

**RHODE ISLAND GOVERNMENT REGISTER
PUBLIC NOTICE OF PROPOSED RULEMAKING**

**DEPARTMENT OF BUSINESS REGULATION (INCLUDES THE OFFICE OF THE
HEALTH INSURANCE COMMISSIONER)**

Title of Rule: Liquor Control Administration

Rule Identifier: 230-RICR-30-10-1

Rulemaking Action: Proposed Amendment

Important Dates:

Date of Public Notice: 11/21/2018

Hearing Date: 12/04/2018

End of Public Comment: 12/21/2018

Authority for this Rulemaking:

R.I. Gen. Laws § 3-2-2, 3-5-20 and 3-7-14.2.

Summary of Rulemaking Action:

By this rulemaking, the Department is proposing to:

1. In § 1.4.6(B)(8), clarify that the requirement to obtain "a retail manufacturer's brewpub license" before the Department issues a brewpub manufacturer's license pursuant to R.I. Gen. Laws § 3-6-1.2 as referenced in § 1.4.6(D)(8) means and refers to a retail manufacturer's brewpub class B-M license or comparable brewpub license/approval issued by the local liquor licensing authority pursuant to R. I. Gen. Laws § 3-7-7.2.
2. In § 1.4.7, remove the penal bond requirements for wholesaler and manufacturer licensees which are no longer required since the repeal of R.I. Gen. Laws § 3-6-13 pursuant to Chapter 176 of the Public Laws of 2018, effective July 2, 2018.
3. In § 1.4.40 (B), clarify that R.I. Gen. Laws § 3-7-22 does not prohibit a person who holds a minority noncontrolling interest in a manufacturer or wholesaler licensee applicant from holding a membership and/or minority noncontrolling interest in a private club that holds a class D license issued under R.I. Gen. Laws § 3-7-11.
4. In § 1.4.42(A), clarify that a certificate of insurance pursuant to R.I. Gen. Laws § 3-7-29 must be submitted with a caterer class P license application.
5. In § 1.4.42(B), clarify that a caterer class P licensee's purchase of alcoholic beverages for resale is governed by R.I. Gen. Laws § 3-7-14.2(c).

6. In § 1.4.42(C), clarify the types of functions and events where a caterer class P license may be used for the service of alcoholic beverages.
7. In § 1.4.42(D), clarify that use of a caterer class P license is not permitted at certain types of venues.
8. In § 1.4.42(E), clarify that for a caterer class P license the "licensed premises" is the principal business premises where the alcohol must be stored and transported from by the class P licensee. The class P license does not authorize the sale or service of alcohol beverages at the licensee's principal business premises where the alcohol is stored and transported from. Rather, the class P license authorizes the service of alcoholic beverage at permissible functions and events at varying locations where the licensee provides catering. Any service of alcohol at the licensee's principal business premises where the alcohol is stored and transported from is subject to applicable local authority licensing and requirements.
9. In § 1.4.42(F), streamline former § 1.4.42(D)(1)-(8) by summarizing and referencing the caterer class P license requirements set forth in R.I. Gen. Laws § 3-7-14.2, rather than repeating the statutory requirements.
10. In § 1.4.42(G), clarify that caterer class P licensees are subject to compliance with local entertainment licensing requirements.
11. In § 1.4.42(I), clarify that a caterer is not required to obtain a class P license where the caterer serves alcoholic beverages at a private nonrecurring function provided the caterer did not purchase the alcohol, the caterer is only paid a service fee and the alcoholic beverages are provided to customers at no cost.
12. In § 1.4.45(D), amend the rectifier's license fee to be consistent with the reduction of the fee from \$3,000 to \$500 pursuant to Chapter 226 of the Public Laws of 2018, effective July 2, 2018.

Additional Information and Comments:

All interested parties are invited to request additional information or submit written or oral comments concerning the proposed amendment until December 21, 2018 by contacting the appropriate party at the address listed below:

Pamela J. Toro, Associate Director
Department of Business Regulation (includes the Office of the Health Insurance Commissioner)
1511 Pontiac Ave, Bldg 68-1
Cranston, RI 02920
pamela.toro@dbr.ri.gov

Public Hearing:

A public hearing, in accordance with R.I. Gen. Laws § 42-35-2.8, to consider the proposed amendment shall be held on December 4, 2018 at 1:30 pm at Department of Labor and Training (building next to DBR), Conference Room 73-1 (first room on the left after entering , 1511 Pontiac Ave, Bldg. 73, Cranston, RI 02920 at which time and place all persons interested therein will be heard. The seating capacity of the room will be enforced and therefore the number of persons participating in the hearing may be limited at any given time by the hearing officer, in order to comply with safety and fire codes.

The place of the public hearing is accessible to individuals who are handicapped. If communication assistance (readers/interpreters/captioners) is needed, or any other accommodation to ensure equal participation, please call 401-462-9551 or RI Relay 711 at least three (3) business days prior to the meeting so arrangements can be made to provide such assistance at no cost to the person requesting.

Regulatory Analysis Summary and Supporting Documentation:

Any small business impact is POSITIVE. The amendments update provisions to conform to recent statutory changes. Additionally, the amendments improve ease of compliance by eliminating non-essential content and clarifying points of potential confusion for regulated parties, for example restrictions and requirements for caterer class P licenses.

In the development of the proposed amendment consideration was given to: (1) alternative approaches; (2) overlap or duplication with other statutory and regulatory provisions; and (3) significant economic impact on small business. No alternative approach, duplication, or overlap was identified based upon available information.

For full regulatory analysis or supporting documentation see agency contact person above.