
SUBSTITUTE HOUSE BILL 1290

State of Washington

64th Legislature

2016 Regular Session

By House General Government & Information Technology (originally sponsored by Representatives Condotta, Hurst, and Sawyer)

READ FIRST TIME 02/09/16.

1 AN ACT Relating to increasing the number of tasting rooms allowed
2 under a domestic winery license; reenacting and amending RCW
3 66.24.170; and creating a new section.

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

5 **Sec. 1.** RCW 66.24.170 and 2014 c 105 s 1 and 2014 c 27 s 1 are
6 each reenacted and amended to read as follows:

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

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

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

1 not of its own production. Except as provided in this section, any
2 winery operating as a distributor and/or retailer under this
3 subsection must comply with the applicable laws and rules relating to
4 distributors and/or retailers, except that a winery operating as a
5 distributor may maintain a warehouse off the premises of the winery
6 for the distribution of wine of its own production provided that: (a)
7 The warehouse has been approved by the board under RCW 66.24.010; and
8 (b) the number of warehouses off the premises of the winery does not
9 exceed 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, may sell wine of
13 its own production at retail, and may sell for off-premises
14 consumption wines of its own production in kegs or sanitary
15 containers meeting the applicable requirements of federal law brought
16 to the premises by the purchaser or furnished by the licensee and
17 filled at the tap at the time of sale, provided that: (a) Each
18 additional location has been approved by the board under RCW
19 66.24.010; (b) the total number of additional locations does not
20 exceed (~~two~~) four; (c) a winery may not act as a distributor at any
21 such additional location; and (d) any person selling or serving wine
22 at an additional location for on-premises (~~on-premises~~)
23 consumption must obtain a class 12 or class 13 alcohol server permit.
24 Each additional location is deemed to be part of the winery license
25 for the purpose of this title. At additional locations operated by
26 multiple wineries under this section, if the board cannot connect a
27 violation of RCW 66.44.200 or 66.44.270 to a single licensee, the
28 board may hold all licensees operating the additional location
29 jointly liable. Nothing in this subsection may 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.
35 The annual fee for this endorsement is seventy-five dollars. An
36 endorsement issued pursuant to this subsection does not count toward
37 the (~~two~~) four additional retail locations limit specified in this
38 section.

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

1 its designee a list of the dates, times, and locations at which
2 bottled wine may be offered for sale. This list must be received by
3 the board before the winery may offer wine for sale at a qualifying
4 farmers 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
9 deemed to be part of the winery license for the purpose of this
10 title. The approved locations under an endorsement granted under this
11 subsection include tasting or sampling privileges subject to the
12 conditions pursuant to RCW 66.24.175. The winery may not store wine
13 at a farmers market beyond the hours that the winery offers bottled
14 wine for sale. The winery may not act as a distributor from a farmers
15 market location.

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

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

35 (g) For the purposes of this subsection:

36 (i) "Qualifying farmers market" means an entity that sponsors a
37 regular assembly of vendors at a defined location for the purpose of
38 promoting the sale of agricultural products grown or produced in this
39 state directly to the consumer under conditions that meet the
40 following 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. However, if a farmers market does not
6 satisfy this subsection (5)(g)(i)(B), a farmers market is still
7 considered a "qualifying farmers market" if the total combined gross
8 annual sales of farmers and processors at the farmers market is one
9 million dollars or more;

10 (C) The total combined gross annual sales of vendors who are
11 farmers, processors, or resellers exceeds the total combined gross
12 annual sales of vendors who are not farmers, processors, or
13 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
23 leases in this state or in another state's county that borders this
24 state.

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

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

34 NEW SECTION. **Sec. 2.** The legislature intends that at least two
35 hundred new domestic wineries be created over the next six years. The
36 department must report electronically to the house committee on
37 technology and economic development regarding the number of new
38 domestic wineries each biennium. The first report is due June 30,

1 2018, and a report is due every two years thereafter through June 30,
2 2022.

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