

2023 -- S 0435

LC001701

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2023

A N A C T

RELATING TO ALCOHOLIC BEVERAGES -- RETAIL LICENSES -- HAPPY HOUR

Introduced By: Senators Lawson, DiMario, F. Lombardi, Euer, Britto, Lauria, Mack, and Gu

Date Introduced: February 16, 2023

Referred To: Senate Special Legislation and Veterans Affairs

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 3-7-26 of the General Laws in Chapter 3-7 entitled "Retail Licenses"

2 is hereby amended to read as follows:

3 **3-7-26. Certain practices prohibited.**

4 (a) No licensee, employee or agent of any licensee who operates under a license to sell
5 alcoholic beverages shall:

6 (1) Cause or require any person or persons to buy more than one drink at a time by reducing
7 the price of that drink;

8 (2) Increase the volume of alcohol contained in any alcoholic beverage without
9 proportionately increasing the price;

10 (3) Sell, propose to sell or deliver to any person or persons an unlimited number of drinks
11 during a certain period of time for a fixed price; or

12 (4) Allow or encourage any game or promotion on the premises which involves the
13 drinking of alcoholic beverages or the awarding of alcoholic beverages as prizes for consumption
14 on the premises.

15 (b)(1) No licensee, other than those authorized pursuant to subsection (e) of this section,
16 shall advertise or promote in any manner, or in any medium, happy hours, open bars, two-for-one
17 nights and/or free drink specials.

18 (2) Any licensee is prohibited from knowingly allowing the use of its premises as part of
19 an organized pub crawl, so-called. A pub crawl shall be defined as an organized event intended to

1 promote the organized, commercial travel of significantly large groups of individuals between
2 licensed premises for the primary purpose of consuming alcoholic beverages at more than one
3 premise. Evidence of a pub crawl shall include, but not be limited by:

4 (i) The existence of advertising, flyers, tickets or other printed or electronic material
5 promoting or describing a planned pub crawl;

6 (ii) Organized, commercial transportation intended to move a total of fifty (50) or more
7 individuals from one premise to another in an organized fashion; and

8 (iii) Evidence of compensation paid to an organizer by participants in a pub crawl. The
9 department of business regulation is authorized to promulgate rules and regulations consistent with
10 this section.

11 (c) Nothing in this section shall be construed to prohibit a licensee from offering free food
12 or entertainment at any time; or to prohibit licensees from including an alcoholic beverage as part
13 of a meal package; or to prohibit the sale or delivery of wine by the bottle or carafe when sold with
14 meals or to more than one person; or to prohibit free wine tastings. Except as otherwise limited by
15 this section, nothing contained in this section shall limit or may restrict the price which may be
16 charged by any licensee for any size alcoholic beverage to be consumed on the licensed premises.

17 (d) Adherence to this section is deemed to be a condition attached to the issuance and/or
18 continuation of every license to sell alcoholic beverages for consumption on the licensed premises,
19 and this section shall be enforced by the applicable local licensing authority, its agents, and the
20 department.

21 (e)(1) Notwithstanding the prohibition of happy hours contained in this section, happy hour
22 drink specials served as part of a transaction that includes the purchase of a food item shall be
23 permitted. For the purposes of this section, "happy hour" means a period of time during which a
24 licensee sells or provides discount alcoholic beverages. For the purposes of this section, a "food
25 item" means any food product, prepared on premises, which is included on the establishment's
26 menu or included in the daily specials as either an appetizer or entrée item.

27 (2) Snacks, including, but not limited to, pretzels, popcorn, chips, or similar food products
28 commonly eaten between regular meals do not meet the definition of a food item.

29 (3) Advertisements or promotions for happy hour shall be permitted pursuant to this
30 section; provided that, the advertisement or promotion specifically mentions the requirement that a
31 food item must be included in the transaction for the happy hour special to apply.

32 (4) The department of business regulation shall promulgate rules and regulations necessary
33 to implement the provisions of this section.

34 ~~(e)~~(f) The provisions of this section are deemed to be severable and any final decision by

1 a court of competent jurisdiction holding that any provision of this section is void, shall not make
2 void nor affect any of the remaining provisions of this section.

3 SECTION 2. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
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1 This act would allow happy hour drink specials served in conjunction with the purchase of
2 a food item, which would include appetizers or entrees prepared on premises.

3 This act would take effect upon passage.

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