

2012 -- H 7125

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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 -- MANUFACTURING AND WHOLESALE
LICENSES

Introduced By: Representatives Nunes, Tanzi, Marcello, Silva, and Keable

Date Introduced: January 17, 2012

Referred To: House Corporations

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 3-6-1.1 and 3-6-1.2 of the General Laws in Chapter 3-6 entitled
2 "Manufacturing and Wholesale Licenses" is hereby amended to read as follows:

3 **3-6-1.1. Farmer-winery licenses -- Fee. --** (a) For the purpose of encouraging the
4 development of domestic vineyards, the department shall issue a farmer-winery 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 winegrower may operate a farmer's winery under any conditions the department
8 may prescribe by regulation.

9 (c) A winegrower may import fruit, flowers, herbs, and vegetables to produce not more
10 than ~~seven thousand five hundred (7500)~~ fifteen thousand (15,000) gallons of wine during his or
11 her first ~~year~~ two (2) years of operation, not more than ~~five thousand (5000)~~ ten thousand
12 (10,000) gallons during his or her ~~second year~~ third or fourth years of operation, not more than
13 ~~two thousand five hundred (2500)~~ five thousand (5,000) gallons during his or her ~~third year~~ fifth
14 and sixth years of operation and not more than ~~one thousand (1000)~~ two thousand (2,000) gallons
15 per year thereafter.

16 (d) If a winegrower suffers crop failure in his or her vineyard in a particular year to the
17 extent that the fruit yield from his or her vineyard that year is at least twenty-five percent (25%)
18 below the average yield for the previous two (2) years, the winegrower may import fruit into the

1 state during that year in an amount equal to the difference between the current year's yield and the
2 average for the previous two (2) years. A winegrower shall not import unfermented juice, wine or
3 alcohol into the state.

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

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

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

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

12 (4) At retail by the bottle to consumers for consumption off the winery premises;
13 provided, however a winegrower shall not sell wine at retail for delivery off the site of the winery
14 premises in Rhode Island directly to Rhode Island residents, except in the manner provided for
15 like sales and shipment in section 3-4-8.

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

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

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

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

21 (9) At retail by the bottle or by the glass for consumption on the winery ~~premises~~
22 premise- ; and

23 (10) At retail by the bottle or by the glass for consumption at a farmer's market.

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

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

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

30 (i) Every applicant for a farmer-winery license shall, at the time of filing an application,
31 pay a license fee based on a reasonable estimate of the amount of wine to be produced during the
32 year covered by the license. Persons holding farmer-winery licenses shall report annually at the
33 end of the year covered by the license the amount of wine produced during that year. If the total
34 amount of wine produced during the year is less than the amount permitted by the fee already

1 paid, the state shall reimburse the licensee for whatever fee was paid in excess. If the total amount
2 of wine produced during the year exceeds the amount permitted by the fee already paid, the
3 licensee shall pay whatever additional fee is owing.

4 **3-6-1.2. Brewpub manufacturer's license. --** (a) A brewpub manufacturer's license shall
5 authorize the holder to establish and operate a brewpub within this state. The brewpub
6 manufacturer's license shall authorize the retail sale of the beverages manufactured on the
7 location for consumption on the premises. The license shall not authorize the retail sale of
8 beverages from any location other than the location set forth in the license. A brewpub may sell at
9 retail alcoholic beverages produced on the premises by the half-gallon bottle known as a
10 "growler" to consumers for off the premises consumption to be sold pursuant to the laws
11 governing retail Class A establishments.

12 (b) The license shall also authorize the sale at wholesale at the licensed place by the
13 manufacturer of the product of his or her licensed plant as well as beverages produced for the
14 brewpub and sold under the brewpub's name to a holder of a wholesaler's license and the
15 transportation and delivery from the place of sale to the licensed wholesaler or to a common
16 carrier for that delivery.

17 (c) The brewpub manufacturer's license further authorizes the sale of beverages
18 manufactured on the premises to any person holding a valid wholesaler's and importer's license
19 under section 3-6-9 or 3-6-11.

20 (d) The brewpub manufacturer's license shall further authorize the sale of beverages
21 manufactured on the premises at any farmer's market.

22 ~~(d)~~(e) The annual fee for the license is one thousand dollars (\$1,000) for a brewpub
23 producing more than fifty thousand (50,000) gallons per year and five hundred dollars (\$500) per
24 year for a brewpub producing less than fifty thousand (50,000) gallons per year. The annual fee is
25 prorated to the year ending December 1 in every calendar year and paid to the division of taxation
26 and turned over to the general treasurer for the use of the state.

27 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 brewers and winegrowers to sell their products at farmer's markets
2 and would also double the amounts of ingredients used to produce wine during the first years of
3 operation.

4 This act would take effect upon passage.

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