
SENATE BILL 5611

State of Washington 60th Legislature 2007 Regular Session

By Senators Jacobsen, Kohl-Welles, Pflug, Clements and Rasmussen

Read first time 01/25/2007. Referred to Committee on Labor,
Commerce, Research & Development.

1 AN ACT Relating to a location endorsement to certain licenses for
2 microbreweries and domestic breweries; amending RCW 66.24.244 and
3 66.24.240; reenacting and amending RCW 66.24.244 and 66.24.240;
4 providing an effective date; and providing an expiration date.

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

6 **Sec. 1.** RCW 66.24.244 and 2006 c 302 s 3 and 2006 c 44 s 2 are
7 each reenacted and amended to read as follows:

8 (1) There shall be a license for microbreweries; fee to be one
9 hundred dollars for production of less than sixty thousand barrels of
10 malt liquor, including strong beer, per year.

11 (2) Any microbrewery license under this section may also act as a
12 distributor and/or retailer for beer and strong beer of its own
13 production. Any microbrewery licensed under this section may act as a
14 distributor for beer of its own production. Strong beer may not be
15 sold at a farmers market or under any endorsement which may authorize
16 microbreweries to sell beer at farmers markets. Any microbrewery
17 operating as a distributor and/or retailer under this subsection shall
18 comply with the applicable laws and rules relating to distributors
19 and/or retailers. A microbrewery holding a spirits, beer, and wine

1 restaurant license may sell beer of its own production for off-premises
2 consumption from its restaurant premises in kegs or in a sanitary
3 container brought to the premises by the purchaser or furnished by the
4 licensee and filled at the tap by the licensee at the time of sale.

5 (3) The board may issue an endorsement to this license allowing for
6 on-premises consumption of beer, including strong beer, wine, or both
7 of other manufacture if purchased from a Washington state-licensed
8 distributor. Each endorsement shall cost two hundred dollars per year,
9 or four hundred dollars per year allowing the sale and service of both
10 beer and wine.

11 (4) The microbrewer obtaining such endorsement must determine, at
12 the time the endorsement is issued, whether the licensed premises will
13 be operated (~~((either))~~) as a tavern with persons under twenty-one years
14 of age not allowed as provided for in RCW 66.24.330, (~~((or))~~) as a beer
15 and/or wine restaurant as described in RCW 66.24.320, or a spirits,
16 beer, and wine restaurant as described in RCW 66.24.400.

17 (5) A microbrewery holding either a spirits, beer, and wine
18 restaurant license or a beer and/or wine license may apply to the board
19 for a location endorsement to either of these licenses to allow the
20 microbrewery to open a second location. Each location endorsement
21 costs one thousand dollars per year.

22 (~~((+5))~~) (6)(a) A microbrewery licensed under this section may apply
23 to the board for an endorsement to sell bottled beer of its own
24 production at retail for off-premises consumption at a qualifying
25 farmers market. The annual fee for this endorsement is seventy-five
26 dollars.

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

33 (c) The beer sold at qualifying farmers markets must be produced in
34 Washington.

35 (d) Each approved location in a qualifying farmers market is deemed
36 to be part of the microbrewery license for the purpose of this title.
37 The approved locations under an endorsement granted under this
38 subsection (~~((+5))~~) (6) do not constitute the tasting or sampling

1 privilege of a microbrewery. The microbrewery may not store beer at a
2 farmers market beyond the hours that the microbrewery offers bottled
3 beer for sale. The microbrewery may not act as a distributor from a
4 farmers market location.

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

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

24 (g) For the purposes of this subsection (~~((+5+))~~) (6):

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

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

32 (B) The total combined gross annual sales of vendors who are
33 farmers exceeds the total combined gross annual sales of vendors who
34 are processors or resellers;

35 (C) The total combined gross annual sales of vendors who are
36 farmers, processors, or resellers exceeds the total combined gross
37 annual sales of vendors who are not farmers, processors, or resellers;

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

3 (E) No vendor is a franchisee.

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

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

11 (iv) "Reseller" means a natural person who buys agricultural
12 products from a farmer and resells the products directly to the
13 consumer.

14 **Sec. 2.** RCW 66.24.244 and 2006 c 44 s 2 are each amended to read
15 as follows:

16 (1) There shall be a license for microbreweries; fee to be one
17 hundred dollars for production of less than sixty thousand barrels of
18 malt liquor, including strong beer, per year.

19 (2) Any microbrewery license under this section may also act as a
20 distributor and/or retailer for beer and strong beer of its own
21 production. Strong beer may not be sold at a farmers market or under
22 any endorsement which may authorize microbreweries to sell beer at
23 farmers markets. Any microbrewery operating as a distributor and/or
24 retailer under this subsection shall comply with the applicable laws
25 and rules relating to distributors and/or retailers. A microbrewery
26 holding a spirits, beer, and wine restaurant license may sell beer of
27 its own production for off-premises consumption from its restaurant
28 premises in kegs or in a sanitary container brought to the premises by
29 the purchaser or furnished by the licensee and filled at the tap by the
30 licensee at the time of sale.

31 (3) The board may issue an endorsement to this license allowing for
32 on-premises consumption of beer, including strong beer, wine, or both
33 of other manufacture if purchased from a Washington state-licensed
34 distributor. Each endorsement shall cost two hundred dollars per year,
35 or four hundred dollars per year allowing the sale and service of both
36 beer and wine.

1 (4) The microbrewer obtaining such endorsement must determine, at
2 the time the endorsement is issued, whether the licensed premises will
3 be operated (~~either~~) as a tavern with persons under twenty-one years
4 of age not allowed as provided for in RCW 66.24.330, (~~or~~) as a beer
5 and/or wine restaurant as described in RCW 66.24.320, or a spirits,
6 beer, and wine restaurant as described in RCW 66.24.400.

7 (5) A microbrewery holding either a spirits, beer, and wine
8 restaurant license or a beer and/or wine restaurant license may apply
9 to the board for a location endorsement to either of these licenses to
10 allow the microbrewery to open a second location. Each location
11 endorsement costs one thousand dollars per year.

12 (~~(+5)~~) (6)(a) A microbrewery licensed under this section may apply
13 to the board for an endorsement to sell bottled beer of its own
14 production at retail for off-premises consumption at a qualifying
15 farmers market. The annual fee for this endorsement is seventy-five
16 dollars.

17 (b) For each month during which a microbrewery will sell beer at a
18 qualifying farmers market, the microbrewery must provide the board or
19 its designee a list of the dates, times, and locations at which bottled
20 beer may be offered for sale. This list must be received by the board
21 before the microbrewery may offer beer for sale at a qualifying farmers
22 market.

23 (c) The beer sold at qualifying farmers markets must be produced in
24 Washington.

25 (d) Each approved location in a qualifying farmers market is deemed
26 to be part of the microbrewery license for the purpose of this title.
27 The approved locations under an endorsement granted under this
28 subsection (~~(+5)~~) (6) do not constitute the tasting or sampling
29 privilege of a microbrewery. The microbrewery may not store beer at a
30 farmers market beyond the hours that the microbrewery offers bottled
31 beer for sale. The microbrewery may not act as a distributor from a
32 farmers market location.

33 (e) Before a microbrewery may sell bottled beer at a qualifying
34 farmers market, the farmers market must apply to the board for
35 authorization for any microbrewery with an endorsement approved under
36 this subsection (~~(+5)~~) (6) to sell bottled beer at retail at the
37 farmers market. This application shall include, at a minimum: (i) A
38 map of the farmers market showing all booths, stalls, or other

1 designated locations at which an approved microbrewery may sell bottled
2 beer; and (ii) the name and contact information for the on-site market
3 managers who may be contacted by the board or its designee to verify
4 the locations at which bottled beer may be sold. Before authorizing a
5 qualifying farmers market to allow an approved microbrewery to sell
6 bottled beer at retail at its farmers market location, the board shall
7 notify the persons or entities of the application for authorization
8 pursuant to RCW 66.24.010 (8) and (9). An authorization granted under
9 this subsection (~~((+5+))~~) (6)(e) may be withdrawn by the board for any
10 violation of this title or any rules adopted under this title.

11 (f) The board may adopt rules establishing the application and
12 approval process under this section and any additional rules necessary
13 to implement this section.

14 (g) For the purposes of this subsection (~~((+5+))~~) (6):

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

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

22 (B) The total combined gross annual sales of vendors who are
23 farmers exceeds the total combined gross annual sales of vendors who
24 are processors or resellers;

25 (C) The total combined gross annual sales of vendors who are
26 farmers, processors, or resellers exceeds the total combined gross
27 annual sales of vendors who are not farmers, processors, or resellers;

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

30 (E) No vendor is a franchisee.

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

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

1 (iv) "Reseller" means a natural person who buys agricultural
2 products from a farmer and resells the products directly to the
3 consumer.

4 **Sec. 3.** RCW 66.24.240 and 2006 c 302 s 2 and 2006 c 44 s 1 are
5 each reenacted and amended to read as follows:

6 (1) There shall be a license for domestic breweries; fee to be two
7 thousand dollars for production of sixty thousand barrels or more of
8 malt liquor per year.

9 (2) Any domestic brewery, except for a brand owner of malt
10 beverages under RCW 66.04.010(6), licensed under this section may also
11 act as a retailer for beer of its own production. Any domestic brewery
12 licensed under this section may act as a distributor for beer of its
13 own production. Any domestic brewery operating as a distributor and/or
14 retailer under this subsection shall comply with the applicable laws
15 and rules relating to distributors and/or retailers. A domestic
16 brewery holding a spirits, beer, and wine restaurant license may sell
17 beer of its own production for off-premises consumption from its
18 restaurant premises in kegs or in a sanitary container brought to the
19 premises by the purchaser or furnished by the licensee and filled at
20 the tap by the licensee at the time of sale.

21 (3) A domestic brewery holding either a spirits, beer, and wine
22 restaurant license or a beer and/or wine restaurant license may apply
23 to the board for a location endorsement to either of these licenses to
24 allow the domestic brewery to open a second location. Each location
25 endorsement costs one thousand dollar per year.

26 (4) Any domestic brewery licensed under this section may contract-
27 produce beer for a brand owner of malt beverages defined under RCW
28 66.04.010(6), and this contract-production is not a sale for the
29 purposes of RCW 66.28.170 and 66.28.180.

30 ((+4)) (5)(a) A domestic brewery licensed under this section and
31 qualified for a reduced rate of taxation pursuant to RCW
32 66.24.290(3)(b) may apply to the board for an endorsement to sell
33 bottled beer of its own production at retail for off-premises
34 consumption at a qualifying farmers market. The annual fee for this
35 endorsement is seventy-five dollars.

36 (b) For each month during which a domestic brewery will sell beer
37 at a qualifying farmers market, the domestic brewery must provide the

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

5 (c) The beer sold at qualifying farmers markets must be produced in
6 Washington.

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

15 (e) Before a domestic brewery may sell bottled beer at a qualifying
16 farmers market, the farmers market must apply to the board for
17 authorization for any domestic brewery with an endorsement approved
18 under this subsection to sell bottled beer at retail at the farmers
19 market. This application shall include, at a minimum: (i) A map of
20 the farmers market showing all booths, stalls, or other designated
21 locations at which an approved domestic brewery may sell bottled beer;
22 and (ii) the name and contact information for the on-site market
23 managers who may be contacted by the board or its designee to verify
24 the locations at which bottled beer may be sold. Before authorizing a
25 qualifying farmers market to allow an approved domestic brewery to sell
26 bottled beer at retail at its farmers market location, the board shall
27 notify the persons or entities of such application for authorization
28 pursuant to RCW 66.24.010 (8) and (9). An authorization granted under
29 this subsection (~~((4))~~) (5)(e) may be withdrawn by the board for any
30 violation of this title or any rules adopted under this title.

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

34 (g) For the purposes of this subsection:

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

1 state directly to the consumer under conditions that meet the following
2 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;

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

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

13 (E) No vendor is a franchisee.

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

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

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

24 **Sec. 4.** RCW 66.24.240 and 2006 c 44 s 1 are each amended to read
25 as follows:

26 (1) There shall be a license for domestic breweries; fee to be two
27 thousand dollars for production of sixty thousand barrels or more of
28 malt liquor per year.

29 (2) Any domestic brewery, except for a brand owner of malt
30 beverages under RCW 66.04.010(6), licensed under this section may also
31 act as a distributor and/or retailer for beer of its own production.
32 Any domestic brewery operating as a distributor and/or retailer under
33 this subsection shall comply with the applicable laws and rules
34 relating to distributors and/or retailers. A domestic brewery holding
35 a spirits, beer, and wine restaurant license may sell beer of its own
36 production for off-premises consumption from its restaurant premises in

1 kegs or in a sanitary container brought to the premises by the
2 purchaser or furnished by the licensee and filled at the tap by the
3 licensee at the time of sale.

4 (3) A domestic brewery holding either a spirits, beer, and wine
5 restaurant license or a beer and/or wine restaurant license may apply
6 to the board for a location endorsement to either of these licenses to
7 allow the domestic brewery to open a second location. Each location
8 endorsement costs one thousand dollars per year.

9 (4) Any domestic brewery licensed under this section may contract-
10 produce beer for a brand owner of malt beverages defined under RCW
11 66.04.010(6), and this contract-production is not a sale for the
12 purposes of RCW 66.28.170 and 66.28.180.

13 ~~((4))~~ (5)(a) A domestic brewery licensed under this section and
14 qualified for a reduced rate of taxation pursuant to RCW
15 66.24.290(3)(b) may apply to the board for an endorsement to sell
16 bottled beer of its own production at retail for off-premises
17 consumption at a qualifying farmers market. The annual fee for this
18 endorsement is seventy-five dollars.

19 (b) For each month during which a domestic brewery will sell beer
20 at a qualifying farmers market, the domestic brewery must provide the
21 board or its designee a list of the dates, times, and locations at
22 which bottled beer may be offered for sale. This list must be received
23 by the board before the domestic brewery may offer beer for sale at a
24 qualifying farmers market.

25 (c) The beer sold at qualifying farmers markets must be produced in
26 Washington.

27 (d) Each approved location in a qualifying farmers market is deemed
28 to be part of the domestic brewery license for the purpose of this
29 title. The approved locations under an endorsement granted under this
30 subsection do not include the tasting or sampling privilege of a
31 domestic brewery. The domestic brewery may not store beer at a farmers
32 market beyond the hours that the domestic brewery offers bottled beer
33 for sale. The domestic brewery may not act as a distributor from a
34 farmers market location.

35 (e) Before a domestic brewery may sell bottled beer at a qualifying
36 farmers market, the farmers market must apply to the board for
37 authorization for any domestic brewery with an endorsement approved
38 under this subsection to sell bottled beer at retail at the farmers

1 market. This application shall include, at a minimum: (i) A map of
2 the farmers market showing all booths, stalls, or other designated
3 locations at which an approved domestic brewery may sell bottled beer;
4 and (ii) the name and contact information for the on-site market
5 managers who may be contacted by the board or its designee to verify
6 the locations at which bottled beer may be sold. Before authorizing a
7 qualifying farmers market to allow an approved domestic brewery to sell
8 bottled beer at retail at its farmers market location, the board shall
9 notify the persons or entities of such application for authorization
10 pursuant to RCW 66.24.010 (8) and (9). An authorization granted under
11 this subsection (~~((4))~~) (5)(e) may be withdrawn by the board for any
12 violation of this title or any rules adopted under this title.

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

16 (g) For the purposes of this subsection:

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

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

24 (B) The total combined gross annual sales of vendors who are
25 farmers exceeds the total combined gross annual sales of vendors who
26 are processors or resellers;

27 (C) The total combined gross annual sales of vendors who are
28 farmers, processors, or resellers exceeds the total combined gross
29 annual sales of vendors who are not farmers, processors, or resellers;

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

32 (E) No vendor is a franchisee.

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

37 (iii) "Processor" means a natural person who sells processed food

1 that he or she has personally prepared on land he or she owns or leases
2 in this state or in another state's county that borders this state.

3 (iv) "Reseller" means a natural person who buys agricultural
4 products from a farmer and resells the products directly to the
5 consumer.

6 NEW SECTION. **Sec. 5.** Sections 1 and 3 of this act expire June 30,
7 2008.

8 NEW SECTION. **Sec. 6.** Sections 2 and 4 of this act take effect
9 June 30, 2008.

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