

---

**SUBSTITUTE HOUSE BILL 1742**

---

**State of Washington**

**63rd Legislature**

**2014 Regular Session**

**By** House Government Accountability & Oversight (originally sponsored by Representatives Wylie, Ryu, Hunter, S. Hunt, and Moscoso)

READ FIRST TIME 01/27/14.

1 AN ACT Relating to allowing sales of growlers of wine; and amending  
2 RCW 66.24.170.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 **Sec. 1.** RCW 66.24.170 and 2013 c 238 s 2 are each amended to read  
5 as follows:

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

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

12 (3) Any domestic winery licensed under this section may also act as  
13 a retailer of wine of its own production. Any domestic winery licensed  
14 under this section may act as a distributor of its own production.  
15 Notwithstanding any language in this title to the contrary, a domestic  
16 winery may use a common carrier to deliver up to one hundred cases of  
17 its own production, in the aggregate, per month to licensed Washington  
18 retailers. A domestic winery may not arrange for any such common  
19 carrier shipments to licensed retailers of wine not of its own

1 production. Except as provided in this section, any winery operating  
2 as a distributor and/or retailer under this subsection (~~shall~~) must  
3 comply with the applicable laws and rules relating to distributors  
4 and/or retailers, except that a winery operating as a distributor may  
5 maintain a warehouse off the premises of the winery for the  
6 distribution of wine of its own production provided that: (a) The  
7 warehouse has been approved by the board under RCW 66.24.010; and (b)  
8 the number of warehouses off the premises of the winery does not exceed  
9 one.

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

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

37 (b) For each month during which a domestic winery will sell wine at  
38 a qualifying farmers market, the winery must provide the board or its

1 designee a list of the dates, times, and locations at which bottled  
2 wine may be offered for sale. This list must be received by the board  
3 before the winery may offer wine for sale at a qualifying farmers  
4 market.

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

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

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

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

33 (g) For the purposes of this subsection:

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

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

3 (B) The total combined gross annual sales of vendors who are  
4 farmers exceeds the total combined gross annual sales of vendors who  
5 are processors or resellers;

6 (C) The total combined gross annual sales of vendors who are  
7 farmers, processors, or resellers exceeds the total combined gross  
8 annual sales of vendors who are not farmers, processors, or resellers;

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

11 (E) No vendor is a franchisee.

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

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

19 (iv) "Reseller" means a natural person who buys agricultural  
20 products from a farmer and resells the products directly to the  
21 consumer.

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

--- END ---