

CERTIFICATION OF ENROLLMENT

**SENATE BILL 6514**

63rd Legislature  
2014 Regular Session

Passed by the Senate February 17, 2014  
YEAS 41 NAYS 7

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**President of the Senate**

Passed by the House March 6, 2014  
YEAS 85 NAYS 12

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**Speaker of the House of Representatives**

Approved

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**Governor of the State of Washington**

CERTIFICATE

I, Hunter G. Goodman, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **SENATE BILL 6514** as passed by the Senate and the House of Representatives on the dates hereon set forth.

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**Secretary**

FILED

**Secretary of State  
State of Washington**

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**SENATE BILL 6514**

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Passed Legislature - 2014 Regular Session

**State of Washington                      63rd Legislature                      2014 Regular Session**

**By** Senators Kohl-Welles, Hewitt, Holmquist Newbry, Hatfield, King, Schoesler, Keiser, Tom, and Kline

Read first time 01/30/14. Referred to Committee on Commerce & Labor.

1            AN ACT Relating to modifying the definition of qualifying farmers  
2 markets for the purposes of serving and sampling beer and wine; and  
3 amending RCW 66.24.170, 66.24.175, and 66.24.244.

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

5            **Sec. 1.** RCW 66.24.170 and 2013 c 238 s 2 are each amended to read  
6 as follows:

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

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

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

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

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

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

33 (b) For each month during which a domestic winery will sell wine at  
34 a qualifying farmers market, the winery must provide the board or its  
35 designee a list of the dates, times, and locations at which bottled  
36 wine may be offered for sale. This list must be received by the board  
37 before the winery may offer wine for sale at a qualifying farmers  
38 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 include tasting or sampling privileges subject to the conditions  
8 pursuant to RCW 66.24.175. The winery may not store wine at a farmers  
9 market beyond the hours that the winery offers bottled wine for sale.  
10 The winery may not act as a 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  
38 farmers exceeds the total combined gross annual sales of vendors who

1 are processors or resellers. However, if a farmers market does not  
2 satisfy this subsection (5)(g)(i)(B), a farmers market is still  
3 considered a "qualifying farmers market" if the total combined gross  
4 annual sales of farmers and processors at the farmers market is one  
5 million dollars or more;

6 (C) The total combined gross annual sales of vendors who are  
7 farmers, processors, or resellers exceeds the total combined gross  
8 annual sales of vendors who are not farmers, processors, or resellers;

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

11 (E) No vendor is a franchisee.

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

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

19 (iv) "Reseller" means a natural person who buys agricultural  
20 products from a farmer and resells the products directly to the  
21 consumer.

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

27 **Sec. 2.** RCW 66.24.175 and 2013 c 238 s 1 are each amended to read  
28 as follows:

29 (1) A qualifying farmers market authorized to allow wineries to  
30 sell bottled wine at retail under RCW 66.24.170 or microbreweries to  
31 sell bottled beer at retail under RCW 66.24.244, or both, may apply to  
32 the liquor control board for an endorsement to allow sampling of wine  
33 or beer or both. A winery or microbrewery offering samples under this  
34 section must have an endorsement from the board to sell wine or beer,  
35 as the case may be, of its own production at a qualifying farmers  
36 market under RCW 66.24.170 or 66.24.244, respectively.

37 (2) Samples may be offered only under the following conditions:

1 (a) No more than three wineries or microbreweries combined may  
2 offer samples at a qualifying farmers market per day.

3 (b) Samples must be two ounces or less. A winery or microbrewery  
4 may provide a maximum of two ounces of wine or beer to a customer per  
5 day.

6 (c) A winery or microbrewery may advertise that it offers samples  
7 only at its designated booth, stall, or other designated location at  
8 the farmers market.

9 (d) Customers must remain at the designated booth, stall, or other  
10 designated location while sampling beer or wine.

11 (e) Winery and microbrewery licensees and employees who are  
12 involved in sampling activities under this section must hold a class 12  
13 or class 13 alcohol server permit.

14 (f) A winery or microbrewery must have food available for customers  
15 to consume while sampling beer or wine, or must be adjacent to a vendor  
16 offering prepared food.

17 (3) The board may establish additional requirements to ensure that  
18 persons under twenty-one years of age and apparently intoxicated  
19 persons may not possess or consume alcohol under the authority granted  
20 in this section.

21 (4) The board may prohibit sampling at a farmers market that is  
22 within the boundaries of an alcohol impact area recognized by  
23 resolution of the board if the board finds that the sampling activities  
24 at the farmers market have an adverse effect on the reduction of  
25 chronic public inebriation in the area.

26 (5) If a winery or microbrewery is found to have committed a public  
27 safety violation in conjunction with tasting activities, the board may  
28 suspend the licensee's farmers market endorsement and not reissue the  
29 endorsement for up to two years from the date of the violation. If  
30 mitigating circumstances exist, the board may offer a monetary penalty  
31 in lieu of suspension during a settlement conference.

32 (6) For the purposes of this section, a "qualifying farmers market"  
33 has the same meaning as defined in RCW 66.24.170. ~~((However, if a~~  
34 ~~farmers market does not satisfy RCW 66.24.170(5)(g)(i)(B), which~~  
35 ~~requires that the total combined gross annual sales of vendors who are~~  
36 ~~farmers exceed the total combined gross annual sales of vendors who are~~  
37 ~~processors or resellers, a farmers market is still considered a~~

1 ~~"qualifying farmers market" if the total combined gross annual sales of~~  
2 ~~vendors at the farmers market is one million dollars or more.))~~

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

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

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

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

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

33 (5) A microbrewery that holds a tavern license, spirits, beer, and  
34 wine restaurant license, or a beer and/or wine restaurant license shall  
35 hold the same privileges and endorsements as permitted under RCW  
36 66.24.320, 66.24.330, and 66.24.420.

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

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

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

13 (d) The beer sold at qualifying farmers markets must be produced in  
14 Washington.

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

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



1 (g) The board may adopt rules establishing the application and  
2 approval process under this section and any additional rules necessary  
3 to implement this section.

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

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

10 ~~(A) There are at least five participating vendors who are farmers~~  
11 ~~selling their own agricultural products;~~

12 ~~(B) The total combined gross annual sales of vendors who are~~  
13 ~~farmers exceeds the total combined gross annual sales of vendors who~~  
14 ~~are processors or resellers;~~

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 resellers;~~

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

20 ~~(E) No vendor is a franchisee))~~ has the same meaning as defined in  
21 RCW 66.24.170.

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 leases  
28 in this state or in another state's county that borders this state.

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

32 (7) Any microbrewery licensed under this section may  
33 contract-produce beer for another microbrewer. This contract-  
34 production is not a sale for the purposes of RCW 66.28.170 and  
35 66.28.180.

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