

FINAL BILL REPORT

SHB 2118

C 154 L 03

Synopsis as Enacted

Brief Description: Authorizing approved brewers to sell beer at farmers markets.

Sponsors: By House Committee on Commerce & Labor (originally sponsored by Representatives Newhouse and Sullivan).

House Committee on Commerce & Labor
Senate Committee on Commerce & Trade

Background:

A microbrewery license authorizes production of up to 60,000 barrels of beer per year. There are 81 licensed microbreweries in the state, 31 of which bottle their beer. Microbreweries may obtain an endorsement for on-premises consumption of beer and wine.

Federal law imposes a lower excise tax rate on small breweries (breweries producing not more than two million barrels of beer per year). Only one brewery in Washington producing more than 60,000 barrels of beer per year qualifies for this reduced excise tax rate.

There is no specific authority allowing a microbrewery to sell bottled beer 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:

Licensed microbreweries and small breweries qualifying for a reduced federal excise tax may obtain an endorsement to sell bottled beer at qualified farmers markets. This endorsement would not allow sampling or on-premises consumption at a farmers market. The annual cost of the endorsement is \$75.

Before selling bottled beer at a qualified farmers market, the brewer must notify the Liquor Control Board (Board) monthly with the date, time, and locations of markets at which bottled beer may be sold. The brewery may not store bottled beer at a farmers market beyond the market hours. Breweries may not act as a distributor from a farmers market location.

A farmers market must be qualified by the Board before any brewer may sell bottled beer at the market. To apply 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 be approved by the Board, a farmers market must be conducted primarily by Washington farmers selling their own produce or products, and the gross sales by vendors who are farmers must be greater than the combined gross sales of all other vendors.

Votes on Final Passage:

House 94 2

Senate 43 4 (Senate amended)

House 96 1 (House concurred)

Effective: July 27, 2003