
HOUSE BILL 2412

State of Washington

66th Legislature

2020 Regular Session

By Representatives Stonier, MacEwen, Blake, Young, Eslick, Riccelli, and Wylie

Read first time 01/14/20. Referred to Committee on Commerce & Gaming.

1 AN ACT Relating to domestic brewery and microbrewery retail
2 licenses; amending RCW 66.24.244; and reenacting and amending RCW
3 66.24.240.

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

5 **Sec. 1.** RCW 66.24.240 and 2011 c 195 s 6 and 2011 c 119 s 212
6 are each reenacted and amended to read as follows:

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

10 (2) Any domestic brewery, except for a brand owner of malt
11 beverages under RCW 66.04.010(7), licensed under this section may
12 also act as a distributor and/or retailer for beer of its own
13 production. Any domestic brewery operating as a distributor and/or
14 retailer under this subsection shall comply with the applicable laws
15 and rules relating to distributors and/or retailers. A domestic
16 brewery holding a spirits, beer, and wine restaurant license may sell
17 beer of its own production for off-premises consumption from its
18 restaurant premises in kegs or in a sanitary container brought to the
19 premises by the purchaser or furnished by the licensee and filled at
20 the tap by the licensee at the time of sale.

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

6 (4) A domestic brewery may hold up to ~~((two))~~ four retail
7 licenses to operate an on or ~~((off-premise—[off-premises]))~~ off-
8 premises tavern, beer and/or wine restaurant, ~~((or))~~ spirits, beer,
9 and wine restaurant, or any combination there of. This retail license
10 is separate from the brewery license. A brewery that holds a tavern
11 license, a spirits, beer, and wine restaurant license, or a beer
12 and/or wine restaurant license shall hold the same privileges and
13 endorsements as permitted under RCW 66.24.320, 66.24.330, and
14 66.24.420.

15 (5) Any domestic brewery licensed under this section may
16 contract-produce beer for a brand owner of malt beverages defined
17 under RCW 66.04.010(7), and this contract-production is not a sale
18 for the purposes of RCW 66.28.170 and 66.28.180.

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

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

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

33 (d) Each approved location in a qualifying farmers market is
34 deemed to be part of the domestic brewery license for the purpose of
35 this title. The approved locations under an endorsement granted under
36 this subsection do not include the tasting or sampling privilege of a
37 domestic brewery. The domestic brewery may not store beer at a
38 farmers market beyond the hours that the domestic brewery offers
39 bottled beer for sale. The domestic brewery may not act as a
40 distributor from a farmers market location.

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

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

38 (E) No vendor is a franchisee.

39 (ii) "Farmer" means a natural person who sells, with or without
40 processing, agricultural products that he or she raises on land he or

1 she owns or leases in this state or in another state's county that
2 borders this state.

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

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

10 (7) Nothing prohibits the owner of a licensed domestic brewery
11 from allowing dogs on the premises of a retail liquor license
12 location held by the domestic brewery under subsection (4) of this
13 section.

14 **Sec. 2.** RCW 66.24.244 and 2015 c 42 s 1 are each amended to read
15 as follows:

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

19 (2)(a) Any microbrewery licensed under this section may also act
20 as a distributor and/or retailer for beer and strong beer of its own
21 production.

22 (b) Any microbrewery operating as a distributor and/or retailer
23 under this subsection must comply with the applicable laws and rules
24 relating to distributors and/or retailers, except that a microbrewery
25 operating as a distributor may maintain a warehouse off the premises
26 of the microbrewery for the distribution of beer provided that:

27 (i) The warehouse has been approved by the board under RCW
28 66.24.010; and

29 (ii) The number of warehouses off the premises of the
30 microbrewery does not exceed one.

31 (c) A microbrewery holding a spirits, beer, and wine restaurant
32 license may sell beer of its own production for off-premises
33 consumption from its restaurant premises in kegs or in a sanitary
34 container brought to the premises by the purchaser or furnished by
35 the licensee and filled at the tap by the licensee at the time of
36 sale.

37 (3) Any microbrewery licensed under this section may also sell
38 from its premises for on-premises and off-premises consumption:

1 (a) Beer produced by another microbrewery or a domestic brewery
2 as long as the other breweries' brands do not exceed twenty-five
3 percent of the microbrewery's on-tap offerings; or

4 (b) Cider produced by a domestic winery.

5 (4) The board may issue up to (~~two~~) four retail licenses
6 allowing a microbrewery to operate an on or off-premises tavern, beer
7 and/or wine restaurant, (~~or~~) spirits, beer, and wine restaurant, or
8 any combination thereof.

9 (5) A microbrewery that holds a tavern license, spirits, beer,
10 and wine restaurant license, or a beer and/or wine restaurant license
11 holds the same privileges and endorsements as permitted under RCW
12 66.24.320, 66.24.330, and 66.24.420.

13 (6)(a) A microbrewery licensed under this section may apply to
14 the board for an endorsement to sell bottled beer of its own
15 production at retail for off-premises consumption at a qualifying
16 farmers market. The annual fee for this endorsement is seventy-five
17 dollars. However, strong beer may not be sold at a farmers market or
18 under any endorsement which may authorize microbreweries to sell beer
19 at farmers markets.

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

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

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

30 (e) Each approved location in a qualifying farmers market is
31 deemed to be part of the microbrewery license for the purpose of this
32 title. The approved locations under an endorsement granted under this
33 subsection (6) include tasting or sampling privileges subject to the
34 conditions pursuant to RCW 66.24.175. The microbrewery may not store
35 beer at a farmers market beyond the hours that the microbrewery
36 offers bottled beer for sale. The microbrewery may not act as a
37 distributor from a farmers market location.

38 (f) Before a microbrewery may sell bottled beer at a qualifying
39 farmers market, the farmers market must apply to the board for
40 authorization for any microbrewery with an endorsement approved under

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

14 (g) The board may adopt rules establishing the application and
15 approval process under this section and any additional rules
16 necessary to implement this section.

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

18 (i) "Qualifying farmers market" has the same meaning as defined
19 in RCW 66.24.170.

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

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

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

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

35 (8) Nothing prohibits the owner of a microbrewery license from
36 allowing dogs on the premises of a retail liquor license location
37 held by the microbrewery under subsection (4) of this section.

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