

2011 -- H 5548 SUBSTITUTE A AS AMENDED

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LC01348/SUB A/2
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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2011

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A N A C T

RELATING TO ALCOHOLIC BEVERAGES -- LICENSES GENERALLY

Introduced By: Representatives Blazejewski, Keable, Petrarca, Hearn, and Gallison

Date Introduced: March 02, 2011

Referred To: House Municipal Government

It is enacted by the General Assembly as follows:

1 SECTION 1. Sections 35-19 and 35-21 of the General Laws in Chapter 35 entitled
2 "Licenses Generally" are hereby amended to read as follows:
3 **3-5-19. Transfer or relocation of license.** – (a) The board, body or official which has
4 issued any license under this title may permit the license to be used at any other place within the
5 limits of the town or city where the license was granted, or, in their discretion, permit the license
6 to be transferred to another person, but in all cases of change of licensed place or of transfer of
7 license, the issuing body shall, before permitting the change or transfer, give notice of the
8 application for the change or transfer in the same manner as is provided in this chapter in the case
9 of original application for the license, and a new bond shall be given upon the issuance of the
10 license provided, that notice by mail need not be made in the case of a transfer of a license
11 without relocation. In all cases of transfer of license, indebtedness of the licensee incurred in the
12 operation of the licensed premises shall be paid to or released by an objecting creditor before the
13 issuing body permits the transfer. In cases of dispute as to the amount of indebtedness, the issuing
14 body, may, in its discretion, permit the transfer upon statement of the licensee, under oath, that
15 the claim of indebtedness is disputed and that the statement of dispute is not interposed for the
16 purpose of inducing transfer of the license. No creditor is allowed to object to the transfer of a
17 license by a receiver, trustee in bankruptcy, assignee for the benefit of creditors, executor,
18 administrator, guardian or by any public officer under judicial process. In case of the death of any
19 licensee, the license becomes part of the personal estate of the deceased. The holders of any retail

1 Class A license within the city or town issuing or transferring a Class A license have standing to
2 be heard before the board, body, or official granting or transferring the license.

3 (b) The transfer of a license is contingent upon the full payment of outstanding police
4 detail bills.

5 (c) The transferee of a license assumes all penalties that the license board has imposed
6 upon the transferor of the license.

7 **3-5-21. Revocation or suspension of licenses -- Fines for violating conditions of**

8 **license.** -- (a) Every license is subject to revocation or suspension and a licensee is subject to fine
9 by the board, body or official issuing the license, or by the department or by the division of
10 taxation, on its own motion, for breach by the holder of the license of the conditions on which it
11 was issued or for violation by the holder of the license of any rule or regulation applicable, or for
12 breach of any provisions of this section.

13 (b) Any fine imposed pursuant to this section shall not exceed five hundred dollars
14 (\$500) for the first offense and shall not exceed one thousand dollars (\$1,000) for each
15 subsequent offense. For the purposes of this section, any offense committed by a licensee three
16 (3) years after a previous offense shall be considered a first offense.

17 (c) In the event that a licensee is required to hire a police detail and the police refuse to
18 place a detail at the location because a licensee has failed to pay outstanding police detail bills or
19 to reach a payment plan agreement with the police department, the license board may prohibit the
20 licensee from opening its place of business until such time as the police detail bills are paid or a
21 payment plan agreement is reached.

22 SECTION 2. Section 3-7-16.6 of the General Laws in Chapter 3-7 entitled "Retail
23 Licenses" is hereby amended to read as follows:

24 **3-7-16.6. Class N nightclub license.** -- (a) Notwithstanding any provision of this title to
25 the contrary, any town or city council, by ordinance, may authorize the licensing authorities
26 designated as having the right, power, and jurisdiction to issue licenses under this title pursuant to
27 section 3-5-15 to designate and issue a special class of Class N nightclub licenses within its
28 jurisdiction.

29 (b) A Class N license, when so authorized, shall be required by each establishment
30 within the jurisdiction which:

31 (1) Has as its primary source of revenue the sale of alcoholic beverages and/or cover
32 charges;

33 (2) Holds a Class B or Class ED license;

34 (3) Has a fire department occupancy permit of no less than two hundred (200) persons

1 and no greater than ten thousand (10,000) persons; or any establishment with a fire department
2 occupancy permit of less than two hundred (200) persons that holds an entertainment license.

3 (c) Any establishment with a Class N license which admits patrons under twenty-one
4 (21) years of age on the premises of the establishment when alcoholic beverages are being sold,
5 served, or permitted on the premises shall, during the time the patrons are permitted on the
6 premises:

7 (1) Require one form of identification. The identification shall contain the bearer's
8 photograph, and must be one of the following: state driver's license, US military identification,
9 state issued identification card, or passport, from every person claiming to be twenty-one (21)
10 years of age or older;

11 (2) Identify patrons over twenty-one (21) years of age with both an identifiable hand
12 stamp and a bracelet and shall require every patron to show both hand stamp and bracelet before
13 purchasing an alcoholic beverage;

14 (3) Sell not more than one alcoholic beverage to an eligible patron in a single
15 transaction, and shall prohibit a patron from carrying more than one alcoholic beverage from a
16 bar or drink dispensing location;

17 (4) Not permit any patron who leaves the premises to be readmitted prior to closing
18 without payment of the same admission or cover charge required of patrons entering the premises
19 initially.

20 (d) The licensing authority of each town or city shall set the closing time for each
21 establishment holding a Class N nightclub license within its jurisdiction pursuant to section 3-7-
22 7(a)(1) and (a)(4), and notwithstanding other provisions of those subdivisions, an establishment
23 holding a Class N nightclub license which is permitted to remain open until two o'clock (2:00)
24 a.m., shall not admit patrons after one o'clock (1:00) a.m.

25 (e) The licensing authority of each town or city will establish the cost and duration of all
26 Class N nightclub licenses issued by that authority.

27 (f) Notwithstanding the provisions of section 3-5-17, no licensing authority may issue a
28 Class N nightclub license unless the following notice requirements have been met:

29 (1) Any establishment applying for a Class N nightclub license, or the renewal of that
30 license, or which is the subject of a hearing relating to its Class N nightclub license, must provide
31 the general public with notice of its application by posting a twenty-four (24) inch by thirty-six
32 (36) inch notice on its premises, in a manner clearly visible to the general public, at least thirty
33 (30) days prior to the hearing date before the licensing authority for the license, and at least thirty
34 (30) days prior to hearings related to the license on appeal to the director. If any hearing is

1 scheduled to occur in less than thirty (30) days, the applicant or Class N nightclub license holder
2 must post this notice within three (3) business days after its receipt of notification of that hearing
3 from the licensing authority or the director.

4 (2) The notice shall contain the name of the applicant and a description by street and
5 number or other plain designation of the particular location for which the Class N nightclub
6 license is requested. The notice shall state that remonstrants are entitled to be heard at the hearing
7 on the Class N nightclub license, and shall provide the time and place of that hearing.

8 (g) Any establishment that holds a Class N nightclub license must:

9 (1) Comply with local ordinances governing noise levels;

10 (2) Cooperate with law enforcement officials;

11 (3) Provide private security for the safety of patrons both inside and outside the
12 establishment, which private security must be certified by TIPS or a similar agency approved by
13 the licensing authority; and

14 (4) Collect trash generated by the establishment every night that the establishment is
15 open in an area surrounding the premises that is reasonable and prudent, given the size of the
16 establishment.

17 (h) The licensing authority of each town or city will develop requirements for police
18 details for the purposes of public safety and traffic control in and around the premise of each
19 establishment holding a Class N nightclub license.

20 (i) (1) The licensing authority which has issued a license under this section may ban the
21 admittance of persons under the age of twenty-one (21) on the licensee's premise:

22 (i) On certain nights; or

23 (ii) At certain times; or

24 (iii) At all times.

25 (2) Provided however, any ban under this subsection herein shall be supported by a
26 finding that:

27 (i) The licensee has failed to implement measures designed to prevent underage drinking;
28 and

29 (ii) The licensee has multiple violations of the provisions of one or more of the following
30 sections: 3-8-1, 3-8-4 and/or 3-8-10.

31 SECTION 3. This act shall take effect upon passage.

EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
A N A C T
RELATING TO ALCOHOLIC BEVERAGES -- LICENSES GENERALLY

1 This act would require liquor licenses to pay police detail bills in full or enter into a
2 payment plan with the department before they are allowed to operate and would also make the
3 transferee of a liquor license assume all previous penalties imposed. This act would also provide a
4 mechanism by which the licensing authority may limit admittance of person under twenty-one
5 (21) years of age to certain nightclub establishments.

6 This act would take effect upon passage.

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