



State of Rhode Island and Providence Plantations
DEPARTMENT OF BUSINESS REGULATION
1511 Pontiac Avenue, Bldg. 68-2
Cranston, Rhode Island 02920

March 6, 2023

The Honorable Carol Hagan McEntee, Chair
House Small Business Committee
State House
Providence, Rhode Island 02903

Re: H5719 – An Act Relating to Alcoholic Beverages – Manufacturing and Wholesale Licenses

Dear Chair McEntee:

I am writing on behalf of the Department of Business Regulation regarding H5719.

H5719 would alter R.I. Gen. Laws § 3-6-15 to prohibit Rhode Island's craft breweries, wineries, and distilleries from obtaining a wholesaler license to self-distribute their manufactured products. Today, Rhode Island's liquor manufacturers have the ability to obtain a wholesaler license to self-distribute. This is an essential tool for these small businesses to get product out to local community retailers and garner name recognition and build their brands. This is because Rhode Island "micro" manufacturers do not have the vast production scale that national beer, wine, and spirits manufacturers have as needed to distribute through a large wholesaler on cost effective terms. As such, H5719 will put Rhode Island's craft breweries, wineries, and distilleries at a distinct disadvantage vis-à-vis the national brands that predominate the market.

This bill would be a step back for Rhode Island small business and make our state an outlier in the Northeast further harming our craft liquor industry. For example, Connecticut, Massachusetts, Maine, and New York all permit their craft breweries to self-distribute their manufactured products. By enabling self-distribution, Rhode Island's neighboring states provide vital support to their small businesses and, at the same time, strengthen tourism and their state economies. Maintaining this same ability for our manufacturers will do the same for Rhode Island.

Please do not hesitate to contact me at pamela.toro@dbr.ri.gov or 401.462.9560 (office) or 401.378.0085 (mobile), for any additional information we can provide or to address any questions.

Thank you for your consideration of the Department's perspective on this proposed legislation.

Sincerely,

Pamela J. Toro, Esquire
Administrative & Legal Support Services Administrator

cc: Representative Arthur J. Corvese
House Small Business Committee
Tiffany Johnson, Committee Clerk housesmallbusiness@rilegislature.gov