
SUBSTITUTE HOUSE BILL 2154

State of Washington

63rd Legislature

2014 Regular Session

By House Government Accountability & Oversight (originally sponsored by Representatives Dahlquist, Hurst, S. Hunt, Buys, and Haigh)

READ FIRST TIME 02/05/14.

1 AN ACT Relating to creating a liquor license for fairs; amending
2 RCW 66.24.170, 66.24.244, and 66.24.145; reenacting and amending RCW
3 66.20.300, 66.20.310, and 66.24.240; adding a new section to chapter
4 66.24 RCW; and creating a new section.

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

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

13 (2) The legislature finds that supporting Washington's fairs is
14 important for the state and local economy. The legislature further
15 finds that the current license that allows fairgoers to enjoy a variety
16 of alcoholic beverages at the fair does not take into consideration the
17 unique characteristics of a fair and was designed originally for sport
18 entertainment facilities. It is the intent of the legislature to

1 support Washington's fairs by creating a liquor license that is
2 specifically designed for fairs, meeting the needs of the fair while
3 providing safeguards for the public.

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

6 (1) A license is created to be designated as a fair license, which
7 is a special license to be issued to any fair organization that
8 sponsors a fair. A fair license permits the licensee to:

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

11 (b) Sell beer from domestic breweries and microbreweries, wine from
12 domestic wineries, and spirits from craft distilleries, at retail in
13 bottles, cans, and original containers for consumption off the
14 premises. Beer may also be sold in containers brought to the premises
15 by the purchaser and filled at the tap at the time of sale for
16 consumption off the premises. Domestic breweries, microbreweries,
17 domestic wineries, and craft distilleries must have an endorsement from
18 the board to sell its products at retail for off-premises consumption
19 at a fair;

20 (c) Provide, free or for a charge, single-serving samples of beer
21 and wine from domestic breweries, microbreweries, and domestic
22 wineries, and spirits from craft distilleries, in sample sizes of two
23 ounces or less to customers for the purpose of sales promotion.
24 Sampling activities of licensees under this section are subject to RCW
25 66.28.305 and 66.28.040 and the cost of sampling under this section may
26 not be borne, directly or indirectly, by any manufacturer, importer, or
27 distributor of liquor.

28 (2) For the purposes of this section:

29 (a) "Fair" means an agricultural fair as defined in RCW 15.76.110.

30 (b) "Fair organization" means an organization that holds at least
31 one temporary fair each year that is open to the public, requires a
32 fee, ticket, or other consideration or permission for entrance, and is
33 held at a fixed location within an enclosed area of land. The enclosed
34 area of land does not have to be exclusively used for fairs.

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

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

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

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

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

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

12 (ii) The ratio of alcohol service staff and security staff to the
13 number of patrons expected to attend the fair;

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

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

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

21 (5) The board may impose reasonable requirements upon a licensee
22 under this section, including the locations where beverages sold for
23 on-premises consumption may be consumed and reasonable restrictions on
24 the amounts of sampling and location where sampling may occur. The
25 board must consider factors such as eating facilities, amenities
26 available on the fairgrounds, and circulation patterns of patrons on
27 fairgrounds.

28 (6)(a) A licensee and an affiliated business may enter into
29 arrangements with a manufacturer, importer, or distributor for brand
30 advertising at the fair or promotion of events held at the fair. The
31 financial arrangements providing for the brand advertising or promotion
32 of events shall not be used as an inducement to purchase the products
33 of the manufacturer, importer, or distributor entering into the
34 arrangement nor shall it result in the exclusion of brands or products
35 of other companies.

36 (b) The arrangements allowed under this subsection (6) are an
37 exception to arrangements prohibited under RCW 66.28.305. The board
38 shall monitor the impacts of these arrangements. The board may conduct

1 audits of the licensee and the affiliated business to determine
2 compliance with this subsection (6). Audits may include but are not
3 limited to product selection at the fair; purchase patterns of the
4 licensee; contracts with the liquor manufacturer, importer, or
5 distributor; and the amount allocated or used for liquor advertising by
6 the licensee, affiliated business, manufacturer, importer, or
7 distributor under the arrangements.

8 (7) Vendors of the licensee that sell beer, wine, or spirits for
9 on-premise or off-premise consumption must be licensed by the board to
10 sell beer, wine, or spirits for on-premise or off-premise consumption.
11 If a vendor commits a violation of this title at the fair, the board
12 must impose the penalties prescribed for the violation on the specific
13 vendor committing the violation. If the board cannot determine the
14 specific vendor responsible for the violation, the board may impose the
15 penalties prescribed on the licensee.

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

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

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

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

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

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

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

33 (a) Premises licensed to sell alcohol by the glass or by the drink,
34 or in original containers primarily for consumption on the premises as
35 authorized by this section and RCW 66.20.310, 66.24.320, 66.24.330,
36 66.24.350, 66.24.400, 66.24.425, 66.24.450, 66.24.570, 66.24.610,
37 66.24.650, (~~and~~) 66.24.655, and section 2 of this act;

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

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

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

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

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

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

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

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

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

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

31 (c) Except as provided in (d) of this subsection, no licensee
32 holding a license as authorized by this section and RCW 66.20.300,
33 66.24.320, 66.24.330, 66.24.350, 66.24.400, 66.24.425, 66.24.450,
34 66.24.570, 66.24.600, 66.24.610, 66.24.650, ~~((and))~~ 66.24.655, and
35 section 2 of this act may employ or accept the services of any person
36 without the person first having a valid class 12 or class 13 permit.

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

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

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

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

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

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

18 (5) The suspension or revocation of a permit under this section
19 does not relieve a licensee from responsibility for any act of the
20 employee or agent while employed upon the retail licensed premises.
21 The board may, as appropriate, revoke or suspend either the permit of
22 the employee who committed the violation or the license of the licensee
23 upon whose premises the violation occurred, or both the permit and the
24 license.

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

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

33 (7) Grocery stores licensed under RCW 66.24.360, the primary
34 commercial activity of which is the sale of grocery products and for
35 which the sale and service of beer and wine for on-premises consumption
36 with food is incidental to the primary business, and employees of such
37 establishments, are exempt from RCW 66.20.300 through 66.20.350, except

1 for employees whose duties include serving during tasting activities
2 under RCW 66.24.363.

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

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

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

11 (3) Any domestic winery licensed under this section may also act as
12 a retailer of wine of its own production. Any domestic winery licensed
13 under this section may act as a distributor of its own production.
14 Notwithstanding any language in this title to the contrary, a domestic
15 winery may use a common carrier to deliver up to one hundred cases of
16 its own production, in the aggregate, per month to licensed Washington
17 retailers. A domestic winery may not arrange for any such common
18 carrier shipments to licensed retailers of wine not of its own
19 production. Except as provided in this section, any winery operating
20 as a distributor and/or retailer under this subsection shall comply
21 with the applicable laws and rules relating to distributors and/or
22 retailers, except that a winery operating as a distributor may maintain
23 a warehouse off the premises of the winery for the distribution of wine
24 of its own production provided that: (a) The warehouse has been
25 approved by the board under RCW 66.24.010; and (b) the number of
26 warehouses off the premises of the winery does not exceed one.

27 (4) A domestic winery licensed under this section, at locations
28 separate from any of its production or manufacturing sites, may serve
29 samples of its own products, with or without charge, and sell wine of
30 its own production at retail, provided that: (a) Each additional
31 location has been approved by the board under RCW 66.24.010; (b) the
32 total number of additional locations does not exceed two; (c) a winery
33 may not act as a distributor at any such additional location; and (d)
34 any person selling or serving wine at an additional location for on-
35 premise consumption must obtain a class 12 or class 13 alcohol server
36 permit. Each additional location is deemed to be part of the winery
37 license for the purpose of this title. At additional locations

1 operated by multiple wineries under this section, if the board cannot
2 connect a violation of RCW 66.44.200 or 66.44.270 to a single licensee,
3 the board may hold all licensees operating the additional location
4 jointly liable. Nothing in this subsection shall be construed to
5 prevent a domestic winery from holding multiple domestic winery
6 licenses.

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

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

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

22 (d) Each approved location in a qualifying farmers market or fair
23 is deemed to be part of the winery license for the purpose of this
24 title. The approved locations under an endorsement granted under this
25 subsection include tasting or sampling privileges subject to the
26 conditions pursuant to RCW 66.24.175. The winery may not store wine at
27 a farmers market or fair beyond the hours that the winery offers
28 bottled wine for sale. The winery may not act as a distributor from a
29 farmers market or fair location.

30 (e) Before a winery may sell bottled wine at a qualifying farmers
31 market or fair, the farmers market or fair organization must apply to
32 the board for authorization for any winery with an endorsement approved
33 under this subsection to sell bottled wine at retail at the farmers
34 market or fair. This application shall include, at a minimum: (i) A
35 map of the farmers market or fair showing all booths, stalls, or other
36 designated locations at which an approved winery may sell bottled wine;
37 and (ii) the name and contact information for the on-site market
38 managers or fair organization managers who may be contacted by the

1 board or its designee to verify the locations at which bottled wine may
2 be sold. Before authorizing a qualifying farmers market or fair to
3 allow an approved winery to sell bottled wine at retail at its farmers
4 market or fair location, the board shall notify the persons or entities
5 of such application for authorization pursuant to RCW 66.24.010 (8) and
6 (9). An authorization granted under this subsection (5)(e) may be
7 withdrawn by the board for any violation of this title or any rules
8 adopted under this title.

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

12 (g) For the purposes of this subsection:

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

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

20 (B) The total combined gross annual sales of vendors who are
21 farmers exceeds the total combined gross annual sales of vendors who
22 are processors or resellers;

23 (C) The total combined gross annual sales of vendors who are
24 farmers, processors, or resellers exceeds the total combined gross
25 annual sales of vendors who are not farmers, processors, or resellers;

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

28 (E) No vendor is a franchisee.

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

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

36 (iv) "Reseller" means a natural person who buys agricultural
37 products from a farmer and resells the products directly to the
38 consumer.

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

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

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

10 (1) There shall be a license for domestic breweries; fee to be two
11 thousand dollars for production of sixty thousand barrels or more of
12 malt liquor per year.

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

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

29 (4) A domestic brewery may hold up to two retail licenses to
30 operate an on or off-premise tavern, beer and/or wine restaurant, or
31 spirits, beer, and wine restaurant. This retail license is separate
32 from the brewery license. A brewery that holds a tavern license, a
33 spirits, beer, and wine restaurant license, or a beer and/or wine
34 restaurant license shall hold the same privileges and endorsements as
35 permitted under RCW 66.24.320, 66.24.330, and 66.24.420.

36 (5) Any domestic brewery licensed under this section may contract-

1 produce beer for a brand owner of malt beverages defined under RCW
2 66.04.010(7), and this contract-production is not a sale for the
3 purposes of RCW 66.28.170 and 66.28.180.

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

10 (b) For each month during which a domestic brewery will sell beer
11 at a qualifying farmers market or fair, the domestic brewery must
12 provide the board or its designee a list of the dates, times, and
13 locations at which bottled beer may be offered for sale. This list
14 must be received by the board before the domestic brewery may offer
15 beer for sale at a qualifying farmers market or fair.

16 (c) The beer sold at qualifying farmers markets or fairs must be
17 produced in Washington.

18 (d) Each approved location in a qualifying farmers market or fair
19 is deemed to be part of the domestic brewery license for the purpose of
20 this title. The approved locations under an endorsement granted under
21 this subsection do not include the tasting or sampling privilege of a
22 domestic brewery. The domestic brewery may not store beer at a farmers
23 market or fair beyond the hours that the domestic brewery offers
24 bottled beer for sale. The domestic brewery may not act as a
25 distributor from a farmers market or fair location.

26 (e) Before a domestic brewery may sell bottled beer at a qualifying
27 farmers market or fair, the farmers market or fair organization must
28 apply to the board for authorization for any domestic brewery with an
29 endorsement approved under this subsection to sell bottled beer at
30 retail at the farmers market or fair. This application shall include,
31 at a minimum: (i) A map of the farmers market or fair showing all
32 booths, stalls, or other designated locations at which an approved
33 domestic brewery may sell bottled beer; and (ii) the name and contact
34 information for the on-site market managers or fair organization
35 managers who may be contacted by the board or its designee to verify
36 the locations at which bottled beer may be sold. Before authorizing a
37 qualifying farmers market or fair organization to allow an approved
38 domestic brewery to sell bottled beer at retail at its farmers market

1 or fair location, the board shall notify the persons or entities of
2 such application for authorization pursuant to RCW 66.24.010 (8) and
3 (9). An authorization granted under this subsection (6)(e) may be
4 withdrawn by the board for any violation of this title or any rules
5 adopted under this title.

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

9 (g) For the purposes of this subsection:

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

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

17 (B) The total combined gross annual sales of vendors who are
18 farmers exceeds the total combined gross annual sales of vendors who
19 are processors or resellers;

20 (C) The total combined gross annual sales of vendors who are
21 farmers, processors, or resellers exceeds the total combined gross
22 annual sales of vendors who are not farmers, processors, or resellers;

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

25 (E) No vendor is a franchisee.

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

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

33 (iv) "Reseller" means a natural person who buys agricultural
34 products from a farmer and resells the products directly to the
35 consumer.

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

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

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

6 (2) Any microbrewery licensed under this section may also act as a
7 distributor and/or retailer for beer and strong beer of its own
8 production. Strong beer may not be sold at a farmers market or fair or
9 under any endorsement which may authorize microbreweries to sell beer
10 at farmers markets or fairs. Any microbrewery operating as a
11 distributor and/or retailer under this subsection shall comply with the
12 applicable laws and rules relating to distributors and/or retailers,
13 except that a microbrewery operating as a distributor may maintain a
14 warehouse off the premises of the microbrewery for the distribution of
15 beer provided that (a) the warehouse has been approved by the board
16 under RCW 66.24.010 and (b) the number of warehouses off the premises
17 of the microbrewery does not exceed one. A microbrewery holding a
18 spirits, beer, and wine restaurant license may sell beer of its own
19 production for off-premises consumption from its restaurant premises in
20 kegs or in a sanitary container brought to the premises by the
21 purchaser or furnished by the licensee and filled at the tap by the
22 licensee at the time of sale.

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

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

31 (5) A microbrewery that holds a tavern license, spirits, beer, and
32 wine restaurant license, or a beer and/or wine restaurant license shall
33 hold the same privileges and endorsements as permitted under RCW
34 66.24.320, 66.24.330, and 66.24.420.

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

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

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

9 (d) The beer sold at qualifying farmers markets or fairs must be
10 produced in Washington.

11 (e) Each approved location in a qualifying farmers market or fair
12 is deemed to be part of the microbrewery license for the purpose of
13 this title. The approved locations under an endorsement granted under
14 this subsection (6) include tasting or sampling privileges subject to
15 the conditions pursuant to RCW 66.24.175. The microbrewery may not
16 store beer at a farmers market or fair beyond the hours that the
17 microbrewery offers bottled beer for sale. The microbrewery may not
18 act as a distributor from a farmers market or fair location.

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

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

1 approval process under this section and any additional rules necessary
2 to implement this section.

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

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

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

11 (B) The total combined gross annual sales of vendors who are
12 farmers exceeds the total combined gross annual sales of vendors who
13 are processors or resellers;

14 (C) The total combined gross annual sales of vendors who are
15 farmers, processors, or resellers exceeds the total combined gross
16 annual sales of vendors who are not farmers, processors, or resellers;

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

19 (E) No vendor is a franchisee.

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

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

27 (iv) "Reseller" means a natural person who buys agricultural
28 products from a farmer and resells the products directly to the
29 consumer.

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

32 (7) Any microbrewery licensed under this section may
33 contract-produce beer for another microbrewer. This contract-
34 production is not a sale for the purposes of RCW 66.28.170 and
35 66.28.180.

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

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

5 (2) Any craft distillery may contract distilled spirits for, and
6 sell contract distilled spirits to, holders of distillers' or
7 manufacturers' licenses, including licenses issued under RCW 66.24.520,
8 or for export.

9 (3) Any craft distillery licensed under this section may provide,
10 free of charge, one-half ounce or less samples of spirits of its own
11 production to persons on the premises of the distillery. The maximum
12 total per person per day is two ounces. Every person who participates
13 in any manner in the service of samples must obtain a class 12 alcohol
14 server permit.

15 (4) The board must adopt rules to implement the alcohol server
16 permit requirement and may adopt additional rules to implement this
17 section.

18 (5) Distilling is an agricultural practice.

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

23 (b) For each month during which a craft distillery will sell
24 bottled spirits at a fair, the craft distillery must provide the board
25 or its designee a list of the dates, times, and locations at which
26 bottled spirits may be offered for sale. This list must be received by
27 the board before the distillery may offer bottled spirits for sale at
28 a fair.

29 (c) The bottled spirits sold at a fair must be produced in
30 Washington.

31 (d) Before a craft distillery may sell spirits at a fair, the fair
32 organization must apply to the board for authorization for any craft
33 distillery with an endorsement approved under this subsection to sell
34 bottled spirits at retail at the fair. This application shall include,
35 at a minimum: (i) A map of the fair showing all booths, stalls, or
36 other designated locations at which an approved craft distillery may
37 sell bottled spirits; and (ii) the name and contact information for the
38 on-site fair organization managers who may be contacted by the board or

1 its designee to verify the locations at which bottled beer may be sold.
2 Before authorizing a fair organization to allow an approved craft
3 distillery to sell bottled spirits at retail at its fair location, the
4 board shall notify the persons or entities of such application for
5 authorization pursuant to RCW 66.24.010 (8) and (9). An authorization
6 granted under this subsection may be withdrawn by the board for any
7 violation of this title or any rules adopted under this title.

8 (e) The board may adopt rules establishing the application and
9 approval process under this section and such additional rules as may be
10 necessary to implement this section.

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

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