

TESTIMONY OF CRAFT COLLECTIVE HOMEGROWN IN SUPPORT OF H 8414

Chairman Solomon and members of the House Corporations Committee:

My name is Adam Oliveri, and I submit this testimony on behalf of Craft Collective Homegrown in strong support of S 8414, the Rhode Island Hemp THC Beverage Act.

Craft Collective Homegrown is a beverage wholesaler serving retail and on-premise accounts throughout Rhode Island and Massachusetts. We are a first-generation, family-owned company built around the responsible distribution of well-crafted adult beverages, including craft beer, wine, spirits, ready-to-drink products, adult non-alcoholic beverages, and hemp beverages. Our Rhode Island operations are based in Warwick, and our team works every day with brands, retailers, restaurants, and other licensed accounts that depend on reliable service, product knowledge, and clear regulatory expectations.

That perspective is important to this debate.

We are not approaching hemp beverages as a theoretical category. We have worked in this space for years. Our company began carrying CBD-infused seltzers in Rhode Island in 2019, and as the market evolved to include hemp-derived THC beverages, we took the time to study the category carefully. We have worked with suppliers, retailers, trade associations, and other markets to understand how these products can be introduced responsibly into an existing beverage regulatory system.

H 8414 is the kind of framework Rhode Island needs.

The bill treats hemp-derived THC beverages as adult-use intoxicating beverages and places them into a regulated, accountable structure. It limits low-dose THC-infused beverages to 5 milligrams of total hemp-derived THC per container. It requires independent testing, batch-level traceability, accurate labeling, QR-linked certificates of analysis, consumer warnings, age verification, and restrictions on youth-oriented marketing. It gives the Cannabis Control Commission authority over product safety, labeling, enforcement, and consumer protection. It also establishes a wholesale excise tax and creates an enforcement fund to support inspections, testing, investigations, and public education.

From the perspective of a beverage distributor, the most important feature of the bill is that it uses systems Rhode Island already understands.

The three-tier beverage system exists for a reason. Manufacturers, wholesalers, and retailers each have distinct responsibilities. That structure supports public safety, orderly distribution, tax collection, product accountability, and retailer compliance. Licensed beverage wholesalers are accustomed to working in a regulated environment. We maintain relationships with brands and retailers. We understand invoices, product movement, recall communication, route accountability, and the practical realities of helping stores and restaurants comply with rules at the point of sale.

Hemp THC beverages should move through that kind of disciplined system.

Retailers are seeing consumer demand for these products, but they need confidence in the rules. They need to know that products are tested, accurately dosed, properly labeled, lawfully distributed, and appropriate for adult consumers. They also need clear guidance on age verification, shelf placement, signage, and responsible sales. H 8414 gives retailers that clarity.

Brands need clarity as well. Responsible manufacturers and suppliers want to invest in Rhode Island, but they need predictable rules. They need to know what potency is permitted, what testing is required, what labels must say, how products may be distributed, and how regulators will distinguish compliant products from noncompliant ones. H 8414 provides that structure.

The bill also supports enforcement. Without a clear framework, regulators are forced to respond to a confusing marketplace where compliant and noncompliant products can be difficult to separate. This legislation draws a clear line. It allows tested, labeled, traceable, low-dose beverages to be sold through licensed channels, while giving regulators the tools to remove products that do not meet Rhode Island's standards.

That is good policy for consumers, regulators, and responsible businesses.

The tax structure in H 8414 is also one of the reasons the bill makes sense.

From a distributor's perspective, the three-tier system gives the state a reliable and auditable point of collection. Licensed wholesalers already operate with invoices, account records, product movement records, delivery documentation, and tax compliance obligations. When a wholesale excise tax is collected through that system, the state is not chasing individual products through a fragmented marketplace. It is working through licensed businesses that already understand regulated beverage distribution.

That matters for hemp beverages because the state has a choice. It can create a lawful channel where products are tested, labeled, invoiced, delivered to licensed accounts, taxed, and traceable. Or it can leave the market uncertain and push sales toward channels that are harder to monitor and easier to avoid.

H 8414 takes the responsible path. It keeps hemp beverages subject to the 7 percent retail sales tax, adds a 10 percent wholesale excise tax, and creates an enforcement fund to support inspections, investigations, product testing, and consumer education. It also allows on-premise sales to generate local meals and beverage tax revenue for municipalities.

For a distributor like Craft Collective Homegrown, this is familiar territory. We already work in a system built around accountability. We know where products come from, where they go, which licensed accounts received them, and how to respond if a product must be pulled from the market. That same structure also makes tax collection more reliable.

This is also a growth category at a time when traditional beverage alcohol is under pressure. Craft Collective Homegrown's own Rhode Island segment data show hemp and THC beverages growing substantially while traditional categories such as craft beer, wine and specialty, cider, and high-end imported beer declined. That growth supports retailers, distributors, and the state's revenue base. If Rhode Island wants adult beverage revenue to remain strong, it should allow the growth category to move through the licensed system.

It is also important for Rhode Island's competitiveness. Neighboring states are actively working through how to regulate hemp and THC beverages. Connecticut has moved to expand and clarify its framework through regulated retail channels, and Massachusetts has directed its Cannabis Control Commission to study intoxicating hemp products as part of its broader cannabis oversight reform process. Those developments reinforce that this category is becoming a permanent part of the adult beverage landscape. Rhode Island should not wait for the market to develop around it. It should adopt clear, responsible rules now.

H 8414 does not ask Rhode Island to take a reckless step. It asks Rhode Island to take a practical one.

The bill establishes a low-dose standard. It uses licensed channels. It preserves the role of liquor wholesalers. It requires testing and labeling. It protects against youth access. It funds enforcement. It allows responsible businesses to operate while giving regulators the authority they need to oversee the market.

Craft Collective Homegrown respectfully urges the Committee to support H 8414. Rhode Island has an opportunity to regulate hemp THC beverages thoughtfully, protect consumers, support local businesses, generate tax revenue, and give retailers and distributors the clarity they need.

Thank you for your consideration.