

2022 -- H 7594

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LC003860
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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2022

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A N A C T

RELATING TO ALCOHOLIC BEVERAGES -- TRANSPORTATION OF BEVERAGES -
OUT-OF-STATE DIRECT WINE SHIPMENT LICENSE

Introduced By: Representatives Casey, Kazarian, Kennedy, Noret, Craven, Messier,
Williams, O'Brien, Edwards, and C Lima

Date Introduced: March 02, 2022

Referred To: House Corporations

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 3-4-8 of the General Laws in Chapter 3-4 entitled "Transportation of
2 Beverages" is hereby amended to read as follows:

3 **3-4-8. Unlawful sale and shipment.**

4 (a) It shall be unlawful for any person in the business of selling intoxicating beverages in
5 another state or country to ship or cause to be shipped any intoxicating beverage directly to any
6 Rhode Island resident who does not hold a valid wholesaler license [or an out-of-state direct wine](#)
7 [shipment license](#) issued by the State of Rhode Island. The foregoing shall not apply to any order
8 for intoxicating beverages personally placed by the purchaser at the manufacturer's premises, for
9 shipment to an address in Rhode Island for nonbusiness purpose. Any shipment of intoxicating
10 beverages pursuant to this section shall contain the language: "Contains Alcohol, Adult Signature
11 (over 21) Required for Delivery."

12 (b) Any person who violates subsection (a) of this section shall, for the first offense, be
13 mailed a certified letter by the department ordering that person to cease and desist any shipment of
14 intoxicating beverages to Rhode Island residents and for each subsequent offense shall be fined one
15 thousand five hundred dollars (\$1,500).

16 SECTION 2. Sections 3-5-1 and 3-5-14 of the General Laws in Chapter 3-5 entitled
17 "Licenses Generally" are hereby amended to read as follows:

18 **3-5-1. License required for manufacture, sale, or importation of beverages.**

1 No person shall at any time manufacture or sell or suffer to be manufactured or sold or
2 keep or suffer to be kept on his or her premises or possession or under his or her charge for the
3 purpose of sale within this state any beverage unless licensed to do so as provided in this title [or](#)
4 [title 6](#); and except as provided in this title no person shall import, or suffer to be imported beverages
5 into this state.

6 **3-5-14. Licenses issued by department of business regulation.**

7 The right, power, and jurisdiction to issue [out-of-state direct wine shipment's,](#)
8 manufacturer's, wholesaler's, or retailer's Class G and Class I licenses are solely in the department
9 of business regulation; provided, that before the department issues any Class I license it shall first
10 receive the approval of the licensing authority of the town or city in which the premises covered by
11 the Class I license are located; and provided, that the number of Class I licenses in the state shall
12 be limited to one to each twenty-five thousand (25,000) of its inhabitants as determined by the latest
13 census taken under the authority of the United States or of this state.

14 SECTION 3. Chapter 3-6 of the General Laws entitled "Manufacturing and Wholesale
15 Licenses" is hereby amended by adding thereto the following section:

16 **3-6-1.3. Out-of-state direct wine shipment license.**

17 [\(a\)\(1\) A manufacturer of vinous beverages, licensed in another state, that operates a winery](#)
18 [in the United States and holds valid state and federal permits and licenses may be granted an out-](#)
19 [of-state direct wine shipment license by filing with the state liquor control administrator, an](#)
20 [application in a form required by the department of business regulation, accompanied by copies of](#)
21 [the applicant's current out-of-state manufacturer's license and the two thousand five hundred dollar](#)
22 [\(\\$2,500\) annual fee.](#)

23 [\(2\) An application for an out-of-state direct wine shipment license shall include:](#)

24 [\(i\) The address of the premises where the applicant's principal place of business is located.](#)

25 [\(ii\) The name, address and telephone number of an officer of the applicant or an individual](#)
26 [who is authorized to represent the applicant before the director.](#)

27 [\(iii\) A complete and full disclosure by the applicant and by any officer, director,](#)
28 [administrator or controlling person of the applicant, of any criminal convictions in any state or](#)
29 [foreign jurisdiction within the five \(5\) years immediately preceding the application.](#)

30 [\(iv\) A copy of the winery's federal basic permit issued by the United State Alcohol and](#)
31 [Tobacco Tax and Trade Bureau and a copy of that winery's current license to produce wine that is](#)
32 [issued by another state.](#)

33 [\(3\) A direct wine shipment license is valid for one year. Direct wine shipment licenses may](#)
34 [not be transferred. A person that holds a direct wine shipment license may apply for an annual](#)

1 renewal before the expiration of the person's current license.

2 (4) As used in this section, "out-of-state" means any state other than Rhode Island, any
3 territory or possession of the United States, and does not include a foreign country.

4 (5) An out-of-state wine shipping license granted pursuant to this section, shall permit the
5 licensee to ship vinous beverages, produced by the licensee, to private residents for personal use
6 and not for resale.

7 (6) A licensee shall not ship more than six (6) cases of vinous beverages, containing no
8 more than nine (9) liters of wine per case, to any one Rhode Island resident in any calendar year.

9 (7) The beverages shall be shipped by common carrier certified by the department of
10 business regulation. The common carrier shall comply with all the following:

11 (i) Deliver beverages pursuant to an invoice that includes the name of the licensee and the
12 name and address of the purchaser;

13 (ii) On delivery, require a valid authorized form of identification from a recipient who
14 appears to be under thirty (30) years of age; and

15 (iii) Require the recipient to sign an electronic or paper form or other acknowledgment of
16 receipt.

17 (8) The licensee may sell and ship pursuant to the following provisions:

18 (i) The wine may be ordered by any means, including telephone, mail, fax or the Internet.

19 (ii) The wine is for personal use only and not for resale.

20 (iii) Before shipping the wine, the licensee shall verify the age of the purchaser who is
21 placing the order by obtaining a copy of the purchaser's valid photo identification demonstrating
22 that the person is at least twenty-one (21) years of age.

23 (iv) All containers of wine shipped pursuant to this subsection shall be conspicuously
24 labeled with the words "Contains Alcohol, Signature of Person Age 21 or Older Required for
25 Delivery".

26 (v) The licensee may not sell or ship wine to a purchaser pursuant to this subsection unless
27 the purchaser could have carried the wine lawfully into or within this state.

28 (vi) The delivery must be made by a person who is at least twenty-one (21) years of age.

29 (vii) The delivery must be made only during the hours of lawful service of alcoholic
30 beverages to a person who is at least twenty-one (21) years of age.

31 (viii) The delivery must be made only after inspection of the valid photo identification of
32 the person accepting delivery that demonstrates that the person is at least twenty-one (21) years of
33 age.

34 (ix) Payment for the price of the wine must be collected by the licensee not later than at the

1 time of delivery.

2 (9) A licensee shall:

3 (i) Not later than January 31 of each year, file a report regarding the wine shipped to

4 purchasers in this state during the preceding calendar year, that includes:

5 (A) A complete record of each shipment at the time of shipment;

6 (B) The name of the licensee making the shipment;

7 (C) The address of the licensee making the shipment;

8 (D) The license number;

9 (E) The date of shipment;

10 (F) The address at which delivery is to be made; and

11 (G) The amount shipped.

12 (ii) On request, allow the department of business regulation to perform an audit of the

13 records of wine shipped to purchasers in this state. The director may request the licensee submit

14 records to demonstrate compliance with this section. The licensee shall maintain records of each

15 shipment of wine made to purchasers in this state for two (2) years.

16 (iii) Be deemed to have consented to the jurisdiction of the department, any other agency

17 of this state, the courts of this state and all related laws, rules or regulations.

18 (iv) Ship not more than the total number of nine (9) liter cases of wine authorized under §

19 3-6-1.3(a)(6) to any purchaser in this state in any calendar year for personal use.

20 (b) A person who knowingly sells and ships wine directly to a purchaser in this state, is

21 guilty of a misdemeanor if either:

22 (i) The person does not possess a current direct wine shipment license; or

23 (ii) The person does not possess a current farm winery license for a winery that produces

24 twenty thousand (20,000) gallons or less of wine in the previous calendar year.

25 (c) Common carriers that transport wine into and within this state shall:

26 (i) Keep records of wine shipped to purchasers in this state, including the direct wine

27 shipment licensee's name and address, the recipient's name and address, the shipment and delivery

28 dates and the weight of wine shipped; and

29 (ii) Remit the records kept pursuant to subsection (a)(7) of this section at the request of the

30 department.

31 SECTION 4. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

A N A C T

RELATING TO ALCOHOLIC BEVERAGES -- TRANSPORTATION OF BEVERAGES -
OUT-OF-STATE DIRECT WINE SHIPMENT LICENSE

1 This act would create an out-of-state direct wine shipment license authorizing the shipment
2 to or from another state of vinious beverages produced by the licensee to private residences for
3 private use subject to regulations on shipping, labeling, and receiving goods and would require an
4 annual report regarding the amount of product shipped and details thereto along with numerous
5 regulatory provisions.

6 This act would take effect upon passage.

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