2010 -- S 2029

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2010

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RELATING TO ALCOHOLIC BEVERAGES - DIRECT WINE SHIPPING

Introduced By: Senators Cote, and Picard
Date Introduced: January 13, 2010
Referred To: Senate Constitutional & Regulatory Issues

It is enacted by the General Assembly as follows:

SECTION 1. Title 3 of the General Laws entitled "Alcoholic Beverages" is hereby amended by adding thereto the following chapter:

CHAPTER 15

DIRECT WINE SHIPPING

3-15-1. Sale, delivery, or importation of wine permitted. -- Notwithstanding any general or public law to the contrary, any person currently licensed in this or any other state as a wine producer, supplier, importer, wholesaler, distributor or retailer who obtains a wine direct shipper license, as provided herein, may ship up to twenty-four (24) 9-liter cases of wine annually directly to a resident of Rhode Island who is at least twenty-one (21) years of age for such resident's personal use and not for resale.

3-15-2. Requirements for shipment - License. -- (a) Before sending any shipment to a resident of Rhode Island the wine direct shipper licensee must first:

(1) File an application with the Rhode Island department of business regulation;
(2) Pay a registration fee of one hundred dollars ($100);
(3) Provide to the department a true copy of its current alcoholic beverage license issued in this or any other state; and
(4) Obtain from the department a wine direct shipper license.

(b) The department or division of taxation may require any additional information as it may determine necessary to issue a license pursuant to this chapter.
3-15-3. Duties of direct shipper. -- (a) All wine direct shipper licenses shall:

(1) Not ship more than twenty-four (24) 9-liter cases of wine annually to any person for
his personal use and not for resale.

(2) Not ship to any address in an area identified by the department as a "dry" or local
option area.

(3) Ensure that all containers of wine shipped directly to a resident in this state are
conspicuously labeled with the words "CONTAINS ALCOHOL: SIGNATURE OF PERSON
AGE 21 OR OLDER REQUIRED FOR DELIVERY."

(4) If located outside of this state, report to the department annually the total amount of
wine shipped into the state the preceding calendar year.

(5) If located outside of this state, annually pay to the Rhode Island division of taxation
all sales taxes and excise taxes due on sales to residents of Rhode Island in the preceding calendar
year, the amount of such taxes to be calculated as if the sale were in Rhode Island at the location
where delivery is made.

(6) If located within this state, provide the Rhode Island division of taxation any
additional information deemed necessary beyond that already required for retail sales from the
winery tasting room to ensure compliance with this section.

(7) Permit the department or the division of taxation to perform an audit of the wine
direct shipper licensees records upon request.

(8) Be deemed to have consented to the jurisdiction of the department or any other state
agency and the Rhode Island courts concerning enforcement of this section and any related laws,
rules or regulations.

3-15-4. License renewal. -- The wine direct shipper licensee may annually renew its
license with the department by paying a fifty dollar ($50.00) renewal fee and providing the
department a true copy of its current alcoholic beverage license issued in this or any other state.

3-15-5. Enforcement of chapter. -- The department may enforce the requirements of this
section by any means provided under this title including, but not limited to, administrative
proceedings to suspend or revoke any wine direct shipper license, and the department may accept
payment of an offer in compromise in lieu of suspension, such payments to be determined by rule
promulgated by the department.

3-15-6. Prohibited practices. – Shipments of wine direct to consumers in Rhode Island
from persons who do not possess a current wine direct shipper license from the department are
prohibited. Any person who knowingly makes, participates in, transports, imports or receives
such a shipment is guilty of a misdemeanor punishable upon conviction, by a fine of not more
than five hundred dollars ($500) or imprisonment for not more than ninety (90) days. Without
limitation on any punishment or remedy, criminal or civil, any person who knowingly makes,
participates in, transports, imports or receives such a shipment commits an unfair trade practice.

3-15-7. Rules and regulations. -- The department and the division of taxation may
promulgate rules and regulations to effectuate the purposes of this law.

3-15-8. Severability. -- If any provision of this chapter or the application thereof to any
person or circumstances is held invalid, such invalidity shall not affect other provisions or
applications of the chapter, which can be given effect without the invalid provision or application,
and to this end the provisions of this chapter are declared to be severable.

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

3-4-8. Unlawful sale and shipment. -- (a) It shall be unlawful for any person in the
business of selling intoxicating beverages in another state or country to ship or cause to be
shipped any intoxicating beverage directly to any Rhode Island resident who does not hold a valid
wholesaler license issued by the State of Rhode Island. The foregoing shall not apply to any order
for intoxicating beverages personally placed by the purchaser at the manufacturer's premises, for
shipment to an address in Rhode Island for nonbusiness purpose or to any purchase or order
placed with a wine producer, supplier, importer, wholesaler, distributor or retailer who obtains a
wine direct shippers license pursuant to chapter 3-15. Any shipment of intoxicating beverages
pursuant to this section shall contain the language: “Contains Alcohol, Adult Signature (over 21)
Required for Delivery."

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

SECTION 3. This act shall take effect upon passage.
EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
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RELATING TO ALCOHOLIC BEVERAGES - DIRECT WINE SHIPPING

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1 This act would permit the direct shipping of wine to consumers under the direction of the
department of business regulations.

2 This act would take effect upon passage.

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