

January 25, 2022

House Committee on Corporations
Rhode Island State House
Providence, RI 02903

Re: H.5060 – Happy Hour

Dear House Committee on Corporations


On behalf of the RI Hospitality Association, we write regarding H.5060, which would legalize Happy Hour in Rhode Island.

The legalization of Happy Hour in Rhode Island is much more nuanced than one might expect. Some operators are very much in favor of lifting the prohibition, while others are adamantly opposed. We felt it is important to share some of the feedback we've gotten from the industry in order to highlight that this isn't as black and white as it might appear from first glance.

Obviously, the last two years have been particularly challenging for the hospitality industry. It's for this reason that some businesses are excited about the idea of Happy Hour – it gives them some more flexibility to be creative in generating different revenue streams and potentially expanding their existing customer base.

Overwhelming, the businesses that are in support of legalizing Happy Hour are concerned about the language that requires a meal to be served with the drink. This language is slightly different than existing language that covers what level of food must be served in Class B liquor establishments. It also will be almost impossible to enforce, due to the ordering practices of consumers.

However, we also have operators that are concerned that Happy Hours are a “race to the bottom”, with businesses being forced to outdo each other with cheap liquor prices. We aren't aware of any data that shows that these policies drive new customers into establishments – it just discounts the sales of existing customers.

 94 Sabra Street
Cranston, RI 02910

 401-223-1120

 401-223-1123

 www.RIHospitality.org


There is also a concern about how this might impact liquor liability rates, with one insurance company sharing that those businesses who do participate in Happy Hours will most likely face higher rates due to the added risk of liquor related lawsuits. A general manager of a Newport restaurant summarized it by saying, “as a consumer, I look forward to enjoying Happy Hour. As a restauranter, I dread implementing it.”

Every day, our industry is looking for new ways to reinvent themselves. Legalizing Happy Hour will help some businesses and it will hurt others. We urge the General Assembly to talk to individual restaurants in their communities to get a sense of how this legislation will impact their business.

If you have any questions, please don't hesitate to contact us at 401-223-1120 or sarah@rihospitality.org.

Sincerely,

Sarah R. Bratko, Esq.
Sr. Vice President of Advocacy/General Counsel

 94 Sabra Street
Cranston, RI 02910

 401-223-1120

 401-223-1123

 www.RIHospitality.org