

CERTIFICATION OF ENROLLMENT

HOUSE BILL 1672

66th Legislature
2019 Regular Session

Passed by the House April 18, 2019
Yeas 94 Nays 0

Speaker of the House of Representatives

Passed by the Senate April 10, 2019
Yeas 47 Nays 0

President of the Senate

Approved

Governor of the State of Washington

CERTIFICATE

I, Bernard Dean, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **HOUSE BILL 1672** as passed by the House of Representatives and the Senate on the dates hereon set forth.

Chief Clerk

FILED

**Secretary of State
State of Washington**

HOUSE BILL 1672

AS AMENDED BY THE SENATE`

Passed Legislature - 2019 Regular Session

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 and sake; and amending RCW
2 66.24.170, 66.24.320, and 66.24.400.

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.

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

18 There shall be a beer and/or wine restaurant license to sell
19 beer, including strong beer, or wine, or both, at retail, for
20 consumption on the premises. A patron of the licensee may remove from
21 the premises, recorked or recapped in its original container, any
22 portion of wine or sake that was purchased for consumption with a
23 meal.

24 (1) The annual fee shall be two hundred dollars for the beer
25 license, two hundred dollars for the wine license, or four hundred
26 dollars for a combination beer and wine license.

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

1 (b) The holder of this license with (~~(a)~~) a catering
2 endorsement shall, if requested by the board, notify the board or its
3 designee of the date, time, place, and location of any catered event.
4 Upon request, the licensee shall provide to the board all necessary
5 or requested information concerning the society or organization that
6 will be holding the function at which the endorsed license will be
7 utilized.

8 (c) The holder of this license with a caterer's endorsement may,
9 under conditions established by the board, store liquor on the
10 premises of another not licensed by the board so long as there is a
11 written agreement between the licensee and the other party to provide
12 for ongoing catering services, the agreement contains no exclusivity
13 clauses regarding the alcoholic beverages to be served, and the
14 agreement is filed with the board.

15 (d) The holder of this license with a caterer's endorsement may,
16 under conditions established by the board, store liquor on other
17 premises operated by the licensee so long as the other premises are
18 owned or controlled by a leasehold interest by that licensee. A
19 duplicate license may be issued for each additional premises. A
20 license fee of twenty dollars shall be required for such duplicate
21 licenses.

22 (3) Licensees under this section that hold a caterer's
23 endorsement are allowed to use this endorsement on a domestic winery
24 premises or on the premises of a passenger vessel and may store
25 liquor at such premises under conditions established by the board
26 under the following conditions:

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

31 (b) The domestic winery or passenger vessel, as the case may be,
32 and the retail licensee shall be separately contracted and
33 compensated by the persons sponsoring the event for their respective
34 services.

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

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

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

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

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

36 (2) The board may issue an endorsement to the spirits, beer, and
37 wine restaurant license that allows the holder of a spirits, beer,
38 and wine restaurant license to sell bottled wine for off-premises
39 consumption. Spirits and beer may not be sold for off-premises

1 consumption under this section except as provided in subsection (4)
2 of this section. The annual fee for the endorsement under this
3 subsection is one hundred twenty dollars.

4 (3) The holder of a spirits, beer, and wine license or its
5 manager may furnish beer, wine, or spirituous liquor to the
6 licensee's employees free of charge as may be required for use in
7 connection with instruction on beer, wine, or spirituous liquor. The
8 instruction may include the history, nature, values, and
9 characteristics of beer, wine, or spirituous liquor, the use of wine
10 lists, and the methods of presenting, serving, storing, and handling
11 beer, wine, and spirituous liquor. The spirits, beer, and wine
12 restaurant licensee must use the beer, wine, or spirituous liquor it
13 obtains under its license for the sampling as part of the
14 instruction. The instruction must be given on the premises of the
15 spirits, beer, and wine restaurant licensee.

16 (4) The board may issue an endorsement to the spirits, beer, and
17 wine restaurant license that allows the holder of a spirits, beer,
18 and wine restaurant license to sell for off-premises consumption malt
19 liquor in kegs or other containers that are capable of holding four
20 gallons or more of liquid and are registered in accordance with RCW
21 66.28.200. Beer may also be sold under the endorsement to a purchaser
22 in a sanitary container brought to the premises by the purchaser or
23 furnished by the licensee and filled at the tap by the retailer at
24 the time of sale. The annual fee for the endorsement under this
25 subsection is one hundred twenty dollars.

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