

1 State of Arkansas  
2 93rd General Assembly  
3 Regular Session, 2021

# A Bill

HOUSE BILL 1423

4  
5 By: Representative Perry

## For An Act To Be Entitled

8 AN ACT TO AMEND THE LAW REGARDING THE RESIDENCY  
9 QUALIFICATIONS OF AN APPLICANT FOR AN ALCOHOLIC  
10 BEVERAGE LICENSE; AND FOR OTHER PURPOSES.

## Subtitle

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14 TO AMEND THE LAW REGARDING THE RESIDENCY  
15 QUALIFICATIONS OF AN APPLICANT FOR AN  
16 ALCOHOLIC BEVERAGE LICENSE.

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

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21 SECTION 1. Arkansas Code § 3-5-302 is amended to read as follows:

22 3-5-302. Applications – Qualifications of applicant.

23 ~~(a)~~ A license shall not be issued to any person authorizing the sale  
24 of beer at retail unless the person shall file a verified application,  
25 accompanied by the fee required by law, and shall state in the application  
26 that he or she possesses the following qualifications:

27 (1)(A) The applicant is a person of good moral character, and a  
28 citizen or resident alien of the United States, ~~and a resident of the county~~  
29 ~~in which the permit will be operated or resides within thirty five (35) miles~~  
30 ~~of the address of the premises described in the application.~~

31 (B) ~~However, the residency requirement under subdivision~~  
32 ~~(a)(1)(A) of this section does not apply to a managing agent of a~~  
33 ~~partnership, corporation, or an association that is an applicant if:~~

34 (i) ~~The applicant currently holds at least two (2)~~  
35 ~~permits issued by the Alcoholic Beverage Control Division for the sale of~~  
36 ~~alcoholic beverages; and~~



1                   ~~(ii) The applicant designates with the division a~~  
 2 ~~representative who resides within the county of the premises or within~~  
 3 ~~thirty five (35) miles of the address of the premises described in the~~  
 4 ~~application~~ If the applicant is not a resident of the county in which the  
 5 permit will be operated or does not reside within thirty-five (35) miles of  
 6 the address of the premises described in the application, the applicant shall  
 7 designate with the Alcoholic Beverage Control Division a representative for  
 8 each permitted premises who resides within the county of the premises or  
 9 within thirty-five (35) miles of the address of the premises described in the  
 10 application;

11                   (2) The applicant has not been convicted of a felony or has not  
 12 been convicted within five (5) years of the date of his or her application of  
 13 any violation of the laws of this state or the laws of any other state  
 14 relating to the sale of alcoholic beverages;

15                   (3) The applicant has not had revoked, within five (5) years  
 16 next-preceding his or her application, any license issued to him or her under  
 17 the laws of this state or any other state to sell alcoholic liquor of any  
 18 kind;

19                   (4) The applicant is the owner of the premises for which the  
 20 license is sought or the holder of an existing lease, buy-sell agreement,  
 21 offer and acceptance, or option to lease ~~thereon~~ the premises;

22                   (5) If the applicant is a copartnership, all members of the  
 23 partnership shall be qualified to obtain a license; and

24                   (6)(A)(i) If the applicant is a corporation, the president and  
 25 directors, any stockholder owning more than five percent (5%) of the stock of  
 26 the corporation who are not exempted under subdivision ~~(a)(6)(A)(ii)~~  
 27 (6)(A)(ii) of this section, and the person or persons who will conduct and  
 28 manage the licensed premises for the corporation shall possess all the  
 29 qualifications required herein for an individual license.

30                   (ii) An applicant is not required to state the  
 31 identity of its shareholders who are not the president or a director when the  
 32 corporation:

33   (a) Is publicly traded on a nationally  
 34 recognized stock exchange; or

35   (b) Holds at least ten (10) permits issued by  
 36 the division for the sale of alcoholic beverages.

1 (B) The requirement as to residence in the United States  
 2 or citizenship of the United States does not apply to officers, directors,  
 3 and stockholders of the corporation but does apply to any officer, director,  
 4 or stockholder who is also the manager of the licensed premises in any  
 5 capacity in the conduct or operation of the licensed premises.

6 ~~(b) If a retailer permitted under this section chooses to exercise the~~  
 7 ~~exemption to the residency requirements contained in subdivision (a)(1)(A) of~~  
 8 ~~this section, the retailer, after the issuance of the second permit issued to~~  
 9 ~~the permitted retailer by the division, may:~~

10 ~~(1)(A) Change the managing agent of each of its permits by~~  
 11 ~~completing a form provided by the division.~~

12 ~~(B)(i) A managing agent named under subdivision (b)(1)(A)~~  
 13 ~~of this section shall be a person of good moral character and a citizen or~~  
 14 ~~resident alien of the United States.~~

15 ~~(ii) A managing agent named under subdivision~~  
 16 ~~(b)(1)(A) of this section shall not be required to meet the requirements set~~  
 17 ~~forth in subdivision (a)(1)(A) of this section; and~~

18 ~~(2) Designate a representative for each permitted premises who~~  
 19 ~~resides within the county of the premises or within thirty-five (35) miles of~~  
 20 ~~the address of the premises stated on the permit.~~

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 22 SECTION 2. Arkansas Code § 3-9-305(a)(1), concerning the  
 23 qualifications for an applicant for an on-premises consumption wine license,  
 24 is amended to read as follows:

25 (1)(A) The applicant is a person of good moral character, and a  
 26 citizen or resident alien of the United States, ~~and a resident of the county~~  
 27 ~~in which the permit will be operated, or resides within thirty-five (35)~~  
 28 ~~miles of the address of the premises described in the application.~~

29 (B) If the applicant is not a resident of the county in  
 30 which the permit will be operated or does not reside within thirty-five (35)  
 31 miles of the address of the premises described in the application, the  
 32 applicant shall designate with the Alcoholic Beverage Control Division a  
 33 representative for each permitted premises who resides within the county of  
 34 the premises or within thirty-five (35) miles of the address of the premises  
 35 described in the application;

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1 SECTION 3. Arkansas Code § 3-9-603(a)(1), concerning the  
 2 qualifications of an applicant for a wine and beer on-premises license, is  
 3 amended to read as follows:

4 (1)(A) The applicant is a person of good moral character, and a  
 5 citizen or resident alien of the United States, ~~and a resident of the county~~  
 6 ~~in which the permit will be operated or resides within thirty five (35) miles~~  
 7 ~~of the address of the premises described in the application.~~

8 (B) If the applicant is not a resident of the county in  
 9 which the permit will be operated or does not reside within thirty-five (35)  
 10 miles of the address of the premises described in the application, the  
 11 applicant shall designate with the Alcoholic Beverage Control Division a  
 12 representative for each permitted premises who resides within the county of  
 13 the premises or within thirty-five (35) miles of the address of the premises  
 14 described in the application;

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