

2022 -- H 7822

LC005026

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2022

A N A C T

RELATING TO ALCOHOLIC BEVERAGES -- GENERAL PROVISIONS -
MANUFACTURING AND WHOLESALE LICENSES

Introduced By: Representatives Bennett, Edwards, Potter, and C Lima

Date Introduced: March 03, 2022

Referred To: House Small Business

It is enacted by the General Assembly as follows:

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

3 **3-1-1. Definitions.**

4 As used in this title, unless the context otherwise requires:

5 (1) "Alcohol inhalation" means a method of administering ethanol or alcoholic beverages
6 directly into the respiratory system, with the aid of a vaporizing or nebulizing device.

7 (2) "Alcohol-without-liquid device" means a device, machine, apparatus, or appliance that
8 is designed or marketed for the purpose of inhaling alcohol vapor or otherwise introducing alcohol
9 in any form into the human body including, but not limited to, introducing a heating element to
10 convert the alcohol to a vapor or by mixing alcohol with pure or diluted oxygen, or another gas, to
11 produce an alcoholic vapor that an individual can inhale or snort. An alcohol-without-liquid device
12 does not include an inhaler, nebulizer, atomizer, or other device that is designed and intended by
13 the manufacturer to dispense a prescribed or over-the-counter medication.

14 (3) "Beverage" means any liquid that either by itself or by mixture with any other liquid or
15 liquids, is, or may become, fit for human consumption as a drink and that contains five-tenths of
16 one per cent (.5%) or more of alcohol by weight.

17 (4) "Club" means a corporation subject to the provisions of chapter 6 of title 7, owning,
18 hiring, or leasing a building or space in a building of such extent and character as may be suitable

1 and adequate for the reasonable and comfortable accommodation of its members, and whose affairs
2 and management are conducted by a board of directors, executive committee, or other similar body
3 chosen by the members at a meeting held for that purpose, none of whose members, officers, agents,
4 or employees are paid directly, or indirectly, any compensation by way of profit from the
5 distribution or sale of beverages to the members of the club or to its guests beyond the amount of
6 any reasonable salary or wages as may be fixed and voted each year by the directors or other
7 governing body.

8 (5) "Department" means the department of business regulation.

9 (6) "Director" means the director of the department of business regulation.

10 (7) "Division of taxation" means the division of taxation of the department of
11 administration.

12 (8) "Farmer-brewery" or "Farmer-distillery" means any farmland as defined in § 44-27-2
13 where beer or distilled spirits are produced, rectified, blended, or fortified from fruit, flowers, herbs
14 or vegetables.

15 ~~(8)~~(9) "Farmer-winery" means any plant or premise where wine is produced, rectified,
16 blended, or fortified from fruits, flowers, herbs, or vegetables.

17 ~~(9)~~(10) "Import" means at one time, or in one transaction, to take, or cause to be taken, into
18 this state from outside the state any malt beverage in excess of eight (8) gallons or any vinous
19 beverage or any beverage consisting in whole, or in part, of alcohol produced by distillation in
20 excess of three (3) gallons.

21 ~~(10)~~(11) "Intoxicating beverage" means a beverage that contains more than three and two-
22 tenths percent (3.2%) of alcohol by weight.

23 ~~(11)~~(12) "Malt beverage" means any beverage that is usually produced at breweries, as
24 distinguished from distilleries.

25 ~~(12)~~(13) "Nonintoxicating beverage" means a beverage that contains not more than three
26 and two-tenths percent (3.2%) of alcohol by weight.

27 ~~(13)~~(14) "Powdered alcohol" means alcohol prepared for sale or other distribution in a dry
28 powder or crystalline, or encapsulated in dry or crystalline form, for direct consumption or
29 reconstitution.

30 ~~(14)~~(15) "Tavern" means any house where the principal business is the furnishing of food
31 and sleeping accommodations.

32 ~~(15)~~(16) "Victualing house" means any shop or place where a substantial part of the
33 business is the furnishing of food for consumption at the place where it is furnished.

34 ~~(16)~~(17) "Winegrower" means any person licensed to operate a farmer's winery under § 3-

1 6-1.1.

2 ~~(17)~~(18) "Wines" means all fermented alcoholic beverages made from fruits, flowers,
3 herbs, or vegetables and containing not more than twenty-four percent (24%) of alcohol by volume
4 at sixty degrees Fahrenheit (60 degrees F), except cider obtained by the alcohol fermentation of the
5 juice of apples and containing not less than five tenths of one percent (.05%) or containing not more
6 than six percent (6%) of alcohol by weight at sixty degrees Fahrenheit (60 degrees F), including,
7 but not limited to, flavored, sparkling, or carbonated cider.

8 SECTION 2. Chapter 3-6 of the General Laws entitled "Manufacturing and Wholesale
9 Licenses" is hereby amended by adding thereto the following section:

10 **3-6-1.3. Farmer-brewery or farmer-distillery licenses -- Fee.**

11 (a) For the purpose of encouraging the development of domestic farm breweries and farm
12 distilleries, the department shall issue a farmer-brewery or farmer-distillery license to any farm
13 based brewery or distillery in the state and to applying partnerships and to applying corporations
14 organized under the laws of any other state of the United States and admitted to do business in this
15 state.

16 (b) A farmer may operate a farmer-brewery or farmer-distillery under any conditions the
17 department may prescribe by regulation.

18 (c) A farmer-brewery or farmer-distillery must be located on a farm, as defined in § 44-27-
19 2, and grow at least one principal crop to be used in the production of malt beverages or distilled
20 spirits produced on the farm, including, but not limited to, barley, wheat, hops, and fruit.

21 (d) A farmer may sell beer or distilled spirits under his or her label and fermented by him
22 or her or another brewery or distillery licensed by the state. He or she may sell beer or distilled
23 spirits:

24 (1) At wholesale to any person holding a valid license to manufacture alcoholic beverages;

25 (2) At wholesale to any person holding a valid wholesaler's and importer's license under
26 §§ 3-6-9 through 3-6-11;

27 (3) At wholesale to any person holding a valid farmer-brewery or farmer-distillery license
28 under this section;

29 (4) At retail by the bottle or can to consumers for consumption off premises;

30 (5) At wholesale to any person in any state or territory in which the importation and sale
31 of beer or distilled spirits is not prohibited by law;

32 (6) At wholesale to any person in any foreign country;

33 (7) At wholesale to liquor dealers holding a valid license under the provisions of chapter 6
34 of title 3;

1 (8) At wholesale to restaurants holding a valid license under the provisions of chapter 6 of
2 title 3; and

3 (9) At retail by the bottle, can, or by the glass for consumption on premises.

4 (f) A farmer may not sell at retail to consumers any beer or distilled spirits product not
5 fermented in the state and sold under the brand name of the farmer-brewery or farmer-distillery.

6 (g) A farmer may serve complimentary samples of beer or distilled spirits produced by the
7 brewery or distillery where the beverage is fermented in the state and sold under the brand name.

8 (h) All beer or distilled spirits sold by a licensee shall be sold under any conditions and
9 with any labels or other marks to identify the producer as the department may prescribe.

10 (i) Every applicant for a farmer-brewery or farmer-distillery license shall, at the time of
11 filing an application, pay a license fee based on a reasonable estimate of the amount of beer or
12 distilled spirits to be produced during the year covered by the license. Persons holding farmer-
13 brewery or farmer-distillery licenses shall report annually at the end of the year the amount of beer
14 or distilled spirits produced during that year. If the total amount of beer or distilled spirits produced
15 during the year is less than the amount permitted by the fee already paid, the state shall reimburse
16 the licensee for whatever fee was paid in excess. If the total amount produced during the year
17 exceeds the amount permitted by the fee already paid, the licensee shall pay whatever additional
18 fee is owing.

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

=====
LC005026
=====

EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

A N A C T

RELATING TO ALCOHOLIC BEVERAGES -- GENERAL PROVISIONS -
MANUFACTURING AND WHOLESALE LICENSES

1 This act would authorize the issuance of farmer-brewery and farmer-distillery licenses to
2 qualifying farms subject to conditions and regulations issued by the department of business
3 regulation.

4 This act would take effect upon passage.

=====
LC005026
=====