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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2015

AN ACT

RELATING TO ALCOHOLIC BEVERAGES -- FARMER-WINERY SALES

Introduced By: Representatives Nunes, Tanzi, Roberts, Shekarchi, and Hearn

Date Introduced: February 12, 2015

Referred To: House Corporations

It is enacted by the General Assembly as follows:

SECTION 1. Section 3-6-1.1 of the General Laws in Chapter 3-6 entitled "Manufacturing and Wholesale Licenses" is hereby amended to read as follows:

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

- (b) A winegrower may operate a farmer's winery under any conditions the department may prescribe by regulation.
 - (c) A winegrower may import fruit, flowers, herbs, and vegetables to produce not more than seven thousand five hundred (7500) gallons of wine during his or her first year of operation, not more than five thousand (5000) gallons during his or her second year of operation, not more than two thousand five hundred (2500) gallons during his or her third year of operation and not more than one thousand (1000) gallons per year thereafter.
 - (d) If a winegrower suffers crop failure in his or her vineyard in a particular year to the extent that the fruit yield from his or her vineyard that year is at least twenty-five percent (25%) below the average yield for the previous two (2) years, the winegrower may import fruit into the state during that year in an amount equal to the difference between the current year's yield and the average for the previous two (2) years. A winegrower shall not import unfermented juice, wine or alcohol into the state.

1 (e) A winegrower may sell wine or winery products under his or her label and fermented 2 by him or her or another winegrower licensed by the state. He or she may sell wine or winery 3 products: 4 (1) At wholesale to any person holding a valid license to manufacture alcoholic 5 beverages; 6 (2) At wholesale to any person holding a valid wholesaler's and importer's license under 7 §§ 3-6-9 -- 3-6-11; 8 (3) At wholesale to any person holding a valid farmer-winery license under this section; 9 (4) At retail by the bottle at any farmers' market to consumers for consumption off the 10 winery or market premises; provided, however a winegrower shall not otherwise sell wine at 11 retail for delivery off the site of the winery premises in Rhode Island directly to Rhode Island 12 residents, except in the manner provided for like sales and shipment in § 3-4-8 and chapter 8 of 13 title 3. 14 (5) At wholesale to any person in any state or territory in which the importation and sale 15 of wine is not prohibited by law; 16 (6) At wholesale to any person in any foreign country; 17 (7) At wholesale to liquor dealers holding a valid license under the provisions of title 3; 18 (8) At wholesale to restaurants holding a valid license under the provisions of title 3; and 19 (9) At retail by the bottle or by the glass for consumption on the winery premises. 20 (f) A winegrower may not sell at retail to consumers any wine or winery product not 21 fermented in the state and sold under the brand name of the winery. 22 (g) A winegrower may serve complimentary samples of wine produced by the winery 23 where the wine is fermented in the state and sold under the winery brand name. 24 (h) All wines sold by a licensee shall be sold under any conditions and with any labels or 25 other marks to identify the producer as the department may prescribe. 26 (i) Every applicant for a farmer-winery license shall, at the time of filing an application, 27 pay a license fee based on a reasonable estimate of the amount of wine to be produced during the 28 year covered by the license. Persons holding farmer-winery licenses shall report annually at the 29 end of the year covered by the license the amount of wine produced during that year. If the total 30 amount of wine produced during the year is less than the amount permitted by the fee already 31 paid, the state shall reimburse the licensee for whatever fee was paid in excess. If the total amount 32 of wine produced during the year exceeds the amount permitted by the fee already paid, the

licensee shall pay whatever additional fee is owing.

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SECTION 2. This act shall take effect upon passage.

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EXPLANATION

BY THE LEGISLATIVE COUNCIL

OF

AN ACT

RELATING TO ALCOHOLIC BEVERAGES -- FARMER-WINERY SALES

- 1 This act would permit the sale of farmer-winery products at farmers' markets statewide.
- 2 This act would take effect upon passage.

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