
SUBSTITUTE SENATE BILL 6005

State of Washington

58th Legislature

2003 Regular Session

By Senate Committee on Commerce & Trade (originally sponsored by Senators Kohl-Welles and Kline)

READ FIRST TIME 03/05/03.

1 AN ACT Relating to the sale of beer at farmers markets; and
2 amending RCW 66.24.240 and 66.24.244.

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

4 **Sec. 1.** RCW 66.24.240 and 2000 c 142 s 2 are each amended to read
5 as follows:

6 (1) There shall be a license for domestic breweries; fee to be two
7 thousand dollars for production of sixty thousand barrels or more of
8 malt liquor per year.

9 (2) Any domestic brewery, except for a brand owner of malt
10 beverages under RCW 66.04.010(5), licensed under this section may also
11 act as a distributor and/or retailer for beer of its own production.
12 Any domestic brewery operating as a distributor and/or retailer under
13 this subsection shall comply with the applicable laws and rules
14 relating to distributors and/or retailers.

15 (3) Any domestic brewery licensed under this section may contract-
16 produce beer for a brand owner of malt beverages defined under RCW
17 66.04.010(5), and this contract-production is not a sale for the
18 purposes of RCW 66.28.170 and 66.28.180.

1 (4)(a) A domestic brewery licensed under this section and qualified
2 for a reduced rate of taxation pursuant to RCW 66.24.290(3)(b) may
3 apply to the board for an endorsement to sell bottled beer of its own
4 production at retail for off-premises consumption at a qualifying
5 farmers market. The annual fee for this endorsement is seventy-five
6 dollars.

7 (b) For each month during which a domestic brewery will sell beer
8 at a qualifying farmers market, the domestic brewery must provide the
9 board or its designee a list of the dates, times, and locations at
10 which bottled beer may be offered for sale. This list must be received
11 by the board before the domestic brewery may offer beer for sale at a
12 qualifying farmers market.

13 (c) The beer sold at qualifying farmers markets must be produced in
14 Washington.

15 (d) Each approved location in a qualifying farmers market is deemed
16 to be part of the domestic brewery license for the purpose of this
17 title. The approved locations under an endorsement granted under this
18 subsection do not include the tasting or sampling privilege of a
19 domestic brewery. The domestic brewery may not store beer at a farmers
20 market beyond the hours that the domestic brewery offers bottled beer
21 for sale. The domestic brewery may not act as a distributor from a
22 farmers market location.

23 (e) Before a domestic brewery may sell bottled beer at a qualifying
24 farmers market, the farmers market must apply to the board for
25 authorization for any domestic brewery with an endorsement approved
26 under this subsection to sell bottled beer at retail at the farmers
27 market. This application shall include, at a minimum: (i) A map of
28 the farmers market showing all booths, stalls, or other designated
29 locations at which an approved domestic brewery may sell bottled beer;
30 and (ii) the name and contact information for the on-site market
31 managers who may be contacted by the board or its designee to verify
32 the locations at which bottled beer may be sold. Before authorizing a
33 qualifying farmers market to allow an approved domestic brewery to sell
34 bottled beer at retail at its farmers market location, the board shall
35 notify the persons or entities of such application for authorization
36 pursuant to RCW 66.24.010 (8) and (9). An authorization granted under
37 this subsection (4)(e) may be withdrawn by the board for any violation
38 of this title or any rules adopted under this title.

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

4 (g) For the purposes of this subsection:

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

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

12 (B) The total combined gross annual sales of vendors who are
13 farmers exceeds the total combined gross annual sales of vendors who
14 are processors or resellers;

15 (C) The total combined gross annual sales of vendors who are
16 farmers, processors, or resellers exceeds the total combined gross
17 annual sales of vendors who are not farmers, processors, or resellers;

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

20 (E) No vendor is a franchisee.

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

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

28 (iv) "Reseller" means a natural person who buys agricultural
29 products from a farmer and resells the products directly to the
30 consumer.

31 **Sec. 2.** RCW 66.24.244 and 1998 c 126 s 3 are each amended to read
32 as follows:

33 (1) There shall be a license for microbreweries; fee to be one
34 hundred dollars for production of less than sixty thousand barrels of
35 malt liquor per year.

36 (2) Any microbrewery license under this section may also act as a
37 distributor and/or retailer for beer of its own production. Any

1 microbrewery operating as a distributor and/or retailer under this
2 subsection shall comply with the applicable laws and rules relating to
3 distributors and/or retailers.

4 (3) The board may issue an endorsement to this license allowing for
5 on-premises consumption of beer, wine, or both of other manufacture if
6 purchased from a Washington state-licensed distributor. Each
7 endorsement shall cost two hundred dollars per year, or four hundred
8 dollars per year allowing the sale and service of both beer and wine.

9 (4) The microbrewer obtaining such endorsement must determine, at
10 the time the endorsement is issued, whether the licensed premises will
11 be operated either as a tavern with persons under twenty-one years of
12 age not allowed as provided for in RCW 66.24.330, or as a beer and/or
13 wine restaurant as described in RCW 66.24.320.

14 (5)(a) A microbrewery licensed under this section may apply to the
15 board for an endorsement to sell bottled beer of its own production at
16 retail for off-premises consumption at a qualifying farmers market.
17 The annual fee for this endorsement is seventy-five dollars.

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

24 (c) The beer sold at qualifying farmers markets must be produced in
25 Washington.

26 (d) Each approved location in a qualifying farmers market is deemed
27 to be part of the microbrewery license for the purpose of this title.
28 The approved locations under an endorsement granted under this
29 subsection (5) do not constitute the tasting or sampling privilege of
30 a microbrewery. The microbrewery may not store beer at a farmers
31 market beyond the hours that the microbrewery offers bottled beer for
32 sale. The microbrewery may not act as a distributor from a farmers
33 market location.

34 (e) Before a microbrewery may sell bottled beer at a qualifying
35 farmers market, the farmers market must apply to the board for
36 authorization for any microbrewery with an endorsement approved under
37 this subsection (5) to sell bottled beer at retail at the farmers
38 market. This application shall include, at a minimum: (i) A map of

1 the farmers market showing all booths, stalls, or other designated
2 locations at which an approved microbrewery may sell bottled beer; and
3 (ii) the name and contact information for the on-site market managers
4 who may be contacted by the board or its designee to verify the
5 locations at which bottled beer may be sold. Before authorizing a
6 qualifying farmers market to allow an approved microbrewery to sell
7 bottled beer at retail at its farmers market location, the board shall
8 notify the persons or entities of the application for authorization
9 pursuant to RCW 66.24.010 (8) and (9). An authorization granted under
10 this subsection (5)(e) may be withdrawn by the board for any violation
11 of this title or any rules adopted under this title.

12 (f) The board may adopt rules establishing the application and
13 approval process under this section and any additional rules necessary
14 to implement this section.

15 (g) For the purposes of this subsection (5):

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

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

23 (B) The total combined gross annual sales of vendors who are
24 farmers exceeds the total combined gross annual sales of vendors who
25 are processors or resellers;

26 (C) The total combined gross annual sales of vendors who are
27 farmers, processors, or resellers exceeds the total combined gross
28 annual sales of vendors who are not farmers, processors, or resellers;

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

31 (E) No vendor is a franchisee.

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

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

1 (iv) "Reseller" means a natural person who buys agricultural
2 products from a farmer and resells the products directly to the
3 consumer.

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