

SHB 2154 - H AMD 686

By Representative Dahlquist

1 Strike everything after the enacting clause and insert the
2 following:

3 "NEW SECTION. **Sec. 1.** (1) The legislature recognizes that state
4 and local fairs provide valuable educational and entertainment
5 experiences for the citizens and visitors of the state. Each year,
6 thousands of people patronize their city, county, or state fair to
7 enjoy rides, concerts, agricultural and art exhibits, and fair food.
8 Fairs have become an annual tradition for families and bring thousands
9 of people together every year.

10 (2) The legislature finds that supporting Washington's fairs is
11 important for the state and local economy. The legislature further
12 finds that the current license that allows fairgoers to enjoy a variety
13 of alcoholic beverages at the fair does not take into consideration the
14 unique characteristics of a fair and was designed originally for sport
15 entertainment facilities. It is the intent of the legislature to
16 support Washington's fairs by creating a liquor license that is
17 specifically designed for fairs, meeting the needs of the fair while
18 providing safeguards for the public.

19 NEW SECTION. **Sec. 2.** A new section is added to chapter 66.24 RCW
20 to read as follows:

21 (1) A license is created to be designated as a fair event license,
22 which is a special license to be issued to any fair organization that
23 sponsors a fair. A fair event license permits the licensee to:

24 (a) Sell beer, wine, and spirits at retail to be consumed on the
25 premises;

26 (b) Sell beer from domestic breweries and microbreweries, wine from
27 domestic wineries, and spirits from craft distilleries, at retail in
28 bottles, cans, and original containers for consumption off the
29 premises. Beer may also be sold in containers brought to the premises

1 by the purchaser and filled at the tap at the time of sale for
2 consumption off the premises. Domestic breweries, microbreweries,
3 domestic wineries, and craft distilleries must have an endorsement from
4 the board to sell its products at retail for off-premises consumption
5 at a fair;

6 (c) Provide, free or for a charge, single-serving samples of beer
7 and wine from domestic breweries, microbreweries, and domestic
8 wineries, and spirits from craft distilleries, in sample sizes of two
9 ounces or less to customers for the purpose of sales promotion.
10 Sampling activities of licensees under this section are subject to RCW
11 66.28.305 and 66.28.040 and the cost of sampling under this section may
12 not be borne, directly or indirectly, by any manufacturer, importer, or
13 distributor of liquor.

14 (2) For the purposes of this section:

15 (a) "Fair event" means an agricultural fair as defined in RCW
16 15.76.110 or another event held by a fair organization at the same
17 physical premises.

18 (b) "Fair organization" means an organization that holds at least
19 one temporary fair event, to include at least one agricultural fair as
20 defined in RCW 15.76.110, each year that is open to the public,
21 requires a fee, ticket, or other consideration or permission for
22 entrance, and is held at a fixed location within an enclosed area of
23 land. The enclosed area of land does not have to be exclusively used
24 for agricultural fairs.

25 (3) The cost of the license is two thousand five hundred dollars
26 per annum.

27 (4)(a) To receive a license, a fair organization must submit an
28 operating plan for board approval.

29 (b) Once approved, the plan remains in effect until the licensee
30 requests a change or the board determines that a change is necessary
31 due to demonstrated problems or conditions not previously considered or
32 adequately addressed in the original plan.

33 (c) The plan must be submitted in a format designated by the board.

34 (d) The plan must contain, at a minimum, the following elements:

35 (i) How the fair organization will prevent the sale and service of
36 alcohol to persons under twenty-one years of age and those who appear
37 to be intoxicated;

1 (ii) The ratio of alcohol service staff and security staff to the
2 number of patrons expected to attend the fair event;

3 (iii) Training provided to staff who serve, regulate, or supervise
4 the service of alcohol;

5 (iv) The fair organization's policy on the number of alcoholic
6 beverages that will be served to an individual patron during one
7 transaction; and

8 (v) A list of events to be held on fairgrounds during the fair
9 event at which alcohol service is planned.

10 (5) The board may impose reasonable requirements upon a licensee
11 under this section, including the locations where beverages sold for
12 on-premises consumption may be consumed and reasonable restrictions on
13 the amounts of sampling and location where sampling may occur. The
14 board must consider factors such as eating facilities, amenities
15 available on the fairgrounds, and circulation patterns of patrons on
16 fairgrounds.

17 (6)(a) A licensee and an affiliated business may enter into
18 arrangements with a manufacturer, importer, or distributor for brand
19 advertising at the fair event or promotion of events held at the fair
20 event. The financial arrangements providing for the brand advertising
21 or promotion of events may not be used as an inducement to purchase the
22 products of the manufacturer, importer, or distributor entering into
23 the arrangement nor may it result in the exclusion of brands or
24 products of other companies.

25 (b) The arrangements allowed under this subsection (6) are an
26 exception to arrangements prohibited under RCW 66.28.305. The board
27 shall monitor the impacts of these arrangements. The board may conduct
28 audits of the licensee and the affiliated business to determine
29 compliance with this subsection (6). Audits may include but are not
30 limited to product selection at the fair event; purchase patterns of
31 the licensee; contracts with the liquor manufacturer, importer, or
32 distributor; and the amount allocated or used for liquor advertising by
33 the licensee, affiliated business, manufacturer, importer, or
34 distributor under the arrangements.

35 (7) Vendors of the licensee that sell beer, wine, or spirits for
36 on-premise or off-premise consumption must be licensed by the board to
37 sell beer, wine, or spirits for on-premise or off-premise consumption.
38 If a vendor commits a violation of this title at the fair event, the

1 board must impose the penalties prescribed for the violation on the
2 specific vendor committing the violation. If the board cannot
3 determine the specific vendor responsible for the violation, the board
4 may impose the penalties prescribed on the licensee.

5 (8) Nothing in this section precludes a fair organization from
6 applying for or being eligible to receive a sports entertainment
7 facility license under RCW 66.24.570 or any other license under this
8 title for which it is qualified.

9 **Sec. 3.** RCW 66.20.300 and 2013 c 237 s 2 and 2013 c 219 s 2 are
10 each reenacted and amended to read as follows:

11 The definitions in this section apply throughout RCW 66.20.310
12 through 66.20.350 unless the context clearly requires otherwise.

13 (1) "Alcohol" has the same meaning as "liquor" in RCW 66.04.010.

14 (2) "Alcohol server" means any person who as part of his or her
15 employment participates in the sale or service of alcoholic beverages
16 for on-premise consumption at a retail licensed premise as a regular
17 requirement of his or her employment, and includes those persons
18 eighteen years of age or older permitted by the liquor laws of this
19 state to serve alcoholic beverages with meals.

20 (3) "Board" means the Washington state liquor control board.

21 (4) "Retail licensed premises" means any:

22 (a) Premises licensed to sell alcohol by the glass or by the drink,
23 or in original containers primarily for consumption on the premises as
24 authorized by this section and RCW 66.20.310, 66.24.320, 66.24.330,
25 66.24.350, 66.24.400, 66.24.425, 66.24.450, 66.24.570, 66.24.610,
26 66.24.650, (~~and~~) 66.24.655, and section 2 of this act;

27 (b) Distillery licensed pursuant to RCW 66.24.140 that is
28 authorized to serve samples of its own production;

29 (c) Facility established by a domestic winery for serving and
30 selling wine pursuant to RCW 66.24.170(4); and

31 (d) Grocery store licensed under RCW 66.24.360, but only with
32 respect to employees whose duties include serving during tasting
33 activities under RCW 66.24.363.

34 (5) "Training entity" means any liquor licensee associations,
35 independent contractors, private persons, and private or public
36 schools, that have been certified by the board.

1 **Sec. 4.** RCW 66.20.310 and 2013 c 237 s 3 and 2013 c 219 s 3 are
2 each reenacted and amended to read as follows:

3 (1)(a) There is an alcohol server permit, known as a class 12
4 permit, for a manager or bartender selling or mixing alcohol, spirits,
5 wines, or beer for consumption at an on-premises licensed facility.

6 (b) There is an alcohol server permit, known as a class 13 permit,
7 for a person who only serves alcohol, spirits, wines, or beer for
8 consumption at an on-premises licensed facility.

9 (c) As provided by rule by the board, a class 13 permit holder may
10 be allowed to act as a bartender without holding a class 12 permit.

11 (2)(a) Effective January 1, 1997, except as provided in (d) of this
12 subsection, every alcohol server employed, under contract or otherwise,
13 at a retail licensed premise must be issued a class 12 or class 13
14 permit.

15 (b) Every class 12 and class 13 permit issued must be issued in the
16 name of the applicant and no other person may use the permit of another
17 permit holder. The holder must present the permit upon request to
18 inspection by a representative of the board or a peace officer. The
19 class 12 or class 13 permit is valid for employment at any retail
20 licensed premises described in (a) of this subsection.

21 (c) Except as provided in (d) of this subsection, no licensee
22 holding a license as authorized by this section and RCW 66.20.300,
23 66.24.320, 66.24.330, 66.24.350, 66.24.400, 66.24.425, 66.24.450,
24 66.24.570, 66.24.600, 66.24.610, 66.24.650, ~~((and))~~ 66.24.655, and
25 section 2 of this act may employ or accept the services of any person
26 without the person first having a valid class 12 or class 13 permit.

27 (d) Within sixty days of initial employment, every person whose
28 duties include the compounding, sale, service, or handling of liquor
29 must have a class 12 or class 13 permit.

30 (e) No person may perform duties that include the sale or service
31 of alcoholic beverages on a retail licensed premises without possessing
32 a valid alcohol server permit.

33 (3) A permit issued by a training entity under this section is
34 valid for employment at any retail licensed premises described in
35 subsection (2)(a) of this section for a period of five years unless
36 suspended by the board.

37 (4) The board may suspend or revoke an existing permit if any of
38 the following occur:

1 (a) The applicant or permittee has been convicted of violating any
2 of the state or local intoxicating liquor laws of this state or has
3 been convicted at any time of a felony; or

4 (b) The permittee has performed or permitted any act that
5 constitutes a violation of this title or of any rule of the board.

6 (5) The suspension or revocation of a permit under this section
7 does not relieve a licensee from responsibility for any act of the
8 employee or agent while employed upon the retail licensed premises.
9 The board may, as appropriate, revoke or suspend either the permit of
10 the employee who committed the violation or the license of the licensee
11 upon whose premises the violation occurred, or both the permit and the
12 license.

13 (6)(a) After January 1, 1997, it is a violation of this title for
14 any retail licensee or agent of a retail licensee as described in
15 subsection (2)(a) of this section to employ in the sale or service of
16 alcoholic beverages, any person who does not have a valid alcohol
17 server permit or whose permit has been revoked, suspended, or denied.

18 (b) It is a violation of this title for a person whose alcohol
19 server permit has been denied, suspended, or revoked to accept
20 employment in the sale or service of alcoholic beverages.

21 (7) Grocery stores licensed under RCW 66.24.360, the primary
22 commercial activity of which is the sale of grocery products and for
23 which the sale and service of beer and wine for on-premises consumption
24 with food is incidental to the primary business, and employees of such
25 establishments, are exempt from RCW 66.20.300 through 66.20.350, except
26 for employees whose duties include serving during tasting activities
27 under RCW 66.24.363.

28 **Sec. 5.** RCW 66.24.170 and 2013 c 238 s 2 are each amended to read
29 as follows:

30 (1) There shall be a license for domestic wineries; fee to be
31 computed only on the liters manufactured: Less than two hundred fifty
32 thousand liters per year, one hundred dollars per year; and two hundred
33 fifty thousand liters or more per year, four hundred dollars per year.

34 (2) The license allows for the manufacture of wine in Washington
35 state from grapes or other agricultural products.

36 (3) Any domestic winery licensed under this section may also act as
37 a retailer of wine of its own production. Any domestic winery licensed

1 under this section may act as a distributor of its own production.
2 Notwithstanding any language in this title to the contrary, a domestic
3 winery may use a common carrier to deliver up to one hundred cases of
4 its own production, in the aggregate, per month to licensed Washington
5 retailers. A domestic winery may not arrange for any such common
6 carrier shipments to licensed retailers of wine not of its own
7 production. Except as provided in this section, any winery operating
8 as a distributor and/or retailer under this subsection shall comply
9 with the applicable laws and rules relating to distributors and/or
10 retailers, except that a winery operating as a distributor may maintain
11 a warehouse off the premises of the winery for the distribution of wine
12 of its own production provided that: (a) The warehouse has been
13 approved by the board under RCW 66.24.010; and (b) the number of
14 warehouses off the premises of the winery does not exceed one.

15 (4) A domestic winery licensed under this section, at locations
16 separate from any of its production or manufacturing sites, may serve
17 samples of its own products, with or without charge, and sell wine of
18 its own production at retail, provided that: (a) Each additional
19 location has been approved by the board under RCW 66.24.010; (b) the
20 total number of additional locations does not exceed two; (c) a winery
21 may not act as a distributor at any such additional location; and (d)
22 any person selling or serving wine at an additional location for on-
23 premise consumption must obtain a class 12 or class 13 alcohol server
24 permit. Each additional location is deemed to be part of the winery
25 license for the purpose of this title. At additional locations
26 operated by multiple wineries under this section, if the board cannot
27 connect a violation of RCW 66.44.200 or 66.44.270 to a single licensee,
28 the board may hold all licensees operating the additional location
29 jointly liable. Nothing in this subsection shall be construed to
30 prevent a domestic winery from holding multiple domestic winery
31 licenses.

32 (5)(a) A domestic winery licensed under this section may apply to
33 the board for an endorsement to sell wine of its own production at
34 retail for off-premises consumption at a qualifying farmers market or
35 fair event. The annual fee for this endorsement is seventy-five
36 dollars. An endorsement issued pursuant to this subsection does not
37 count toward the two additional retail locations limit specified in
38 this section.

1 (b) For each month during which a domestic winery will sell wine at
2 a qualifying farmers market or fair event, the winery must provide the
3 board or its designee a list of the dates, times, and locations at
4 which bottled wine may be offered for sale. This list must be received
5 by the board before the winery may offer wine for sale at a qualifying
6 farmers market or fair event.

7 (c) The wine sold at qualifying farmers markets or fair events must
8 be made entirely from grapes grown in a recognized Washington
9 appellation or from other agricultural products grown in this state.

10 (d) Each approved location in a qualifying farmers market or fair
11 event is deemed to be part of the winery license for the purpose of
12 this title. The approved locations under an endorsement granted under
13 this subsection include tasting or sampling privileges subject to the
14 conditions pursuant to RCW 66.24.175. The winery may not store wine at
15 a farmers market or fair event beyond the hours that the winery offers
16 bottled wine for sale. The winery may not act as a distributor from a
17 farmers market or fair event location.

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

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

38 (g) For the purposes of this subsection:

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

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

8 (B) The total combined gross annual sales of vendors who are
9 farmers exceeds the total combined gross annual sales of vendors who
10 are processors or resellers;

11 (C) The total combined gross annual sales of vendors who are
12 farmers, processors, or resellers exceeds the total combined gross
13 annual sales of vendors who are not farmers, processors, or resellers;

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

16 (E) No vendor is a franchisee.

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

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

24 (iv) "Reseller" means a natural person who buys agricultural
25 products from a farmer and resells the products directly to the
26 consumer.

27 (v) "Fair event" and "fair organization" have the same meaning as
28 used in section 2 of this act.

29 (6) Wine produced in Washington state by a domestic winery licensee
30 may be shipped out-of-state for the purpose of making it into sparkling
31 wine and then returned to such licensee for resale. Such wine shall be
32 deemed wine manufactured in the state of Washington for the purposes of
33 RCW 66.24.206, and shall not require a special license.

34 **Sec. 6.** RCW 66.24.240 and 2011 c 195 s 6 and 2011 c 119 s 212 are
35 each reenacted and amended to read as follows:

36 (1) There shall be a license for domestic breweries; fee to be two

1 thousand dollars for production of sixty thousand barrels or more of
2 malt liquor per year.

3 (2) Any domestic brewery, except for a brand owner of malt
4 beverages under RCW 66.04.010(7), licensed under this section may also
5 act as a distributor and/or retailer for beer of its own production.
6 Any domestic brewery operating as a distributor and/or retailer under
7 this subsection shall comply with the applicable laws and rules
8 relating to distributors and/or retailers. A domestic brewery holding
9 a spirits, beer, and wine restaurant license may sell beer of its own
10 production for off-premises consumption from its restaurant premises in
11 kegs or in a sanitary container brought to the premises by the
12 purchaser or furnished by the licensee and filled at the tap by the
13 licensee at the time of sale.

14 (3) Any domestic brewery licensed under this section may also sell
15 beer produced by another domestic brewery or a microbrewery for on and
16 off-premises consumption from its premises as long as the other
17 breweries' brands do not exceed twenty-five percent of the domestic
18 brewery's on-tap offering of its own brands.

19 (4) A domestic brewery may hold up to two retail licenses to
20 operate an on or off-premise tavern, beer and/or wine restaurant, or
21 spirits, beer, and wine restaurant. This retail license is separate
22 from the brewery license. A brewery that holds a tavern license, a
23 spirits, beer, and wine restaurant license, or a beer and/or wine
24 restaurant license shall hold the same privileges and endorsements as
25 permitted under RCW 66.24.320, 66.24.330, and 66.24.420.

26 (5) Any domestic brewery licensed under this section may contract-
27 produce beer for a brand owner of malt beverages defined under RCW
28 66.04.010(7), and this contract-production is not a sale for the
29 purposes of RCW 66.28.170 and 66.28.180.

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

36 (b) For each month during which a domestic brewery will sell beer
37 at a qualifying farmers market or fair event, the domestic brewery must
38 provide the board or its designee a list of the dates, times, and

1 locations at which bottled beer may be offered for sale. This list
2 must be received by the board before the domestic brewery may offer
3 beer for sale at a qualifying farmers market or fair event.

4 (c) The beer sold at qualifying farmers markets or fair events must
5 be produced in Washington.

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

15 (e) Before a domestic brewery may sell bottled beer at a qualifying
16 farmers market or fair event, the farmers market or fair organization
17 must apply to the board for authorization for any domestic brewery with
18 an endorsement approved under this subsection to sell bottled beer at
19 retail at the farmers market or fair event. This application shall
20 include, at a minimum: (i) A map of the farmers market or fair event
21 showing all booths, stalls, or other designated locations at which an
22 approved domestic brewery may sell bottled beer; and (ii) the name and
23 contact information for the on-site market managers or fair
24 organization managers who may be contacted by the board or its designee
25 to verify the locations at which bottled beer may be sold. Before
26 authorizing a qualifying farmers market or fair organization to allow
27 an approved domestic brewery to sell bottled beer at retail at its
28 farmers market or fair event location, the board shall notify the
29 persons or entities of such application for authorization pursuant to
30 RCW 66.24.010 (8) and (9). An authorization granted under this
31 subsection (6)(e) may be withdrawn by the board for any violation of
32 this title or any rules adopted under this title.

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

36 (g) For the purposes of this subsection:

37 (i) "Qualifying farmers market" means an entity that sponsors a
38 regular assembly of vendors at a defined location for the purpose of

1 promoting the sale of agricultural products grown or produced in this
2 state directly to the consumer under conditions that meet the following
3 minimum requirements:

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

6 (B) The total combined gross annual sales of vendors who are
7 farmers exceeds the total combined gross annual sales of vendors who
8 are processors or resellers;

9 (C) The total combined gross annual sales of vendors who are
10 farmers, processors, or resellers exceeds the total combined gross
11 annual sales of vendors who are not farmers, processors, or resellers;

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

14 (E) No vendor is a franchisee.

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

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

22 (iv) "Reseller" means a natural person who buys agricultural
23 products from a farmer and resells the products directly to the
24 consumer.

25 (v) "Fair event" and "fair organization" have the same meaning as
26 used in section 2 of this act.

27 **Sec. 7.** RCW 66.24.244 and 2013 c 238 s 3 are each amended to read
28 as follows:

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

32 (2) Any microbrewery licensed under this section may also act as a
33 distributor and/or retailer for beer and strong beer of its own
34 production. Strong beer may not be sold at a farmers market or fair
35 event or under any endorsement which may authorize microbreweries to
36 sell beer at farmers markets or fair events. Any microbrewery
37 operating as a distributor and/or retailer under this subsection shall

1 comply with the applicable laws and rules relating to distributors
2 and/or retailers, except that a microbrewery operating as a distributor
3 may maintain a warehouse off the premises of the microbrewery for the
4 distribution of beer provided that (a) the warehouse has been approved
5 by the board under RCW 66.24.010 and (b) the number of warehouses off
6 the premises of the microbrewery does not exceed one. A microbrewery
7 holding a spirits, beer, and wine restaurant license may sell beer of
8 its own production for off-premises consumption from its restaurant
9 premises in kegs or in a sanitary container brought to the premises by
10 the purchaser or furnished by the licensee and filled at the tap by the
11 licensee at the time of sale.

12 (3) Any microbrewery licensed under this section may also sell beer
13 produced by another microbrewery or a domestic brewery for on and off-
14 premises consumption from its premises as long as the other breweries'
15 brands do not exceed twenty-five percent of the microbrewery's on-tap
16 offering of its own brands.

17 (4) The board may issue up to two retail licenses allowing a
18 microbrewery to operate an on or off-premise tavern, beer and/or wine
19 restaurant, or spirits, beer, and wine restaurant.

20 (5) A microbrewery that holds a tavern license, spirits, beer, and
21 wine restaurant license, or a beer and/or wine restaurant license shall
22 hold the same privileges and endorsements as permitted under RCW
23 66.24.320, 66.24.330, and 66.24.420.

24 (6)(a) A microbrewery licensed under this section may apply to the
25 board for an endorsement to sell bottled beer of its own production at
26 retail for off-premises consumption at a qualifying farmers market or
27 fair. The annual fee for this endorsement is seventy-five dollars.

28 (b) For each month during which a microbrewery will sell beer at a
29 qualifying farmers market or fair event, the microbrewery must provide
30 the board or its designee a list of the dates, times, and locations at
31 which bottled beer may be offered for sale. This list must be received
32 by the board before the microbrewery may offer beer for sale at a
33 qualifying farmers market or fair event.

34 (c) Any person selling or serving beer must obtain a class 12 or
35 class 13 alcohol server permit.

36 (d) The beer sold at qualifying farmers markets or fair events must
37 be produced in Washington.

1 (e) Each approved location in a qualifying farmers market or fair
2 event is deemed to be part of the microbrewery license for the purpose
3 of this title. The approved locations under an endorsement granted
4 under this subsection (6) include tasting or sampling privileges
5 subject to the conditions pursuant to RCW 66.24.175. The microbrewery
6 may not store beer at a farmers market or fair event beyond the hours
7 that the microbrewery offers bottled beer for sale. The microbrewery
8 may not act as a distributor from a farmers market or fair event
9 location.

10 (f) Before a microbrewery may sell bottled beer at a qualifying
11 farmers market or fair event, the farmers market or fair organization
12 must apply to the board for authorization for any microbrewery with an
13 endorsement approved under this subsection (6) to sell bottled beer at
14 retail at the farmers market or fair event. This application shall
15 include, at a minimum: (i) A map of the farmers market or fair event
16 showing all booths, stalls, or other designated locations at which an
17 approved microbrewery may sell bottled beer; and (ii) the name and
18 contact information for the on-site market managers or fair
19 organization managers who may be contacted by the board or its designee
20 to verify the locations at which bottled beer may be sold. Before
21 authorizing a qualifying farmers market or fair organization to allow
22 an approved microbrewery to sell bottled beer at retail at its farmers
23 market or fair location, the board shall notify the persons or entities
24 of the application for authorization pursuant to RCW 66.24.010 (8) and
25 (9). An authorization granted under this subsection (6)(f) may be
26 withdrawn by the board for any violation of this title or any rules
27 adopted under this title.

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

31 (h) For the purposes of this subsection (6):

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

37 (A) There are at least five participating vendors who are farmers
38 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.

20 (v) "Fair event" and "fair organization" have the same meaning as
21 used in section 2 of this act.

22 (7) Any microbrewery licensed under this section may
23 contract-produce beer for another microbrewer. This contract-
24 production is not a sale for the purposes of RCW 66.28.170 and
25 66.28.180.

26 **Sec. 8.** RCW 66.24.145 and 2013 c 98 s 1 are each amended to read
27 as follows:

28 (1) Any craft distillery may sell spirits of its own production for
29 consumption off the premises, up to three liters per person per day.
30 A craft distillery selling spirits under this subsection must comply
31 with the applicable laws and rules relating to retailers.

32 (2) Any craft distillery may contract distilled spirits for, and
33 sell contract distilled spirits to, holders of distillers' or
34 manufacturers' licenses, including licenses issued under RCW 66.24.520,
35 or for export.

36 (3) Any craft distillery licensed under this section may provide,
37 free of charge, one-half ounce or less samples of spirits of its own

1 production to persons on the premises of the distillery. The maximum
2 total per person per day is two ounces. Every person who participates
3 in any manner in the service of samples must obtain a class 12 alcohol
4 server permit.

5 (4) The board must adopt rules to implement the alcohol server
6 permit requirement and may adopt additional rules to implement this
7 section.

8 (5) Distilling is an agricultural practice.

9 (6)(a) A craft distillery licensed under this section may apply to
10 the board for an endorsement to sell bottled spirits of its own
11 production at retail for off-premises consumption at a fair event. The
12 annual fee for this endorsement is seventy-five dollars.

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

19 (c) The bottled spirits sold at a fair event must be produced in
20 Washington.

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

37 (e) The board may adopt rules establishing the application and

1 approval process under this section and such additional rules as may be
2 necessary to implement this section.

3 (f) For the purposes of this subsection, "fair event" and "fair
4 organization" have the same meaning as used in section 2 of this act."

5 Correct the title.

EFFECT: Broadens the range of events at which a fair organization may use the fair license to events held by a fair organization hosting at least one agricultural fair at the same physical premises. Changes the name of the license to "fair license."

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