

CERTIFICATION OF ENROLLMENT

SENATE BILL 6514

Chapter 105, Laws of 2014

63rd Legislature
2014 Regular Session

BEER AND WINE--SAMPLING--FARMERS MARKETS

EFFECTIVE DATE: 06/12/14

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

BRAD OWEN

President of the Senate

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

FRANK CHOPP

Speaker of the House of Representatives

Approved March 27, 2014, 11:07 a.m.

JAY INSLEE

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.

HUNTER G. GOODMAN

Secretary

FILED

March 27, 2014

**Secretary of State
State of Washington**

SENATE BILL 6514

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.

Passed by the Senate February 17, 2014.

Passed by the House March 6, 2014.

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