

# SENATE BILL REPORT

## SB 5674

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As Amended by House, April 9, 2013

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

**Brief Description:** Allowing wine and beer sampling at farmers markets.

**Sponsors:** Senators Kohl-Welles, Smith, Hatfield, Conway, Schoesler, King, Hobbs, Murray, Keiser, Ranker, Harper, Hewitt and Rolfes.

**Brief History:**

**Committee Activity:** Commerce & Labor: 2/11/13, 2/18/13 [DP].

Passed Senate: 3/12/13, 41-8.

Passed House: 4/09/13, 81-12.

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### SENATE COMMITTEE ON COMMERCE & LABOR

**Majority Report:** Do pass.

Signed by Senators Holmquist Newbry, Chair; Braun, Vice Chair; Conway, Ranking Member; Hewitt, Keiser and King.

**Staff:** Edith Rice (786-7444)

**Background:** SHB 1172, enacted in 2011, authorized a farmers market wine and beer tasting pilot program. The program permitted ten qualifying farmers markets to participate for a limited time period. Only one winery or microbrewery per day was permitted to offer samples. Samples were limited to two ounces or less with a total of four ounces served to a customer per day. Sampling was offered from September 2011 to October 2012. A preliminary report by the Liquor Control Board (LCB) to the Legislature was published in December 2012.

As a result of the pilot program LCB recommended that:

- the pilot program be made permanent;
- additional farmers markets be allowed to participate;
- additional wineries and microbreweries be added;
- servers have a mandatory alcohol server permit;
- penalties be established to promote compliance with public safety; and
- consideration be given to expanding the definition of qualifying farmers market.

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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.*

A qualifying farmers market must have at least 5 vendors who are farmers selling their own products. The gross annual sales of farmers must be greater than the combined gross annual sales of processors or resellers; and the combined gross annual sales of farmers, processors and resellers is greater than the total combined gross annual sales of vendors who are not farmers, processors, or resellers. No vendor can be a franchisee and the sale of imported or secondhand items is prohibited.

**Summary of Bill:** A qualifying farmers market can apply to LCB for an endorsement to allow sampling of wine, beer, or both. Wineries or microbreweries must have an endorsement from LCB to sell their products at a farmers market in order to offer samples.

Up to a total of three wineries or microbreweries may offer samples at a farmers market per day. Samples must be two ounces or less, and each winery or microbrewery may provide a maximum of two ounces of wine or beer to a customer per day. Individuals serving samples must have a class 12 or 13 server permit. Food must be available for sampling customers. LCB may establish other requirements to prevent underage drinking. LCB may suspend a licensees' farmers market endorsement for up to two years for a public safety violation.

**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: Farmers markets provide new opportunities for small businesses to get started. We participated in the pilot program and wine sales grew 400 percent. Farmers markets allow people to sample Washington's products. This is a low-cost way for wineries to market themselves. There are not enough places to sell Washington wines. Farmers markets get more wine to more people.

CON: We have concerns about compliance checks. We do not fully understand the implications of I-1183, we are concerned about serving cannabis-infused beer.

**Persons Testifying:** PRO: Senator Kohl-Welles, prime sponsor; John Bell, Family Wineries of WA State; Wayne Corey, Des Moines Farmers Market; Joel Wachs, WA State Farmers Market Assn.; Jordan Boldt, Vancouver Farmers Market Assn.; Paul Beveridge, Family Wineries of WA State; Jean Leonard, WA Wine Institute.

CON: Derek Franklin, WA Assn. for Substance Abuse and Violence Prevention.

**House Amendment(s):** "Qualifying farmers market" means in addition to other criteria, that the gross annual sales of farmers must be greater than the combined gross annual sales of processors or resellers. However, if a farmers market's combined gross annual sales of farmer vendors does not exceed the annual sales of other vendors, the farmers market may still be considered a qualifying farmers market for purposes of sampling if the total combined gross annual sales of vendors at the farmers market is \$1 million or more.