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**HOUSE BILL 1672**

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**State of Washington**

**66th Legislature**

**2019 Regular Session**

**By** Representatives Steele, Kirby, Rude, Jenkin, Eslick, and Doglio

Read first time 01/28/19. Referred to Committee on Commerce & Gaming.

1 AN ACT Relating to recorking wine at wineries and tasting rooms;  
2 and amending RCW 66.24.170.

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

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

6 (1) There is a license for domestic wineries; fee to be computed  
7 only on the liters manufactured: Less than two hundred fifty thousand  
8 liters per year, one hundred dollars per year; and two hundred fifty  
9 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  
13 as a retailer of wine of its own production. Any domestic winery  
14 licensed under this section may act as a distributor of its own  
15 production. Notwithstanding any language in this title to the  
16 contrary, a domestic winery may use a common carrier to deliver up to  
17 one hundred cases of its own production, in the aggregate, per month  
18 to licensed Washington retailers. A domestic winery may not arrange  
19 for any such common carrier shipments to licensed retailers of wine  
20 not of its own production. Except as provided in this section, any  
21 winery operating as a distributor and/or retailer under this

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

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

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

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

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

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

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

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

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

37 (g) For the purposes of this subsection:

38 (i) "Qualifying farmers market" means an entity that sponsors a  
39 regular assembly of vendors at a defined location for the purpose of  
40 promoting the sale of agricultural products grown or produced in this

1 state directly to the consumer under conditions that meet the  
2 following minimum requirements:

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

5 (B) The total combined gross annual sales of vendors who are  
6 farmers exceeds the total combined gross annual sales of vendors who  
7 are processors or resellers. However, if a farmers market does not  
8 satisfy this subsection (5)(g)(i)(B), a farmers market is still  
9 considered a "qualifying farmers market" if the total combined gross  
10 annual sales of farmers and processors at the farmers market is one  
11 million dollars or more;

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

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

18 (E) No vendor is a franchisee.

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

23 (iii) "Processor" means a natural person who sells processed food  
24 that he or she has personally prepared on land he or she owns or  
25 leases in this state or in another state's county that borders this  
26 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 (6) Wine produced in Washington state by a domestic winery  
31 licensee may be shipped out-of-state for the purpose of making it  
32 into sparkling wine and then returned to such licensee for resale.  
33 Such wine is deemed wine manufactured in the state of Washington for  
34 the purposes of RCW 66.24.206, and shall not require a special  
35 license.

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

- 1           (a) Wine produced by the domestic winery may be served for on-  
2 premises consumption by the special occasion licensee;
- 3           (b) The domestic winery delivers wine to the consumer on a date  
4 after the conclusion of the special occasion event;
- 5           (c) The domestic winery delivers wine to the consumer at a  
6 location different from the location at which the special occasion  
7 event is held;
- 8           (d) The domestic winery complies with all requirements in chapter  
9 66.20 RCW for direct sale of wine to consumers;
- 10          (e) The wine is not sold for resale; and
- 11          (f) The domestic winery is entitled to all proceeds from the sale  
12 and delivery of its wine to a consumer after the conclusion of the  
13 special occasion event, but may enter into an agreement to share a  
14 portion of the proceeds of these sales with the special occasion  
15 licensee licensed under RCW 66.24.380.

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