

---

HOUSE BILL 3154

---

State of Washington                      59th Legislature                      2006 Regular Session

By Representatives Condotta, Wood and Newhouse

Read first time 01/23/2006. Referred to Committee on Commerce & Labor.

1            AN ACT Relating to ensuring that brewers may sell beer of their own  
2 production from their restaurant premises; amending RCW 66.24.240; and  
3 reenacting and amending RCW 66.24.244.

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

5            **Sec. 1.** RCW 66.24.240 and 2003 c 154 s 1 are each amended to read  
6 as follows:

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

10           (2) Any domestic brewery, except for a brand owner of malt  
11 beverages under RCW 66.04.010(~~(+5)~~) (6), licensed under this section  
12 may also act as a distributor and/or retailer for beer of its own  
13 production. Any domestic brewery operating as a distributor and/or  
14 retailer under this subsection shall comply with the applicable laws  
15 and rules relating to distributors and/or retailers. A domestic  
16 brewery holding a spirits, beer, and wine restaurant license may sell  
17 beer of its own production for off-premises consumption from its  
18 restaurant premises in kegs or in a sanitary container brought to the

1 premises by the purchaser or furnished by the licensee and filled at  
2 the tap by the licensee at the time of sale.

3 (3) Any domestic brewery licensed under this section may contract-  
4 produce beer for a brand owner of malt beverages defined under RCW  
5 66.04.010(~~(+5)~~) (6), and this contract-production is not a sale for  
6 the purposes of RCW 66.28.170 and 66.28.180.

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

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

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

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

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

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

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

10 (g) For the purposes of this subsection:

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

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

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

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

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

26 (E) No vendor is a franchisee.

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

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

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

1       **Sec. 2.** RCW 66.24.244 and 2003 c 167 s 1 and 2003 c 154 s 2 are  
2 each reenacted and amended to read as follows:

3       (1) There shall be a license for microbreweries; fee to be one  
4 hundred dollars for production of less than sixty thousand barrels of  
5 malt liquor, including strong beer, per year.

6       (2) Any microbrewery license under this section may also act as a  
7 distributor and/or retailer for beer and strong beer of its own  
8 production. Strong beer may not be sold at a farmers market or under  
9 any endorsement which may authorize microbreweries to sell beer at  
10 farmers markets. Any microbrewery operating as a distributor and/or  
11 retailer under this subsection shall comply with the applicable laws  
12 and rules relating to distributors and/or retailers. A microbrewery  
13 holding a spirits, beer, and wine restaurant license may sell beer of  
14 its own production for off-premises consumption from its restaurant  
15 premises in kegs or in a sanitary container brought to the premises by  
16 the purchaser or furnished by the licensee and filled at the tap by the  
17 licensee at the time of sale.

18       (3) The board may issue an endorsement to this license allowing for  
19 on-premises consumption of beer, including strong beer, wine, or both  
20 of other manufacture if purchased from a Washington state-licensed  
21 distributor. Each endorsement shall cost two hundred dollars per year,  
22 or four hundred dollars per year allowing the sale and service of both  
23 beer and wine.

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

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

33       (b) For each month during which a microbrewery will sell beer at a  
34 qualifying farmers market, the microbrewery must provide the board or  
35 its designee a list of the dates, times, and locations at which bottled  
36 beer may be offered for sale. This list must be received by the board  
37 before the microbrewery may offer beer for sale at a qualifying farmers  
38 market.

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

3 (d) Each approved location in a qualifying farmers market is deemed  
4 to be part of the microbrewery license for the purpose of this title.  
5 The approved locations under an endorsement granted under this  
6 subsection (5) do not constitute the tasting or sampling privilege of  
7 a microbrewery. The microbrewery may not store beer at a farmers  
8 market beyond the hours that the microbrewery offers bottled beer for  
9 sale. The microbrewery may not act as a distributor from a farmers  
10 market location.

11 (e) Before a microbrewery may sell bottled beer at a qualifying  
12 farmers market, the farmers market must apply to the board for  
13 authorization for any microbrewery with an endorsement approved under  
14 this subsection (5) to sell bottled beer at retail at the farmers  
15 market. This application shall include, at a minimum: (i) A map of  
16 the farmers market showing all booths, stalls, or other designated  
17 locations at which an approved microbrewery may sell bottled beer; and  
18 (ii) the name and contact information for the on-site market managers  
19 who may be contacted by the board or its designee to verify the  
20 locations at which bottled beer may be sold. Before authorizing a  
21 qualifying farmers market to allow an approved microbrewery to sell  
22 bottled beer at retail at its farmers market location, the board shall  
23 notify the persons or entities of the application for authorization  
24 pursuant to RCW 66.24.010 (8) and (9). An authorization granted under  
25 this subsection (5)(e) may be withdrawn by the board for any violation  
26 of this title or any rules adopted under this title.

27 (f) The board may adopt rules establishing the application and  
28 approval process under this section and any additional rules necessary  
29 to implement this section.

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

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

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

1 (B) The total combined gross annual sales of vendors who are  
2 farmers exceeds the total combined gross annual sales of vendors who  
3 are processors or resellers;

4 (C) The total combined gross annual sales of vendors who are  
5 farmers, processors, or resellers exceeds the total combined gross  
6 annual sales of vendors who are not farmers, processors, or resellers;

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

9 (E) No vendor is a franchisee.

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

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

17 (iv) "Reseller" means a natural person who buys agricultural  
18 products from a farmer and resells the products directly to the  
19 consumer.

--- END ---