

# Department of Finance and Administration

## Legislative Impact Statement

**Bill: SB508**

**Bill Subtitle: TO AMEND THE LAW REGARDING ARKANSAS DISTILLERIES; TO AUTHORIZE ON-PREMISES SALES BY THE DRINK; TO AUTHORIZE SAMPLING AND SALES AT FAIRS AND FESTIVALS; AND TO DECLARE AN EMERGENCY.**

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### **Basic Change :**

**Sponsor: Senator Irvin**

The bill would amend § 3-4-602(g) concerning alcoholic beverage permits for Arkansas distillers or manufacturers, to authorize serving on the distillery premises complimentary samples of liquors produced; and to sell at retail the manufactured liquors by the drink or by the package if the distillery conducts tours through its facility and offers only sealed containers for products removed from the facility. If selling at the distillery, the distillery must also be located in a wet territory and would have authority to sell wine, beer and malt beverages that it acquires from Arkansas wholesalers. The bill would also authorize sales by the distillery at fairs and at food, wine or beer festivals with permission and consent of the event's management.

Distillers/Manufacturers would be authorized to provide liquor it manufactures to charitable or nonprofit organizations, or sell for resale liquor it manufactures to charitable or nonprofit organizations holding valid special event permits issued by the Alcoholic Beverage Control Board (ABC). If approved by ABC, a distiller may also conduct spirituous liquor tasting events for educational or promotional purposes at any location in a wet area of the state.

The bill has an emergency clause and would be effective upon approval by the Governor.

### **Revenue Impact :**

No impact on existing state revenues.

### **Taxpayer Impact :**

None.

### **Resources Required :**

None.

### **Time Required :**

None.

### **Procedural Changes :**

None.

### **Other Comments :**

None.

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### Legal Analysis :

SB508 expands the ability of Arkansas distilleries to (1) serve complimentary samples of liquors produced by the distiller at the distiller's premises, (2) sell liquors produced by the distiller at retail, (3) sell liquors produced by the distiller at fairs and wine or beer festivals, (4) sell on the premises liquors produced by the distiller or by other distillers, wine, beer, and malt liquor.

The bill clarifies that in order to sell liquor on-premises for on-premises and off-premises consumption, the distiller must (1) provide tours of its facility and (2) only allow sealed containers to leave the premises. The bill also allows for distillers to donate or sell spirits as sale for resale to charitable or non-profit organizations (with valid permitting).

Finally, the bill allows distillers to conduct a spirituous liquor tasting event for educational or promotional purposes in a wet county, with permission from the Alcoholic Beverage Control Division.