State of Rhode Island and Providence Plantations
DEPARTMENT OF BUSINESS REGULATION
Division of Commercial Licensing
233 Richmond Street
Providence, RI 02903
COMMERCIAL LICENSING REGULATION 8
LIQUOR CONTROL ADMINISTRATION

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Section 1 Authority

This regulation is promulgated by the Director of the Department of Business Regulation of this state pursuant to Rhode Island General Law §§ 3-5-20, 3-2-2, 42-35-1 *et seq.* All statutory reference herein shall be Rhode Island General Laws.

Section 2 Purpose

The purpose of this regulation is to clarify and set forth practices and procedures consistent with Title 3 of the Rhode Island General Law for the reasonable control of traffic in alcoholic beverages.

Section 3 Severability Provisions

If any provision of this regulation or the application thereof to any person or circumstances is held invalid or unconstitutional, the invalidity or unconstitutionality shall not affect other provisions or applications of this regulation which can be given effect without the invalid or unconstitutional provision or application, and to this end the provision of this regulation are severable.

Section 4 Regulatory Provisions

RULE 1 CLASS A (PACKAGE STORE) LICENSE – RETAIL

(a) Each holder of a retailer's Class A alcoholic beverage license shall post on the shelf, or at the place where the beverage is offered for sale, the current effective price of each such beverage.

(b) A Retailer's Class A license (towns/cities of 10,000 or more population, except Newport pursuant to the provisions of §3-7-3) is authorized to keep for sale and sell at the place therein described alcoholic beverages provided that the licensee shall not, on the licensed premises engage in any business, keep for sale or sell any goods, wares, merchandise or any other article or thing except the

beverages authorized under this license and non-alcoholic beverages; provided, however that this provision shall not apply to the sale or selling of items listed in 3-7-3, and/or the following:

(1) Tobacco and tobacco related accessories.

(2) ~~Pre-packaged candy, peanuts, pretzels, popcorn, potato chips or nachos or similar items.~~ [This section (Rule 1 (b) (2)) is repealed effective July 1, 2002 pursuant to an amendment to the Rule adopted pursuant to the Administrative Procedures Act and filed with the Rhode Island Secretary of State on June 14, 2001.]

~~(3)~~ (2) Any "games of chance" or "lotteries" sanctioned by the Rhode Island State Lottery Commission. [Effective July 1, 2002 this section (Rule 1 (b) (3)) shall be renumbered to Rule 1 (b) (2) pursuant to an amendment to the Rule adopted pursuant to the Administrative Procedures Act and filed with the Rhode Island Secretary of State on June 14, 2001.]

(c) A non-alcoholic beverage is hereby defined as soda; juices; iced tea; bottled water; and beer, wine or sprits which contains less than five-tenths of one percent (.5%) of alcohol by weight.

(d) Goods, wares, merchandise and articles of like nature to those items specifically delineated in §3-7-3 offered for sale with alcoholic beverages as part of a gift set or gift package provided the retail value of such items offered does not exceed twice the value of the alcoholic beverage associated with the item. This rule shall not apply to promotions involving free good, giveaways and/or sweepstakes, which shall be governed by Rule 13 and/or Rule 29.

Cross Reference:
Definitions §3-1-1 Purchase § 3-7-18
Class A §3-7-3 Price Tisdall Co v. Board of Aldermen
Minimum Containers §3-5-12 57 R.I. 96, 188 A. 648 (1938)

RULE 2 CLASS A ISSUED TO CLASS E LICENSE – RETAIL

A Class A alcoholic beverage license issued to the holder of a Class E alcoholic beverage license pursuant to §3-7-5 is not transferable except to another holder of a Class E license.

No alcoholic beverage may be sold on the premise where a Class A and E License is located unless a licensed pharmacist is on the premises and available to dispense prescription medicines.

Prior to the issuance or renewal of a Class A Liquor License to a premise licensed by the Department of Health, proof of a valid Department of Health license of the pharmacist must be presented to the licensing authority.

Cross Reference:
Class A issued to Class E §3-7-5

Barrington Liquor Inc. V. City of East Providence (1992)

RULE 3 ADVERTISING LICENSE APPLICATIONS RETAIL/WHOLESALE/MANUFACTURERS

In advertising applications for, or transfer of, an alcoholic beverage license, notice must be given once a week for two weeks on days other than Sunday or legal holidays and at least fourteen (14) days must elapse between the first publication and the date or hearing on the application. The advertisement must include the following:

(a) Name of applicant (individual, corporation or partnership) and the name of any person(s) owning more than 10% of the stock in the proposed license holder, if a corporation or other such entity;

(b) D/B/A (name of business);

(c) Address of proposed licensed premise; and

(d) Date, time, and place of public hearing;

The licensing authority may bill the applicant for the cost of the advertisement.

Cross Reference:

License Required §3-5-1
Qualifications of persons/corporations §3-5-10
Notice & Hearing on license §3-5-17

RULE 4 APPEALS/STAYS TO LIQUOR CONTROL ADMINISTRATOR – RETAIL

(a) The appealing party shall supply the original copy of the stenographer's transcript to the Department. No final decision shall be issued until such time as a transcript has been provided. Failure to comply with this rule may result in denial or dismissal of the appeal.

(b) All appeals and requests for stays must be in writing with proper service to all parties of interest.

Cross Reference:

Appeal from local board §3-7-21	Hallene v. Smith 98 R.I. 360, 201 A2d 921 (1964)

RULE 5 CLASS B (VICTUALER, TAVERN) LICENSE – RETAIL

(a) **TAVERN** - In the granting of alcoholic beverage tavern licenses (also referred to as a Class B-T), the licensing authority must ascertain that the taverns are, in fact, operating or about to be operated with reasonable sleeping accommodations as well as kitchens properly equipped and in use, or ready to be put in use.

(b) **VICTUALER** - An applicant for a Class B alcoholic beverage license (also referred to as a Class B-V) may be granted a license subject to, but not limited to, the following terms and conditions:

(1) Demonstration to the satisfaction of the licensing board that a kitchen is established on the proposed premises as evidenced by a certificate of occupancy from the local building official and inspection and approval by the Department of Health.

(2) Furnishing to the licensing authority a copy of the proposed menu and food services to be provided.

(c) Pursuant to R.I.Gen. Laws § 3-1-1, a Class B Licensee is defined as "Any shop or place where a substantial part of the business is the furnishing of food for consumption at the place where it is furnished."

In order to comply with the foregoing provision, the licensee must offer to the public, in conjunction with the sale of alcoholic beverages, the opportunity to purchase and consume food to be served on the premises in the same area designated for the sale and consumption of alcoholic beverages. These foods must be offered for sale during all times that alcoholic beverages are sold and consumed on the licensed premises.

(d) All Class B licensees shall:

(1) Publish and conspicuously post a menu from which all patrons of the licensed establishment can see and order food.

(2) Ensure that food offered on the menu is prepared and stored on the licensed premises.

(e) Licensees shall be presumed to meet the requirements of this provision by offering food at a sandwich level, as opposed to offering solely snack foods including but not limited to potato chips, pretzels, pickled eggs, pizza strips, stuffies and crackers and cheese.

Cross Reference:

Definitions §3-1-1
Class B §3-7-7
Minimum Container §3-5-12
Purchase from Wholesalers §3-7-18
Rule #14 Granted
Rules #17 and 18 Hours
Rule #21 Kitchen

RULE 6 CLASS B-M (BREWPUB/MFG.) LICENSE – RETAIL

(a) Applicants for brewpub manufacturer's licenses shall be issued only to citizens who are residents of this State who are of good character and qualified, capable and willing to uphold the laws and regulations governing the manufacture and sale of alcoholic beverages.

(b) The holder of a brewpub manufacturer's license shall conform to the same laws and regulations pertaining to a Class BV alcoholic beverage license, including but not limited to, the following:

(1) The license shall not be issued to any premise within two hundred feet (200') of any public, private, or parochial school or a place of public worship or where the owners of the greater part of the land within two hundred feet (200') of said premise file with the city or town or the Department their objection to the granting of such license.

(2) The holder of a brewpub manufacturer's license may not import alcoholic beverages into this state.

(3) The holder of a brewpub manufacturer's license shall sell alcoholic beverages only at the premise or through a licensed wholesaler.

(4) The holder of a brewpub manufacturer's licensed premise shall conform to all local ordinances and state laws and regulations such as fire, police, zoning and health.

(5) The holder of a brewpub manufacturer's license shall conform to all brewery manufacturing laws in this state.

(6) All malt beverages sold by a brewpub manufacturer's license holder shall be sold and delivered in such manner and under such conditions and with such labels and other marks as to identify the producer as the Department may prescribe.

(7) Every brewpub manufacturer's license holder shall keep such records as the Department and/or the Division of Taxation shall prescribe.

(8) The Department may grant, but shall not issue, a brewpub manufacturer's license until the applicant has been granted a retail manufacturer's brewpub license.

(c)

(1) The Department shall conduct a public hearing for each completed application. The applicant shall provide a stenographer and shall bear the cost to have a transcript made of the proceedings. A free copy of the transcript shall be provided to the Department.

(2) The Department shall give notice of public hearing by advertisement published once a week for at least two (2) weeks in a newspaper having general circulation in the city or town in which the license is located. Said advertisement shall be paid for by the applicant. The applicant shall also bear costs associated with giving proper notice to all parties of interest.

(3) Every applicant for a brewpub manufacturer's license or for a transfer of such license shall, within fourteen (14) days after filing an application with the Department, send written notice of the application by certified mail, return receipt requested, to owners of the land within two hundred fee (200') of the proposed licensed premise. Such notice form shall be available at the Department.

(4) Every applicant shall, at the time of application, submit a floor plan and menu of the proposed business.

Cross Reference:
Residence §3-5-10
Brewpub Manufacturer's License §3-6-1.2
Definitions §3-1-1
Class B §3-7-7
Class B-M §3-7-7.2
Notice & Hearing §3-5-17
Rule #6 Class B-M License
Rules #17 and 18 Hours
Rule #21 Kitchen
Rule #20 Granted

RULE 7 BONDS – WHOLESALE/MANUFACTURER

The penal sums of bonds pursuant to §3-6-13 are as follows:

Manufacturer's bond $5,000.00
Wholesaler's bond
Class A $2,500.00
Class B $2,500.00

Cross Reference:
License bonds to state §3-6-13

RULE 8 COVER, MINIMUM OR DOOR CHARGE – RETAIL

A "cover", "minimum", "door charge" or "admission" shall not be used to reduce the price of alcoholic beverages.

Cross Reference:
Class B License §3-7-7 Rule #28 Price
Certain Practices Prohibited §3-7-26

RULE 9 CLASS D (CLUB) LICENSE – RETAIL

(a) A Class D alcoholic beverage license may only be issued to a club as defined in §3-1-1 and §3-7-11.

(b) A Class D licensee must have a general meeting at least once a year to elect a board of directors, executive committee or similar body and general officers, and set any wages and/or salary of employees, officers or agents.

(c) Any member, agent, officer, or employee shall not be paid directly or indirectly any compensation by way of profit from the distribution or sale of beverages or any other item.

(d) A Class D license holder must comply with kitchen requirements set forth for Class B licenses in Rule 5(b).

(e) "Club Member" shall mean any person who has been admitted by a voting membership in the manner set forth in the club's by-laws. There shall be no instant membership at the door. Auxiliary, honorary, limited or "social" members of an organization do not qualify as club members.

(f) A Class D alcoholic beverage license permits the sale of beverages to members of the licensed club and their guests to be consumed solely on the premises.

(g) Guests of a member are required to be accompanied by a member. Guests are required to sign a "guest book" which shall contain:

(1) Printed name and signature of guest
(2) Printed name and signature of member
(3) Date

All guests books shall be available for inspection by the Department.

(h) Upon application for issuance or renewal of a Class D alcoholic beverage license the applicant shall submit a valid copy of its "Articles of Incorporation" and the current annual "Non-profit Corporation" form (#N-13) that have been filed with the Secretary of State.

Cross Reference:
Definitions §3-1-1
Class D §§3-7-11, 3-7-12
Purchase §3-7-18
Rule #17 Holiday and Sunday
Rule #18 Hours of Business

RULE 10 DELIVERIES – RETAIL

A Class A alcoholic beverage licensee may deliver alcoholic beverages to the residence of a customer. In making a permissible delivery, a licensee must be sure that the alcoholic beverage is not delivered into the possession of a person under the age of twenty-one (21). No identification documents shall be accepted unless they bear a photographic representation of the person accepting the delivery.

Sale and delivery shall be made only during the legal hours of business for a Class A license by an employee and/or owner of the licensed establishment.

Each delivery must be accompanied by an invoice which shall state at a minimum:

(a) Name of licensed establishment or person making delivery.

(b) Name and address of purchaser.

(c) Date of delivery.

(d) List of products being delivered.

(e) Signature of consignee.

Cross Reference:
Class A §§3-7-1, 3-7-3
Closing Hours §3-7-23
Drinking/hiring underage §3-8-4

RULE 11 DISPENSING ALCOHOLIC BEVERAGES – RETAIL

Except Class B-H alcoholic beverage licensees, all alcoholic beverages must be served, dispensed or sold by an employee or owner of a licensed retail liquor establishment. Alcoholic beverages may not be served or dispensed by a patron, provided however, hotel service "mini bars" shall be permitted if said hotel holds a valid B-H alcoholic beverage license, but said "mini bars" shall only be allowed in the room of a registered hotel guest who is at least twenty one (21) years of age

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Cross Reference:
Age of bartender §3-8-2
Class B-H licenses §3-7-7.1

RULE 12 CLASS F, F-1, & F-2 (19 HOUR LICENSE) LICENSE –RETAIL

Class F & F-1 alcoholic beverage licenses are to be considered "special event" licenses which are not subject to issuance on a regular basis to the same party and/or premises. "Special Event" shall be considered any occasion and/or event which shall occur at irregular intervals of time not subject to any permanent scheduling.

(a) No person and/or entity otherwise qualified for issuance of such license shall be issued more than five (5) such licenses in any one calendar year, however the local licensing authority board may grant up to an additional seven (7) licenses to a proposed licensee whose event exceeds said five (5) licenses.

(b) No such license shall be issued without satisfactory evidence that proper health and safety precautions have been taken with regard to the use of such license, including but not limited to evidence of:

(1) Adequate police control or protection.

(2) Satisfactory sanitary and health facilities on the premises.

(3) Control procedures that will be in place to prevent under-aged drinking and excessive drinking by any individual or individuals frequenting the "special event".

Cross Reference:
Class F licenses §§3-7-14 thru 14.3

RULE 13 GIFTS AND NOVELTIES –RETAIL

No licensee authorized to sell alcoholic beverages at retail for off-premise consumption shall offer, furnish or deliver, or give away any free goods, gratuities or other article or thing of value in connection with the sale of any alcoholic beverage if the free good, gratuity or other article or thing of value exceeds twice the retail value of the alcoholic beverage sold in each transaction; provided, however, that Class A licensees may sell

alcoholic beverages which are pre-packaged by the manufacturer or the wholesaler to include certain "free" goods. This regulation shall not prohibit prepackaged free goods or other promotions which are governed by Rule 29.

RULE 14 GRANTED LICENSE (NOT ISSUED) –RETAIL

A retail alcoholic beverage license may be granted but not issued pending full compliance with conditions and criteria necessary for the issuance of said license. All such "grants" of alcoholic beverage licenses shall be in writing. The license shall particularly describe the place or premises where the rights under the license are to be exercised. The applicant shall have no more than one (1) year after the original granting of the license to meet all conditions and criteria set forth in the granting order. If the applicant does not meet all conditions and criteria within one (1) year, the license shall become null and void without further hearing by the local licensing authority; provided, however, said time period shall not be calculated when the license at issue is involved in litigation, from the date of the commencement of the action to final disposition.

Premises covered § 3-5-9

RULE 15 HEARINGS - RETAIL/WHOLESALE/MANUFACTURING

The Department may initiate a hearing on its own motion to fine, revoke or suspend any type of alcoholic beverage license for any violation of Title 3 of the General laws of Rhode Island or these regulations.

Cross Reference:
General Powers of Dept. §§3-2-2, 3-5-21, 3-5-23
Belconis v. Brewster 65 R.I. 279, 14 A.2d 701 (1940)

RULE 16 HAPPY HOUR – RETAIL

No licensee or employee or agent of an alcoholic beverage license shall sell, offer to sell or deliver to any person or group of persons any drinks at a price less than the price regularly charged for such drinks during the period of Monday through Friday until 6 P.M. or Friday at 6 P.M. through Sunday.

All licensees shall maintain a schedule of the prices charged for all drinks to be served and consumed on the premises or in any room or part thereof. Such prices shall be

effective for the period of Monday through Friday until 6 P.M. and/or Friday at 6 P.M. through Sunday provided; however, that the Friday through Sunday time period may be extended for an additional 24 hours on those weekends which have a Monday holiday following, provided such holiday is recognized and observed by the State of Rhode Island.

Happy hour and any similar type activities are prohibited.

Cross Reference:
Certain practices prohibited §3-7-26

RULE 17 HOLIDAY AND SUNDAY HOURS – RETAIL

(a) No beverages shall be sold or served by the holder of any Class B (Victualer and Taverns), B-M (Brewpub Manufacturers) or Class D (Club) alcoholic beverage licenses after 1:00 o'clock A.M. nor before 12:00 o'clock noon on any Sunday or Christmas Day except as provided by law. After 12:00 noon on such days, beverages may be sold and served by such licensees only in accordance with §3-8-1.

(b) Holders of retailers' Class A alcoholic beverage licenses shall not sell or serve any beverages nor be open for business on Thanksgiving Day, Christmas Day and New Year's Day.

(c) Holders of retailers' Class C alcoholic beverage licenses shall not sell or serve any beverages nor be open for business prior to 12:00 o'clock noon on Thanksgiving Day, Christmas Day and New Year's Day, provided, however, that local boards may authorize places operating under a Class C license to be open on New Year's Day.

(d) Holders of retailers' Class ED or B-M alcoholic beverage license shall abide by all laws pertaining to a Class B alcoholic beverage license regarding hours of operation.

Cross Reference: Sunday/Holiday sales §3-8-1
Class B License §3-7-7

RULE 18 HOURS OF BUSINESS – RETAIL

(a) All patrons shall leave the licensed premises not later than 1:20 a.m. where the licensee is permitted to remain open until 1:00 a.m. Last call shall be at 12:45 a.m. Where licensee is permitted by local ordinance or permit to remain open until 2:00 a.m. all patrons must leave the licensed establishment by 2:00 am. All employees shall leave the licensed premises within one-half hour after the required closing time; provided the owner or employees may enter or be in a licensed establishment at any

time for a legitimate business purpose with approval from the local police department.

(b) The owner or employees may not consume alcoholic beverages on the premises after the legal closing time or before the legal opening time.

(c) No employee shall be allowed on the premises for maintenance purposes earlier than two hours before the legal opening time. The local licensing authority may authorize additional hours for maintenance purposes upon written application and after hearing by the local licensing authority. In the event of emergency the licensee may request an extension of time for cleaning and/or maintenance purposes from the local police department. Such extension, if granted, shall be for a specific time.

(d) No one, other than the owner, employees, or law enforcement personnel, shall be admitted to the premises after the required closing time or before legal opening time.

Cross Reference:
Class B license 3-7-7

RULE 19 IMPORTS OF ALCOHOLIC BEVERAGES WHOLESALE/MANUFACTURER

(a) WHOLESALER
All licensed wholesalers are subject to the following provisions:

(1) Service fees due are payable to RI Division of Taxation on or before the 5th business day after the close of the calendar month.

(2) Each delivery of alcoholic beverages to a licensee shall be accompanied by an invoice of sale or delivery slip which shall bear as its date the date of delivery of such alcoholic beverages.

(3) Imports of distilled spirits into this state by wholesalers shall be made in standard cases, the content of each of which shall be uniform as to size, type and brand, except with prior written permission of the Department.

(b) IMPORTER (MANUFACTURER)

(1) At Rest: All alcoholic beverages brought into the State of Rhode Island for resale shall be consigned and delivered to a licensed Rhode Island wholesaler.

(2) At the time of each shipment, a copy of the shipper's invoice bearing the date of delivery must be delivered to the Department.

(3) Any change in the appointment (designation) of a Rhode Island wholesaler must be forwarded to the Department at the time of change.

Cross Reference:
Transportation of Beverages §3-4-3 *et seq.*
Wholesaler's licenses §§3-6-9 thru 11

RULE 20 INVOICES – WHOLESALE/TO RETAILER

All wholesaler deliveries of alcoholic beverages to a retail licensee shall be accompanied by an invoice of sale and/or delivery slip which shall bear as its date the date of delivery of such alcoholic beverages.

Cross Reference:
Rule #30 Records Retention.

RULE 21 KITCHEN – RETAIL

A "kitchen" is hereby defined as a room or area in which food is cooked or prepared which shall at all times meets the minimum requirements of the Department of Health. The local licensing authority shall approve an adequate menu.

Cross Reference:
Class B license §3-7-7 Class D license §3-7-11

RULE 22 LINE CLEANER REQUIREMENTS

(a) The following rules shall apply to line cleaners activities:

(1) Solutions used to clean beer and wine lines must be FDA/USDA approved.

(2) Wholesale alcoholic beverage licensees, employees or agents shall not perform line cleaner duties on company time, however, wholesale licensees are allowed to set up beer and wine systems.

(3) Retail alcoholic beverage licensees are not allowed to be licensed as beer or wine line cleaners.

(4) A line cleaner's license must be renewed one (1) year from the date of issuance and annually thereafter.

(5) Maintenance Cards must be conspicuously posted adjacent to the draft system. Said cards are distributed by the Department for a fee determined by the Department.

(b) A violation of any of the provisions of §3-7-25 or this regulation may result in suspension or revocation of license.

Cross Reference: Rule # 24 Malt beverage draught
Sanitary Conditions §3-7-25 system.

RULE 23 LOTTERIES (GAMBLING) – RETAIL

Alcoholic beverage licensees may be permitted to sell, and/or offer various types of "gambling" or gaming activities consistent with the laws governing the Rhode Island Lottery Commission; however, at no time shall any licensee be permitted to violate the alcoholic beverage license laws and/or rules and regulations as a result of the distribution, sale, or participation in any activities governed by the Rhode Island Lottery Commission. It shall not be a defense to any claim of violation of the alcoholic beverage licensing laws or regulations that his or her employees were otherwise involved in the dispensing, sale or servicing of Rhode Island Lottery equipment or games at the time when they should otherwise have been insuring full and complete compliance with the alcoholic beverage licensing laws and regulations.

RULE 24 MALT BEVERAGE DRAUGHT SYSTEM – RETAIL

No malt beverage shall be sold on draught from a tap, faucet, or other draughting device unless there shall plainly appear on or attached to such a device, in legible letters, the brand or trade name of the malt beverages so sold therefrom.

Cross Reference:
Sanitary Conditions §3-7-25 Rule # 22 Line cleaner.

RULE 25 MANAGEMENT COMPANY – RETAIL

The holder of an alcoholic beverage license may not lease, assign, rent, or let the licensee or give management operational rights or control of the licensed premises to a third party.

(a) Transfer of a license by a licensee to a "management company" or third party is prohibited.

(b) All requests to assign interests, including but not limited to a percentage of profits, are prohibited.

Cross Reference:

Transfer of license §3-5-19 Prohibition §3-5-29

RULE 26 OPEN BAR- RETAIL

An "open bar" shall not be permitted in any licensed establishment except under the following circumstances.

(a) The event is a private party (by invitation only, not sponsored by and for the benefit of the licensee) for which tickets or other admissions are not sold at the door, and

(b) The event has not been advertised to the general public in any manner.

An "open bar" shall not be permitted for an event sponsored in any fashion by the licensee (i.e., open house, New Year's eve party, etc.). An "open bar" may be included in a package furnished by the licensee in accompaniment with the leasing of the premises such as a wedding, graduation party, religious event, political fundraiser, or other event approved by the Department.

The licensee shall retain and preserve as part of his or her records the itemized bills (invoice) for the private party which invoice shall contain, at a minimum, the name and address of the person representing and contracting for the party, the date of the party, the date of payment, the services rendered and the total cost of those services. These records shall be kept on the licensed premises for a period of not less than one (1) year from the date of the event.

Cross Reference:
Certain Practices Prohibited §3-7-26

RULE 27 PREMISES – RETAIL

All licenses granted or issued must identify a premise for operation under the license. The licensed premises is that portion of the licensee's property owned, leased or controlled by the licensee, on which or from which alcoholic beverage may be sold, served or stored. It shall be defined by the licensee at the time the application (new or renewal) is filed and finally determined by the approval of the local licensing board.

In addition every applicant is required to submit to the local licensing board and keep current an accurate drawing of the licensed premises outlining and giving dimensions of the area which is actually the subject of the license. Any sale, service or storage of alcoholic beverages outside the licensed premises is a violation.

Once the licensed premise is established, any expansion thereafter shall require a hearing as prescribed in §3-5-17 and the approval of the local licensing board. A decrease in the area of the licensed premises requires notification to the local licensing board and filing of a revised drawing. Any notice of a decrease in the area shall not require a public hearing.

Cross Reference:
Premises covered §3-5-9 Notice and Hearing §3-5-17

RULE 28 PRICE – RETAIL

Price (cost) of the retail licensee's alcoholic beverage is determined by the actual total price shown on the invoice from the wholesaler, including all taxes and fees. The cost of a bottle or drink is then determined by dividing the total price by the number of bottles or single drinks included in the total figure. If the "price" figure works out to a fractional cent, the lowest amount at which the bottle or drink may be sold by the retailer is the next highest cent.

The serving of a complimentary drink (one drink) with a meal is an exception to this rule.

Cross Reference:
Certain practices prohibited §3-7-26 Rule #16 Happy Hour

RULE 29 PROMOTIONS AND COUPON POLICY WHOLESALE/IMPORTER

The purpose of this rule is the promotion of temperance and control of the traffic in alcoholic beverages.

(a) PROMOTIONS

Repealed

~~All manufacturer promotional programs must be submitted for approval in detail, in writing, to the Department prior to implementation. A sample of all promotions and/or promotional material is required to be submitted to the Department.~~

~~Promotional programs shall include but not be limited to co-pack's, sweepstakes, contests, etc.~~

(b) COUPON POLICY

~~All coupon programs must be submitted in detail, in writing, to the Department prior to implementation. A sample of all coupons is required to be submitted for approval.~~

Coupon programs with regard to alcoholic beverages are permissible upon the following terms and conditions:

(1) The coupon in question must be rendered by the distiller, brewer, winery or a clearing house used by the manufacturer or their agent.

The redemption must be made by the manufacturer of the product itself or its duly designated agent(s).

(2) Coupon programs which involve the giving of prizes with a value in excess of $500 must be registered with the Rhode Island Secretary of State.

Cross Reference:
R.I. Gen. Laws §3-1-5

RULE 30 RECORDS RETENTION – RETAIL

All licensees holding Class A, B, B-L, B-T, B-M, C, D, D-L, E, ED, or J licenses will preserve, as part of their records, the consignor's bills or sales slips showing each purchase of alcoholic beverages made by the licensee. These records on the forms of the consignors will be kept by the licensees at their licensed premises for one (1) year from the date of each bill of sale or sales slip, and shall at all times be available for inspection by local licensing authorities and/or the Department. For purposes of this regulation, photocopies of the original of said invoices are acceptable.

Cross Reference:
Purchase from wholesalers only §3-7-18 Rule #20 invoices

RULE 31 SALES LICENSE – WHOLESALE/MANUFACTURER

Holders of manufacturers' and wholesalers' licenses shall file with the Department the names and addresses of all salespersons employed by them, whether paid a salary, commission, or any other basis of compensation. They shall also file with the Department such means of identification of such salespersons as the Department shall, from time to time, require. No person shall solicit orders for alcoholic beverages without first receiving a sales license from the Department. The fee for said license shall be fifty ($50.00) dollars per year.

RULE 32 SIZE OF CONTAINERS – RETAIL

Holders of retail alcoholic beverage licenses shall not have in their possession either on the licensed premises or elsewhere distilled spirits in a container or containers holding more than 3 liters.

RULE 33 STOCK TRANSFERS -RETAIL/WHOLESALE/MANUFACTURER

(a) Holders of alcoholic beverage licenses issued by the Department must notify it within ten (10) days of any of the following changes occurring in the business of the licensee:

(1) If a partnership –

(a) Any change in the partnership agreement, oral or written, whereby any interest, financial, or otherwise, in the business is sold, given or in any manner transferred to any person, firm or corporation not mentioned in the license application.

(2) If a corporation having less than twenty-five (25) stockholders—

(a) Any pledge, transfer or contract to pledge or transfer stock of the licensed corporation to a person, firm or corporation not mentioned in the application for a license.

(b) All newly elected officers or directors.

(c) Any acquisition by any person of more than ten percent (10%) of any class of corporate stock.

(b) Any transfer of fifty percent (50%) or more of any class of corporate stock can be made only by written application to the Licensing Board subject to the procedures for a transfer of a license.

Cross Reference:
Citizen resident §3-5-10 Transfer of license. §3-5-19

RULE 34 STORAGE - WHOLESALE/MANUFACTURER

It is prohibited to store beverages off the licensed premises without permission in writing of the Department.

RULE 35 SUSPENSION OR REVOCATION OF LICENSE -RETAIL/WHOLESALE

(a) An order of suspension or revocation (wholesale or retail license) prohibits the licensee from engaging in any alcoholic beverage activity in or upon the licensed premises, except the storage of alcoholic beverages on hand. In the event of a suspension or revocation:

(1) The licensee shall not sell, serve, deliver or permit the consumption of any alcoholic beverages on the licensed premises.

(2) The licensee shall not receive delivery of any alcoholic beverage.

(3) A wholesale licensee may apply (in writing) to the Department for permission to return alcoholic beverages to the appropriate manufacturer.

(4) A retail licensee may apply (in writing) to the board, body or official suspending the license for permission to return alcoholic beverages to the appropriate Rhode Island wholesaler.

(5) Patrons cannot bring to and/or consume their own alcoholic beverages on the premises. No activity is permitted which would be prohibited on a licensed premises if the license were active. Other business activities which can lawfully be conducted on a licensed retail premises may continue.

Cross Reference:
Revocation or suspension §§3-5-21 and 23

RULE 36 TASTE TEST/SAMPLING – RETAIL

(a) Consumers may sample or be offered tastings of beer, wine and spirits brands on a licensed premises under controlled circumstances which assure the beverages would not be served to underage persons.

(b) Samples of the product may not be given to the consumer to be taken off the licensed premise.

(c) All alcoholic beverages must be purchased from a licensed Rhode Island wholesaler.

(d) All applicable taxes must be paid in full on the alcoholic beverages to be offered in the taste testing or sampling program.

(e) A fee may be paid by the one conducting the tasting to the owner of the licensed premises on which the tasting is conducted.

Cross Reference:
Class A license §§3-7-1 and 3

RULE 37 TRADE NAMES (D/B/A) RETAIL/WHOLESALE/MANUFACTURER

A trade name (d/b/a) may be used by any licensee, whether such licensee is a corporation, partnership or individual (sole proprietor), however:

(a) Corporations must file a "Certificate of Registration of Fictitious Name" with the Rhode Island Secretary of State (form #32).

(b) A partnership or individual must file its trade name with the City/Town in which the licensed premises is located on a form prescribed by the City/Town.

RULE 38 UNLAWFUL BEVERAGES- RETAIL

Possession of unauthorized alcoholic beverages in a licensed premises by the licensee or any of his employees shall be presumptive evidence that said beverages are for sale by the licensee and may result in suspension or revocation of the license.

RULE 39 UNLAWFUL POURING

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.

Cross Reference:

License required §3-5-1
Adulterated liquors §3-9-4
Certificate of compliance §3-6-14
Entry on premise §3-12-3
Forfeiture of goods §3-12-9

RULE 40 WHOLESALE/MANUFACTURER LICENSE APPLICATIONS

The applicant must:

(a) File an application on a form or forms supplied by the Department.

(b) Provide a secure premise for the storage of alcoholic beverages. Said premises shall include an office facility separate and apart from the area for storage of alcoholic beverages and have a proper repository for invoices and other documents which shall be available for inspection by the Department during normal operating hours.

(c) Provide suitable truck transportation for delivery of alcoholic beverages. Any truck used for such deliveries shall have a cab separated from the body by a permanent partition.

(d) Provide specific information as to commitment from suppliers or manufacturers regarding product line to be sold.

(e) Submit a copy of the Federal Basic Permit for the premises.

(f) Provide a telephone line to be used exclusively in connection with the operation of the licensed premises.

(g) Identify hours of operation at the time of the hearing.

(h) At the hearing on the License Application, show by appropriate balance sheets and other financial indicia that Applicant has sufficient financial ability to provide for payment of state taxes and service fees.

Cross Reference: Interest in Retailer §3-7-22
Advertisement of Hearing §3-5-17

RULE 41 200 FOOT RULE – RETAIL

The area within two-hundred feet (200') of a proposed licensed premise as referred to in §3-7-19 shall be measured from the closest point of the building constituting the proposed licensed premises to the premises of the property owner entitled to object, including the building or land or appurtenances. The licensed premise shall not be altered or expanded except with the written approval of the licensing authority issuing the license.

Cross Reference:
Objection by adjoining property owners §3-7-19

RULE 42 CLASS P (CATERER) LICENSE - RETAIL

Effective December 1, 2003, a Class P License, issued by the department for all caterers that sell alcoholic beverages.

An application for a Class P License ("License") must be on a form provided by the Department, accompanied by proof of licensure from both the Department of Health and the Division of Taxation and the annual fee of Five Hundred ($500.00) Dollars.

Class P Licensees shall purchase all alcoholic beverages for resale from a Rhode Island licensed Class A retail alcohol licensee.

All alcohol sold pursuant to a Class P License must be sold at a fixed premise where an event is being held.

All Class P Licensees, their agents and/or employees must:

1. require proper identification as defined in Title 3 for all individuals who appear to look thirty (30) years old or younger who order alcoholic beverages;

2. not serve more than two (2) drinks at a time;

3. not serve visibly intoxicated individuals;
4. not serve alcoholic beverages for more than a five (5) hour period per event;

5. only allow a licensee, and/or its agents and employees serve a alcoholic beverages at an event;

6. deliver to and remove from the event, all alcoholic beverages subject to the License;

7. not serve shots or triple alcoholic drinks; and

8. require that any bartender employed by the Licensee be certified by a nationally recognized alcoholic beverage server-training program.

Applications for a Class P License are not required to be advertised.

The serving of alcoholic beverages not purchased by the Licensee for a service fee or at no additional cost to the customer is not an activity necessitating a Class P License.

Cross Reference:
Class P licenses – Caterers § 3-17-14.2

RULE 43 ALCOHOL SERVER TRAINING PROGRAM CERTIFICATION

(a) Persons who sell or serve alcoholic beverages, anyone whose job description entails the checking of identification used in connection with the purchase of alcoholic beverages, and any valet parking staff working at an establishment that sells or serves alcoholic beverages, must receive alcohol server training from a server training program approved by the Department as set forth herein.

(b) The Department will approve and certify all alcoholic server training programs pursuant to the criteria set forth in R.I .Gen .Laws §3-7-6.1. Only nationally recognized alcohol server training programs which the Department determines meet the following criteria will be eligible for certification by the Department:

1. Training shall be provided through more than one medium including, but not limited to, video, training manual and/or role playing;

2. The content of the program shall be developed and maintained by recognized subject matter and industry experts in the field;

3. Programs shall not have the instructor as the grading organization;

4. Programs shall be validated and approved by other states which have mandated server training;

5. Programs shall follow sound instructional design forms for the target audience; and

6. Programs shall be regularly updated as science, technology and standards change.

(c) Alcohol server training program applications will be available at the Department. As part of the application process, the applicant shall be required to submit a proposed form of Certificate of Completion ("Certificate") to be provided to those individuals successfully completing the course. The Department may require recertification of a previously approved program from time to time to insure that any changes in the program comply with the applicable law and regulations.

(d) All applications for certification must be submitted to the Department not less than thirty (30) days prior to when the program is scheduled to be offered.

(e) All persons required to receive alcohol server training pursuant to R.I. Gen. Laws §3-7-6.1 who have successfully completed an approved program shall be issued a Certificate by the entity offering the program. The Certificate shall be valid for five (5) years from the date of issuance. Valid Certificates for all persons required to take alcohol server training in compliance with R.I. Gen Laws §3-7-6.1 and this Rule, or copies of said certificates, shall be available at the licensed premises for presentation to local and/or Departmental licensing authorities upon request.

(f) Any person who, prior to the effective date of this Rule, successfully completed an alcohol server training program, which program subsequently receives approval from the Department, shall be deemed to be in compliance with R.I. Gen. Laws §3-7-6.1 and this Rule, provided that said course was successfully completed not more than five (5) years prior to the effective date of this Rule. Certification received by said person shall only be valid until the earlier of (i) the date of expiration, if any, on the certificate and (ii) five (5) years from the date the course was successfully completed.

(g) The Department's approval/certification may be revoked if the alcohol server training program violates the provisions of R.I. Gen. Laws §3-7-6.1 or this Rule. The Department reserves the right to take such other administrative action as deemed appropriate.

(h) Local licensing authorities shall ensure compliance with R.I. Gen. Laws §3-7-6.1 and this Rule prior to the renewal of any alcoholic beverage license.

Cross Reference:

Renewal of Class B, Class C, Class D, Class E, Class J and Class N licenses -§ 3-7-6.1

RULE 44 CERTIFICATE OF GOOD STANDING COMPLIANCE

In order to ensure compliance with R.I. Gen. Law §3-7-24, the following procedures will apply to the renewal and transfer of alcoholic beverage licenses:

(a) Renewals: Every licensee must provide the local licensing authority with a Certificate of Good Standing from the Division of Taxation by November 30 of each calendar year. If the Certificate of Good Standing is not provided by November 30 the

licensee shall be closed on December 1 and thereafter until said Certificate is so provided. The local authority should inform licensees upon commencement of the renewal process that the Division of Taxation requires a minimum of fifteen (15) days to process and issue requests for a Certificate of Good Standing.

(b) Transfers: A local authority may approve a transfer application on a "granted but not issued" basis for only one (1) thirty (30) day period, calculated from the date that the local authority gave said approval. If a Certificate of Good Standing from the Division of Taxation is not provided to the local authority within the thirty (30) day time period, the transfer application shall be considered null and void and a new application must be submitted and a new hearing date scheduled in accordance with the requirements of R.I. Gen. Law §3-5-17.

RULE 45 FEES

(a) GENERAL PROVISIONS The following is a schedule of license application and renewal fees as of the effective date of this regulation. These license fees are imposed pursuant to the referenced statute. If any of the referenced statutes are amended to modify the fees referenced herein, the statutory amendment shall supersede this regulation.

(b) ELECTRONIC LICENSING The Department may contract with third parties (such as RI.Gov) to implement the electronic submission and processing of license applications, renewal applications, or any other statutorily mandated administrative procedure. The reasonable processing fee related such electronic licensing shall be paid by the licensee or applicant.

(c) LATE FEES Any licensee submitting a renewal application or an incomplete application after the expiration of the reference license shall pay a late fee of ten percent (10%) of the respective license fee, but not less than $25 (the entire fee which is payable to the State of Rhode Island-General Treasurer;however, if the licenses are electronically processed, $5 of the late fee shall be paid to the entity facilitating the electronic processing). All licenses (except Line Cleaners and Class G licenses) are issued for the period December 1st to November 30th and therefore expire on November 30th of each year. Line Cleaner licenses and Class G licenses expire on the anniversary date of the issuance of the original license. Any applicant who submits an application after the expiration date of the application shall not be issued a license until such time that the late fee is paid.

(d) SCHEDULE OF FEES (as of December 1, 2007)

Manufacturer's License – Annual (R.I. Gen. Laws § 3-6-1(c))

Distiller	$3,000.00	
Brewery	$500.00	
Winery producing more than 50,000 gallons		$1500.00
Winery producing less than 50,000 gallons		$500.00

Brewpub Manufacturer's License – Annual (R.I. Gen. Laws § 3-6-1.2(d))

If producing more than 50,000 gallons	$1,000.00
If producing less than 50,000 gallons	$500.00

Brew on Premises –Annual (R.I. Gen. Laws § 3-7-7.4)

If producing less than 50,000 gallons	$100.00
If producing more than 50,000 gallons	$1,000.00

Rectifier's License-Annual (R.I. Gen. Laws § 3-6-7) $3,000.00

Class A – Wholesaler License – Annual (R.I. Gen. Laws § 3-6-9) $2000.00

Class B – Wholesaler License – Annual (R.I. Gen. Laws § 3-6-10) $4000.00

Class G – Railroad, Airplane, Marine Vessel – Annual (R.I. Gen. Laws § 3-7-15) $250.00
Duplicate License Fee: $1.00

Class P Caterer Selling Liquor-Annual (R.I. Gen. Laws § 3-7-14.2(a) $500.00
Duplicate License Fee: $1.00

Agents License – Annual (R.I. Gen. Laws § 3-6-12) $50.00

Line Cleaners License – Annual (R.I. Gen. Laws § 3-7-25(c) $50.00

Certificate of Compliance – Annual (R.I. Gen. Laws § 3-6-14(f)) $40.00

Sales Licenses -Annual (R.I. Gen. Laws § 3-6-12)(employed by Wholesalers) $50.00

LATE FEE IF APPLICATION SUBMITTED AFTER EXPIRATION DATE: Ten percent of the License fee but not less than $25 (the entire fee which is payable to the State of Rhode Island-General Treasurer;however, if the licenses are electronically processed, $5 of the late fee shall be paid to the entity facilitating the electronic processing).

Section 5 Effective Date

This Regulation shall be effective twenty (20) days from the date of filing with the Secretary of State.

EFFECTIVE DATE:	July 5, 2001
REFILED:	December 19, 2001
AMENDED:	April 21, 2002
	December 4, 2003
	July 8, 2004
	January 6, 2005
	July 7, 2005
	December 10, 2007