

Stricken language would be deleted from and underlined language would be added to law as it existed prior to the 82nd General Assembly.

1 State of Arkansas
2 82nd General Assembly
3 Regular Session, 1999
4

As Engrossed: S3/3/99

A Bill

Act 1065 of 1999
SENATE BILL 659

5 By: Senators D. Malone, Riggs
6 By: Representative Booker
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For An Act To Be Entitled

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9
10 "AN ACT TO AUTHORIZE ABC TO ISSUE BEER FESTIVAL
11 PERMITS; TO AMEND ARKANSAS CODE 3-5-1204 REGARDING
12 AUTHORIZED SALES BY MICROBREWERY-RESTAURANTS; AND FOR
13 OTHER PURPOSES. "

Subtitle

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16 "TO AUTHORIZE ABC TO ISSUE BEER FESTIVAL
17 PERMITS; TO AMEND ARKANSAS CODE 3-5-1204
18 REGARDING AUTHORIZED SALES BY
19 MICROBREWERY-RESTAURANTS. "

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22 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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24 SECTION 1. Title 3, Chapter 5, Subchapter 1 of the Arkansas Code is
25 amended to add the following section to be numbered by the Arkansas Code
26 Revision Commission:

27 "Beer Festival Permit.

28 (a) The Director of the Alcoholic Beverage Control Division may issue a
29 temporary permit to authorize the following:

30 (1) A festival to be conducted over a period not to exceed three
31 (3) days;

32 (2) The consumption, by persons of legal age, of beer and malt-
33 beverage, as defined by Arkansas Code 3-5-1202, on the festival grounds;

34 (3) Participation in this event by any legal brewery,
35 microbrewery, microbrewery-restaurant, distributor, wholesaler, or brewpub
36 whether or not they are currently registered, or their product licensed in the

1 State of Arkansas. Neither the participants in this event nor their products
2 need be registered under Arkansas Code 3-2-409, 3-5-1303, or 3-7-106, nor
3 shall they be in violation of Arkansas Code 3-3-216, 3-3-304, 3-3-305, 3-5-
4 205, and 3-5-210, 211, 216, 217, or 221 for this event only;

5 (4) The permittee may reimburse participants, if so desired, for
6 the cost of the product provided for the licensed event;

7 (5) The permittee to charge an entry fee for persons wishing to
8 attend the festival and to distribute beer and malt beverages on any day of
9 the week, including Sunday, as provided for in this section, pursuant to the
10 following conditions:

11 (A) The distribution of beer and malt beverages as
12 authorized in this section shall be limited to the secure area as prescribed
13 in § 3-5-105(3); and

14 (B) The distribution of beer and malt beverages on Sunday,
15 as authorized in this section shall be limited to the hours between 12:00 p.m.
16 noon and 10:00 p.m. Central Time and be limited to those areas where the
17 retail sale and consumption of alcoholic beverages on Sunday has been approved
18 pursuant to Arkansas law.

19 (b) The festival permittee to designate the permitted area (festival
20 grounds), to be approved by the director, such that it is a secure area which
21 will not allow unsupervised access and egress.

22 (c) The permittee shall provide to the Board, no later than one week
23 prior to the event, a complete listing of those non-licensed participants and
24 the products they will be providing. The list shall include proof of
25 delivery, such as an invoice, from the participant which will denote such
26 product or products being provided to the festival.

27 (d) The permittee shall designate one wholesale distributor currently
28 licensed in Arkansas to act as a temporary warehouse for those non-licensed
29 products to be stored prior to or following the event. Those products shall
30 be stored for a period not to exceed one week prior to and following the
31 event. The designated wholesaler shall not be in violation of Arkansas Code
32 3-3-216, 3-5-221, 3-5-1307, or 3-7-104.

33 (e) The designated wholesaler shall pay the Miscellaneous Tax Section
34 of the Department of Finance and Administration a wholesalers tax of \$7.507808
35 per barrel, thirty-one (31) US gallons, for each barrel of beer or malt
36 beverage provided for this festival by any participant whose product is not

1 currently licensed or registered in the State of Arkansas. This tax shall be
2 paid in conjunction with the currently required miscellaneous tax and shall be
3 paid by the same means as are currently required in the normal course of
4 paying the miscellaneous tax. The designated wholesaler shall be reimbursed
5 for this tax by the permittee and may collect a handling fee for services
6 rendered in warehousing such nonlicensed product for this festival.

7 (f) The permittee shall maintain the permit in conjunction with any
8 other legally obtained permit.

9 (g) The director may only issue this permit to a charitable or
10 nonprofit organization as provided for by the Alcoholic Beverage Control Board
11 except that this permit may not be issued to a charitable or nonprofit
12 organization holding a private club license.

13 (h) The director shall not issue this permit if the proposed location
14 is in a dry area.

15 (i) The festival participants and attendees shall not be found to be in
16 violation, while on the festival grounds, of Arkansas Code 5-71-212(c) or (d)
17 regarding public consumption. This does not exclude any participant or
18 attendee from being found in violation of Arkansas Code 5-7-212(a) or (b)
19 regarding public intoxication.

20 (j) The permittee shall pay to the board a fee of fifty dollars
21 (\$50.00) per event.

22 (k) Every provision of this section shall be subject to all beer and
23 malt-beverage laws and regulations, except that conflicting beer and malt
24 beverage laws and regulations shall be inapplicable to any provision of this
25 section to the extent that they conflict herewith."

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27 SECTION 2. Arkansas Code 3-5-1204(a) is amended to read as follows:
28 "3-5-1204. Licenses - Scope - Restrictions.

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

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

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

6 (3) To sell on the premises beer or malt beverages, manufactured
 7 by the microbrewery, in brewery-sealed packages at retail directly to the
 8 consumer for off-premise consumption;

9 (4) The microbrewery-restaurant may provide products it
 10 manufactures to charitable or nonprofit organizations ~~as provided for by the~~
 11 ~~board or sell for resale product it manufactures to charitable or nonprofit~~
 12 organizations holding valid 'special-event' permits as provided for by the
 13 board, except that the microbrewery-restaurant licensee may not sell to
 14 nonprofit organizations holding private club licenses. The sale of said
 15 products shall be limited to the duration of the particular 'special-event';
 16 and

17 (5) The microbrewery-restaurant licensee may sell beer or malt
 18 beverages manufactured by the microbrewery-restaurant to a nonprofit
 19 corporation leasing space in the microbrewery-restaurant or an adjoining
 20 building."

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 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.

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 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 SECTION 6. EMERGENCY CLAUSE. It is hereby found and determined by the
 36 Eighty-second General Assembly that present law is inadequate as it relates to

1 the serving of alcoholic beverages at festivals; that this act clarifies that
2 law; and that this act should go into effect as soon as possible so that the
3 benefits hereof will be available during the upcoming festival season.
4 Therefore, an emergency is declared to exist and this act being immediately
5 necessary for the preservation of the public peace, health and safety shall
6 become effective on the date of its approval by the Governor. If the bill is
7 neither approved nor vetoed by the Governor, it shall become effective on the
8 expiration of the period of time during which the Governor may veto the bill.
9 If the bill is vetoed by the Governor and the veto is overridden, it shall
10 become effective on the date the last house overrides the veto.

11 */s/ D. Malone*

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14 APPROVED: 4/2/1999
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