

December 13, 2018

Pamela Torro  
Department of Business Regulation  
1511 Pontiac Ave, Building 68-1  
Cranston, RI 02920

Re: Comments on proposed regulatory change for the Liquor Control Administration -230-  
RICR-30-10-1

Dear Ms. Torro:

On behalf of the RI Hospitality Association, I am submitting comments on the proposed regulatory changes to Liquor Control Administration (Rule Identifier #230-RICR-30-10-1).

#### **Section 1.4.6 Class B-M (Brewpub/Mfg.) License - Retail**

RIHA believes that this proposed rule change will ease regulatory confusion for Rhode Island businesses and more closely aligns with the intent of the statute.


However, RIHA would like to ask that DBR review its enforcement mechanisms for all state-issued licenses to ensure that there is compliance with the current laws and regulations.


#### **Section 1.4.39 Unlawful Pouring**


RIHA respectfully asks that DBR consider amending this section to allow a licensed premise to decant the same liquor from a larger bottle to a smaller bottle, as long the bottles indicate that the product is the same.


The intent of Section 1.4.39 is to prevent licensed premises from misrepresenting a cheaper liquor for a more expensive version simply by pouring the cheaper liquor into the bottle of a more expensive brand or version.

RIHA fully supports this intent, however, we believe clarification is need to allow for a standard business practice that does not deceive the consumer.

 94 Sabra Street  
Cranston, RI 02910

 401-223-1120

 401-223-1123

 [www.RIHospitality.org](http://www.RIHospitality.org)

Many businesses purchase larger bottles of alcohol because they can obtain it at a lower cost per ounce than the smaller bottles. However, due to the difficulties of handling such a large bottle, it is not uncommon for the business to transfer that same liquor into a smaller bottle of the same type for ease of use.

We do not believe that this change will change the intent of the regulation, nor will there be any misrepresentation to the consumer, however it will clarify the intent of the regulation and bring a standard business practice into compliance with the law. We do not believe this conflicts with any state or federal law.

*Suggested Language:*

*It shall be cause for suspension or revocation of a license if any licensee or its agent shall sell, offer for sale, or keep on the licensed premise wine or distilled spirits in any package or container which has been refilled or partly refilled with another brand or type of liquor.*

*A licensed premise may refill a container as long as it is the same brand and type of liquor being sold and is not being done to deceive the consumer.*


**Section 1.4.42 Class P (Caterer) License - Retail**


As one of the principal architects of the original Class P liquor license, RIHA has a long-held interest in the administration of the Class P liquor license and would like to comment DBR to taking steps to modernize this important license.


Our members have expressed frustration that a small minority of unscrupulous businesses are exploiting loopholes in the law and misusing this important business tool. However, we believe that the vast majority of license holders are using the license in the way that it was intended and believe that some of the language in the proposed regulations needs to be amended as to not unfairly punish businesses currently operating in good faith.

*Section 1.4.42(D) – Prohibition of recurring use of a Class P license at a nightclub or after-hours club type venue*

RIHA recommends adding an hour restriction to 1.4.42(D), ideally matching to the hour restrictions placed on Class B liquor licenses.

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Some venues use their facilities as function space during the day as a way to make additional money. For example, one of our members regularly caters bridal and baby showers at the nightclub. The current wording would prohibit this legitimate use of the Class P license holder.

*Suggested Language: Recurring use of a Class P License at a nightclub or after-hours club type venue is prohibited between the hours of 2:00 a.m. and 6:00 a.m.*

Section 1.4.42(E) – Prohibition of the sale or service of alcohol at the licensed premises of the Class P license holder

RIHA has concerns about the unintended consequences of Section 1.4.42(E), which prohibits the service of alcohol at the licensed premises of the Class P license holder. This would prohibit Class P license holders from doing the following:

- Holding food and wine tastings for potential customers
- Holding intermittent events at the licenses premises, such as an annual holiday or anniversary party or employee appreciation events.
- Limit the ability of Class P license holders who rent kitchen space at a venue from hosting events at that same venue.

The current language would impact one RIHA member in particular. Due to the high cost of real estate on Block Island, the catering company rents space at a local inn as their licenses premises. They also host weddings throughout the summer at this location. This proposed language would shut down their business, which has operated in good faith for several years.

We are also concerned that the proposed language would require the actual license holder to transport alcohol from the licensed premise to the location of the event. It is a common business practice to have the alcohol delivered directly to the event by the Class A license holder whom the Class P license holder purchased the alcohol as a way to save time and money.

*Suggested Language: Remove the entire section.*

*Section 1.4.42(G) – Requires Class P license holders to be in compliance with all entertainment licenses*

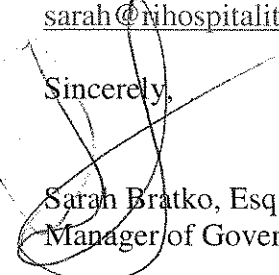
While RIHA appreciates the intent of this proposed language, the obligation to obtain all required licenses rests with the host of the event, not the Class P License holder. When the Class P license holder was originally enacted, the main intent of the license was to allow catering companies to avoid having to go before municipal licensing boards. This proposed language would circumvent this intent.


The proposed language would make the Class P license holder, an independent vendor, responsible for ensuring that the event host is compliant with all required laws and permits. Caterers are not qualified to evaluate the legal needs of an event beyond the requirements of their individual license. We believe the language should be amended to require that the host of the event be in compliance with local licenses requirements.


*Suggested Language: ~~A Class P License is~~ The host of the event is subject to compliance with all local entertainment licensing requirements.*


If you have any questions, please do not hesitate to contact us at 401-223-1120 or [sarah@rihospitality.org](mailto:sarah@rihospitality.org).

Sincerely,

  
Sarah Bratko, Esq.  
Manager of Governmental Affairs

 94 Sabra Street  
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 [www.RIHospitality.org](http://www.RIHospitality.org)

**From:** Sean Kivlehan - Gourmet  
**To:** Toro, Pamela (DBR)  
**Subject:** [EXTERNAL] : RE: Proposal to Amend 230-RICR-30-10-1 Liquor Control Administration Regulation  
**Date:** Friday, November 30, 2018 12:12:14 PM  
**Importance:** High

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Hello Pamela,

Thank you for contacting me regarding this important upcoming meeting.

We are very concerned about one specific line in the proposed changes to the Class P Liquor License.

\*Here is the part that will be detrimental to our business on Block Island: **"alcohol cannot be sold or served at the principal place of business"**

Block Island Gourmet, LLC is primarily a wedding and special events catering company which is open for business seasonally from the middle of May to the middle of October each year. We exclusively cater on Block Island so we do no business on the mainland.

Block Island Gourmet, LLC leases the Sullivan House Inn ([www.TheSullivanHouse.com](http://www.TheSullivanHouse.com) [[thesullivanhouse.com](http://thesullivanhouse.com)]) on Block Island which is owned and operated by our family for generations. The Sullivan House is the licensed premise and home to our catering company Block Island Gourmet, LLC. The Sullivan House Inn is the location of our health board approved catering kitchen and the location of all storage of supplies including alcohol for the past decade and a half. The majority of our weddings and special events are held at the Sullivan House venue. The Sullivan House building and grounds is our principle place of business.

**If this legislation is passed in its current form, it would mean that we can no longer serve alcohol at the Sullivan House wedding venue using our Class P License?** If this is true it would put us OUT of business as we are in the wedding business and the Sullivan House is the location of our operation and the place where the majority of our weddings and events are hosted.

Secondly, we donate to many charity events at the Sullivan House over the summer months that benefit the community of Block Island. One such event is the Mary Donnelly Ball (local fundraiser) which is held each August at the Sullivan House venue and benefits the fulltime population on the island that may find it hard to find employment over the winter months. This event and others like it rely on us been able to provide the Sullivan House grounds for free and provide a banquet at cost to the organization. This and other events like it would no longer be possible without the ability to us our Class P License to offer bar service along with catering.

We also exclusively host the annual Block Island Wedding Show ([www.BlockIslandWeddingShow.com](http://www.BlockIslandWeddingShow.com) [[blockislandweddingshow.com](http://blockislandweddingshow.com)]) at the Sullivan House each July which we also provide complimentary food and beverages. This event is an anchor of the Block Island local economy and relies on our ability to provide the Sullivan House venue and catering / bar services.

Block Island Gourmet, LLC has a perfect record with maintaining all its licensing since inception. This specific legislation would be devastating to our company. We have a fully booked schedule for next summer at the Sullivan House. These customers are expecting to be able to purchase bar services from our company at the Sullivan House and we have contracted with our customer promising full wedding services as we have done for close to 1½ decades.

Finally, we built a very successful catering and special events company by continuously investing over the last decade to create a very unique, beautiful and thankfully successful catering and special events business on Block Island. We employ a lot of people over the summer and we have full time people over the winter to maintain the business. The Class P License is an integral part of our company and is essential to our future success. Here is a video of a Sullivan House wedding (catering by Block Island Gourmet, LLC) and an example of what we do:

<https://vimeo.com/295238965/bafd1c9cc8> [vimeo.com]

We are requesting that the state recognize our unique situation and make allowances within the proposed legislation such that we can continue to use our Class P License at our principle place of business (The Sullivan House) which is the home of our catering kitchen and place of the majority of our catering business each year.

I have also had the privilege to discuss our concerns with Sarah Bratko at the Rhode Island Hospitality Association. Sarah has informed me that she is also in contact with the DBR regarding concerns related to their members.

Thank you in advance for your consideration and please let me know if you have further questions.

Best,  
Sean Kivlehan  
Block Island Gourmet, LLC  
401.525.6334  
401.466.5020

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**From:** Toro, Pamela (DBR) <Pamela.Toro@dbr.ri.gov>

**Sent:** Wednesday, November 21, 2018 3:42 PM

**Subject:** Proposal to Amend 230-RICR-30-10-1 Liquor Control Administration Regulation

Please be advised that the Department of Business Regulation has filed its proposal to amend 230-RICR-30-10-1, Liquor Control Administration. The Department will be holding a public hearing on Tuesday, December 4, 2018, at 1:30 pm at the Department of Labor & Training ("DLT") Conference Room 73-1 (the building to the right of the Department facing the main entrance). Conference Room 73-1 is on this left after entering DLT. The notice of hearing and proposed amended regulation can be accessed by the link in this email or on the Department's website, or on the Secretary of State's rulemaking website.

Pamela J. Toro, Esquire  
Associate Director

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**From:** [Two Gals Cocktails](#)  
**To:** [Toro, Pamela \(DBR\)](#)  
**Subject:** [EXTERNAL] : Re: Proposal to Amend 230-RICR-30-10-1 Liquor Control Administration Regulation  
**Date:** Thursday, November 22, 2018 12:22:39 PM

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Hello Pamela,

Is this specific to Two Gals Cocktails. Also we are having difficulties trying to renew online. We just got our license in June and we have not filed taxes for 2018 yet. Please advise.

Michele

Sent from my iPhone

On Nov 21, 2018, at 3:42 PM, Toro, Pamela (DBR) <[Pamela.Toro@dbr.ri.gov](mailto:Pamela.Toro@dbr.ri.gov)> wrote:

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Associate Director  
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**From:** [Brent Ryan](#)  
**To:** [Toro, Pamela \(DBR\)](#)  
**Subject:** [EXTERNAL] : Re: Proposal to Amend 230-RICR-30-10-1 Liquor Control Administration Regulation  
**Date:** Thursday, November 22, 2018 10:03:43 AM

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Pamela,  
Thanks so much for passing along.

Happy thanksgiving,  
Brent

On Wed, Nov 21, 2018 at 12:43 PM Toro, Pamela (DBR) <[Pamela.Toro@dbr.ri.gov](mailto:Pamela.Toro@dbr.ri.gov)> wrote:

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Pamela J. Toro, Esquire

Associate Director

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delete all copies of this e-mail and any attachments.

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Brent Ryan  
Newport Craft Brewing and Distilling

**From:** [Kevin Millonzi](#)  
**To:** [Toro, Pamela \(DBR\)](#)  
**Subject:** [EXTERNAL] : Re: Proposal to Amend 230-RICR-30-10-1 Liquor Control Administration Regulation  
**Date:** Wednesday, November 21, 2018 5:16:35 PM

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Do these proposed changes get voted on by the general assembly. It looks like someone is trying to modify the use of the class p license for specific reasons related to current litigation that took place in superior court this past year.

Kevin.

Kevin Millonzi.

Sent from my iPhone

On Nov 21, 2018, at 3:42 PM, Toro, Pamela (DBR) <[Pamela.Toro@dbr.ri.gov](mailto:Pamela.Toro@dbr.ri.gov)> wrote:

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**From:** [Pare, Steven](#)  
**To:** [Toro, Pamela \(DBR\)](#)  
**Subject:** [EXTERNAL] : RE: Proposal to Amend 230-RICR-30-10-1 Liquor Control Administration Regulation  
**Date:** Wednesday, November 21, 2018 4:44:06 PM

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Thank you.....nice work

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**From:** Toro, Pamela (DBR) [mailto:[Pamela.Toro@dbr.ri.gov](mailto:Pamela.Toro@dbr.ri.gov)]  
**Sent:** Wednesday, November 21, 2018 3:42 PM  
**Subject:** Proposal to Amend 230-RICR-30-10-1 Liquor Control Administration Regulation

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**From:** [Toro, Pamela \(DBR\)](#)  
**Subject:** Proposal to Amend 230-RICR-30-10-1 Liquor Control Administration Regulation  
**Date:** Wednesday, November 21, 2018 3:42:21 PM

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