

# SENATE BILL REPORT

## SB 5674

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As of February 12, 2013

**Title:** An act relating to wine and beer sampling at farmers markets.

**Brief Description:** Allowing wine and beer sampling at farmers markets.

**Sponsors:** Senators Kohl-Welles, Smith, Hatfield, Conway, Schoesler, King, Hobbs, Murray, Keiser, Ranker, Harper, Hewitt and Rolfes.

**Brief History:**

**Committee Activity:** Commerce & Labor: 2/11/13.

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### SENATE COMMITTEE ON COMMERCE & LABOR

**Staff:** Edith Rice (786-7444)

**Background:** SHB 1172, enacted in 2011, authorized a farmers market wine and beer tasting pilot program. The program permitted ten qualifying farmers markets to participate for a limited time period. Only one winery or microbrewery per day was permitted to offer samples. Samples were limited to two ounces or less with a total of four ounces served to a customer per day. Sampling was offered from September 2011 to October 2012. A preliminary report by the Liquor Control Board (LCB) to the Legislature was published in December 2012.

As a result of the pilot program the LCB recommended that:

- the pilot program be made permanent;
- additional farmers markets be allowed to participate;
- additional wineries and microbreweries be added;
- servers have a mandatory alcohol server permit;
- penalties be established to promote compliance with public safety; and
- consideration be given to expanding the definition of qualifying farmers market.

A qualifying farmers market must have at least 5 vendors who are farmers selling their own products. The gross annual sales of farmers must be greater than the combined gross annual sales of processors or resellers; and the combined gross annual sales of farmers, processors and resellers is greater than the total combined gross annual sales of vendors who are not farmers, processors, or resellers. No vendor can be a franchisee and the sale of imported or secondhand items is prohibited.

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

**Summary of Bill:** A qualifying farmers market can apply to the LCB for an endorsement to allow sampling of wine, beer, or both. Wineries or microbreweries must have an endorsement from the LCB to sell their products at a farmers market in order to offer samples.

Up to a total of three wineries or microbreweries may offer samples at a farmers market per day. Samples must be two ounces or less, and each winery or microbrewery may provide a maximum of two ounces of wine or beer to a customer per day. Individuals serving samples must have a class 12 or 13 server permit. Food must be available for sampling customers. The LCB may establish other requirements to prevent underage drinking. The LCB may suspend a licensee's farmers market endorsement for up to two years for a public safety violation.

**Appropriation:** None.

**Fiscal Note:** Requested on February 11, 2013.

**Committee/Commission/Task Force Created:** No.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Staff Summary of Public Testimony:** PRO: Farmers markets provide new opportunities for small businesses to get started. We participated in the pilot program and wine sales grew 400 percent. Farmers markets allow people to sample Washington's products. This is a low-cost way for wineries to market themselves. There are not enough places to sell Washington wines. Farmers markets get more wine to more people.

CON: We have concerns about compliance checks. We do not fully understand the implications of I-1183, we are concerned about serving cannabis-infused beer.

**Persons Testifying:** PRO: Senator Kohl-Welles, prime sponsor; John Bell, Family Wineries of WA State; Wayne Corey, Des Moines Farmers Market; Joel Wachs, WA State Farmers Market Assn.; Jordan Boldt, Vancouver Farmers Market Assn.; Paul Beveridge, Family Wineries of WA State; Jean Leonard, WA Wine Institute.

CON: Derek Franklin, WA Assn. for Substance Abuse and Violence Prevention.