at
39 retail for off-premises consumption at a qualifying farmers market.
40 The annual fee for this endorsement is seventy-five dollars. An

1 endorsement issued pursuant to this subsection does not count toward
2 the four additional retail locations limit specified in this section.

3 (b) For each month during which a domestic winery will sell wine
4 at a qualifying farmers market, the winery must provide the board or
5 its designee a list of the dates, times, and locations at which
6 bottled wine may be offered for sale. This list must be received by
7 the board before the winery may offer wine for sale at a qualifying
8 farmers market.

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

12 (d) Each approved location in a qualifying farmers market is
13 deemed to be part of the winery license for the purpose of this
14 title. The approved locations under an endorsement granted under this
15 subsection include tasting or sampling privileges subject to the
16 conditions pursuant to RCW 66.24.175. The winery may not store wine
17 at a farmers market beyond the hours that the winery offers bottled
18 wine for sale. The winery may not act as a distributor from a farmers
19 market location.

20 (e) Before a winery may sell bottled wine at a qualifying farmers
21 market, the farmers market must apply to the board for authorization
22 for any winery with an endorsement approved under this subsection to
23 sell bottled wine at retail at the farmers market. This application
24 shall include, at a minimum: (i) A map of the farmers market showing
25 all booths, stalls, or other designated locations at which an
26 approved winery may sell bottled wine; and (ii) the name and contact
27 information for the on-site market managers who may be contacted by
28 the board or its designee to verify the locations at which bottled
29 wine may be sold. Before authorizing a qualifying farmers market to
30 allow an approved winery to sell bottled wine at retail at its
31 farmers market location, the board must notify the persons or
32 entities of such application for authorization pursuant to RCW
33 66.24.010 (8) and (9). An authorization granted under this subsection
34 (~~((5))~~) (6)(e) may be withdrawn by the board for any violation of
35 this title or any rules adopted under this title.

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

39 (g) For the purposes of this subsection:

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

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

8 (B) The total combined gross annual sales of vendors who are
9 farmers exceeds the total combined gross annual sales of vendors who
10 are processors or resellers. However, if a farmers market does not
11 satisfy this subsection (~~((5))~~) (6)(g)(i)(B), a farmers market is
12 still considered a "qualifying farmers market" if the total combined
13 gross annual sales of farmers and processors at the farmers market is
14 one million dollars or more;

15 (C) The total combined gross annual sales of vendors who are
16 farmers, processors, or resellers exceeds the total combined gross
17 annual sales of vendors who are not farmers, processors, or
18 resellers;

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

21 (E) No vendor is a franchisee.

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

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

30 (iv) "Reseller" means a natural person who buys agricultural
31 products from a farmer and resells the products directly to the
32 consumer.

33 (~~((6))~~) (7) Wine produced in Washington state by a domestic
34 winery licensee may be shipped out-of-state for the purpose of making
35 it into sparkling wine and then returned to such licensee for resale.
36 Such wine is deemed wine manufactured in the state of Washington for
37 the purposes of RCW 66.24.206, and shall not require a special
38 license.

39 (~~((7))~~) (8) During an event held by a nonprofit holding a special
40 occasion license issued under RCW 66.24.380, a domestic winery

1 licensed under this section may take orders, either in writing or
2 electronically, and accept payment for wines of its own production
3 under the following conditions:

4 (a) Wine produced by the domestic winery may be served for on-
5 premises consumption by the special occasion licensee;

6 (b) The domestic winery delivers wine to the consumer on a date
7 after the conclusion of the special occasion event;

8 (c) The domestic winery delivers wine to the consumer at a
9 location different from the location at which the special occasion
10 event is held;

11 (d) The domestic winery complies with all requirements in chapter
12 66.20 RCW for direct sale of wine to consumers;

13 (e) The wine is not sold for resale; and

14 (f) The domestic winery is entitled to all proceeds from the sale
15 and delivery of its wine to a consumer after the conclusion of the
16 special occasion event, but may enter into an agreement to share a
17 portion of the proceeds of these sales with the special occasion
18 licensee licensed under RCW 66.24.380.

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