

SENATE BILL REPORT

SB 6333

As of January 15, 2010

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

Brief Description: Concerning beer and wine tasting at farmers markets.

Sponsors: Senators Kohl-Welles, King, Hatfield, Keiser, McDermott and Kline.

Brief History:

Committee Activity: Labor, Commerce & Consumer Protection: 1/14/10.

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 alcohol impact areas and placing restrictions on licensees located in

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an AIA. These 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 beer and wine tasting at farmers markets. The pilot project is for ten farmers markets with at least six days of tasting (but no more than one winery or microbrewery per day) at each location between July 1, 2010, and September 30, 2011.

Farmers markets chosen to participate by the Board must already be authorized to sell bottled wine and bottled beer at retail under statute. A winery or microbrewery offering samples must already have an endorsement from the Board to sell wine or beer of its own production at a farmers market.

A number of conditions for sampling must be met. Samples must be 2 ounces or less, up to a total of 4 ounces, and no more than one sample of any single brand may be provided to a customer during one visit. A winery or microbrewery must have food available or must be adjacent to a vendor offering food. A winery or microbrewery may advertise the sampling only in their designate location at the farmers market. Customers must remain in the designate location while sampling beer or wine. Employees of both wineries and microbreweries who are involved in sampling activities must complete a Board approved limited alcohol server training program that addresses only those subjects reasonably related to the sampling activities.

The Board may establish additional requirements by rule to ensure that persons under 21 years of age and apparently intoxicated cannot possess or consume alcohol from a sampling. The Board may prohibit sampling at a farmers market that is 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 Legislature by December 1, 2011, and the provisions expire on 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: Wine is an important product that is produced in Washington and it needs to be showcased at local farmers markets. In the last six years,

we have only had about 12 small wineries sell at the markets because the biggest hurdle is they cannot sample at the markets. This bill will allow the vintners and brewers to market and sell their product more than they can now because people will be able to sample the product. Removing this barrier for wineries and microbreweries will benefit local producers, customers, farmers markets, and the economy. Taste is everything. People don't want to part with their money when they don't know what something taste like. Vintners would like the opportunity to dispel the belief on the bad taste of wine they had in their youth.

CON: Our concern is the unintended effect this would have on children by demonstrating the relatively casual use of alcohol. During the grocery store tasting pilot project there were incidents of selling alcohol to minors. Compliance is a really hard thing to keep track of. We should increase the funding for compliance. We don't really like the bill, but if it has to happen it couldn't get much better than this. What will be next? This pilot project should be done in venues where all patrons are all 21 years and older. In Washington high schools there is a 40-50 percent use of alcohol among kids. Washington State does not have a comprehensive educational program to educate kids about drinking.

Persons Testifying: PRO: Chris Curtis, Neighborhood Farmers Market Alliance; Jackie Aitchison, Washington State Farmers Market Association; Wad Bennett, Rockridge Farms.

CON: Seth Dawson, Jim Cooper, Washington Association for Substance Abuse Prevention.