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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2019

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A N A C T

RELATING TO ALCOHOLIC BEVERAGES -- GENERAL PROVISIONS -  
MANUFACTURING AND WHOLESALE LICENSES

Introduced By: Senators Archambault, Satchell, Rogers, Coyne, and Sosnowski

Date Introduced: May 22, 2019

Referred To: Senate Special Legislation and Veterans Affairs

It is enacted by the General Assembly as follows:

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

3 **3-1-1. Definitions.**

4 As used in this title, unless the context otherwise requires:

5 (1) "Alcohol inhalation" means a method of administering ethanol or alcoholic beverages  
6 directly into the respiratory system, with the aid of a vaporizing or nebulizing device.

7 (2) "Alcohol-without-liquid device" means a device, machine, apparatus, or appliance  
8 that is designed or marketed for the purpose of inhaling alcohol vapor or otherwise introducing  
9 alcohol in any form into the human body including, but not limited to, introducing a heating  
10 element to convert the alcohol to a vapor or by mixing alcohol with pure or diluted oxygen, or  
11 another gas, to produce an alcoholic vapor that an individual can inhale or snort. An alcohol-  
12 without-liquid device does not include an inhaler, nebulizer, atomizer, or other device that is  
13 designed and intended by the manufacturer to dispense a prescribed or over-the-counter  
14 medication.

15 (3) "Beverage" means any liquid that either by itself or by mixture with any other liquid  
16 or liquids, is, or may become, fit for human consumption as a drink and that contains five-tenths  
17 of one per cent (.5%) or more of alcohol by weight.

18 (4) "Club" means a corporation subject to the provisions of chapter 6 of title 7, owning,

1 hiring, or leasing a building or space in a building of such extent and character as may be suitable  
2 and adequate for the reasonable and comfortable accommodation of its members, and whose  
3 affairs and management are conducted by a board of directors, executive committee, or other  
4 similar body chosen by the members at a meeting held for that purpose, none of whose members,  
5 officers, agents, or employees are paid directly, or indirectly, any compensation by way of profit  
6 from the distribution or sale of beverages to the members of the club or to its guests beyond the  
7 amount of any reasonable salary or wages as may be fixed and voted each year by the directors or  
8 other governing body.

9 (5) "Department" means the department of business regulation.

10 (6) "Director" means the director of the department of business regulation.

11 (7) "Division of taxation" means the division of taxation of the department of  
12 administration.

13 (8) "Farmer-brewery" or "Farmer-distillery" means any farmland as defined in § 44-27-2  
14 where beer or distilled spirits are produced, rectified, blended, or fortified from fruit, flowers,  
15 herbs or vegetables.

16 ~~(8)~~(9) "Farmer-winery" means any plant or premise where wine is produced, rectified,  
17 blended, or fortified from fruits, flowers, herbs, or vegetables.

18 ~~(9)~~(10) "Import" means at one time, or in one transaction, to take, or cause to be taken,  
19 into this state from outside the state any malt beverage in excess of eight (8) gallons or any vinous  
20 beverage or any beverage consisting in whole, or in part, of alcohol produced by distillation in  
21 excess of three (3) gallons.

22 ~~(10)~~(11) "Intoxicating beverage" means a beverage that contains more than three and  
23 two-tenths percent (3.2%) of alcohol by weight.

24 ~~(11)~~(12) "Malt beverage" means any beverage that is usually produced at breweries, as  
25 distinguished from distilleries.

26 ~~(12)~~(13) "Nonintoxicating beverage" means a beverage that contains not more than three  
27 and two-tenths percent (3.2%) of alcohol by weight.

28 ~~(13)~~(14) "Powdered alcohol" means alcohol prepared for sale or other distribution in a  
29 dry powder or crystalline, or encapsulated in dry or crystalline form, for direct consumption or  
30 reconstitution.

31 ~~(14)~~(15) "Tavern" means any house where the principal business is the furnishing of food  
32 and sleeping accommodations.

33 ~~(15)~~(16) "Victualing house" means any shop or place where a substantial part of the  
34 business is the furnishing of food for consumption at the place where it is furnished.

1           ~~(16)~~(17) "Winegrower" means any person licensed to operate a farmer's winery under §  
2 3-6-1.1.

3           ~~(17)~~(18) "Wines" means all fermented alcoholic beverages made from fruits, flowers,  
4 herbs, or vegetables and containing not more than twenty-four percent (24%) of alcohol by  
5 volume at sixty degrees Fahrenheit (60 degrees F), except cider obtained by the alcohol  
6 fermentation of the juice of apples and containing not less than five tenths of one percent (.05%)  
7 or containing not more than six percent (6%) of alcohol by weight at sixty degrees Fahrenheit (60  
8 degrees F), including, but not limited to, flavored, sparkling, or carbonated cider.

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

11           **3-6-1.3. Farmer-brewery or farmer-distillery licenses -- Fee.**

12           (a) For the purpose of encouraging the development of domestic farm breweries and farm  
13 distilleries, the department shall issue a farmer-brewery or farmer-distillery license to any farm  
14 based brewery or distillery of the state and to applying partnerships and to applying corporations  
15 organized under the laws of any other state of the United States and admitted to do business in  
16 this state.

17           (b) A farmer may operate a farmer-brewery or farmer-distillery under any conditions the  
18 department may prescribe by regulation.

19           (c) A farmer-brewery or farmer-distillery must be located on a farm, as defined in § 44-  
20 27-2, and grow at least one principal crop to be used in the production of malt beverages or  
21 distilled spirits produced on the farm, including, but not limited to, barley, wheat, hops, and fruit.

22           (d) A farmer may sell beer or distilled spirits under his or her label and fermented by him  
23 or her or another brewery or distillery licensed by the state. He or she may sell beer or distilled  
24 spirits:

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

27           (2) At wholesale to any person holding a valid wholesaler's and importer's license under  
28 §§ 3-6-9 through 3-6-11;

29           (3) At wholesale to any person holding a valid farmer-brewery or farmer-distillery license  
30 under this section;

31           (4) At retail by the bottle or can to consumers for consumption off premises.

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

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

1           (7) At wholesale to liquor dealers holding a valid license under the provisions of chapter  
2 6 of title 3;

3           (8) At wholesale to restaurants holding a valid license under the provisions of chapter 6  
4 of title 3; and

5           (9) At retail by the bottle, can, or by the glass for consumption on premises.

6           (f) A farmer may not sell at retail to consumers any beer or distilled spirits product not  
7 fermented in the state and sold under the brand name of the farmer-brewery or farmer-distillery.

8           (g) A farmer may serve complimentary samples of beer or distilled spirits produced by  
9 the brewery or distillery where the beverage is fermented in the state and sold under the brand  
10 name.

11           (h) All beer or distilled spirits sold by a licensee shall be sold under any conditions and  
12 with any labels or other marks to identify the producer as the department may prescribe.

13           (i) Every applicant for a farmer-brewery or farmer-distillery license shall, at the time of  
14 filing an application, pay a license fee based on a reasonable estimate of the amount of beer or  
15 distilled spirits to be produced during the year covered by the license. Persons holding farmer-  
16 brewery or farmer-distillery licenses shall report annually at the end of the year covered by the  
17 license the amount of beer or distilled spirits produced during that year. If the total amount of  
18 beer or distilled spirits produced during the year is less than the amount permitted by the fee  
19 already paid, the state shall reimburse the licensee for whatever fee was paid in excess. If the total  
20 amount produced during the year exceeds the amount permitted by the fee already paid, the  
21 licensee shall pay whatever additional fee is owing.

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

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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF

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RELATING TO ALCOHOLIC BEVERAGES -- GENERAL PROVISIONS -  
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- 1 This act would authorize the issuance of farmer-brewery and farmer-distillery licenses to
- 2 qualifying farms subject to conditions and regulations issued by the department of regulation.
- 3 This act would take effect upon passage.

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