



RHODE ISLAND LIQUOR OPERATORS COLLABORATIVE

REPRESENTING RHODE ISLAND'S INDEPENDENT LIQUOR RETAILERS

H8250 - OPPOSE

25 March 2026

Dear Chairwoman Shallcross Smith and Committee Members:

The Rhode Island Liquor Operators Collaborative opposes House Bill 8250.

House Bill 8250 may appear narrow in scope, but its implications for Rhode Island's alcohol marketplace are anything but limited. By creating a statutory pathway for distillery manufacturers to obtain an off-premises event endorsement tied to a Class P license, this legislation once again blurs the carefully balanced lines of the three-tier system.

At its core, this bill allows manufacturers—who already enjoy significant privileges through tasting rooms and direct-to-consumer engagement—to extend their reach into retail-style environments. That is a fundamental departure from the intent of the three-tier system, which exists to ensure a clear separation between production, distribution, and retail. When manufacturers are granted the ability to operate in spaces traditionally reserved for retailers, it creates an uneven playing field.

Allowing distilleries to participate in off-premises events under a Class P structure effectively permits them to bypass the traditional wholesale and retail channels. This not only erodes the role of licensed wholesalers—who are responsible for logistics, compliance, and tax collection—but also undermines retailers who rely on those same products to drive foot traffic and sales.

Equally concerning are the broader market consequences. Once a carveout like this is established for distilleries, it sets a precedent that other segments of the industry will inevitably seek to follow. Breweries, wineries, and even large out-of-state suppliers will push for similar treatment, accelerating a gradual dismantling of the three-tier framework. What begins as a "limited endorsement" quickly becomes a slippery slope toward vertical integration.

There are also enforcement and accountability concerns. The three-tier system provides transparency and traceability—ensuring that products move through licensed, regulated channels. Expanding manufacturer privileges into off-site retail environments complicates oversight and creates opportunities for regulatory gaps, particularly around pricing, taxation, and product sourcing.

Rhode Island's alcohol ecosystem works because each tier has a defined role. H8250 chips away at that foundation. While it may be framed as an opportunity for local distilleries, the unintended consequence is a system that favors producers at the expense of retailers, weakens wholesalers, and destabilizes a structure that has served both consumers and businesses for decades.

Sincerely,

Nicholas A. Fede, Jr.
Executive Director

Rhode Island Liquor Operators Collaborative