

HOUSE BILL REPORT

HB 1459

As Reported by House Committee On:
Commerce & Labor

Title: An act relating to the marketing of bottled wine at farmers markets.

Brief Description: Allowing limited marketing of bottled wine at farmers markets.

Sponsors: Representatives Pettigrew, Schoesler, Hunt, Chandler, Sullivan, Rockefeller, Eickmeyer, Grant, Hudgins, Cody, Veloria, Anderson, Berkey, Campbell, Wallace, McDermott, McDonald and Ruderman.

Brief History:

Committee Activity:

Commerce & Labor: 2/6/03, 2/13/03 [DPS].

Brief Summary of Substitute Bill

- Allows a Washington winery to obtain an endorsement from the Liquor Control Board to sell bottled wines at qualifying farmers markets.

HOUSE COMMITTEE ON COMMERCE & LABOR

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 8 members: Representatives Conway, Chair; Wood, Vice Chair; Chandler, Ranking Minority Member; Condotta, Assistant Ranking Minority Member; Crouse, Holmquist, Hudgins and Kenney.

Staff: Matt Cooper (786-7106).

Background:

Washington is the second largest wine producer in the nation. There are more than 250 licensed wineries and 28,000 acres of vineyards in the state. Some Washington appellations (grape-growing regions) include small parts of Oregon.

Licensed domestic wineries may wholesale and retail their own wines. Retail sales may be conducted at a winery and at up to two off-site locations approved by the Liquor Control Board (Board).

There is no specific authority allowing a winery to sell wine at a farmers market. Farmers markets are not regulated by statute, but a majority of markets belong to a voluntary association that sets guidelines regarding what kinds of products may be sold at a market. The association standards require that vendors at a market be predominantly Washington farmers selling their own produce.

Summary of Substitute Bill:

Licensed wineries may obtain an endorsement to sell bottled wines at qualified farmers markets. This endorsement would not allow wine tasting or on-premises consumption of wine at a farmers market. The annual cost of the endorsement is \$75.

Before selling wine at a qualified farmers market, the winery must notify the Board monthly with the date, time, and locations of markets at which wine may be sold. The winery may not store wine at a farmers market beyond the market hours.

Wines sold at farmers markets must be made entirely from grapes grown in Washington appellations or from other products grown in Washington.

A farmers market must be qualified by the Board before any winery may sell bottled wine at the market. To qualify for approval a market must provide information about stall locations and the market manager. Before approval the Liquor Control Board must notify local jurisdictions of the application.

To qualify, a farmers market must meet standards regarding who may sell at a market and what types of products they may sell. There must be at least five vendors at a qualifying market and a majority of vendors must be Washington farmers selling their own Washington-grown produce.

Substitute Bill Compared to Original Bill:

The substitute bill clarifies that a farmers market endorsement is in addition to the two off-site retail locations authorized to licensed wineries and that licensed wineries may not act as a wholesale distributor from a farmers market location. The substitute bill also deletes "commercial items" from the list of items that may not be sold at a farmers market.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Substitute Bill: The bill takes effect 90 days after adjournment of

session in which bill is passed.

Testimony For: Farmers markets have served as a way for small agricultural producers to get their products to consumers. They are a vital part of community activity and serve as business multipliers. Businesses near farmers markets do more business on market days.

The markets have helped some of these small agricultural producers to become viable businesses. Allowing wineries to sell bottled wine at farmers markets will give small wineries the same opportunities. This will be good for the farmers markets, the small wineries, agriculture, and the community.

The Board was involved in drafting this legislation and is confident that there are sufficient safeguards to ensure that the public interest is served. The Board has the ability to tighten restrictions on sales at farmers markets if there are any problems. The system set up in the bill will ensure that the Board pre-approves any farmers market location and that all existing liquor laws will be enforced on sales at farmers markets.

Testimony Against: None.

Testified: Representative Pettigrew, prime sponsor; Zachary Lions, Washington Farmers Market Association; Chris Curtis, Neighborhood Farmers Market Alliance; Jean Leonard, Washington Wine Institute; and Rick Garza, Washington State Liquor Control Board.