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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2015

A N A C T

RELATING TO ALCOHOLIC BEVERAGES -- WINE DIRECT SHIPPER LICENSE

Introduced By: Senators Satchell, Goldin, McCaffrey, Lombardi, and Sosnowski

Date Introduced: February 26, 2015

Referred To: Senate Special Legislation and Veterans Affairs

It is enacted by the General Assembly as follows:

1 SECTION 1. Title 3 of the General Laws entitled "ALCOHOLIC BEVERAGES" is
2 hereby amended by adding thereto the following chapter:

3 CHAPTER 6.1

4 WINE DIRECT SHIPPER LICENSE

5 **3-6.1-1. Wine direct shipper license. --** (a) Notwithstanding any law, rule or regulation
6 to the contrary, any person currently licensed in this or any other state as a wine producer,
7 supplier, importer, wholesaler, distributor or retailer who obtains a wine direct shipper license, as
8 provided below, may ship up to twenty-four (24), nine (9) liter cases of wine annually directly to
9 a resident of Rhode Island who is at least twenty-one (21) years of age for such resident's
10 personal use and not for resale.

11 (b) Before sending any shipment to a resident of Rhode Island the wine direct shipper
12 licensee must first:

13 (1) File an application with the department of business regulation (department);

14 (2) Pay a one hundred dollar (\$100) registration fee;

15 (3) Provide to the department a true copy of its current alcoholic beverage license issued
16 in this or any other state; and

17 (4) Obtain from the department a wine direct shipper license.

18 **3-6.1-2. Restrictions, requirements and duties. --** All wine direct shipper licensees
19 shall:

1 (1) Not ship more than twenty-four (24), nine (9) liter cases of wine annually to any
2 person for his or her personal use and not for resale;

3 (2) Not ship to any address in an area identified by the department as a "dry" or local
4 option area;

5 (3) Ensure that all containers of wine shipped directly to a resident in this state are
6 conspicuously labeled with the words "CONTAINS ALCOHOL SIGNATURE OF PERSON
7 AGE 21 OR OLDER REQUIRED FOR DELIVERY";

8 (4) If located outside of this state, report to the department annually the total amount of
9 wine shipped into the state the preceding calendar year;

10 (5) If located outside of this state, annually pay to the division of taxation all sales taxes
11 and excise taxes due on sales to residents of Rhode Island in the preceding calendar year, the
12 amount of such taxes to be calculated as if the sale were in Rhode Island at the location where
13 delivery is made;

14 (6) If located within this state, provide the division of taxation any additional information
15 deemed necessary beyond that already required for retail sales from the winery tasting room to
16 ensure compliance with this section;

17 (7) Permit the department or the division of taxation to perform an audit of the wine
18 direct shipper licensees records upon request;

19 (8) Be deemed to have consented to the jurisdiction of the department or any other state
20 agency and the Rhode Island courts concerning enforcement of this section and any related laws,
21 rules or regulations.

22 **3-6.1-3. License renewal.** -- The wine direct shipper licensee may annually renew its
23 license with the department by paying a fifty dollar (\$50.00) renewal fee and providing the
24 department a true copy of its current alcoholic beverage license issued in this or any other state.

25 **3-6.1-4. Promulgation of rules and regulations.** -- The department and the division of
26 taxation may promulgate rules and regulations to effectuate the purposes of this law.

27 **3-6.1-5. Suspension and/or revocation of licenses.** -- The department may enforce the
28 requirements of this section by administrative proceedings to suspend or revoke a wine direct
29 shipper license, and the department may accept payment of an offer in compromise in lieu of
30 suspension, such payments to be determined by rule promulgated by the department.

31 **3-6.1-6. Penalties for violations.** -- Shipments of wine direct to consumers in Rhode
32 Island from persons who do not possess a current wine direct shipper license from the department
33 are prohibited. Any person who knowingly makes, participates in, transports, imports or receives
34 such a shipment is guilty of a misdemeanor punishable by a fine up to and including one thousand

1 five hundred dollars (\$1,500) and/or imprisonment for a period of up to one year. Without
2 limitation on any punishment or remedy, criminal or civil, any person who knowingly makes,
3 participates in, transports, imports or receives such a shipment commits an unfair trade practice.

4 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 -- WINE DIRECT SHIPPER LICENSE

1 This act would create a wine direct shipper license for licensed producers in this or any
2 state, to directly ship a limited amount of wine to residents age twenty-one (21) or older, for
3 personal consumption, with oversight by the department of business regulation and/or the
4 division of taxation. Violations of this act would be punishable as a misdemeanor, with a fine of
5 up to one thousand five hundred dollars (\$1,500), and/or imprisonment for a period of up to one
6 year.

7 This act would take effect upon passage.

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