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HOUSE BILL 2960

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State of Washington

64th Legislature

2016 Regular Session

By Representatives Condotta and Vick

Read first time 02/01/16. Referred to Committee on Commerce & Gaming.

1 AN ACT Relating to increasing the number of tasting rooms allowed  
2 under a domestic winery license; and reenacting and amending RCW  
3 66.24.170.

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

5 **Sec. 1.** RCW 66.24.170 and 2014 c 105 s 1 and 2014 c 27 s 1 are  
6 each reenacted and amended to read 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  
10 hundred fifty thousand liters or more per year, four hundred dollars  
11 per year.

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

14 (3) Any domestic winery licensed under this section may also act  
15 as a retailer of wine of its own production. Any domestic winery  
16 licensed under this section may act as a distributor of its own  
17 production. Notwithstanding any language in this title to the  
18 contrary, a domestic winery may use a common carrier to deliver up to  
19 one hundred cases of its own production, in the aggregate, per month  
20 to licensed Washington retailers. A domestic winery may not arrange  
21 for any such common carrier shipments to licensed retailers of wine

1 not of its own production. Except as provided in this section, any  
2 winery operating as a distributor and/or retailer under this  
3 subsection must comply with the applicable laws and rules relating to  
4 distributors and/or retailers, except that a winery operating as a  
5 distributor may maintain a warehouse off the premises of the winery  
6 for the distribution of wine of its own production provided that: (a)  
7 The warehouse has been approved by the board under RCW 66.24.010; and  
8 (b) the number of warehouses off the premises of the winery does not  
9 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, may sell wine of  
13 its own production at retail, and may sell for off-premises  
14 consumption wines of its own production in kegs or sanitary  
15 containers meeting the applicable requirements of federal law brought  
16 to the premises by the purchaser or furnished by the licensee and  
17 filled at the tap at the time of sale, provided that: (a) Each  
18 additional location has been approved by the board under RCW  
19 66.24.010; (b) the total number of additional locations does not  
20 exceed (~~two~~) four; (c) a winery may not act as a distributor at any  
21 such additional location; and (d) any person selling or serving wine  
22 at an additional location for on-premises (~~on-premises~~)  
23 consumption must obtain a class 12 or class 13 alcohol server permit.  
24 Each additional location is deemed to be part of the winery license  
25 for the purpose of this title. At additional locations operated by  
26 multiple wineries under this section, if the board cannot connect a  
27 violation of RCW 66.44.200 or 66.44.270 to a single licensee, the  
28 board may hold all licensees operating the additional location  
29 jointly liable. Nothing in this subsection may be construed to  
30 prevent a domestic winery from holding multiple domestic winery  
31 licenses.

32 (5)(a) A domestic winery licensed under this section may apply to  
33 the board for an endorsement to sell wine of its own production at  
34 retail for off-premises consumption at a qualifying farmers market.  
35 The annual fee for this endorsement is seventy-five dollars. An  
36 endorsement issued pursuant to this subsection does not count toward  
37 the (~~two~~) four additional retail locations limit specified in this  
38 section.

39 (b) For each month during which a domestic winery will sell wine  
40 at a qualifying farmers market, the winery must provide the board or

1 its designee a list of the dates, times, and locations at which  
2 bottled wine may be offered for sale. This list must be received by  
3 the board before the winery may offer wine for sale at a qualifying  
4 farmers market.

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

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

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

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

35 (g) For the purposes of this subsection:

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

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

3 (B) The total combined gross annual sales of vendors who are  
4 farmers exceeds the total combined gross annual sales of vendors who  
5 are processors or resellers. However, if a farmers market does not  
6 satisfy this subsection (5)(g)(i)(B), a farmers market is still  
7 considered a "qualifying farmers market" if the total combined gross  
8 annual sales of farmers and processors at the farmers market is one  
9 million dollars or more;

10 (C) The total combined gross annual sales of vendors who are  
11 farmers, processors, or resellers exceeds the total combined gross  
12 annual sales of vendors who are not farmers, processors, or  
13 resellers;

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

16 (E) No vendor is a franchisee.

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

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

25 (iv) "Reseller" means a natural person who buys agricultural  
26 products from a farmer and resells the products directly to the  
27 consumer.

28 (6) Wine produced in Washington state by a domestic winery  
29 licensee may be shipped out-of-state for the purpose of making it  
30 into sparkling wine and then returned to such licensee for resale.  
31 Such wine (~~(shall be)~~) is deemed wine manufactured in the state of  
32 Washington for the purposes of RCW 66.24.206, and (~~(shall)~~) does not  
33 require a special license.

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