

**HB 1672** - S COMM AMD

By Committee on Labor & Commerce

**ADOPTED 04/10/2019**

1 Strike everything after the enacting clause and insert the  
2 following:

3 **"Sec. 1.** RCW 66.24.170 and 2017 c 238 s 1 are each amended to  
4 read as follows:

5 (1) There is a license for domestic wineries; fee to be computed  
6 only on the liters manufactured: Less than two hundred fifty thousand  
7 liters per year, one hundred dollars per year; and two hundred fifty  
8 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  
12 as a retailer of wine of its own production. Any domestic winery  
13 licensed under this section may act as a distributor of its own  
14 production. Notwithstanding any language in this title to the  
15 contrary, a domestic winery may use a common carrier to deliver up to  
16 one hundred cases of its own production, in the aggregate, per month  
17 to licensed Washington retailers. A domestic winery may not arrange  
18 for any such common carrier shipments to licensed retailers of wine  
19 not of its own production. Except as provided in this section, any  
20 winery operating as a distributor and/or retailer under this  
21 subsection must comply with the applicable laws and rules relating to  
22 distributors and/or retailers, except that a winery operating as a  
23 distributor may maintain a warehouse off the premises of the winery  
24 for the distribution of wine of its own production provided that: (a)  
25 The warehouse has been approved by the board under RCW 66.24.010; and  
26 (b) the number of warehouses off the premises of the winery does not  
27 exceed one.

28 (4) (a) A domestic winery licensed under this section, at  
29 locations separate from any of its production or manufacturing sites,  
30 may serve samples of its own products, with or without charge, may  
31 sell wine of its own production at retail, and may sell for off-

1 premises consumption wines of its own production in kegs or sanitary  
2 containers meeting the applicable requirements of federal law brought  
3 to the premises by the purchaser or furnished by the licensee and  
4 filled at the tap at the time of sale, provided that: ~~((a))~~ (i)  
5 Each additional location has been approved by the board under RCW  
6 66.24.010; ~~((b))~~ (ii) the total number of additional locations does  
7 not exceed four; ~~((c))~~ (iii) a winery may not act as a distributor  
8 at any such additional location; and ~~((d))~~ (iv) any person selling  
9 or serving wine at an additional location for on-premises consumption  
10 must obtain a class 12 or class 13 alcohol server permit. Each  
11 additional location is deemed to be part of the winery license for  
12 the purpose of this title. At additional locations operated by  
13 multiple wineries under this section, if the board cannot connect a  
14 violation of RCW 66.44.200 or 66.44.270 to a single licensee, the  
15 board may hold all licensees operating the additional location  
16 jointly liable. Nothing in this subsection may be construed to  
17 prevent a domestic winery from holding multiple domestic winery  
18 licenses.

19 (b) A customer of a domestic winery may remove from the premises  
20 of the domestic winery or from a tasting room location approved under  
21 (a) of this subsection, recorked or recapped in its original  
22 container, any portion of wine purchased for on-premises consumption.

23 (5) (a) A domestic winery licensed under this section may apply to  
24 the board for an endorsement to sell wine of its own production at  
25 retail for off-premises consumption at a qualifying farmers market.  
26 The annual fee for this endorsement is seventy-five dollars. An  
27 endorsement issued pursuant to this subsection does not count toward  
28 the four additional retail locations limit specified in this section.

29 (b) For each month during which a domestic winery will sell wine  
30 at a qualifying farmers market, the winery must provide the board or  
31 its designee a list of the dates, times, and locations at which  
32 bottled wine may be offered for sale. This list must be received by  
33 the board before the winery may offer wine for sale at a qualifying  
34 farmers market.

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

38 (d) Each approved location in a qualifying farmers market is  
39 deemed to be part of the winery license for the purpose of this  
40 title. The approved locations under an endorsement granted under this

1 subsection include tasting or sampling privileges subject to the  
2 conditions pursuant to RCW 66.24.175. The winery may not store wine  
3 at a farmers market beyond the hours that the winery offers bottled  
4 wine for sale. The winery may not act as a distributor from a farmers  
5 market location.

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

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

25 (g) For the purposes of this subsection:

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

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

33 (B) The total combined gross annual sales of vendors who are  
34 farmers exceeds the total combined gross annual sales of vendors who  
35 are processors or resellers. However, if a farmers market does not  
36 satisfy this subsection (5)(g)(i)(B), a farmers market is still  
37 considered a "qualifying farmers market" if the total combined gross  
38 annual sales of farmers and processors at the farmers market is one  
39 million dollars or more;

1 (C) The total combined gross annual sales of vendors who are  
2 farmers, processors, or resellers exceeds the total combined gross  
3 annual sales of vendors who are not farmers, processors, or  
4 resellers;

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

7 (E) No vendor is a franchisee.

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

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

16 (iv) "Reseller" means a natural person who buys agricultural  
17 products from a farmer and resells the products directly to the  
18 consumer.

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

25 (7) During an event held by a nonprofit holding a special  
26 occasion license issued under RCW 66.24.380, a domestic winery  
27 licensed under this section may take orders, either in writing or  
28 electronically, and accept payment for wines of its own production  
29 under the following conditions:

30 (a) Wine produced by the domestic winery may be served for on-  
31 premises consumption by the special occasion licensee;

32 (b) The domestic winery delivers wine to the consumer on a date  
33 after the conclusion of the special occasion event;

34 (c) The domestic winery delivers wine to the consumer at a  
35 location different from the location at which the special occasion  
36 event is held;

37 (d) The domestic winery complies with all requirements in chapter  
38 66.20 RCW for direct sale of wine to consumers;

39 (e) The wine is not sold for resale; and

1 (f) The domestic winery is entitled to all proceeds from the sale  
2 and delivery of its wine to a consumer after the conclusion of the  
3 special occasion event, but may enter into an agreement to share a  
4 portion of the proceeds of these sales with the special occasion  
5 licensee licensed under RCW 66.24.380.

6 **Sec. 2.** RCW 66.24.320 and 2007 c 370 s 9 are each amended to  
7 read as follows:

8 There shall be a beer and/or wine restaurant license to sell  
9 beer, including strong beer, or wine, or both, at retail, for  
10 consumption on the premises. A patron of the licensee may remove from  
11 the premises, recorked or recapped in its original container, any  
12 portion of wine or sake that was purchased for consumption with a  
13 meal.

14 (1) The annual fee shall be two hundred dollars for the beer  
15 license, two hundred dollars for the wine license, or four hundred  
16 dollars for a combination beer and wine license.

17 (2)(a) The board may issue a caterer's endorsement to this  
18 license to allow the licensee to remove from the liquor stocks at the  
19 licensed premises, only those types of liquor that are authorized  
20 under the on-premises license privileges for sale and service at  
21 event locations at a specified date and, except as provided in  
22 subsection (3) of this section, place not currently licensed by the  
23 board. If the event is open to the public, it must be sponsored by a  
24 society or organization as defined by RCW 66.24.375. If attendance at  
25 the event is limited to members or invited guests of the sponsoring  
26 individual, society, or organization, the requirement that the  
27 sponsor must be a society or organization as defined by RCW 66.24.375  
28 is waived. Cost of the endorsement is three hundred fifty dollars.

29 (b) The holder of this license with (~~with~~) a catering  
30 endorsement shall, if requested by the board, notify the board or its  
31 designee of the date, time, place, and location of any catered event.  
32 Upon request, the licensee shall provide to the board all necessary  
33 or requested information concerning the society or organization that  
34 will be holding the function at which the endorsed license will be  
35 utilized.

36 (c) The holder of this license with a caterer's endorsement may,  
37 under conditions established by the board, store liquor on the  
38 premises of another not licensed by the board so long as there is a  
39 written agreement between the licensee and the other party to provide

1 for ongoing catering services, the agreement contains no exclusivity  
2 clauses regarding the alcoholic beverages to be served, and the  
3 agreement is filed with the board.

4 (d) The holder of this license with a caterer's endorsement may,  
5 under conditions established by the board, store liquor on other  
6 premises operated by the licensee so long as the other premises are  
7 owned or controlled by a leasehold interest by that licensee. A  
8 duplicate license may be issued for each additional premises. A  
9 license fee of twenty dollars shall be required for such duplicate  
10 licenses.

11 (3) Licensees under this section that hold a caterer's  
12 endorsement are allowed to use this endorsement on a domestic winery  
13 premises or on the premises of a passenger vessel and may store  
14 liquor at such premises under conditions established by the board  
15 under the following conditions:

16 (a) Agreements between the domestic winery or the passenger  
17 vessel, as the case may be, and the retail licensee shall be in  
18 writing, contain no exclusivity clauses regarding the alcoholic  
19 beverages to be served, and be filed with the board; and

20 (b) The domestic winery or passenger vessel, as the case may be,  
21 and the retail licensee shall be separately contracted and  
22 compensated by the persons sponsoring the event for their respective  
23 services.

24 (4) The holder of this license or its manager may furnish beer or  
25 wine to the licensee's employees free of charge as may be required  
26 for use in connection with instruction on beer and wine. The  
27 instruction may include the history, nature, values, and  
28 characteristics of beer or wine, the use of wine lists, and the  
29 methods of presenting, serving, storing, and handling beer or wine.  
30 The beer and/or wine licensee must use the beer or wine it obtains  
31 under its license for the sampling as part of the instruction. The  
32 instruction must be given on the premises of the beer and/or wine  
33 licensee.

34 (5) If the license is issued to a person who contracts with the  
35 Washington state ferry system to provide food and alcohol service on  
36 a designated ferry route, the license shall cover any vessel assigned  
37 to the designated route. A separate license is required for each  
38 designated ferry route.

1       **Sec. 3.** RCW 66.24.400 and 2011 c 119 s 401 are each amended to  
2 read as follows:

3       (1) There shall be a retailer's license, to be known and  
4 designated as a spirits, beer, and wine restaurant license, to sell  
5 spirituous liquor by the individual glass, beer, and wine, at retail,  
6 for consumption on the premises, including mixed drinks and cocktails  
7 compounded or mixed on the premises only. A club licensed under  
8 chapter 70.62 RCW with overnight sleeping accommodations, that is  
9 licensed under this section may sell liquor by the bottle to  
10 registered guests of the club for consumption in guest rooms,  
11 hospitality rooms, or at banquets in the club. A patron of a bona  
12 fide restaurant or club licensed under this section may remove from  
13 the premises recorked or recapped in its original container any  
14 portion of wine or sake which was purchased for consumption with a  
15 meal, and registered guests who have purchased liquor from the club  
16 by the bottle may remove from the premises any unused portion of such  
17 liquor in its original container. Such license may be issued only to  
18 bona fide restaurants and clubs, and to dining, club and buffet cars  
19 on passenger trains, and to dining places on passenger boats and  
20 airplanes, and to dining places at civic centers with facilities for  
21 sports, entertainment, and conventions, and to such other  
22 establishments operated and maintained primarily for the benefit of  
23 tourists, vacationers and travelers as the board shall determine are  
24 qualified to have, and in the discretion of the board should have, a  
25 spirits, beer, and wine restaurant license under the provisions and  
26 limitations of this title.

27       (2) The board may issue an endorsement to the spirits, beer, and  
28 wine restaurant license that allows the holder of a spirits, beer,  
29 and wine restaurant license to sell bottled wine for off-premises  
30 consumption. Spirits and beer may not be sold for off-premises  
31 consumption under this section except as provided in subsection (4)  
32 of this section. The annual fee for the endorsement under this  
33 subsection is one hundred twenty dollars.

34       (3) The holder of a spirits, beer, and wine license or its  
35 manager may furnish beer, wine, or spirituous liquor to the  
36 licensee's employees free of charge as may be required for use in  
37 connection with instruction on beer, wine, or spirituous liquor. The  
38 instruction may include the history, nature, values, and  
39 characteristics of beer, wine, or spirituous liquor, the use of wine  
40 lists, and the methods of presenting, serving, storing, and handling

1 beer, wine, and spirituous liquor. The spirits, beer, and wine  
2 restaurant licensee must use the beer, wine, or spirituous liquor it  
3 obtains under its license for the sampling as part of the  
4 instruction. The instruction must be given on the premises of the  
5 spirits, beer, and wine restaurant licensee.

6 (4) The board may issue an endorsement to the spirits, beer, and  
7 wine restaurant license that allows the holder of a spirits, beer,  
8 and wine restaurant license to sell for off-premises consumption malt  
9 liquor in kegs or other containers that are capable of holding four  
10 gallons or more of liquid and are registered in accordance with RCW  
11 66.28.200. Beer may also be sold under the endorsement to a purchaser  
12 in a sanitary container brought to the premises by the purchaser or  
13 furnished by the licensee and filled at the tap by the retailer at  
14 the time of sale. The annual fee for the endorsement under this  
15 subsection is one hundred twenty dollars."

**HB 1672** - S COMM AMD

By Committee on Labor & Commerce

**ADOPTED 04/10/2019**

16 On page 1, line 1 of the title, after "wine" strike the remainder  
17 of the title and insert "and sake; and amending RCW 66.24.170,  
18 66.24.320, and 66.24.400."

EFFECT: Allows the restaurant licensees currently authorized to allow a customer to take any unfinished wine that is recorked or recapped in its original container from the premises, to also take recorked or recapped sake from the premises. Amends the title.

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