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**SUBSTITUTE HOUSE BILL 1459**

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**State of Washington**

**58th Legislature**

**2003 Regular Session**

**By** House Committee on Commerce & Labor (originally sponsored by Representatives Pettigrew, Schoesler, Hunt, Chandler, Sullivan, Rockefeller, Eickmeyer, Grant, Hudgins, Cody, Voloria, Anderson, Berkey, Campbell, Wallace, McDermott, McDonald and Ruderman)

READ FIRST TIME 02/18/03.

1 AN ACT Relating to the marketing of bottled wine at farmers  
2 markets; and amending RCW 66.24.170.

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

4 **Sec. 1.** RCW 66.24.170 and 2000 c 141 s 1 are each amended to read  
5 as follows:

6 (1) There shall be a license for domestic wineries; fee to be  
7 computed only on the liters manufactured: Less than two hundred fifty  
8 thousand liters per year, one hundred dollars per year; and two hundred  
9 fifty thousand liters or more per year, four hundred dollars per year.

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

12 (3) Any domestic winery licensed under this section may also act as  
13 a distributor and/or retailer of wine of its own production. Any  
14 winery operating as a distributor and/or retailer under this subsection  
15 shall comply with the applicable laws and rules relating to  
16 distributors and/or retailers.

17 (4) A domestic winery licensed under this section, at locations  
18 separate from any of its production or manufacturing sites, may serve  
19 samples of its own products, with or without charge, and sell wine of

1 its own production at retail for off-premise consumption, provided  
2 that: (a) Each additional location has been approved by the board  
3 under RCW 66.24.010; (b) the total number of additional locations does  
4 not exceed two; and (c) a winery may not act as a distributor at any  
5 such additional location. Each additional location is deemed to be  
6 part of the winery license for the purpose of this title. Nothing in  
7 this subsection shall be construed to prevent a domestic winery from  
8 holding multiple domestic winery licenses.

9 (5)(a) A domestic winery licensed under this section may apply to  
10 the board for an endorsement to sell wine of its own production at  
11 retail for off-premises consumption at a qualifying farmers market.  
12 The annual fee for this endorsement is seventy-five dollars. An  
13 endorsement issued pursuant to this subsection does not count toward  
14 the two additional retail locations limit specified in this section.

15 (b) For each month during which a domestic winery will sell wine at  
16 a qualifying farmers market, the winery must provide the board or its  
17 designee a list of the dates, times, and locations at which bottled  
18 wine may be offered for sale. This list must be received by the board  
19 before the winery may offer wine for sale at a qualifying farmers  
20 market.

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

24 (d) Each approved location in a qualifying farmers market is deemed  
25 to be part of the winery license for the purpose of this title. The  
26 approved locations under an endorsement granted under this subsection  
27 do not include the tasting or sampling privilege of a winery. The  
28 winery may not store wine at a farmers market beyond the hours that the  
29 winery offers bottled wine for sale. The winery may not act as a  
30 distributor from a farmers market location.

31 (e) Before a winery may sell bottled wine at a qualifying farmers  
32 market, the farmers market must apply to the board for authorization  
33 for any winery with an endorsement approved under this subsection to  
34 sell bottled wine at retail at the farmers market. This application  
35 shall include, at a minimum: (i) A map of the farmers market showing  
36 all booths, stalls, or other designated locations at which an approved  
37 winery may sell bottled wine; and (ii) the name and contact information  
38 for the on-site market managers who may be contacted by the board or

1 its designee to verify the locations at which bottled wine may be sold.  
2 Before authorizing a qualifying farmers market to allow an approved  
3 winery to sell bottled wine at retail at its farmers market location,  
4 the board shall notify the persons or entities of such application for  
5 authorization pursuant to RCW 66.24.010 (8) and (9). An authorization  
6 granted under this subsection (5)(e) may be withdrawn by the board for  
7 any violation of this title or any rules adopted under this title.

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

11 (g) For the purposes of this subsection:

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

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

19 (B) The total combined gross annual sales of vendors who are  
20 farmers exceeds the total combined gross annual sales of vendors who  
21 are processors or resellers;

22 (C) The total combined gross annual sales of vendors who are  
23 farmers, processors, or resellers exceeds the total combined gross  
24 annual sales of vendors who are not farmers, processors, or resellers;

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

27 (E) No vendor is a franchisee.

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

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

35 (iv) "Reseller" means a natural person who buys agricultural  
36 products from a farmer and resells the products directly to the  
37 consumer.

1        (6) Wine produced in Washington state by a domestic winery licensee  
2 may be shipped out-of-state for the purpose of making it into sparkling  
3 wine and then returned to such licensee for resale. Such wine shall be  
4 deemed wine manufactured in the state of Washington for the purposes of  
5 RCW 66.24.206, and shall not require a special license.

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