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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 Nunes, and Tanzi

Date Introduced: March 13, 2014

Referred To: House Corporations

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 3-6-1.1 of the General Laws in Chapter 3-6 entitled "Manufacturing
2 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) gallons of wine during his or her first year of operation,
11 not more than five thousand (5000) gallons during his or her second year of operation, not more
12 than two thousand five hundred (2500) gallons during his or her third year of operation and not
13 more than one thousand (1000) gallons per year thereafter.

14 (d) If a winegrower suffers crop failure in his or her vineyard in a particular year to the
15 extent that the fruit yield from his or her vineyard that year is at least twenty-five percent (25%)
16 below the average yield for the previous two (2) years, the winegrower may import fruit into the
17 state during that year in an amount equal to the difference between the current year's yield and the
18 average for the previous two (2) years. A winegrower shall not import unfermented juice, wine or

1 alcohol into the state.

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

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

7 (2) At wholesale to any person holding a valid wholesaler's and importer's license under
8 §§ 3-6-9 – 3-6-11;

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

10 (4) At retail by the bottle to consumers for consumption off the winery premises;
11 provided, however a winegrower shall not sell wine at retail for delivery off the site of the winery
12 premises in Rhode Island directly to Rhode Island residents, except in the manner provided for
13 like sales and shipment in ~~§ 3-4-8~~ [§§ 3-4-8 and 3-6-1.3](#).

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

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

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

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

19 and

20 (9) At retail by the bottle or by the glass for consumption on the winery premises.

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

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

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

27 (i) Every applicant for a farmer-winery license shall, at the time of filing an application,
28 pay a license fee based on a reasonable estimate of the amount of wine to be produced during the
29 year covered by the license. Persons holding farmer-winery licenses shall report annually at the
30 end of the year covered by the license the amount of wine produced during that year. If the total
31 amount of wine produced during the year is less than the amount permitted by the fee already
32 paid, the state shall reimburse the licensee for whatever fee was paid in excess. If the total amount
33 of wine produced during the year exceeds the amount permitted by the fee already paid, the
34 licensee shall pay whatever additional fee is owing.

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

3 **3-6-1.3. Farmers' Market Wine Sales.** Notwithstanding any provision of the general or
4 public laws to the contrary, the department may issue to an applicant authorized to operate a
5 farmer-winery under § 3-6-1.1, a special license for the sale of wine produced by or for the
6 licensee in sealed containers for off-premise consumption at an indoor or outdoor farmers'
7 market. All sales of wine shall be conducted by an agent, representative, or solicitor of the
8 licensee to customers who are at least twenty-one (21) years of age. A licensee under this section
9 may provide, without charge, samples of wine to prospective customers at an indoor or outdoor
10 farmers' market. All samples of wine shall be served by an agent, representative, or solicitor of
11 the licensee to individuals who are at least twenty-one (21) years of age and all samples shall be
12 consumed in the presence of such agent, representative, or solicitor of the licensee; provided,
13 however, that no sample shall exceed one ounce of wine and no more than five (5) samples shall
14 be served to an individual prospective customer.

15 An applicant for a special license under this section shall first submit a plan to the
16 department that shall demonstrate that the event is a farmers' market. The plan shall include a
17 description of the event, the date, time and location of the event, a copy of the operational
18 guidelines or rules for the event, written approval that the prospective licensee has been approved
19 as a vendor at the event, including the name and contact information of the on-site manager, and a
20 plan depicting the premises and the specific location where the license will be exercised.

21 Upon review of the plan, the department may certify that the event is a farmers' market;
22 provided, however, that in making that determination, the department shall consider the following
23 factors: (1) Operation as a farmers' market or agricultural fair approved or inspected by the
24 department; (2) Frequency and regularity of the event, including dates, times and locations; (3)
25 Number of vendors; (4) Terms of vendor agreements; (5) Presence of an on-site manager; (6)
26 Training of the on-site manager; (7) Operational guidelines or rules, which shall include vendor
27 eligibility and produce source; (8) Focus of event on local agricultural products grown or
28 produced within the market area; (9) Types of shows or exhibits; and (10) Sponsorship or
29 operation by an agricultural or horticultural society organized under the laws of the state, or by a
30 local grange organization and/or association whose primary purpose is the promotion of
31 agriculture and its allied industries. The department may promulgate rules and regulations
32 necessary for the operation, oversight, approval, and inspection of farmers' markets under this
33 section.

34 The department may promulgate rules and regulations it deems appropriate to effectuate

1 the purposes of this section.

2 **3-6-1.4. Farmer-brewery licenses – Fee.** – (a) For the purpose of encouraging the
3 development of domestic farmer breweries, the department shall issue a farmer-brewery license
4 to any applicant of the state and to applying partnerships and to applying corporations organized
5 under the laws of any other state of the United States and admitted to do business in this state.

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

8 (c) A farmer-brewery may import fruit, flowers, herbs, and vegetables to produce not
9 more than seven thousand five hundred (7500) gallons of beer during his or her first year of
10 operation, not more than five thousand (5000) gallons during his or her second year of operation,
11 not more than two thousand five hundred (2500) gallons during his or her third year of operation
12 and not more than one thousand (1000) gallons per year thereafter.

13 (d) If a farmer-brewery suffers crop failure in his or her farm in a particular year to the
14 extent that the crops yield from his or her farm-brewery that year is at least twenty-five percent
15 (25%) below the average yield for the previous two (2) years, the farmer-brewery may import
16 fruit into the state during that year in an amount equal to the difference between the current year's
17 yield and the average for the previous two (2) years. A farmer-brewery shall not import
18 unfermented juice, malt, beer or alcohol into the state.

19 (e) A farmer-brewery may sell beer or brewery products under his or her label and
20 brewed by him or her or another farmer-brewery licensed by the state. He or she may sell beer or
21 brewery products:

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

24 (2) At wholesale to any person holding a valid wholesaler's and importer's license under
25 §§ 3-6-9 and 3-6-11;

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

27 (4) At retail by the bottle to consumers for consumption off the brewery premises;
28 provided, however a farmer-brewery shall not sell beer or brewery products at retail for delivery
29 off the site of the brewery premises in Rhode Island directly to Rhode Island residents, except in
30 the manner provided for like sales and shipment in §§ 3-4-8 and 3-6-1.5.

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

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

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

1 (8) At wholesale to restaurants holding a valid license under the provisions of title 3; and
2 (9) At retail by the bottle or by the glass for consumption on the brewery premises.

3 (f) A farmer-brewery may not sell at retail to consumers any beer or brewery product not
4 brewed in the state and sold under the brand name of the brewery.

5 (g) A farmer-brewery may serve complimentary samples of beer produced by the
6 brewery where the beer is brewed in the state and sold under the brewery brand name.

7 (h) All beer and brewery products sold by a licensee shall be sold under any conditions
8 and with any labels or other marks to identify the producer as the department may prescribe.

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

17 **3-6-1.5. Farmers' Market Beer Sales.** -- Notwithstanding any provision of the general
18 or public laws to the contrary, the department may issue to an applicant authorized to operate a
19 farmer-brewery under § 3-6-1.3, a special license for the sale of beer produced by or for the
20 licensee in sealed containers for off-premise consumption at an indoor or outdoor farmers'
21 market. All sales of beer shall be conducted by an agent, representative, or solicitor of the
22 licensee to customers who are at least twenty-one (21) years of age. A licensee under this section
23 may provide, without charge, samples of beer to prospective customers at an indoor or outdoor
24 farmers' market. All samples of beer shall be served by an agent, representative, or solicitor of the
25 licensee to individuals who are at least twenty-one (21) years of age and all samples shall be
26 consumed in the presence of such agent, representative, or solicitor of the licensee; provided,
27 however, that no sample shall exceed one ounce of beer and no more than five (5) samples shall
28 be served to an individual prospective customer.

29 An applicant for a special license under this section shall first submit a plan to the
30 department that shall demonstrate that the event is a farmers' market. The plan shall include a
31 description of the event, the date, time and location of the event, a copy of the operational
32 guidelines or rules for the event, written approval that the prospective licensee has been approved
33 as a vendor at the event, including the name and contact information of the on-site manager, and a
34 plan depicting the premises and the specific location where the license will be exercised.

1 Upon review of the plan, the department may certify that the event is a farmers' market;
2 provided, however, that in making that determination, the department shall consider the following
3 factors: (1) Operation as a farmers' market or agricultural fair approved or inspected by the
4 department; (2) Frequency and regularity of the event, including dates, times and locations; (3)
5 Number of vendors; (4) Terms of vendor agreements; (5) Presence of an on-site manager; (6)
6 Training of the on-site manager; (7) Operational guidelines or rules, which shall include vendor
7 eligibility and produce source; (8) Focus of event on local agricultural products grown or
8 produced within the market area; (9) Types of shows or exhibits; and (10) Sponsorship or
9 operation by an agricultural or horticultural society organized under the laws of the state, or by a
10 local grange organization and/or association whose primary purpose is the promotion of
11 agriculture and its allied industries. The department may promulgate rules and regulations
12 necessary for the operation, oversight, approval, and inspection of farmers' markets under this
13 section.

14 The department may promulgate rules and regulations it deems appropriate to effectuate
15 the purposes of this section.

16 SECTION 3. 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 amend the current law so that a farmer-winery and a farmer-brewery may,
2 under certain conditions, be licensed to sell wine/beer for off-premises consumption at a farmers'
3 market, similar to that permitted in Massachusetts.

4 This act would take effect upon passage.

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