

CERTIFICATION OF ENROLLMENT

SUBSTITUTE HOUSE BILL 1742

63rd Legislature
2014 Regular Session

Passed by the House February 17, 2014
Yeas 97 Nays 0

Speaker of the House of Representatives

Passed by the Senate March 5, 2014
Yeas 43 Nays 6

President of the Senate

Approved

Governor of the State of Washington

CERTIFICATE

I, Barbara Baker, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **SUBSTITUTE HOUSE BILL 1742** 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**

SUBSTITUTE HOUSE BILL 1742

Passed Legislature - 2014 Regular Session

State of Washington 63rd Legislature 2014 Regular Session

By House Government Accountability & Oversight (originally sponsored by Representatives Wylie, Ryu, Hunter, S. Hunt, and Moscoso)

READ FIRST TIME 01/27/14.

1 AN ACT Relating to allowing sales of growlers of wine; and amending
2 RCW 66.24.170.

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

4 **Sec. 1.** RCW 66.24.170 and 2013 c 238 s 2 are each amended to read
5 as follows:

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

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

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

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

37 (b) For each month during which a domestic winery will sell wine at
38 a qualifying farmers market, the winery must provide the board or its

1 designee a list of the dates, times, and locations at which bottled
2 wine may be offered for sale. This list must be received by the board
3 before the winery may offer wine for sale at a qualifying farmers
4 market.

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

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

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

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

33 (g) For the purposes of this subsection:

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

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

3 (B) The total combined gross annual sales of vendors who are
4 farmers exceeds the total combined gross annual sales of vendors who
5 are processors or resellers;

6 (C) The total combined gross annual sales of vendors who are
7 farmers, processors, or resellers exceeds the total combined gross
8 annual sales of vendors who are not farmers, processors, or resellers;

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

11 (E) No vendor is a franchisee.

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

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

19 (iv) "Reseller" means a natural person who buys agricultural
20 products from a farmer and resells the products directly to the
21 consumer.

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

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