

2012 -- H 7681

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2012

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A N A C T

RELATING TO ALCOHOLIC BEVERAGES - TRANSPORTATION OF BEVERAGES

Introduced By: Representatives Tanzi, Walsh, O'Grady, Cimini, and Handy

Date Introduced: February 16, 2012

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
2 of Beverages" is hereby amended to read as follows:

3 **3-4-8. Unlawful sale and shipment.** -- (a) It shall be unlawful for any person in the
4 business of selling intoxicating beverages in another state or country to ship or cause to be
5 shipped any intoxicating beverage directly to any Rhode Island resident who does not hold a valid
6 wholesaler license issued by the State of Rhode Island. The foregoing shall not apply to:

7 (1) any Any order for intoxicating beverages personally placed by the purchaser at the
8 manufacturer's premises, for shipment to an address in Rhode Island for nonbusiness purpose- ;
9 or

10 (2) Any order for wine purchased from a winery for delivery off the site of the winery
11 premises directly to Rhode Island residents for nonbusiness purpose, provided that the following
12 conditions are met:

13 (3) The winery makes sales at retail off-site shall produce fewer than ten thousand
14 (10,000) cases per year;

15 (4) The consumer shall be limited to the purchase of two (2) cases per month.

16 (b) Wineries authorized to make off-site sales herein shall register with the Rhode Island
17 division of taxation and shall be subject to an additional registration fee of one hundred dollars
18 (\$100) per year in addition to any taxes imposed on the sale of wine.

19 Any shipment of intoxicating beverages pursuant to this section shall contain the

1 language: "Contains Alcohol, Adult Signature (over 21) Required for Delivery."

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

6 SECTION 2. Section 3-6-1.1 of the General Laws in Chapter 3-6 entitled "Manufacturing
7 and Wholesale Licenses" is hereby amended to read as follows:

8 **3-6-1.1. Farmer-winery licenses -- Fee. --** (a) For the purpose of encouraging the
9 development of domestic vineyards, the department shall issue a farmer-winery license to any
10 applicant of the state and to applying partnerships and to applying corporations organized under
11 the laws of any other state of the United States and admitted to do business in this state.

12 (b) A winegrower may operate a farmer's winery under any conditions the department
13 may prescribe by regulation.

14 (c) A winegrower may import fruit, flowers, herbs, and vegetables to produce not more
15 than seven thousand five hundred (7500) gallons of wine during his or her first year of operation,
16 not more than five thousand (5000) gallons during his or her second year of operation, not more
17 than two thousand five hundred (2500) gallons during his or her third year of operation and not
18 more than one thousand (1000) gallons per year thereafter.

19 (d) If a winegrower suffers crop failure in his or her vineyard in a particular year to the
20 extent that the fruit yield from his or her vineyard that year is at least twenty-five percent (25%)
21 below the average yield for the previous two (2) years, the winegrower may import fruit into the
22 state during that year in an amount equal to the difference between the current year's yield and the
23 average for the previous two (2) years. A winegrower shall not import unfermented juice, wine or
24 alcohol into the state.

25 (e) A winegrower may sell wine or winery products under his or her label and fermented
26 by him or her or another winegrower licensed by the state. He or she may sell wine or winery
27 products:

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

30 (2) At wholesale to any person holding a valid wholesaler's and importer's license under
31 sections 3-6-9 -- 3-6-11;

32 (3) At wholesale to any person holding a valid farmer-winery license under this section;

33 (4) At retail ~~by the bottle~~ to consumers for consumption off the winery premises;
34 ~~provided, however a winegrower shall not sell wine at retail for delivery off the site of the winery~~

1 ~~premises in Rhode Island directly to Rhode Island residents, except~~ in the manner provided for
2 like sales and shipment in section 3-4-8.

3 (5) At wholesale to any person in any state or territory in which the importation and sale
4 of wine is not prohibited by law;

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

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

7 (8) At wholesale to restaurants holding a valid license under the provisions of title 3; and

8 (9) At retail by the bottle or by the glass for consumption on the winery premises.

9 (f) A winegrower may not sell at retail to consumers any wine or winery product not
10 fermented in the state and sold under the brand name of the winery.

11 (g) A winegrower may serve complimentary samples of wine produced by the winery
12 where the wine is fermented in the state and sold under the winery brand name.

13 (h) All wines sold by a licensee shall be sold under any conditions and with any labels or
14 other marks to identify the producer as the department may prescribe.

15 (i) Every applicant for a farmer-winery license shall, at the time of filing an application,
16 pay a license fee based on a reasonable estimate of the amount of wine to be produced during the
17 year covered by the license. Persons holding farmer-winery licenses shall report annually at the
18 end of the year covered by the license the amount of wine produced during that year. If the total
19 amount of wine produced during the year is less than the amount permitted by the fee already
20 paid, the state shall reimburse the licensee for whatever fee was paid in excess. If the total amount
21 of wine produced during the year exceeds the amount permitted by the fee already paid, the
22 licensee shall pay whatever additional fee is owing.

23 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 - TRANSPORTATION OF BEVERAGES

- 1 This act would allow for the limited distribution of wine off the site directly to Rhode
- 2 Island residents under certain circumstances.
- 3 This act would take effect upon passage.

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