A Bill

For An Act To Be Entitled

AN ACT TO AMEND ARKANSAS WINE LICENSING LAWS TO
CREATE A DIRECT WINE SHIPPER’S PERMIT; TO RESTRICT
SALES OF ALCOHOLIC BEVERAGES TO UNDERAGE INDIVIDUALS;
TO COLLECT ALL STATE EXCISE AND SALES TAX DUE ON WINE
SHIPPED INTO THE STATE; TO ENSURE A CLEAR AND
ENFORCEABLE DISTRIBUTION OF ALCOHOLIC BEVERAGES; AND
FOR OTHER PURPOSES.

Subtitle

TO CREATE THE DIRECT WINE SHIPPER’S
PERMIT.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

SECTION 1. Arkansas Code § 3-4-601 is amended to read as follows:

There shall be six (6) kinds of permits, each of which shall be
distinctive in color and design so as to be readily distinguishable from each
other, to wit: Permits under this title include without limitation:

(1) Distiller’s permit;
(2) Brewer’s permit;
(3) Rectifier’s permit;
(4) Wholesaler’s permit;
(5) Dispenser’s permit; and
(6) Hotel, restaurant, or club permit; and
(7) Direct wine shipper’s permit.

SECTION 2. Arkansas Code Title 3, Chapter 5, is amended to add an
additional subchapter to read as follows:

3-5-1701. Definitions.

As used in this section:

(1) "Person" means one (1) or more natural persons, a company, corporation, partnership, syndicate, or association; and

(2) "Wine" means any fermented alcoholic liquor made from grapes, berries, fruits, honey, or vegetables and includes any other mixture containing the fermented juices of grapes, berries, fruits, honey, or vegetables having an alcoholic content of more than five percent (5%) alcohol by weight.

3-5-1702. Limitation on direct shipment of wine.

(a) A person shall not ship wine directly to an individual in this state unless the person possesses a current direct wine shipper's permit or a small farm winery permit issued by the Alcoholic Beverage Control Division.

(b) A person with a direct wine shipper’s permit shall not ship:

(1) More than twenty-four (24) nine-liter cases of wine annually directly to an individual in this state;

(2) Wine to an individual in this state who is less than twenty-one (21) years of age; and

(3) Wine for resale.

3-5-1703. Direct wine shipper's permit.

(a) A person that currently holds both a federal basic permit issued by the Alcohol and Tobacco Tax and Trade Bureau and a license to manufacture wine in its state of domicile may apply for a direct wine shipper's permit.

(b) Before sending any shipment of wine to a person in the state of Arkansas, an applicant for a direct wine shipper's permit shall:

(1) File an application with the Alcoholic Beverage Control Division;

(2) Submit an application fee of fifty dollars ($50.00); and

(3) Provide to the division a copy of the applicant’s current:

(A) Basic permit issued by the Alcohol and Tobacco Tax and Trade Bureau; and

(B) License to manufacture wine issued in his or her state of domicile.
(c) A direct wine shipper permittee or a small farm wine permittee shall:

   (1) Ensure that all containers of wine shipped directly to an individual in this state are conspicuously labeled with the following words in at least a 12-point font "SIGNATURE OF PERSON AGE 21 OR OLDER REQUIRED FOR DELIVERY";

   (2) Annually report to the division the total amount of wine shipped into this state during the preceding calendar year;

   (3) Annually pay to the Department of Finance and Administration all sales taxes and excise taxes due on sales to individuals of this state for sales during the preceding calendar year, with the amount of the sales and excise taxes to be calculated as if the sale took place in this state;

   (4) Permit the division or the department to perform upon request of the division or the department an audit of the records of the holder of the direct wine shipper’s permits; and

   (5) Consent to the jurisdiction of the division or any other state agency and the courts of this state concerning enforcement of this section and any related laws, rules, or orders.

(d) A holder of a direct wine shipper’s permit shall every year renew its permit with the division by providing the division with:

   (1) A copy of the applicant’s current license to manufacture wine issued in its state of domicile; and

   (2) A renewal fee of fifty dollars ($50.00).