



March 25, 2026

Rep. Mary Ann Shallcross Smith  
Chair, House Small Business Committee  
Rhode Island State House  
Providence, RI 02903

Dear Chair Shallcross Smith and Members of the Committee,

On behalf of the Rhode Island Brewers Guild, a trade group comprised of all 38 actively producing breweries in Rhode Island, *I write to express our strong support for H7493 and request a Sub-A, attached for your convenience.*

The proposed Sub-A is the product of a full year of negotiation, compromise and collaboration among stakeholders including manufacturers, wholesalers, labor and retail representatives. We want to thank Chair and bill sponsor Carol McEntee for her leadership in bringing these stakeholders together. The result is a balanced, forward-looking framework that strengthens small businesses and ensures fair competition while preserving the integrity of Rhode Island's three-tier system.

Each component of this agreement is essential to the whole, and together they represent a historic step forward for Rhode Island's manufacturing, hospitality and tourism sectors.

### **Self-Distribution with Caps**

The Sub-A establishes a carefully calibrated self-distribution model that allows Rhode Island and out-of-state breweries to self-distribute under a manufacturer's license, with clear thresholds requiring transition to a wholesaler once a brewery reaches 4,000 barrels of its branded product self-distributed in-state or 6,000 barrels of total annual production. This approach:

- Supports the small and emerging producers best suited to grow their brand to a scale attractive to wholesalers
- Preserves the role and economic viability of Rhode Island wholesalers
- Ensures that any beverage alcohol manufacturer may retain a wholesaler license for distribution of its own branded products within the barrelage threshold

This is a modern, responsible update that aligns Rhode Island with regional norms while maintaining appropriate guardrails.

### **Labor Peace**

The Sub-A requires acceptance of a labor peace agreement – already enacted in 2025 in the cannabis industry – ensuring that picketing, boycotts, and work stoppages do not disrupt operations. This provision protects workers' rights while providing stability and predictability for small businesses that operate on thin margins and rely heavily on uninterrupted service.



### **Commerce Clause Compliance**

By ensuring that regulations applied to out-of-state manufacturers are no more restrictive than those applied to in-state producers, the bill brings Rhode Island into alignment with constitutional requirements. This protects the state from costly litigation and reinforces a fair, competitive marketplace.

### **1/6 Keg Sales**

The Sub-A permits the sale of up to 768 fluid ounces of malt beverage from a brewery's taproom in any vessel for off-premise consumption – equivalent to the current allowance of forty-eight 16-ounce cans.

This simple, commonsense update:

- Provides consumers with greater access to packaging options
- Helps small manufacturers meet modern market expectations

It does so without increasing the total volume a customer may purchase today.

### **RI-Made Wine and Spirits**

Finally, the bill allows Rhode Island breweries, wineries, and distilleries to sell locally made wine, spirits, and malt beverages for on-premise consumption. This change strengthens the entire local manufacturing ecosystem by:

- Encouraging cross-industry collaboration
- Supporting Rhode Island-made products
- Enhancing the visitor experience in our breweries, which are vital community gathering spaces and tourism drivers

Taken together, these reforms represent a thoughtful, balanced and forward-looking modernization of Rhode Island's beverage alcohol laws. They support small business growth, protect workers, ensure constitutional compliance and strengthen the state's reputation as a place where local manufacturing and hospitality can thrive.

We respectfully urge the Committee to advance the Sub-A for H7493 and solidify this hard-won compromise. Thank you for your consideration and for your continued support of Rhode Island's small businesses and craft manufacturing community.

Sincerely,

Nils Weldy

*Executive Director*

Rhode Island Brewers Guild

## **SUB-A FOR H7493 (McEntee) and S2748 (Felag)**

It is enacted by the General Assembly as follows:

**SECTION 1.** Section 3-6-1 of the General Laws in Chapter 3-6 entitled “Manufacturing and Wholesale Licenses” is hereby amended to read as follows:

### **§ 3-6-1. Manufacturer’s license.**

(a) A manufacturer’s license authorizes the holder to establish and operate a brewery, distillery, or winery at the place described in the license for the manufacture of beverages within this state. The license does not authorize more than one of the activities of operator of a brewery or distillery or winery and a separate license shall be required for each plant.

(b) The license also authorizes the sale at wholesale, at the licensed place by the manufacturer of the product of the licensed plant, to another license holder and the transportation and delivery from the place of sale to a licensed place or to a common carrier for that delivery. The license does authorize the sale of beverages for consumption on premises where sold; provided that the manufacturer does not sell an amount in excess of forty-eight ounces (48 oz.) of malt beverage or four and one-half ounces (4.5 oz.) of distilled spirits, or fifteen ounces (15 oz.) of wine per visitor, per day, or a combination not greater than three (3) drinks where a drink is defined as up to sixteen ounces (16 oz.) of beer or one and one-half ounces (1.5 oz.) or five ounces (5 oz.) of wine of spirits, for consumption on the premises. The license also authorizes the sale of beverages produced on the premises in an amount not in excess of forty-eight (48) twelve-ounce (12 oz.) bottles or cans or forty-eight (48) sixteen-ounce (16 oz.) bottles or cans of malt beverages, or an amount not in excess of seven hundred sixty-eight fluid ounces (768 fl. oz.) in any vessel or one thousand five hundred milliliters (1,500 ml) of distilled spirits per visitor, or three (3) seven hundred fifty milliliter (750 ml) bottles of wine or the equivalent amount of wine sold by the can or other container, per day, to be sold in containers that may hold no more than seventy-two ounces (72 oz.) each. These beverages may be sold to the consumers for off-premises consumption, and shall be sold pursuant to the laws governing retail Class A establishments. The containers for the sale of beverages for off-premises consumption shall be sealed. The license does not authorize the sale of beverages in this state for delivery outside this state in violation of the law of the place of delivery. The license holder may provide to visitors, in conjunction with a tour or tasting, samples, clearly marked as samples, not to exceed three hundred seventy-five milliliters (375 ml) per visitor for distilled spirits and seventy-two ounces (72 oz.)

per visitor for malt beverages at the licensed plant by the manufacturer of the product of the licensed plant to visitors for off-premises consumption. The license does not authorize providing samples to a visitor of any alcoholic beverages for off-premises consumption that are not manufactured at the licensed plant. All manufacturer licenses conducting retail sales or providing samples shall be subject to compliance with alcohol server training and liquor liability insurance requirements set forth in §§ 3-7-6.1 and 3-7-29 and the regulations promulgated thereunder.

(c) The annual fee for the license is three thousand dollars (\$3,000) for a distillery producing more than fifty thousand gallons (50,000 gal.) per year and five hundred dollars (\$500) for a distillery producing less than or equal to fifty thousand gallons (50,000 gal.) per year; five hundred dollars (\$500) for a brewery; and one thousand five hundred dollars (\$1,500) for a winery producing more than fifty thousand gallons (50,000 gal.) per year and five hundred dollars (\$500) per year for a winery producing less than fifty thousand gallons (50,000 gal.) per year. All those fees are prorated to the year ending December 1 in every calendar year and shall be paid to the general treasurer for the use of the state.

(d) Notwithstanding §§ 3-7-18 and any other provision of the law to the contrary, effective January 1, 2027, a holder of a manufacturer's license for malt beverages, whether located within or outside this state, if authorized by the department of business regulation, may sell, transport, deliver, and distribute malt beverages of its own manufacture directly to retailers licensed under this title within this state without using a licensed Rhode Island wholesaler, subject to the following requirements:

(1) If, in any calendar year, a malt beverage manufacturer: (i) self-distributes four thousand (4,000) barrels or more within the state of its branded product; or (ii) has total annual production of its branded product of six thousand (6,000) barrels or more, then the malt beverage manufacturer shall, within thirty (30) days after meeting the applicable threshold either enter into a written agreement for distribution within this state with a wholesaler licensed in Rhode Island pursuant to this title or cease further self-distribution within this state for the remainder of that calendar year, except that the malt beverage manufacturer may complete delivery of orders invoiced prior to the date the threshold was met, for a period not to exceed fifteen (15) days. Any written agreement pursuant to this subdivision shall be consistent with chapter 3-13 of title 3, negotiated in good faith and may include terms governing the grant, purchase, transfer, or other conveyance of the malt beverage manufacturer's Rhode Island distribution rights for one (1) or more brands of malt beverages.

(2) A malt beverage manufacturer exercising the privilege in this section (d) shall register with the department prior to commencing self-distribution in a manner prescribed by the department and maintain complete and accurate books and records

of all self-distributed sales into this state, including invoices and delivery records, for not less than three (3) years and enter into, maintain, and abide by the terms of a labor peace agreement as defined by § 21-28.11-12.2.

(e) Notwithstanding any provision of law to the contrary, a holder of a manufacturer's license issued pursuant to this section may purchase from a duly licensed Rhode Island wholesaler or self-distributor, for resale at retail for consumption on the premises only, alcoholic beverages that are manufactured in this state by a manufacturer licensed under this title, provided that, any alcoholic beverages purchased for resale pursuant to this subsection shall be invoiced by, and delivered from, a Rhode Island wholesaler or self-distributor licensed under this title and alcoholic beverages resold pursuant to this subsection shall be limited to malt beverages, wine, and distilled spirits that are manufactured in Rhode Island.

**SECTION 2.** Section 3-6-15 of the General Laws in Chapter 3-6 entitled "Manufacturer's interest in business of wholesaler prohibited" is hereby amended to read as follows:

**§3-6-15. Manufacturer's interest in business of wholesaler restricted prohibited.**

(a) Except as provided for in § 3-6-1 and (b) of this section, nNo manufacturer of alcoholic beverages ~~distilled spirits or wines whose principal place of manufacture is outside of this state~~ shall hold a wholesaler's license issued under this title or shall have any interest in a wholesaler's license, either directly or indirectly, as an owner or part owner, or through a subsidiary or affiliate, or by any officers, directors, or employees of the manufacturer, or by stock ownership, interlocking directors, trusteeship, loan, mortgage or by being a guarantor, endorser or surety of any obligation of a wholesaler.

(b) Any manufacturer who holds a wholesaler's license as of March 1, 2026, shall be permitted to retain and renew their current manufacturer's and wholesaler's licenses, subject to the barrel limitations in § 3-6-1, and shall be required to enter, maintain, and abide by the terms of a labor peace agreement as defined by § 21-28.11-12.2. Said licensee shall not be permitted to transfer the wholesaler license to a third party. Any manufacturer that either self-distributes alcoholic beverages or has an approved wholesaler's license for alcoholic beverages, shall only be approved for distribution of its own manufactured and branded products.

**SECTION 3.** This act shall take effect upon passage.