

SENATE BILL REPORT

SB 5265

As Reported By Senate Committee On:
Commerce & Trade, February 7, 2003

Title: An act relating to the marketing of bottled wine at farmers markets.

Brief Description: Allowing limited marketing of bottled wine at farmers markets.

Sponsors: Senators Thibaudeau, Honeyford, Jacobsen, Kohl-Welles, Johnson, Kline, McAuliffe, Rasmussen, Regala, B. Sheldon, Spanel, Winsley and Kastama.

Brief History:

Committee Activity: Commerce & Trade: 2/7/03 [DPS].

SENATE COMMITTEE ON COMMERCE & TRADE

Majority Report: That Substitute Senate Bill No. 5265 be substituted therefor, and the substitute bill do pass.

Signed by Senators Honeyford, Chair; Hewitt, Vice Chair; Franklin, Keiser and Mulliken.

Staff: Elizabeth Mitchell (786-7430)

Background: Domestic wineries are licensed by the Liquor Control Board. Domestic wineries may sell wine for off-premises consumption and serve samples of their products at up to two locations separate from the winery. Each additional location must be approved by the board, and local jurisdictions, schools, and churches must be given an opportunity to object to the locations.

Summary of Substitute Bill: Domestic wineries may apply to the board for an endorsement to sell wine of their own production for off-premises consumption at a qualifying farmers market. The annual fee for this endorsement is \$75. No tasting or sampling of wine may occur at farmers market locations. Wineries may not act as distributors from farmers markets. A farmers market endorsement may be issued in addition to permitted retail locations for wineries.

Before wine is sold at a farmers market, both the winery and the farmers market must receive authorization from the board. The farmers market's application for authorization includes a map of the farmers market showing all locations at which a winery may sell wine, and the name and contact information for the on-site market managers. The board may withdraw a farmers market's authorization for any violation of laws or rules pertaining to the board.

Before granting authorization, the board must notify local jurisdictions in which the market is located, as well as schools and churches near the market, that the market is seeking authorization for wine to be sold. These parties must have an opportunity to object to the sale of wine at the market.

For each month that a domestic winery sells wine at a farmers market, the winery must provide the board with prior notification of the dates, times, and locations of its farmers market sales.

The winery may not store wine at a farmers market beyond the hours that the winery offers bottled wine for sale. Wine sold at qualifying farmers markets must be made entirely from grapes grown in a recognized Washington appellation, or from other products grown entirely in this state.

"Qualifying farmers market" is defined as a "regular assembly of vendors at a defined location for the purpose of promoting the sale of agricultural products grown or produced in this state directly to the consumer." A location must meet the following criteria to be considered a qualifying farmers market: there must be at least five participating vendors who are farmers selling their own agricultural products; the combined gross annual sales of vendors at the market who are farmers must exceed the combined gross annual sales of vendors who are processors or resellers; the total combined gross annual sales of vendors who are farmers, processors or resellers must exceed the total combined gross annual sales of other vendors; no vendor at the market may sell imported items or secondhand items; and no vendor may be a franchisee.

Substitute Bill Compared to Original Bill: Wineries may not act as distributors from farmers market locations. A farmers market endorsement may be issued in addition to permitted retail locations for wineries. "Commercial items" is deleted from the list of items that cannot be sold at a qualifying farmers market.

Appropriation: None.

Fiscal Note: Requested on February 3, 2003.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: This is an economic development bill that will benefit small wineries. Farmers markets put an important face on agriculture. People who shop at farmers markets get to see the people who grow their food. Farmers markets are also strong business multipliers for the businesses that surround markets.

Testimony Against: None.

Testified: PRO: Chris Curtis, Neighborhood Farmers Market Alliance; Rick Garza, Liquor Control Board; Phil Wayt, WA Beer and Wine Wholesalers Assn.; Zachary Lyons, Washington State Farmers Market Association.