
SENATE BILL 5898

State of Washington 60th Legislature 2007 Regular Session

By Senators Kohl-Welles, Clements, Keiser, Murray, McAuliffe and Honeyford

Read first time 02/06/2007. Referred to Committee on Labor, Commerce, Research & Development.

1 AN ACT Relating to the use of a common carrier for the shipment of
2 wine; amending RCW 66.24.206 and 66.24.170; and providing an expiration
3 date.

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

5 **Sec. 1.** RCW 66.24.206 and 2006 c 302 s 4 are each amended to read
6 as follows:

7 (1)(a) A United States winery located outside the state of
8 Washington must hold a certificate of approval to allow sales and
9 shipment of the certificate of approval holder's wine to licensed
10 Washington wine distributors, importers, or retailers. A certificate
11 of approval holder with a direct shipment endorsement may act as a
12 distributor of its own production and may use a common carrier to
13 deliver up to one hundred cases of its own production per month to
14 licensed Washington retailers.

15 (b) Authorized representatives must hold a certificate of approval
16 to allow sales and shipment of United States produced wine to licensed
17 Washington wine distributors or importers.

18 (c) Authorized representatives must also hold a certificate of

1 approval to allow sales and shipments of foreign produced wine to
2 licensed Washington wine distributors or importers.

3 (2) The certificate of approval shall not be granted unless and
4 until such winery (~~(or manufacturer of wine)~~) or authorized
5 representative shall have made a written agreement with the board to
6 furnish to the board, on or before the twentieth day of each month, a
7 report under oath, on a form to be prescribed by the board, showing the
8 quantity of wine sold or delivered to each licensed wine distributor,
9 importer, or retailer, during the preceding month, and shall further
10 have agreed with the board, that such wineries, manufacturers, or
11 authorized representatives, and all general sales corporations or
12 agencies maintained by them, and all of their trade representatives,
13 shall and will faithfully comply with all laws of the state of
14 Washington pertaining to the sale of intoxicating liquors and all rules
15 and regulations of the Washington state liquor control board. A
16 violation of the terms of this agreement will cause the board to take
17 action to suspend or revoke such certificate.

18 (3) The fee for the certificate of approval and related
19 endorsements, issued pursuant to the provisions of this title, shall be
20 from time to time established by the board at a level that is
21 sufficient to defray the costs of administering the certificate of
22 approval program. The fee shall be fixed by rule by the board in
23 accordance with the provisions of the administrative procedure act,
24 chapter 34.05 RCW.

25 (4) Certificate of approval holders are deemed to have consented to
26 the jurisdiction of Washington concerning enforcement of this chapter
27 and all laws and rules related to the sale and shipment of wine.

28 **Sec. 2.** RCW 66.24.170 and 2006 c 302 s 1 are each amended to read
29 as follows:

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

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

36 (3) Any domestic winery licensed under this section may also act as
37 a retailer of wine of its own production. Any domestic winery licensed

1 under this section may act as a distributor of its own production and
2 may use a common carrier to deliver up to one hundred cases of its own
3 production per month to licensed Washington retailers. Any winery
4 operating as a distributor and/or retailer under this subsection shall
5 comply with the applicable laws and rules relating to distributors
6 and/or retailers.

7 (4) A domestic winery licensed under this section, at locations
8 separate from any of its production or manufacturing sites, may serve
9 samples of its own products, with or without charge, and sell wine of
10 its own production at retail for off-premise consumption, provided
11 that: (a) Each additional location has been approved by the board
12 under RCW 66.24.010; (b) the total number of additional locations does
13 not exceed two; and (c) a winery may not act as a distributor at any
14 such additional location. Each additional location is deemed to be
15 part of the winery license for the purpose of this title. Nothing in
16 this subsection shall be construed to prevent a domestic winery from
17 holding multiple domestic winery licenses.

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

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

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

33 (d) Each approved location in a qualifying farmers market is deemed
34 to be part of the winery license for the purpose of this title. The
35 approved locations under an endorsement granted under this subsection
36 do not include the tasting or sampling privilege of a winery. The
37 winery may not store wine at a farmers market beyond the hours that the

1 winery offers bottled wine for sale. The winery may not act as a
2 distributor from a farmers market location.

3 (e) Before a winery may sell bottled wine at a qualifying farmers
4 market, the farmers market must apply to the board for authorization
5 for any winery with an endorsement approved under this subsection to
6 sell bottled wine at retail at the farmers market. This application
7 shall include, at a minimum: (i) A map of the farmers market showing
8 all booths, stalls, or other designated locations at which an approved
9 winery may sell bottled wine; and (ii) the name and contact information
10 for the on-site market managers who may be contacted by the board or
11 its designee to verify the locations at which bottled wine may be sold.
12 Before authorizing a qualifying farmers market to allow an approved
13 winery to sell bottled wine at retail at its farmers market location,
14 the board shall notify the persons or entities of such application for
15 authorization pursuant to RCW 66.24.010 (8) and (9). An authorization
16 granted under this subsection (5)(e) may be withdrawn by the board for
17 any violation of this title or any rules adopted under this title.

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

21 (g) For the purposes of this subsection:

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

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

29 (B) The total combined gross annual sales of vendors who are
30 farmers exceeds the total combined gross annual sales of vendors who
31 are processors or resellers;

32 (C) The total combined gross annual sales of vendors who are
33 farmers, processors, or resellers exceeds the total combined gross
34 annual sales of vendors who are not farmers, processors, or resellers;

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

37 (E) No vendor is a franchisee.

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

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

8 (iv) "Reseller" means a natural person who buys agricultural
9 products from a farmer and resells the products directly to the
10 consumer.

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

16 NEW SECTION. **Sec. 3.** Sections 1 and 2 of this act expire June 30,
17 2008.

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