

Stricken language would be deleted from present law. Underlined language would be added to present law.

1 State of Arkansas  
2 81st General Assembly  
3 Regular Session, 1997  
4

As Engrossed: S2/28/97 S3/5/97

## A Bill

ACT 916 OF 1997  
SENATE BILL 542

5 By: Senators Malone and Harriman  
6  
7

### For An Act To Be Entitled

9 "AN ACT TO AMEND ARKANSAS CODE 3-5-1204 CONCERNING  
10 PROPOSED CHANGES TO THE MICROBREWERY-RESTAURANT LAW."  
11

### Subtitle

12 "AN ACT CONCERNING THE MICROBREWERY-  
13 RESTAURANT LAW."  
14  
15

16 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
17

18 SECTION 1. Arkansas Code 3-5-1204 is amended to read as follows:

19 "3-5-1204. Licenses - Scope - Restrictions.

20 (a) The director may issue a microbrewery-restaurant license which  
21 shall authorize the licensee to do the following:

22 (1) Operate a microbrewery which shall manufacture one (1) or  
23 more varieties of beer or malt beverage in an aggregate quantity not to exceed  
24 *five thousand (\$5,000) barrels per year, and to store any such beer or malt*  
25 *beverage, and any other beer or malt beverage which the*  
26 *microbrewery-restaurant licensee may purchase from wholesalers licensed by*  
27 *this state, on the microbrewery-restaurant licensed premises;*

28 (2) Operate a restaurant which shall be the sales outlet for beer  
29 or malt beverage manufactured by the microbrewery and which shall sell such  
30 beer or malt beverage, and any other beer or malt beverage which the  
31 microbrewery-restaurant licensee may purchase from wholesalers licensed by  
32 this state, for consumption on the licensed premises;

33 (3) ~~Sell~~ To sell on the premises beer or malt beverages,  
34 manufactured by the microbrewery, in brewery-sealed packages at retail  
35 directly to the consumer for off-premise consumption;

36 (4) The microbrewery-restaurant may ~~Provide~~ provide ~~its products~~

1 product it manufactures to charitable or nonprofit organizations as provided  
2 for by the board;

3 (5) The microbrewery-restaurant licensee may ~~Sell~~ sell beer or  
4 malt beverages manufactured by the microbrewery-restaurant to a nonprofit  
5 corporation leasing space in the microbrewery-restaurant or an adjoining  
6 building.

7 (b) The director may additionally issue a microbrewery-restaurant  
8 distribution permit to a microbrewery-restaurant licensee. This permit will  
9 allow:

10 (1) The microbrewery restaurant licensee to sell beer or malt  
11 beverage of its own manufacture to a wholesale dealer licensed by this state  
12 for the purpose of resale to other retail license holders as set forth by  
13 Arkansas Code § 3-4-605 and § 3-5-101 dealing with wholesale distribution of  
14 beer and malt beverage. Any microbrewery restaurant licensee who also holds a  
15 microbrewery-restaurant distribution permit will be prohibited from selling  
16 for off premises consumption (as allowed in §3-5-1204(a)(3)) except for those  
17 sales to a licensed wholesaler as provided for in this paragraph;

18 (2) The microbrewery-restaurant licensee to maintain a separate  
19 brewing facility as needed to meet demand, except that all facilities utilized  
20 by the microbrewery-restaurant licensee shall not, in the aggregate, produce  
21 over five thousand (5,000) barrels of beer and malt beverage per year and all  
22 product produced by any separate facility must be sold to a licensed  
23 wholesaler. At no time does this allow any product produced by any separate  
24 facility to be transported to the restaurant location for retail sale for  
25 consumption on or off the licensed premises;

26 (3) Any beer and malt beverage produced by the microbrewery-  
27 restaurant licensee for sale to a licensed wholesaler shall not be considered  
28 as on-premises sales for the purpose of determining Sunday sales eligibility  
29 of the restaurant as set forth by the board;

30 (4) Any permittee licensed under §3-5-1204(b) may transport and  
31 ship its beer and malt beverages out of state by common carrier or other  
32 appropriate parcel delivery service and any common carriers and/or other  
33 appropriate parcel delivery services may accept beer and malt beverages  
34 manufactured by the licensee for delivery outside the State of Arkansas to  
35 business entities licensed and qualified to accept such products in their  
36 respective states.

1 ~~\_\_\_\_\_ (b)~~ (c) The director shall not issue a microbrewery-restaurant license  
2 if the microbrewery-restaurant premises is in a dry area."  
3

4 SECTION 2. Arkansas Code 3-5-1205 is amended to read as follows:

5 3-5-1205. Fees and taxes.

6 A microbrewery-restaurant licensee shall:

7 (1) Pay any applicable city or county license or permit fees and  
8 barrelage or taxes and shall pay a state licensing fee to the Board of seven  
9 hundred fifty dollars (\$750.00) per year to manufacture and sell its beer and  
10 malt beverages for consumption both on and off the premises and to sell any  
11 other beer and malt beverages purchased from a licensed wholesaler for  
12 consumption on the premises;

13 (2) Measure beer and malt beverages manufactured by the microbrewery,  
14 and otherwise comply with applicable regulations respecting excise and  
15 enforcement tax determination of such beer and malt beverages, and pay any  
16 applicable bond or deposit and the amount of the state excise tax and  
17 enforcement tax to this state, as required by §§ 3-7-104 and 3-7-111.

18 (3) Pay a state permit fee to the Board of one hundred fifty dollars  
19 (\$150.00) per year for the rights and privileges provided by the distribution  
20 permit granted as per § 3-5-1204(b).  
21

22 SECTION 3. All provisions of this act of a general and permanent nature  
23 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code  
24 Revision Commission shall incorporate the same in the Code.  
25

26 SECTION 4. If any provision of this act or the application thereof to  
27 any person or circumstance is held invalid, such invalidity shall not affect  
28 other provisions or applications of the act which can be given effect without  
29 the invalid provision or application, and to this end the provisions of this  
30 act are declared to be severable.  
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32 SECTION 5. All laws and parts of laws in conflict with this act are  
33 hereby repealed.  
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35 /s/Malone et al  
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APPROVED: 3-28-97

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