

# SENATE BILL REPORT

## HB 2642

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As of February 24, 2010

**Title:** An act relating to wine tasting at farmers markets.

**Brief Description:** Establishing a pilot project to allow wine tasting at farmers markets.

**Sponsors:** Representatives Kenney, Probst, Maxwell, Ericks, Conway, Hasegawa, Sullivan, Springer, Pettigrew, Chase, Dickerson, White, Carlyle, Chandler, Rolfes, Hunt and Moeller.

**Brief History:** Passed House: 2/15/10, 79-19.

**Committee Activity:** Labor, Commerce & Consumer Protection: 2/22/10.

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### SENATE COMMITTEE ON LABOR, COMMERCE & CONSUMER PROTECTION

**Staff:** Ingrid Mungia (786-7423)

**Background:** A winery and/or brewery licensed by the Liquor Control Board (Board) may apply to the Board for an endorsement to sell bottled wine or beer of its own production at retail for off premises consumption at a qualifying farmers market. The endorsement does not include the tasting or sampling privilege of a winery or microbrewery.

Similarly, a license issued by the Board to grocery stores and beer and/or wine specialty shops allows the sale of beer and/or wine for off-premises consumption. As permitted by the Board, specialty shops may provide up to 2 ounce samples for purposes of sales promotion.

Current law allows other giving away of liquor by licensees in limited circumstances. A brewery, distributor, winery, distiller, certificate of approval holder, or importer may furnish samples of beer, wine, or spirits to a licensee to negotiate sales. Except for importers, these licensees are also allowed to provide samples of beer, wine, or spirits to licensees and their employees to instruct them on the history, nature, values, and characteristics of the beer, wine, or spirits. A winery, brewery, certificate of approval holder, or distributor may also furnish wine and beer to certain nonprofit groups. Finally, a brewery or winery may serve beer or wine without charge on its premises.

An alcohol impact area (AIA) is a geographic area, designated by a local government and recognized by resolution of the Board, that is adversely affected by chronic public inebriation or illegal activity associated with alcohol sales or consumption. The Board has established a process for recognizing AIAs and placing restrictions on licensees located in an AIA. These

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may include restrictions on hours of operation, sale of certain products, and availability of container sizes.

In 2003 the Legislature passed a bill allowing licensed microbreweries and small breweries qualifying for a reduced federal excise tax to obtain an endorsement to sell bottled beer at qualified farmers markets. The following year, in the 2004 legislative session the Legislature passed a bill allowing domestic wineries to apply to the Board for an endorsement to sell wine of their own production for off-premises consumption at a qualifying farmers market.

**Summary of Bill:** The Board is directed to establish a pilot project for wine tasting at farmers markets. The pilot project is for ten farmers markets with at least six days of tastings by one or two wineries at each location between July 1, 2010, and September 30, 2011.

Farmers markets chosen to participate in the pilot project must be authorized, as of January 1, 2010, for wineries to sell bottled wine at retail, and a winery offering samples must hold an endorsement to sell wine at farmers markets on January 1, 2010. In selecting farmers markets, the Board must consult with statewide organizations of farmers markets and make an effort to select farmers markets throughout the state.

A number of conditions for sampling must be met:

- samples must be 2 ounces or less, up to a total of 4 ounces to a customer per day, and no more than one sample of any single brand may be provided to a customer per day; if two wineries offer samples on a tasting day, a winery may provide only a total of 2 ounces of wine per customer per day;
- customers must remain at the winery's stall, booth, or other designated location while sampling wine; and
- a winery may advertise sampling only at their designated location at the farmers market.

Winery licensees and employees who are involved in sampling activities must hold a Mandatory Alcohol Server Training permit.

The Board may establish additional requirements by rule to ensure that persons under 21 years of age and apparently intoxicated persons cannot possess or consume alcohol.

The Board may prohibit sampling at a farmers market within an AIA if the Board finds that tasting at the farmers market is having an adverse effect on the reduction of chronic public inebriation in the area.

The Board must report to the appropriate committees of the Legislature on the pilot project by December 1, 2011.

**Appropriation:** None.

**Fiscal Note:** Available.

**Committee/Commission/Task Force Created:** No.

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

**Staff Summary of Public Testimony:** PRO: This bill will support the wine industry and farmers markets. It will also help the economic development of the state. Would suggest one amendment: moving the date for farmers markets to be authorized to allow wineries to sell bottled wine at retail in order to participate in the pilot project from January 1, 2010, to May 1, 2010. This amendment would allow more markets to get the authorization they need to be eligible for selection as one of the ten pilots.

**Persons Testifying:** PRO: Stephanie Anderson, Renton Farmers market.