State of Rhode Island and Providence Plantations DEPARTMENT OF BUSINESS REGULATION

Division of Commercial Licensing 1511 Pontiac Avenue, Bldg. 69-1 Cranston, Rhode Island 02920

Notice of Repeal by Direct Final Rulemaking

Pursuant to the provisions of R.I. Gen. Laws §§ 3-5-20 and 3-2-2, and in accordance with the Administrative Procedures Act (APA), Chapter 42-35 of the R.I. Gen. Laws, and specifically R.I. Gen. Laws § 42-35-2.11 of the APA, as amended by the 2016 Public Laws, Chapters 203 and 206, the Department of Business Regulation (DBR) hereby proposes to repeal Commercial Licensing Regulation 14 entitled "Brew on Premises" (CLR 14; ERLID 4371). DBR is taking this action because the substance of this regulation was previously incorporated into Commercial Licensing Regulation 8 entitled "Liquor Control Administration" (230-RICR-30-10-1, previously CLR 8). This consolidation occurred with the 2016 amendments to CLR 8 which became effective October 5, 2016 (ERLID 8385). DBR believes that this proposed repeal is noncontroversial and anticipates that no objection will be received to this proposed repeal.

Pursuant to the requirements of R.I. Gen. Laws §§ 42-35-2.7 and 42-35-2.9, DBR has made the following determinations. DBR has considered alternative approaches to the proposed repeal and has determined that there is no alternative approach among the alternatives considered that would be as effective and less burdensome. DBR has determined that the proposed repeal is necessary since the subject matter of the regulation has already been incorporated into 230-RICR-30-10-1, previously CLR 8.

A copy of the repealed regulation will be available for examination from April 20, 2017, through May 22, 2017, by mail or at the offices of the Department of Business Regulation, 1511 Pontiac Avenue, Cranston, Rhode Island 02920, or requested by emailing maria.dalessandro@dbr.ri.gov or by calling Maria D'Alessandro, Esq. at (401) 462-9581. Electronic copies of the proposed repeal will also be available on the DBR website at www.dbr.ri.gov.

DBR encourages the submission of written objections to the proposed repeal of CLR 14. If no objection is received on or before May 22, 2017, DBR will file the regulation without opportunity for public comment and the repeal will be effective on May 22, 2017. All written objections should be sent to the Department of Business Regulation, 1511 Pontiac Avenue, Cranston, Rhode Island 02920, or by email to maria.dalessandro@dbr.ri.gov and must be received no later than 11:59 PM on May 22, 2017.

Scottye Lindsey Director, Department of Business Regulation

Posted: April 19, 2017

State of Rhode Island and Providence Plantations DEPARTMENT OF BUSINESS REGULATION

Division of Commercial Licensing and Racing and Athletics 233 Richmond Street Providence, RI 02903

COMMERCIAL LICENSING REGULATION 14

BREW ON PREMISES

Brew on Premises ("BOP") Licenses, issued pursuant to R.I.G.L. § 3-7-7.4, shall be issued under the following conditions and/or limitations:

- 1. A BOP license shall authorize only the production of malt beverages on the licensed premises;
- 2. A BOP license shall be issued only to applicants who are Rhode Island residents.
- A BOP license shall not be transferable;
- A BOP license shall not be issued to any applicant who retains any other direct or indirect interest in the business of brewing malt beverages or manufactures alcoholic beverages;
- 5. A BOP licensee, or any producer of alcoholic beverage on the premises, shall not keep for sale, nor sell, alcoholic beverages on or off the premises.

 Beverages produced are for private consumption only. A BOP licensee shall clearly post the prohibition against the use of the beverage for anything other than personal use in a manner sufficient to give the public reasonable notice;
- 6. A BOP licensee shall abide by all relevant alcoholic beverage manufacturing laws as set forth in Title 3 of the Rhode Island General Laws as well as any and all other applicable federal, state and local laws, rules and regulations;
- 7. There shall be no consumption of alcoholic beverages on the premises;
- The brewing, bottling, transporting, and all other production processes
 necessary in the brewing processes must be done by the same individual;
- 9. A BOP license only authorizes the licensee to provide the equipment and maintenance to the facility used by the public to manufacture alcoholic beverages on the premises. The BOP facility shall not provide physical assistance to, or on behalf of, customers in the production of bottling of beer, but may provide advice;

- 10. A BOP licensee shall conform to all local ordinances and state laws, including but not limited to fire, police, zoning, and all relevant Rhode Island

 Department of Health and Environmental Management statutes, rules and regulations;
- 11. No individual under the age of twenty-one (21) shall be allowed to brew alcoholic beverages on the premises; excepting students at the premises of an institution of higher learning where the institution uses its BOP license as part of the institution's curriculum and the students do so as part of their education in the presence and under the tutelage of a member of the institutions faculty who shall be over the age of twenty-one (21) years. In this instance, the alcoholic beverages brewed shall at all times be maintained within a secure facility that shall be locked at all times with the exception of scheduled classes and guided tours and demonstrations. Access to the facility shall be limited to facility management, who shall in turn provide access to the facility to instructors for classes. Alcoholic beverages brewed shall be disposed of by faculty and staff of the institution who shall be over the age of twenty-one (21) years.
- 12. The BOP licensee shall keep accurate and current records of the individual(s) brewing on the premises including but not limited to the individual(s) name and home address and the amount brewed by each individual and in total for the licensed premises. These records shall be produced upon request by Liquor Control.

APPLICATION PROCESS

- 1. There shall be seven (7) BOP licenses;
- 2. Upon the receipt of completed applications for an available BOP license, Liquor Control shall hold a public hearing for each completed application;
- 3. Notice of the hearing on completed applications shall be by advertisement published once a week for at least two (2) weeks in a newspaper having general circulation in the state. Cost for said public notice shall be borne by the applicants, and, if more than one applicant, it shall be divided equally among them;
- 4. At the hearing on the application (s), the applicant(s) shall provide a stenographer and shall bear the cost to have a transcript of the proceedings provided to Liquor Control;
- 5. Criteria for issuance of a license shall include but not be limited to financial stability, good character, consideration of the proposed location of the business and prior brewing experience. Concerning the experience

requirement, the application shall demonstrate that he/she, or the manager of the premises to be employed by the applicant, possesses a fundamental understanding of the operation and maintenance of the equipment to be used to brew at the BOP premises. The applicant shall also offer proof that he/she, or the manager of the premises to be employed by the applicant, has attended or will attend an educational course/program regarding malt beverage brewing. Liquor Control may issue a license upon the condition that said course be taken and passed within a certain reasonable time period, however, Liquor Control may order the applicant/licensee to cease and desist said operation if said course is not completed within said time period;

6. A BOP applicant shall, at the time of the application and renewal, submit a floor plan to Liquor Control. Said floor plan may be amended from time to time, with the approval of Liquor Control.

ENFORCEMENT

1. Liquor Control may deny, non-renew, suspend or revoke a BOP license for: a) conduct of the applicant/licensee which demonstrates bad faith, dishonesty, incompetency, untruthfulness, poor moral character, or upon finding of evidence of hazardous financial conditions; and b) any violation of Title 3 of the Rhode Island General Laws or any and all other applicable federal, state and local laws, rules and regulations.