ENGROSSED SUBSTITUTE SENATE BILL 6346

State of Washington 65th Legislature 2018 Regular Session

By Senate Labor & Commerce (originally sponsored by Senator Takko) READ FIRST TIME 02/01/18.

- 1 AN ACT Relating to allowing the sale of wine by microbrewery
- 2 license holders; amending RCW 66.24.244; and providing an effective
- 3 date.
- 4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 5 **Sec. 1.** RCW 66.24.244 and 2015 c 42 s 1 are each amended to read 6 as follows:
- 7 (1) There shall be a license for microbreweries; fee to be one 8 hundred dollars for production of less than sixty thousand barrels of 9 malt liquor, including strong beer, per year.
- 10 (2)(a) Any microbrewery licensed under this section may also act 11 as a distributor and/or retailer for beer and strong beer of its own 12 production.
- (b) Any microbrewery operating as a distributor and/or retailer under this subsection must comply with the applicable laws and rules relating to distributors and/or retailers, except that a microbrewery operating as a distributor may maintain a warehouse off the premises of the microbrewery for the distribution of beer provided that:
- 18 (i) The warehouse has been approved by the board under RCW 19 66.24.010; and
- 20 (ii) The number of warehouses off the premises of the 21 microbrewery does not exceed one.

p. 1 ESSB 6346

- (c) A microbrewery holding a spirits, beer, and wine restaurant license may sell beer of its own production for off-premises consumption from its restaurant premises in kegs or in a sanitary container brought to the premises by the purchaser or furnished by the licensee and filled at the tap by the licensee at the time of sale.
- (3) Any microbrewery licensed under this section may also sell from its premises for on-premises and off-premises consumption:
- (a) Beer produced by another microbrewery or a domestic brewery as long as the other breweries' brands do not exceed twenty-five percent of the microbrewery's on-tap offerings; or
 - (b) Cider produced by a domestic winery.

- 13 (4) A microbrewery licensed under this section may apply to the
 14 board for an endorsement to sell glasses of wine produced by a
 15 domestic winery for on-premises consumption. The annual fee for this
 16 endorsement is one hundred twenty-five dollars.
 - (5) The board may issue up to two retail licenses allowing a microbrewery to operate an on or off-premises tavern, beer and/or wine restaurant, or spirits, beer, and wine restaurant.
 - $((\frac{(5)}{)})$ (6) A microbrewery that holds a tavern license, spirits, beer, and wine restaurant license, or a beer and/or wine restaurant license holds the same privileges and endorsements as permitted under RCW 66.24.320, 66.24.330, and 66.24.420.
 - (((6))) (7)(a) A microbrewery licensed under this section may apply to the board for an endorsement to sell bottled beer of its own production at retail for off-premises consumption at a qualifying farmers market. The annual fee for this endorsement is seventy-five dollars. However, strong beer may not be sold at a farmers market or under any endorsement which may authorize microbreweries to sell beer at farmers markets.
 - (b) For each month during which a microbrewery will sell beer at a qualifying farmers market, the microbrewery must provide the board or its designee a list of the dates, times, and locations at which bottled beer may be offered for sale. This list must be received by the board before the microbrewery may offer beer for sale at a qualifying farmers market.
- 37 (c) Any person selling or serving beer must obtain a class 12 or 38 class 13 alcohol server permit.
- 39 (d) The beer sold at qualifying farmers markets must be produced 40 in Washington.

p. 2 ESSB 6346

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

1

2

3

4

5 6

7

8

26

2728

29

- (f) Before a microbrewery may sell bottled beer at a qualifying 9 farmers market, the farmers market must apply to the board for 10 11 authorization for any microbrewery with an endorsement approved under 12 this subsection $((\frac{6}{1}))$ to sell bottled beer at retail at the farmers market. This application must include, at a minimum: (i) A 13 map of the farmers market showing all booths, stalls, or other 14 designated locations at which an approved microbrewery may sell 15 16 bottled beer; and (ii) the name and contact information for the on-17 site market managers who may be contacted by the board or its 18 designee to verify the locations at which bottled beer may be sold. 19 Before authorizing a qualifying farmers market to allow an approved microbrewery to sell bottled beer at retail at its farmers market 20 location, the board must notify the persons or entities of the 21 application for authorization pursuant to RCW 66.24.010 (8) and (9). 22 An authorization granted under this subsection $((\frac{6}{}))$ $(\frac{7}{})$ $(\frac{7}{})$ 23 withdrawn by the board for any violation of this title or any rules 24 25 adopted under this title.
 - (g) The board may adopt rules establishing the application and approval process under this section and any additional rules necessary to implement this section.
 - (h) For the purposes of this subsection $((\frac{6}{1}))$ (7):
- 30 (i) "Qualifying farmers market" has the same meaning as defined 31 in RCW 66.24.170.
- (ii) "Farmer" means a natural person who sells, with or without processing, agricultural products that he or she raises on land he or she owns or leases in this state or in another state's county that borders this state.
- (iii) "Processor" means a natural person who sells processed food that he or she has personally prepared on land he or she owns or leases in this state or in another state's county that borders this state.

p. 3 ESSB 6346

- 1 (iv) "Reseller" means a natural person who buys agricultural 2 products from a farmer and resells the products directly to the 3 consumer.
- (((7))) (8) Any microbrewery licensed under this section may contract-produce beer for another microbrewer. This contract-production is not a sale for the purposes of RCW 66.28.170 and 66.28.180.
- 8 <u>NEW SECTION.</u> **Sec. 2.** This act takes effect October 1, 2018.

--- END ---

p. 4 ESSB 6346