

**2SHB 1039 - H AMD 904**

By Representative Jenkin

1 On page 1, beginning on line 4, strike all of section 1 and insert  
2 the following:

3  
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  
8 thousand liters per year, one hundred dollars per year; and two  
9 hundred fifty thousand liters or more per year, four hundred dollars  
10 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  
14 as a retailer of wine of its own production. Any domestic winery  
15 licensed under this section may act as a distributor of its own  
16 production. Notwithstanding any language in this title to the  
17 contrary, a domestic winery may use a common carrier to deliver up  
18 to one hundred cases of its own production, in the aggregate, per  
19 month to licensed Washington retailers. A domestic winery may not  
20 arrange for any such common carrier shipments to licensed retailers  
21 of wine not of its own production. Except as provided in this  
22 section, any winery operating as a distributor and/or retailer under  
23 this subsection must comply with the applicable laws and rules  
24 relating to distributors and/or retailers, except that a winery  
25 operating as a distributor may maintain a warehouse off the premises  
26 of the winery for the distribution of wine of its own production  
27 provided that: (a) The warehouse has been approved by the board

1 under RCW 66.24.010; and (b) the number of warehouses off the  
2 premises of the winery does not exceed one.

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

24 (5)(a) A domestic winery licensed under this section may apply  
25 to the board for an endorsement to sell wine of its own production  
26 at retail for off-premises consumption at a qualifying farmers  
27 market. The wine may be sold by the bottle or in a sanitary  
28 container brought to the licensed premises by the purchaser, or  
29 provided by the licensee, and filled at the tap by the licensee at  
30 the time of sale by an employee of the licensee. The annual fee for  
31 this endorsement is seventy-five dollars. An endorsement issued  
32 pursuant to this subsection does not count toward the four  
33 additional retail locations limit specified in this section.

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

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

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

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

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

4 (g) For the purposes of this subsection:

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  
8 this state directly to the consumer under conditions that meet the  
9 following minimum requirements:

10 (A) There are at least five participating vendors who are  
11 farmers 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. However, if a farmers market does not  
15 satisfy this subsection (5)(g)(i)(B), a farmers market is still  
16 considered a "qualifying farmers market" if the total combined gross  
17 annual sales of farmers and processors at the farmers market is one  
18 million dollars or more;

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

23 (D) The sale of imported items and secondhand items by any  
24 vendor 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  
28 or she owns or leases in this state or in another state's county  
29 that borders this state.

30 (iii) "Processor" means a natural person who sells processed  
31 food that he or she has personally prepared on land he or she owns  
32 or leases in this state or in another state's county that borders  
33 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 (6) Wine produced in Washington state by a domestic winery  
5 licensee may be shipped out-of-state for the purpose of making it  
6 into sparkling wine and then returned to such licensee for resale.  
7 Such wine is deemed wine manufactured in the state of Washington for  
8 the purposes of RCW 66.24.206, and shall not require a special  
9 license.

10 (7) During an event held by a nonprofit holding a special  
11 occasion license issued under RCW 66.24.380, a domestic winery  
12 licensed under this section may take orders, either in writing or  
13 electronically, and accept payment for wines of its own production  
14 under the following conditions:

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

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

19 (c) The domestic winery delivers wine to the consumer at a  
20 location different from the location at which the special occasion  
21 event is held;

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

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

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

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32 Correct the title.

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EFFECT: (1) Strikes provisions authorizing beer and/or wine specialty shops and spirits, beer, and wine restaurant licensees to sell wine in a sanitary container brought to the licensed premises by the purchaser, or provided by the licensee, and filled at the tap by the licensee at the time of sale by an employee of the licensee; (2) Authorizes a qualifying domestic winery to sell wine at a farmers market in a sanitary container brought to the licensed premises by the purchaser, or provided by the licensee, and filled at the tap by the licensee at the time of sale by an employee of the licensee.

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