

2023 -- H 5415

LC000530

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2023

A N A C T

RELATING TO ALCOHOLIC BEVERAGES -- LICENSES GENERALLY

Introduced By: Representatives O'Brien, Dawson, and Shanley

Date Introduced: February 08, 2023

Referred To: House Corporations

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 3-5-11 of the General Laws in Chapter 3-5 entitled "Licenses
2 Generally" is hereby amended to read as follows:

3 **3-5-11. Licensing of chain stores.**

4 (a) Licenses, except retailer's Class E, Class B, Class B-H, Class B-L, Class B-M, ~~and~~
5 Class B-V and Class B-W licenses, authorized by this title shall not be granted, issued, or
6 transferred to or for the use of any "chain store organization," which term shall consist of any chain
7 of retail or wholesale business or business organizations, and more specifically defined herein,
8 including, without limitation, ~~grocery stores, markets,~~ department stores, ~~and convenience stores,~~
9 as well as retailers of alcoholic beverages, and which include chains in which one or more stores
10 are located outside of the state.

11 (b) The term "chain store organization" is defined to include, but not limited to:

12 (1) Any group of one or more holders of Class A liquor licenses who engage in one or more
13 of the following practices with respect to the business conducted under such licenses, either directly
14 or indirectly, or have any direct or indirect beneficial interest in the following practices:

15 (i) Common, group, centralized or coordinated purchases of wholesale merchandise.

16 (ii) Common billing or utilization of the services of the same person or the same entity in
17 the management or operation of more than one liquor licensed business.

18 (iii) Participation in a coordinated or common advertisement with one or more liquor
19 licensed business in any advertising media.

1 (iv) Coordinated or common planning or implementation of marketing strategies.

2 (v) Participation in agreed upon or common pricing of products.

3 (vi) Any term or name identified as a chain or common entity.

4 (2) Any group of one or more liquor license holders who share any of the following
5 common features, either directly or indirectly or acquire any direct or indirect beneficial interest in
6 the following practices:

7 (i) The same director of a corporation, member of a LLC, LLP, partner in a general or
8 limited partnership, trustee or beneficiary of a trust.

9 (ii) The same individual or corporate owners.

10 (3) Any group of one or more license holders that is found to be a "chain store organization"
11 as a factual matter by the department, as a result of an evidentiary hearing in connection with any
12 application for the issuance, grant or transfer of a license, or upon the filing of a complaint by any
13 member of the public.

14 (4) Upon a finding of violation of this section, the department shall be empowered to set a
15 fine up to the amount of ten thousand dollars (\$10,000) per violating licensee, revoke the license
16 of the violator, or suspend the license of the violator for a period of time to be determined by the
17 department. Additionally, the department shall issue a cease and desist order against the violating
18 chain store entity(s) and may further order the dissolution of the violating chain store entity(s).

19 SECTION 2. Chapter 3-7 of the General Laws entitled "Retail Licenses" is hereby amended
20 by adding thereto the following section:

21 **3-7-30. Class B-W license.**

22 (a) A retailer's Class B-W license may be issued to any grocery store, market or
23 convenience store, authorizing the holder to keep for sale and to sell, at the place described, malt
24 beverage or wine as defined in § 3-1-1, at retail and to deliver the beverages in a sealed package or
25 container, which package or container shall not be opened nor its contents consumed on the
26 premises where sold.

27 (b) The annual fee for a Class B-W license is five hundred dollars (\$500) to one thousand
28 dollars (\$1,000), prorated to the year ending December 1 of every calendar year.

29 SECTION 3. 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 create a Class B-W license to allow for the sale of beer and wine in grocery
2 stores, convenience stores and markets throughout the state. The annual fee for a Class B-W license
3 is five hundred dollars (\$500) to one thousand dollars (\$1,000).

4 This act would take effect upon passage.

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