

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

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

Title of Rule: Alternating Proprietorships and Contract Production

Rule Identifier: 230-RICR-30-10-2

Rulemaking Action: Proposed Adoption

Important Dates:

Date of Public Notice: January 24, 2022

End of Public Comment: February 23, 2022

Rulemaking Authority:

R.I. Gen. Laws § 3-2-2 and 3-6-1 et seq.

Summary of Rulemaking Action:

The Department proposes this new regulation to codify requirements regarding alternating proprietorship and contract production business models recognized by federal Alcohol and Tobacco Tax and Trade Bureau (TTB) regulatory authority. This regulation provides clarity to RI alcoholic beverage licensees that already operate under these models. This regulation would also streamline the application process because it would eliminate the need for the supplement to application that is used presently.

Additional Information and Public Comments:

All interested parties are invited to request additional information or submit written or oral comments concerning the proposed adoption until February 23, 2022 by contacting the appropriate party at the address listed below:

Diane Paravisini

Department of Business Regulation (includes the Office of the Health Insurance Commissioner)

1511 Pontiac Avenue, Bldg. 68-1

Cranston, RI 02920

diane.paravisini@dbr.ri.gov

In accordance with R.I. Gen. Laws § 42-35-2.8, an oral hearing will be granted if requested by twenty-five (25) persons, by a governmental agency or by an association having at least twenty-five (25) members. A request for an oral hearing must be made within ten (10) days of the publication of this notice.

Regulatory Analysis Summary and Supporting Documentation:

This regulation supports RI small business liquor manufacturers, our craft industry. Codifying the requirements consistent with TTB business models streamlines DBR's license application. Also, by clarifying alternation requirements, the regulation supports existing manufacturers' ability to maximize the use of their manufacturing premises and equipment, which is costly, and it provides a cost-effective market entry option for new manufacturers. Supporting our craft industry drives tourism and provides a variety of unique product options for consumers.

This regulation does not create new burdens or costs. There are no new or increased application or license fees. 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 contact the agency staffperson listed above.