

HOUSE BILL REPORT

SSB 5265

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: Senate Committee on Commerce & Trade (originally sponsored by Senators Thibaudeau, Honeyford, Jacobsen, Kohl-Welles, Johnson, Kline, McAuliffe, Rasmussen, Regala, B. Sheldon, Spanel, Winsley and Kastama).

Brief History:

Committee Activity:

Commerce & Labor: 3/20/03, 3/26/03 [DP].

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: Do pass. Signed by 8 members: Representatives Conway, Chair; Wood, Vice Chair; Chandler, Ranking Minority Member; Condotta, Assistant Ranking Minority Member; Crouse, Hudgins, Kenney and McCoy.

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 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 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.

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Appropriation: None.

Fiscal Note: Not requested.

Effective Date: The bill takes effect 90 days after adjournment of session in which bill is passed.

Testimony For: This bill will help the business of both wineries and farmers markets. It will provide a way for small wine makers to develop a retail market for their products and give farmers markets another Washington product to sell.

This legislation is the product of a long negotiation process that involved the Liquor Control Board, the farmers markets association, and the wine makers. All parties are satisfied with the outcome and with this bill.

Testimony Against: None.

Testified: Senator Thibaudeau, prime sponsor; and Chris Curtis, Washington State Farmer's Market Association.