

2014 -- H 7718

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2014

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A N A C T

RELATING TO ALCOHOLIC BEVERAGES - MANUFACTURING AND WHOLESALE
LICENSES

Introduced By: Representatives Valencia, Amore, Kennedy, Walsh, and Tanzi

Date Introduced: February 27, 2014

Referred To: House Corporations

It is enacted by the General Assembly as follows:

1 SECTION 1. Chapter 3-6 of the General Laws entitled "Manufacturing and Wholesale
2 Licenses" is hereby amended by adding thereto the following section:

3 **3-6-1.3. Farmer-brewer licenses - Fee.** – (a) For the purpose of encouraging the
4 development of domestic agriculture, the department shall issue a farmer-brewer license to any
5 applicant of the state and to applying partnerships and to applying corporations organized under
6 the laws of any other state of the United States and admitted to do business in this state.

7 (b) A farmer may operate a farmer's brewery under any conditions the department may
8 prescribe by regulation.

9 (c) A farmer-brewer may import malt, cereal grains, fermentable, sugars and hops; but
10 may not import malt beverages or alcohol into the state. In the first year of production, no less
11 than twenty-five percent (25%) of hops used by the farmer-brewer to produce malt beverages or
12 malt beverage products must be produced by the farmer-brewer's on-site agricultural operation,
13 and no less than forty percent (40%) of hops must be produced in Rhode Island. In the second
14 year of production, no less than thirty percent (30%) of hops must be sourced from the farm-
15 brewer's on-site agricultural operation, and no less than forty-five percent (45%) must be
16 produced in Rhode Island. Thereafter, no less than thirty-five percent (35%) of hops must be
17 sourced from the farm-brewer's on-site agricultural operation, and no less than fifty-five percent
18 (55%) of hops must be produced in Rhode Island.

1 (d) If a farmer suffers crop failure in a particular year to the extent that the yield from his
2 or her harvest that year is at least twenty-five percent (25%) below the average yield for the
3 previous two (2) years, the farmer-brewer may import ingredients equal to the difference between
4 the current year's yield and the average for the previous two (2) years. A farmer shall not import
5 alcohol into the state.

6 (e) A farmer-brewer may sell malt beverages or malt beverage products under his or her
7 label and fermented by him or her or another farmer-brewer licensed by the state. He or she may
8 sell beer or brewery products:

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

11 (2) At wholesale to any person holding a valid wholesaler's and importer's license under
12 §§ 3-6-9 through 3-6-11;

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

14 (4) At retail, by the bottle, to consumers for consumption off the farm-brewery premises;
15 provided, however a farm-brewery shall not sell malt beverages or malt beverage products at
16 retail for delivery off the site of the farm-brewery premises in Rhode Island directly to Rhode
17 Island residents, except in the manner provided for like sales and shipment in § 3-4-8;

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

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

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

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

23 (9) At retail by the bottle or by the glass for consumption on the farm-brewery premises.

24 (f) A farmer-brewer may not sell at retail to consumers any malt beverages or malt
25 beverage products not fermented in the state and sold under the brand name of the farm-brewery.

26 (g) A farmer-brewer may serve complimentary samples of malt beverages or malt
27 beverage products produced by the farm-brewery where the beer is fermented in the state and
28 sold under the farm-brewery brand name.

29 (h) All malt beverages or malt beverage products sold by a licensee shall be sold under
30 any conditions and with any labels or other marks to identify the producer as the department may
31 prescribe.

32 (i) Every applicant for a farmer-brewery license shall, at the time of filing an application,
33 pay a license fee based on a reasonable estimate of the amount of malt beverages or malt
34 beverage products to be produced during the year covered by the license. Persons holding farmer-

1 brewery licenses shall report annually at the end of the year covered by the license the amount of
2 malt beverages or malt beverage products produced during that year. If the total amount of beer
3 produced during the year is less than the amount permitted by the fee already paid, the state shall
4 reimburse the licensee for whatever fee was paid in excess. If the total amount of beer produced
5 during the year exceeds the amount permitted by the fee already paid, the licensee shall pay
6 whatever additional fee is owing.

7 SECTION 2. 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 - MANUFACTURING AND WHOLESALE
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- 1 This act would provide a process for issuance of a farmer-brewer license.
- 2 This act would take effect upon passage.

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