

# SENATE BILL REPORT

## SB 6005

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As Reported By Senate Committee On:  
Commerce & Trade, March 5, 2003

**Title:** An act relating to the marketing of microbrew beer at farmers markets.

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

**Revised for 1st Substitute:** Authorizing the sale of beer at farmers markets by certain brewers.

**Sponsors:** Senators Kohl-Welles and Kline.

**Brief History:**

**Committee Activity:** Commerce & Trade: 3/5/03 [DPS].

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### SENATE COMMITTEE ON COMMERCE & TRADE

**Majority Report:** That Substitute Senate Bill No. 6005 be substituted therefor, and the substitute bill do pass.

Signed by Senators Honeyford, Chair; Hewitt, Vice Chair; Franklin, Keiser and Mulliken.

**Staff:** Elizabeth Mitchell (786-7430)

**Background:** Microbreweries are defined as those breweries producing less than 60,000 barrels of malt liquor per year, and are licensed by the Liquor Control Board. Domestic breweries are defined as breweries producing 60,000 or more barrels of malt liquor per year, and are also licensed by the board. Domestic breweries producing up to two million barrels of malt liquor per year are entitled to reduced taxation under current law.

**Summary of Substitute Bill:** Microbreweries and domestic breweries qualifying for reduced taxes under RCW 66.24.290(3)(b) may apply to the board for an endorsement to sell bottled beer of their own production for off-premises consumption at a qualifying farmers market. The annual fee for this endorsement is \$75. No tasting or sampling of beer may occur at farmers market locations. Microbreweries and domestic breweries may not act as distributors from a farmers market location.

Before beer is sold at a farmers market, both the brewery and the farmers market must receive authorization from the board. The farmers market's application for authorization includes a map of the farmers market showing all locations at which a brewery may sell beer, and the name and contact information for the on-site market managers. The board may withdraw a farmers market's authorization for any violation of laws or rules pertaining to the board.

Before granting authorization, the board must notify local jurisdictions in which the market is located, as well as schools and churches near the market, that the market is seeking

authorization for beer to be sold. These parties must have an opportunity to object to the sale of beer at the market.

For each month that a brewery sells beer at a farmers market, the brewery must provide the board with prior notification of the dates, times and locations of its farmers market sales.

The brewery may not store beer at a farmers market beyond the hours that the brewery offers bottled beer for sale. Beer sold at qualifying farmers markets must be produced in Washington.

**Substitute Bill Compared to Original Bill:** The original bill was not considered.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Testimony For:** This bill mirrors the provisions of the farmers market wine bill that passed out of the Senate. This is a good bill that would help Washington businesses. There are 81 microbreweries in the state, 47 of which bottle their own beer. Most microbreweries are small businesses, and their sales tend to be limited to on-site brew pub retailing. It is often difficult for microbreweries to sell their beer in traditional retail outlets. This bill would provide an important business opportunity for microbreweries. Microbreweries tend to use more hops in their beer than other breweries, so this bill would also benefit the state's hops growers. This bill should also have provisions for insurance for breweries that sell at farmers markets, and there should be police at the farmers markets to make sure that people don't drink, especially at rural farmers markets. Farmers markets are no different from grocery stores that sell beer, and there are not police stationed outside of grocery stores. Local jurisdictions, schools and churches could voice their opposition to beer being sold at the markets through processes already used by the board.

**Testimony Against:** None.

**Testified:** PRO: Will Knedlilc, King County Farm Forum; Chris Cheney, George Hancock, Washington Brewers Guild.