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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2013

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A N A C T

RELATING TO ALCOHOLIC BEVERAGES - MANUFACTURING AND WHOLESALE
LICENSES

Introduced By: Senators Hodgson, Kettle, Ottiano, and P Fogarty

Date Introduced: February 28, 2013

Referred To: Senate Special Legislation and Veterans Affairs

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 ingredients used by the farmer-brewer to produce malt
12 beverages or malt beverage products must be produced by the farmer-brewer's on-site
13 agricultural operation, and no less than forty percent (40%) of ingredients must be produced in
14 Rhode Island. In the second, year of production, no less than thirty percent (30%) of ingredients
15 must be sourced from the farm-brewer's on-site agricultural operation, and no less than forty-five
16 percent (45%) must be produced in Rhode Island. Thereafter, no less than thirty-five percent
17 (35%) of ingredients must be sourced from the farm-brewer's on-site agricultural operation, and
18 no less than fifty-five percent (55%) of ingredients 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 sections 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 section 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
LICENSES

- 1 This act would authorize the department of business regulation to issue a farmer-brewer
2 license to any applicants of the state including applying corporations admitted to do business in
3 the state.
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