

# HOUSE BILL REPORT

## SHB 1172

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### As Passed Legislature

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

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

**Sponsors:** House Committee on State Government & Tribal Affairs (originally sponsored by Representatives Kenney, Hasegawa, Maxwell, Finn, Ryu, Reykdal and Upthegrove).

#### **Brief History:**

##### **Committee Activity:**

State Government & Tribal Affairs: 1/19/11, 2/2/11 [DPS].

##### **Floor Activity:**

Passed House: 3/3/11, 77-21.

Passed Senate: 4/5/11, 37-12.

Passed Legislature.

#### **Brief Summary of Substitute Bill**

- Creates a pilot project for beer and wine tasting at farmers markets.

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### HOUSE COMMITTEE ON STATE GOVERNMENT & TRIBAL AFFAIRS

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 9 members: Representatives Hunt, Chair; Taylor, Ranking Minority Member; Overstreet, Assistant Ranking Minority Member; Alexander, Condotta, Darneille, Dunshee, Hurst and McCoy.

**Minority Report:** Do not pass. Signed by 1 member: Representative Miloscia.

**Staff:** Joan Elgee (786-7106).

#### **Background:**

Wineries and microbreweries may obtain an endorsement from the Liquor Control Board (Board) to sell their products for off-premises consumption at qualifying farmers markets.

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

Farmers markets must meet certain criteria and receive authorization from the Board to allow beer or wine sales.

Sampling of beer and wine is permitted in some circumstances. Beer and/or wine specialty shops may serve samples of two ounces or less to a customer. Legislation passed in 2010 allows certain grocery stores to conduct tastings with an endorsement issued by the Board. Wineries and microbreweries may also serve samples. A farmers market endorsement to a winery or microbrewery license, however, does not authorize tasting at a farmers market.

Persons who serve alcohol for on-premises consumption on licensed retail premises must obtain a Mandatory Alcohol Server Training (MAST) permit.

Liquor licensees are subject to penalty, including license suspension, for violations of the law. The Board may vacate a suspension if the licensee pays a monetary penalty. By rule, the Board has classified some violations, such as the sale or service of liquor to a minor, as public safety violations. For a first violation of a public safety violation, a licensee receives a five-day suspension or a \$500 penalty.

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 may place restrictions on licensees located in an AIA.

#### **Summary of Substitute Bill:**

The Board is directed to establish a pilot project for beer and wine tasting at farmers markets. The pilot project is for 10 farmers markets with at least six days of tastings at each location between September 1, 2011, and November 1, 2012. Only one winery or microbrewery may offer samples at a farmers market per day.

Farmers markets chosen to participate in the pilot project must be authorized, as of January 1, 2011, for winery sales and must also be authorized for microbrewery sales if a microbrewery is providing samples. Wineries and microbreweries offering samples must hold an endorsement to sell at farmers markets starting May 1, 2011. 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 two ounces or less, up to a total of four ounces per customer per day, and no more than one sample of any single brand and type may be provided to a customer per day.
- Customers must remain at the designated stall, booth, or other designated location while sampling beer or wine.
- A winery or microbrewery may advertise sampling only at its designated location at the farmers market.
- A winery or microbrewery must have food available or be adjacent to a vendor offering prepared food.

Winery and microbrewery licensees and employees who are involved in sampling activities must hold a MAST permit.

If a winery or microbrewery commits a public safety violation in conjunction with tasting activities, the Board may suspend the winery or microbrewery's farmers market endorsement for up to two years. If mitigating circumstances exist, the Board may offer a monetary penalty in lieu of suspension during a settlement conference.

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

The Board must report to the appropriate committees of the Legislature on the pilot project by December 1, 2012, when the act expires.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.

**Staff Summary of Public Testimony:**

(In support) This bill is important to the prosperity of small wineries in Washington. Sales of wine over \$10 to \$12 have dropped off. People do not want to buy wine without tasting it; when they taste, they will buy. Small wineries need access to markets and farmers markets are a great outlet. Consider moving the farmers market provisions of the wine statute into a separate statute.

(Opposed) None.

**Persons Testifying:** Wade Bennett, Rockridge Farms; Wayne Corey, Des Moines Farmers Market; Jean Leonard, Washington Wine Institute; T.K. Bentler, Washington Brewers Guild; and Ron Main, Washington Beer and Wine Wholesalers Association.

**Persons Signed In To Testify But Not Testifying:** None.