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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2010

A N A C T

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:

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

3 CHAPTER 15

4 DIRECT WINE SHIPPING

5 **3-15-1. Sale, delivery, or importation of wine permitted.** -- Notwithstanding any
6 general or public law to the contrary, any person currently licensed in this or any other state as a
7 wine producer, supplier, importer, wholesaler, distributor or retailer who obtains a wine direct
8 shipper license, as provided herein, may ship up to twenty-four (24) 9-liter cases of wine annually
9 directly to a resident of Rhode Island who is at least twenty-one (21) years of age for such
10 resident's personal use and not for resale.

11 **3-15-2. Requirements for shipment - License.** -- (a) Before sending any shipment to a
12 resident of Rhode Island the wine direct shipper licensee must first:

13 (1) File an application with the Rhode Island department of business regulation;

14 (2) Pay a registration fee of one hundred dollars (\$100);

15 (3) Provide to the department a true copy of its current alcoholic beverage license issued
16 in this or any other state; and

17 (4) Obtain from the department a wine direct shipper license.

18 (b) The department or division of taxation may require any additional information as it
19 may determine necessary to issue a license pursuant to this chapter.

1 **3-15-3. Duties of direct shipper.** -- (a) All wine direct shipper licenses shall:

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

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

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

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

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

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

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

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

23 **3-15-4. License renewal.** -- The wine direct shipper licensee may annually renew its
24 license with the department by paying a fifty dollar (\$50.00) renewal fee and providing the
25 department a true copy of its current alcoholic beverage license issued in this or any other state.

26 **3-15-5. Enforcement of chapter.** -- The department may enforce the requirements of this
27 section by any means provided under this title including, but not limited to, administrative
28 proceedings to suspend or revoke any wine direct shipper license, and the department may accept
29 payment of an offer in compromise in lieu of suspension, such payments to be determined by rule
30 promulgated by the department.

31 **3-15-6. Prohibited practices.** -- Shipments of wine direct to consumers in Rhode Island
32 from persons who do not possess a current wine direct shipper license from the department are
33 prohibited. Any person who knowingly makes, participates in, transports, imports or receives
34 such a shipment is guilty of a misdemeanor punishable upon conviction, by a fine of not more

1 than five hundred dollars (\$500) or imprisonment for not more than ninety (90) days. Without
2 limitation on any punishment or remedy, criminal or civil, any person who knowingly makes,
3 participates in, transports, imports or receives such a shipment commits an unfair trade practice.

4 **3-15-7. Rules and regulations.** -- The department and the division of taxation may
5 promulgate rules and regulations to effectuate the purposes of this law.

6 **3-15-8. Severability.** -- If any provision of this chapter or the application thereof to any
7 person or circumstances is held invalid, such invalidity shall not affect other provisions or
8 applications of the chapter, which can be given effect without the invalid provision or application,
9 and to this end the provisions of this chapter are declared to be severable.

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

12 **3-4-8. Unlawful sale and shipment.** -- (a) It shall be unlawful for any person in the
13 business of selling intoxicating beverages in another state or country to ship or cause to be
14 shipped any intoxicating beverage directly to any Rhode Island resident who does not hold a valid
15 wholesaler license issued by the State of Rhode Island. The foregoing shall not apply to any order
16 for intoxicating beverages personally placed by the purchaser at the manufacturer's premises, for
17 shipment to an address in Rhode Island for nonbusiness purpose or to any purchase or order
18 placed with a wine producer, supplier, importer, wholesaler, distributor or retailer who obtains a
19 wine direct shippers license pursuant to chapter 3-15. Any shipment of intoxicating beverages
20 pursuant to this section shall contain the language: "Contains Alcohol, Adult Signature (over 21)
21 Required for Delivery."

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

26 SECTION 3. 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 - DIRECT WINE SHIPPING

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

3 This act would take effect upon passage.

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