

Department of Finance and Administration

Legislative Impact Statement

Bill: HB1872

Amendment Number: H1

Bill Subtitle: TO CREATE THE EQUALIZE ARKANSAS NATIVE WINE GRANTS ACT.

Basic Change :

Sponsor: Representative C. Fite

House Amendment 1 --- Amends the eligibility requirements for native wineries applying for an Arkansas Agricultural Marketing Grant. A winery must have been in existence for at least five (5) years or have a federal license and be licensed by the State of Arkansas as of January 1, 2003. A winery or wine production facility is eligible for only one (1) grant payment. A winery or a group of wineries operating with more than one (1) federal permit or more than one (1) state permit, or both, which in any manner share the production facilities or bonded wine premises of the winery or group of wineries or which operates under an alternating proprietorship or a custom crush arrangement as defined by the Alcohol and Tobacco Tax and Trade Bureau of the United States Department of the Treasury is eligible for only one (1) grant payment.

Original Bill --- HB1872 amends the small farm winery eligibility requirements for Arkansas Agricultural Marketing Grants. Grants are paid from the Arkansas Agricultural Marketing Grants Fund which is supported through annual appropriation from the General Assembly.

This amendment clarifies the language in current law that the winery has been an Arkansas-bonded winery for at least five (5) years and also provides that a winery is not eligible for wine grants if the winery has more than one (1) wine license for one (1) production facility. This bill also includes a provision which declares that a person who violates the Arkansas Code related to Native Wines, Ark. Code Ann. § 3-5-901 et seq., is permanently ineligible for a wine grant. A cap of fifty-thousand (\$50,000) per year that a winery can receive in grant money is established in the bill and a winery may receive a cumulative total of no more than six million dollars (\$6,000,000) for the life of the winery.

The proposal would be effective 90 days after final adjournment of the 91st General Assembly.

Revenue Impact :

None.

Taxpayer Impact :

Small Farm Wineries would be entitled to one grant payment only.

Resources Required :

None.

Time Required :

Adequate time is allowed for implementation.

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Procedural Changes :

Small farm winery grant eligibility requirements will need to be updated.

Other Comments :

None.

Legal Analysis :

HB1872-H1 eliminates the previous bill language and replaces it with language that provides that wineries are only eligible for one grant under the subchapter. Additionally, wineries or groups of wineries that operate with shared production facilities or that operate under alternative proprietorships or custom crush arrangements are only eligible to receive one grant over the wineries or group of wineries.