

SHB 2118 - S AMD 310

By Senators Hewitt, Kohl-Welles, Honeyford

ADOPTED 04/08/2003

1 Strike everything after the enacting clause and insert the  
2 following:

3 "Sec. 1. RCW 66.24.240 and 2000 c 142 s 2 are each amended to read  
4 as follows:

5 (1) There shall be a license for domestic breweries; fee to be two  
6 thousand dollars for production of sixty thousand barrels or more of  
7 malt liquor per year.

8 (2) Any domestic brewery, except for a brand owner of malt  
9 beverages under RCW 66.04.010(5), licensed under this section may also  
10 act as a distributor and/or retailer for beer of its own production.  
11 Any domestic brewery operating as a distributor and/or retailer under  
12 this subsection shall comply with the applicable laws and rules  
13 relating to distributors and/or retailers.

14 (3) Any domestic brewery licensed under this section may contract-  
15 produce beer for a brand owner of malt beverages defined under RCW  
16 66.04.010(5), and this contract-production is not a sale for the  
17 purposes of RCW 66.28.170 and 66.28.180.

18 (4)(a) A domestic brewery licensed under this section and qualified  
19 for a reduced rate of taxation pursuant to RCW 66.24.290(3)(b) may  
20 apply to the board for an endorsement to sell bottled beer of its own  
21 production at retail for off-premises consumption at a qualifying  
22 farmers market. The annual fee for this endorsement is seventy-five  
23 dollars.

24 (b) For each month during which a domestic brewery will sell beer  
25 at a qualifying farmers market, the domestic brewery must provide the  
26 board or its designee a list of the dates, times, and locations at  
27 which bottled beer may be offered for sale. This list must be received  
28 by the board before the domestic brewery may offer beer for sale at a  
29 qualifying farmers market.

1 (c) The beer sold at qualifying farmers markets must be produced in  
2 Washington.

3 (d) Each approved location in a qualifying farmers market is deemed  
4 to be part of the domestic brewery license for the purpose of this  
5 title. The approved locations under an endorsement granted under this  
6 subsection do not include the tasting or sampling privilege of a  
7 domestic brewery. The domestic brewery may not store beer at a farmers  
8 market beyond the hours that the domestic brewery offers bottled beer  
9 for sale. The domestic brewery may not act as a distributor from a  
10 farmers market location.

11 (e) Before a domestic brewery may sell bottled beer at a qualifying  
12 farmers market, the farmers market must apply to the board for  
13 authorization for any domestic brewery with an endorsement approved  
14 under this subsection to sell bottled beer at retail at the farmers  
15 market. This application shall include, at a minimum: (i) A map of  
16 the farmers market showing all booths, stalls, or other designated  
17 locations at which an approved domestic brewery may sell bottled beer;  
18 and (ii) the name and contact information for the on-site market  
19 managers who may be contacted by the board or its designee to verify  
20 the locations at which bottled beer may be sold. Before authorizing a  
21 qualifying farmers market to allow an approved domestic brewery to sell  
22 bottled beer at retail at its farmers market location, the board shall  
23 notify the persons or entities of such application for authorization  
24 pursuant to RCW 66.24.010 (8) and (9). An authorization granted under  
25 this subsection (4)(e) may be withdrawn by the board for any violation  
26 of this title or any rules adopted under this title.

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

30 (g) For the purposes of this subsection:

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

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

1 (B) The total combined gross annual sales of vendors who are  
2 farmers exceeds the total combined gross annual sales of vendors who  
3 are processors or resellers;

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

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

9 (E) No vendor is a franchisee.

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

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

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

20 **Sec. 2.** RCW 66.24.244 and 1998 c 126 s 3 are each amended to read  
21 as follows:

22 (1) There shall be a license for microbreweries; fee to be one  
23 hundred dollars for production of less than sixty thousand barrels of  
24 malt liquor per year.

25 (2) Any microbrewery license under this section may also act as a  
26 distributor and/or retailer for beer of its own production. Any  
27 microbrewery operating as a distributor and/or retailer under this  
28 subsection shall comply with the applicable laws and rules relating to  
29 distributors and/or retailers.

30 (3) The board may issue an endorsement to this license allowing for  
31 on-premises consumption of beer, wine, or both of other manufacture if  
32 purchased from a Washington state-licensed distributor. Each  
33 endorsement shall cost two hundred dollars per year, or four hundred  
34 dollars per year allowing the sale and service of both beer and wine.

35 (4) The microbrewer obtaining such endorsement must determine, at  
36 the time the endorsement is issued, whether the licensed premises will

1 be operated either as a tavern with persons under twenty-one years of  
2 age not allowed as provided for in RCW 66.24.330, or as a beer and/or  
3 wine restaurant as described in RCW 66.24.320.

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

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

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

16 (d) Each approved location in a qualifying farmers market is deemed  
17 to be part of the microbrewery license for the purpose of this title.  
18 The approved locations under an endorsement granted under this  
19 subsection (5) do not constitute the tasting or sampling privilege of  
20 a microbrewery. The microbrewery may not store beer at a farmers  
21 market beyond the hours that the microbrewery offers bottled beer for  
22 sale. The microbrewery may not act as a distributor from a farmers  
23 market location.

24 (e) Before a microbrewery may sell bottled beer at a qualifying  
25 farmers market, the farmers market must apply to the board for  
26 authorization for any microbrewery with an endorsement approved under  
27 this subsection (5) to sell bottled beer at retail at the farmers  
28 market. This application shall include, at a minimum: (i) A map of  
29 the farmers market showing all booths, stalls, or other designated  
30 locations at which an approved microbrewery may sell bottled beer; and  
31 (ii) the name and contact information for the on-site market managers  
32 who may be contacted by the board or its designee to verify the  
33 locations at which bottled beer may be sold. Before authorizing a  
34 qualifying farmers market to allow an approved microbrewery to sell  
35 bottled beer at retail at its farmers market location, the board shall  
36 notify the persons or entities of the application for authorization

1 pursuant to RCW 66.24.010 (8) and (9). An authorization granted under  
2 this subsection (5)(e) may be withdrawn by the board for any violation  
3 of this title or any rules adopted under this title.

4 (f) The board may adopt rules establishing the application and  
5 approval process under this section and any additional rules necessary  
6 to implement this section.

7 (g) For the purposes of this subsection (5):

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

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

15 (B) The total combined gross annual sales of vendors who are  
16 farmers exceeds the total combined gross annual sales of vendors who  
17 are processors or resellers;

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

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

23 (E) No vendor is a franchisee.

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

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

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

34 NEW SECTION. Sec. 3. A new section is added to chapter 66.28 RCW  
35 to read as follows:

1 Licensed beer distributors may not buy or sell beer, for purposes  
2 of distribution, at farmers market locations authorized by the board  
3 pursuant to this act."

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4 On page 1, line 1 of the title, after "markets;" strike the  
5 remainder of the title and insert "amending RCW 66.24.240 and  
6 66.24.244; and adding a new section to chapter 66.28 RCW."

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