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Section 1.19(31) **Beer Festival Permit** authorizes the sale, on a temporary basis not to exceed three days, of beer and malt liquor and hard cider on festival grounds described in the permit application. Any legal brewery, microbrewery-restaurant, distributor, wholesaler, brewpub, small brewery, hard cider manufacturer, or small brewery tap room, whether or not registered with the Alcoholic Beverage Control Division or located in the State of Arkansas, may participate in the event. under the provisions of Act 1065 of 1999. A small brewery holding a distribution permit and a beer festival permit may accept and hold beers from out of state breweries and distributors for the purpose of pouring at beer festivals. liquor on grounds described in the permit application. Any legal brewery, microbrewery, distributor, wholesaler or brewpub, whether or not registered with the Alcoholic Beverage Control Division or located in the State of Arkansas, may participate in the event under the provisions of Act 1065 of 1999; (Adopted 8-18-99

**SUMMARY OF SUBSTANTIVE CHANGES**

Act 950 of 2017 inserted small brewery, hard cider manufacturer, or small brewery tap room and added the last sentence regarding out of state breweries and Act 691 of 2019 added hard cider to be authorized at festivals.

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- 31) **Beer Festival Permit** authorizes the sale, on a temporary basis not to exceed three days, of beer and malt and hard cider on festival grounds described in the permit application. Any legal brewery, microbrewery-restaurant, distributor, wholesaler, brewpub, small brewery, hard cider manufacturer, or small brewery tap room, whether or not registered with the Alcoholic Beverage Control Division or located in the State of Arkansas, may participate in the event. A small brewery holding a distribution permit and a beer festival permit may accept and hold beers from out of state breweries and distributors for the purpose of pouring at beer festivals.

1 State of Arkansas *As Engrossed: S3/15/17 H3/20/17*

2 91st General Assembly

# A Bill

3 Regular Session, 2017

SENATE BILL 659

4

5 By: Senator Bond

6 By: Representatives Leding, *Rushing, Capp*

7

8

## For An Act To Be Entitled

9 AN ACT TO CLARIFY THE LAW REGARDING THE SCOPE OF  
10 SMALL BREWERY OPERATIONS; TO ALLOW TRANSPORTATION OF  
11 IN-HOUSE PRODUCTS BETWEEN COMMONLY OWNED SMALL  
12 BREWERIES AND BREWERIES THAT OWN SMALL BREWERIES; TO  
13 CREATE SMALL BREWERY TAP ROOMS; AND FOR OTHER  
14 PURPOSES.

15

16

17

## Subtitle

18 TO CLARIFY THE LAW REGARDING THE SCOPE OF  
19 SMALL BREWERY OPERATIONS; TO ALLOW  
20 TRANSPORTATION OF IN-HOUSE PRODUCTS  
21 BETWEEN COMMONLY OWNED SMALL BREWERIES  
22 AND BREWERIES THAT OWN SMALL BREWERIES;  
23 TO CREATE SMALL BREWERY TAP ROOMS.

24

25

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

27

28 SECTION 1. Arkansas Code § 3-5-105(a)(1), concerning beer festival  
29 permits, is amended to read as follows:

30 (a)(1) The Director of the Alcoholic Beverage Control Division may  
31 issue a temporary permit to authorize the following:

32 (A) A festival to be conducted over a period not to exceed  
33 three (3) days;

34 (B) The consumption by persons of legal age of beer and  
35 malt beverages, as defined by § 3-5-1202, on the festival grounds;

36 (C) The permittee to charge an entry fee for persons



1 wishing to attend the festival and to distribute beer and malt beverages on  
2 any day of the week, including Sunday, as provided for in this section,  
3 pursuant to the following conditions:

4 (i) The distribution of beer and malt beverages as  
5 authorized in this section, shall be limited to the secure area as prescribed  
6 in subdivision (a)(1)(D) of this section; and

7 (ii) The distribution of beer and malt beverages on  
8 Sunday, as authorized in this section, shall be limited to the hours between  
9 12:00 p.m. and 10:00 p.m. central time and be limited to those areas where  
10 the retail sale and consumption of alcoholic beverages on Sunday has been  
11 approved pursuant to Arkansas law;

12 (D) The festival permittee to designate the permitted area  
13 on the festival grounds to be approved by the director, such that it is a  
14 secure area which will not allow unsupervised access and egress; and

15 (E) Participation in this event by any legal brewery,  
16 microbrewery, microbrewery-restaurant, distributor, wholesaler, ~~or~~ brewpub,  
17 small brewery, or small brewery tap room whether or not they are currently  
18 registered or their product is licensed in the State of Arkansas.

19  
20 SECTION 2. Arkansas Code § 3-5-105, concerning beer festival permits,  
21 is amended to add an additional subsection to read as follows:

22 (g) A small brewery holding a distribution permit and a beer festival  
23 permit may accept and hold beers from out-of-state breweries and distributors  
24 for the purpose of pouring at beer festivals.

25  
26 SECTION 3. Arkansas Code § 3-5-1403 is amended to read as follows:

27 3-5-1403. Definitions.

28 As used in this subchapter:

29 (1) "Barrel" means thirty-one gallons (31 gals.);

30 (2) "Beer" means any fermented liquor made from malt or any  
31 substitute having an alcoholic content of not more than five percent (5%) by  
32 weight;

33 (3) "Brewery" means a small brewery or contract brewing company;

34 (4) "Contract brewing company" means any licensed brewery that  
35 hires another company to produce a portion of its beer, malt beverage, or  
36 hard cider;

1           (5) "Front-of-house employee" means an employee of a small  
2 brewery not involved in the production or transportation of brewery beer or  
3 wholesale activities of the brewery, including without limitation:

4           (A) A bartender;

5           (B) A host;

6           (C) Kitchen staff;

7           (D) Janitorial staff; and

8           (E) Servers;

9           ~~(5)~~(6) "Hard cider" means liquor brewed from the fermented  
10 juices of fruit and containing more than three percent (3%) and not more than  
11 twenty-one percent (21%) alcohol by weight;

12           ~~(6)~~(7) "Malt beverage" means any liquor brewed from the  
13 fermented juices of grain and having an alcoholic content of no less than  
14 five percent (5%) nor more than twenty-one percent (21%) by weight;

15           ~~(7)~~(8) "Person" means any natural person, partnership,  
16 association, or corporation; and

17           (9) "Restaurant" means:

18           (A) A public or private place that is kept, used,  
19 maintained, advertised, and held out to the public or to a private or  
20 restricted membership as a place where complete meals are actually and  
21 regularly served;

22           (B) Provides adequate and sanitary kitchen and dining  
23 equipment;

24           (C) Has a seating capacity of at least fifty (50) persons;

25           (D) Employs a sufficient number and variety of employees  
26 to prepare, cook, and serve suitable food for its guests or members;

27           (E) Serves at least one (1) meal per day; and

28           (F) Is open a minimum of five (5) days per week, with the  
29 exception of holidays, vacations, and periods of redecorating;

30           ~~(8)~~(A)(10)(A) "Small brewery" means any licensed facility  
31 located in Arkansas that manufactures fewer than forty-five thousand (45,000)  
32 barrels of beer, malt beverage, and hard cider per year for sale or  
33 consumption.

34           (B) "Small brewery" does not include a microbrewery-  
35 restaurant; and

36           (11) "Small brewery tap room" means a small brewery off-premises

1 retail site located in a wet territory holding a small brewery license.

2  
3 SECTION 4. Arkansas Code § 3-5-1405(a), concerning the scope of  
4 licenses for small breweries, is amended to read as follows:

5 (a) The Director of the Alcoholic Beverage Control Division may issue  
6 a license for a licensee to operate a small brewery that:

7 (1) Manufactures at its licensed facility no less than thirty-  
8 five percent (35%) of its beer, malt beverages, and hard cider to be sold in  
9 the state and no more than forty-five thousand (45,000) barrels per year;

10 (2) Sells to wholesale or to the consumer at the small brewery  
11 premises for consumption, either on or off the premises, brand name products  
12 of the licensed facility;

13 (3) Stores any beer, malt beverages, and hard cider legally  
14 purchased for resale on the premises and on the premises of the one (1)  
15 separate brewing facility of a small brewery authorized under subdivision  
16 (a)(9) of this section;

17 (4) Serves on the premises:

18 (A) ~~complimentary~~ Complimentary samples of beer produced  
19 by the small brewery; and

20 (B)(i) Spirituous liquors for on-premises consumption in a  
21 taproom under the license of the small brewery.

22 (ii) Subdivision (a)(4)(B)(i) of this section  
23 authorizing on-premises consumption is effective only in cities and counties,  
24 or portions of cities and counties, in which the manufacture or sale of  
25 intoxicating liquor is not prohibited as a result of a local option election  
26 held under Initiated Act No. 1 of 1942, and in which the sale of alcoholic  
27 beverages for on-premises consumption has been approved by a majority vote at  
28 a referendum election as provided in this chapter;

29 (5) Sells:

30 (A) At retail, by the drink or by the package, beer  
31 produced on the premises of the small brewery if all sales occur in a wet  
32 territory; or

33 (B)(i) At fairs and food and beer festivals with the  
34 permission and the consent of the management of the events.

35 (ii) A sales and use tax permit also is required for  
36 sales under subdivision (a)(5)(B)(i) of this section;

1 (6)(A)(i) Sells and transports:

2 (a) Beer produced on the premises of the small  
3 brewery to wholesale and small brewery license holders;

4 (b) Beer, malt beverages, and hard cider  
5 produced on the premises of the small brewery to retail license holders and  
6 small brewery license holders if the total production of the permitted  
7 brewery does not exceed fifteen thousand (15,000) barrels per year from all  
8 facilities under common ownership with the small brewery.

9 (ii) Each permitted brewery shall submit  
10 documentation of production each year to renew the permit with the Alcoholic  
11 Beverage Control Division.

12 (iii) A small brewery may distribute no more than  
13 fifteen thousand (15,000) barrels per year.

14 (B)(i) To sell and transport beer under subdivision  
15 (a)(6)(A) of this section, the small brewery license holder shall obtain a  
16 small brewery wholesale permit.

17 (ii) The small brewery license holder shall pay a  
18 fee of two hundred fifty dollars (\$250) per year for the permit under  
19 subdivision (a)(6)(B)(i) of this section; and

20 (7) Sells for consumption on the premises of the small brewery:

21 (A) Beer produced by the small brewery or another small  
22 brewery; or

23 (B) Wine;

24 (8) Operates no more than two (2) small brewery tap rooms; and

25 (9)(A) Maintains one (1) separate brewing facility for the  
26 production or storage of beer, malt liquor, or hard cider as needed to meet  
27 demand, except that each facility used by the small brewery licensee shall  
28 not in the aggregate produce more than forty-five thousand (45,000) barrels  
29 of beer, malt beverage, and hard cider per year.

30 (B) Beer, malt beverage, and hard cider produced by a  
31 separate brewing facility of a small brewery licensee shall be:

32 (i) Sold to a licensed wholesaler; or

33 (ii) Transported:

34 (a) From the separate brewing facility to a  
35 small brewery commonly owned by the owner of the separate brewing facility  
36 for retail sale for consumption on or off the licensed premises; and

1 (b) To the separate brewing facility from a  
2 small brewery commonly owned by the owner of the separate brewing facility  
3 for storage, production, or packaging.  
4

5 SECTION 5. Arkansas Code Title 3, Chapter 5, Subchapter 14, is amended  
6 to add additional sections to read as follows:

7 3-5-1417. Exemption for front-of-house employees.

8 A front-of-house employee may be employed simultaneously by another  
9 holder of a permit or license issued by the Director of the Alcoholic  
10 Beverage Control Division.

11  
12 3-5-1418. Small brewery tap room.

13 (a) A small brewery tap room may:

14 (1) For beer and hard cider produced by the small brewer, sell  
15 for both on-premises and off-premises consumption; and

16 (2) For beer, hard cider, and wine not produced by the licensed  
17 small brewer, sell for on-premises consumption.

18 (b) A small brewery tap room may operate a restaurant.  
19

20 */s/Bond*

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23 **APPROVED: 04/05/2017**  
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1 State of Arkansas As Engrossed: S2/26/19 S3/7/19

2 92nd General Assembly

# A Bill

3 Regular Session, 2019

SENATE BILL 348

4

5 By: Senator L. Eads

6 By: Representative Penzo

7

8

## For An Act To Be Entitled

9 AN ACT TO ESTABLISH A HARD CIDER MANUFACTURING  
10 PERMIT; TO AMEND EXISTING ALCOHOLIC BEVERAGE PERMITS  
11 TO AUTHORIZE THE SALE OF HARD CIDER; TO AMEND  
12 PORTIONS OF THE LAW RESULTING FROM INITIATED ACT 1 OF  
13 1942; AND FOR OTHER PURPOSES.

14

15

16

## Subtitle

17 TO ESTABLISH A HARD CIDER MANUFACTURING  
18 PERMIT; TO AMEND EXISTING ALCOHOLIC  
19 BEVERAGE PERMITS TO AUTHORIZE THE SALE OF  
20 HARD CIDER; AND TO AMEND PORTIONS OF THE  
21 LAW RESULTING FROM INITIATED ACT 1 OF  
22 1942.

23

24

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

26

27 *SECTION 1. Arkansas Code Title 3, Chapter 4, Subchapter 6, is amended*  
28 *to add an additional section to read as follows:*

29 *3-4-611. Hard cider manufacturing permit.*

30 *(a) A person may apply to the Director of the Alcoholic Beverage*  
31 *Control Division for a permit to manufacture, import, transport, store, and*  
32 *sell to a wholesaler, jobber, distributor, or retailer hard cider to be used*  
33 *and sold for beverage purposes as authorized under this section.*

34 *(b) An application under this section shall:*

35 *(1) Be in writing;*

36 *(2) Be verified;*





1           (3) State in detail information concerning the applicant for the  
2 permit and the premises to be used by the applicant as required by the  
3 director; and

4           (4) Be accompanied by a certified check, cash, or postal money  
5 order for the amount required in subsection (f) of this section for the  
6 permit.

7           (c) If the director grants an application under this section, he or  
8 she shall issue the permit in a form prescribed by rule.

9           (d) A permit under this section shall:

10           (1) Contain a description of the premises to be used by the  
11 applicant; and

12           (2) Permit the applicant to manufacture, transport, and sell to  
13 a wholesaler, jobber, distributor, or retailer hard cider in or from the  
14 premises specifically authorized under this section.

15           (e) A hard cider manufacturer may:

16           (1) Manufacture at its licensed facility no less than thirty-  
17 five percent (35%) of its hard cider to be sold in the state and no more than  
18 forty-five thousand (45,000) barrels per year;

19           (2)(A) Sell, deliver, or transport hard cider manufactured by  
20 the hard cider manufacturer to, including without limitation:

21                   (i) Wholesalers;

22                   (ii) Retail license holders;

23                   (iii) Small brewery license holders;

24                   (iv) Small winery license holders;

25                   (v) Microbrewery-restaurant license holders; and

26                   (vi) Distillers;

27           (B)(i) A hard cider manufacturer may only sell, deliver,  
28 or transport hard cider produced on the premises of the hard cider  
29 manufacturer under subdivision (e)(2)(A) of this section if the total  
30 production of the permitted hard cider manufacturer does not exceed fifteen  
31 thousand (15,000) barrels of hard cider per year from all facilities under  
32 common ownership with the hard cider manufacturer.

33                   (ii) Each permitted hard cider manufacturer shall  
34 submit documentation of production each year to renew the permit with the  
35 Alcoholic Beverage Control Division.

36                   (iii) A hard cider manufacturer may distribute no

1 more than fifteen thousand (15,000) barrels per year.

2 (C)(i) To sell and transport hard cider under subdivision  
3 (e)(2)(A) of this section, the hard cider manufacturing permit holder shall  
4 obtain a hard cider manufacturing wholesale permit.

5 (ii) The hard cider manufacturing permit holder  
6 shall pay a fee of two hundred fifty dollars (\$250) per year for the permit  
7 under subdivision (e)(2)(C)(i) of this section;

8 (3)(A) Maintain one (1) separate manufacturing facility for the  
9 production or storage of hard cider as needed to meet demand, except that  
10 each facility used by the hard cider manufacturer permittee shall not in the  
11 aggregate produce more than forty-five thousand (45,000) barrels of hard  
12 cider per year.

13 (B) Hard cider manufactured by a separate manufacturing  
14 facility of a hard cider manufacturing permittee shall be:

15 (i) Sold to a licensed wholesaler; or

16 (ii) Transported:

17 (a) From the separate manufacturing facility  
18 to a facility commonly owned by the owner of the separate manufacturing  
19 facility for retail sale for consumption on or off the licensed premises; and

20 (b) To the separate manufacturing facility  
21 from a facility commonly owned by the owner of the separate manufacturing  
22 facility for storage, production, or packaging.

23 (4) Export hard cider manufactured by the manufacturer out of  
24 the state;

25 (5) Sell for on-premises or off-premises consumption during  
26 legal operating hours hard cider manufactured by the manufacturer;

27 (6) Serve on the premises:

28 (A) Complimentary samples of hard cider manufactured by  
29 the manufacturer; and

30 (B)(i) Spirituous liquors for on-premises consumption in a  
31 taproom under the license of a small brewery.

32 (ii) Subdivision (e)(6)(B)(i) of this section  
33 authorizing on-premises consumption is effective only in cities and counties,  
34 or portions of cities and counties, in which the manufacture or sale of  
35 intoxicating liquor is not prohibited as a result of a local option election  
36 held under Initiated Act No. 1 of 1942, §§ 3-8-201 – 3-8-203 and 3-8-205 – 3-

1 8-209, and in which the sale of alcoholic beverages for on-premises  
2 consumption has been approved by a majority vote at a referendum election as  
3 provided in this chapter;

4 (7) Sell at retail, by the drink or by the package, hard cider  
5 manufactured by the manufacturer;

6 (8) Sell for consumption on the premises of the manufacturer:

7 (A) Hard cider manufactured by the manufacturer;

8 (B) Hard cider that the manufacturer may purchase from  
9 wholesalers licensed by the state;

10 (C) Wine;

11 (D) Beer; and

12 (E) Malt beverages;

13 (9) Store beer, malt beverages, wine, and hard cider legally  
14 purchased for resale on the premises; and

15 (10) Sell hard cider manufactured by the manufacturer at fairs  
16 and festivals with the permission and the consent of the management of the  
17 events if the sale occurs in a wet area and the hard cider sold is for  
18 consumption by persons of legal age.

19 (f) For the privilege of manufacturing hard cider, each person engaged  
20 in manufacturing hard cider shall pay an annual permit fee of three hundred  
21 dollars (\$300) for each manufacturing plant.

22 (g) Hard cider may be sold for consumption on-premises or off-  
23 premises, or both, during all legal operating hours in which business is  
24 normally and legally conducted on the premises, if:

25 (1) The manufacturer provides tours through its facility; and

26 (2) Only sealed containers are removed from the premises.

27 (h) A manufacturer may donate or sell for resale hard cider it  
28 manufactures to a charitable or nonprofit organization holding a valid  
29 temporary permit issued by the Alcoholic Beverage Control Board.

30 (i)(1) The division may authorize a manufacturer to conduct a hard  
31 cider-tasting event for educational or promotional purposes.

32 (2)(A) Before an authorization is issued under subdivision  
33 (i)(1) of this section, the manufacturer shall provide written notice of the  
34 hard cider-tasting event at least two (2) weeks before the event.

35 (B) A hard cider-tasting event under this subsection shall  
36 be held in any facility licensed by the division in a wet territory of this

1 state.

2 (j)(1) A hard cider manufacturer may transport its hard cider along  
3 any highway, road, street, or other thoroughfare of travel.

4 (2) A hard cider manufacturer may ship hard cider it  
5 manufactures out of the state by common carrier or other appropriate parcel  
6 delivery service, and common carriers and other appropriate parcel delivery  
7 services may accept hard cider from Arkansas manufacturers for delivery  
8 outside the state.

9 (3) A hard cider manufacturer in this state may ship hard cider  
10 it manufactures within the state by common carrier or other appropriate  
11 parcel delivery service, and common carriers and other appropriate parcel  
12 delivery services may accept hard cider from Arkansas manufacturers for  
13 delivery within the state if the hard cider is shipped only to persons  
14 holding a wholesale permit to purchase, store, sell, or dispense hard cider.

15 (k)(1) A hard cider manufacturer may include a tap room at its  
16 facility and may:

17 (A) Sell for both on-premises and off-premises consumption  
18 hard cider manufactured at the facility; and

19 (B) Sell for on-premises consumption beer, hard cider,  
20 malt beverages, and wine not manufactured at the facility.

21 (2) A hard cider manufacturer may operate a restaurant in  
22 conjunction with its tap room.

23 (l)(1) A hard cider manufacturer selling and transporting hard cider  
24 manufactured on the premises of the facility is a supplier.

25 (2) A hard cider manufacturer is not subject to § 3-5-1101 et  
26 seq. unless the hard cider manufacturer exceeds annual production of hard  
27 cider of fifteen thousand (15,000) barrels.

28 (m) The director shall adopt rules to implement and administer this  
29 section.

30

31 SECTION 2. Arkansas Code § 3-1-102(6), concerning the definition of  
32 manufacturer, is amended to read as follows:

33 (6) "Manufacturer" means any person engaged in the business of  
34 distilling, brewing, making, blending, rectifying, or producing for sale in  
35 wholesale quantities alcoholic liquors of any kind, including whiskey,  
36 brandy, cordials, liquors, ales, beers, hard cider, or other liquids

1 containing alcohol, except wines;

2

3 SECTION 3. Arkansas Code § 3-4-101 is amended to read as follows:

4 3-4-101. Permit required.

5 (a) ~~No vinous~~ Vinous (except wines), spirituous, or malt liquors or  
6 hard cider shall not be manufactured in this state for storage or sale at  
7 retail within the state without a permit ~~therefor~~ issued by the Director of  
8 the Alcoholic Beverage Control Division ~~as herein provided~~.

9 (b) ~~No~~ A person shall not sell vinous, spirituous, or malt liquors or  
10 hard cider in this state, except as provided in this act. However, the  
11 provisions of this act shall not apply to the manufacture, sale, and  
12 distribution of wines in this state.

13

14 SECTION 4. Arkansas Code § 3-4-105(b)(1), concerning categories of  
15 temporary permits, is amended to add an additional subdivision to read as  
16 follows:

17 (D) Temporary hard cider permit – Fifty dollars (\$50.00)  
18 for each event for a temporary permit allowing the sale of hard cider.

19

20 SECTION 5. Arkansas Code § 3-4-601(a), concerning kinds of permits, is  
21 amended to add an additional subdivision to read as follows:

22 (9) Hard cider manufacturing permit.

23

24 SECTION 6. Arkansas Code § 3-4-604(a), concerning an applicant for  
25 retail permit, is amended to read as follows:

26 (a) ~~Any~~ A person, other than a distiller, importer, rectifier, or  
27 wholesaler, may apply to the Director of the Alcoholic Beverage Control  
28 Division for a permit to sell and dispense vinous or spirituous liquors or  
29 hard cider for beverage purposes at retail.

30

31 SECTION 7. Arkansas Code § 3-4-604(e)-(g), concerning retail permits,  
32 are amended to read as follows:

33 (e) The permit shall contain a description of the premises permitted  
34 and in form and substance shall be a permit to the person specifically  
35 designated in the permit to sell and dispense at retail spirituous or vinous  
36 liquors or hard cider.

1 (f) All such sales shall be in unbroken packages ~~which~~ that shall not  
2 be opened or the contents or any part consumed on the premises where  
3 purchased.

4 (g) For the privilege of operating a dispensary from which the vinous,  
5 spirituous, and malt liquors (except wines), or hard cider are to be  
6 dispensed in the manner provided in this act, there is assessed and there  
7 shall be paid a permit fee of and by the person engaged therein in the sum of  
8 four hundred dollars (\$400) per annum payable on or before June 30 of each  
9 calendar year for the fiscal year beginning July 1.

10  
11 SECTION 8. Arkansas Code § 3-4-605(a), concerning an applicant for a  
12 wholesale permit, is amended to read as follows:

13 (a) ~~Any~~ A person other than a distiller, manufacturer, rectifier, or  
14 importer may apply to the Director of the Alcoholic Beverage Control Division  
15 for a permit to sell spirituous liquor, wine as defined in § 3-9-301(7),  
16 beer, hard cider, or malt liquors at wholesale.

17  
18 SECTION 9. Arkansas Code § 3-4-605(e)-(j), concerning wholesale  
19 permits, are amended to read as follows:

20 (e) The permit shall contain a description of the premises permitted  
21 and in form and substance shall be a permit to the person specifically  
22 designated in the permit to sell spirituous liquor, wine as defined in § 3-9-  
23 301(7), beer, hard cider, or malt liquors for beverage purposes.

24 (f) A person holding a distiller's or rectifier's permit need not  
25 obtain a wholesaler's permit in order to sell at wholesale spirituous liquor  
26 or wine as defined in § 3-9-301(7).

27 (g)(1)(A) A person other than a person holding a distiller's,  
28 manufacturer's, or rectifier's permit shall not sell spirituous liquor, wine  
29 as defined in § 3-9-301(7), hard cider, or malt liquors at wholesale.

30 (B) A person other than a person holding a wholesaler's  
31 permit shall not sell spirituous liquor, wine as defined in § 3-9-301(7), or  
32 malt liquors at wholesale.

33 (2) A wholesaler holding a permit shall not sell or buy from  
34 another unless he or she holds a permit, but a wholesaler may export from or  
35 import into this state liquors under rules promulgated by the Alcoholic  
36 Beverage Control Division.

1 (h) A wholesaler shall not sell or contract to sell ~~any~~ spirituous  
2 liquor, wine as defined in § 3-9-301(7), beer, hard cider, or malt liquors to  
3 a dispensary, hotel, restaurant, or club if the dispensary, hotel,  
4 restaurant, or club is not authorized under this act to receive, possess,  
5 transport, distribute, or sell spirituous liquor, wine as defined in § 3-9-  
6 301(7), beer, hard cider, or malt liquors.

7 (i) Further, a licensed wholesaler in Arkansas of ~~any~~ spirituous  
8 liquor, beer, hard cider, or wine as defined in § 3-9-301(7) may only  
9 purchase spirituous liquor, beer, hard cider, or wine as defined in § 3-9-  
10 301(7) from a distiller, importer, rectifier, hard cider manufacturer, or a  
11 domestic wine producer. However, this restriction does not apply to the  
12 purchase of native wines.

13 (j)(1) For the privilege of storing, transporting, and selling  
14 spirituous liquor, wine as defined in § 3-9-301(7), beer, hard cider, or malt  
15 liquors at wholesale, there is assessed and there shall be paid an annual  
16 permit fee of and by every person engaged therein. The permit fee shall be in  
17 the sum of seven hundred dollars (\$700) for each separate and distinct  
18 establishment.

19 (2) However, this section does not apply to residents of  
20 Arkansas who store, transport, and sell wine or hard cider at wholesale  
21 manufactured by them in this state.

22

23 SECTION 10. Arkansas Code § 3-4-607(a), concerning an applicant for  
24 minimum wholesale liquor permit, is amended to read as follows:

25 (a)(1) ~~Any~~ A person other than a distiller, manufacturer, rectifier,  
26 or importer may apply to the Director of the Alcoholic Beverage Control  
27 Division for a minimum wholesale liquor permit that allows the person to sell  
28 spirituous liquors, wine as defined in § 3-9-301(7), hard cider, and malt  
29 liquors at wholesale.

30 (2) A minimum wholesale liquor permit holder shall not sell more  
31 than a combined total of twenty thousand (20,000) cases of spirituous  
32 liquors, wine as defined in § 3-9-301(7), hard cider, or malt liquors.

33 (3) A case is a container that holds nine liters (9 l) of  
34 beverages.

35

36 SECTION 11. Arkansas Code § 3-4-607(e)-(h), concerning minimum

1 wholesale permits, are amended to read as follows:

2 (e) The minimum wholesale liquor permit shall contain a description of  
3 the premises permitted and in form and substance shall be a minimum wholesale  
4 liquor permit to the person specifically designated to sell spirituous  
5 liquors, wine as defined in § 3-9-301(7), hard cider, and malt liquors for  
6 beverage purposes.

7 (f)(1) A person other than a person holding a distiller's,  
8 manufacturer's, rectifier's, or minimum wholesale liquor permit shall not  
9 sell spirituous liquors, wine as defined in § 3-9-301(7), and malt liquors at  
10 wholesale.

11 (2) A wholesaler holding a minimum wholesale liquor permit shall  
12 not sell or buy from another person unless the other person holds a minimum  
13 wholesale liquor permit, but a wholesaler may export from or import into this  
14 state spirituous liquors, wine as defined in § 3-9-301(7), hard cider, and  
15 malt liquors under rules promulgated by the Alcoholic Beverage Control  
16 Division.

17 (g) A wholesaler holding a minimum wholesale liquor permit shall not  
18 sell or contract to sell any spirituous liquors, wine as defined in § 3-9-  
19 301(7), hard cider, and malt liquors to a dispensary, hotel, restaurant, or  
20 club if the dispensary, hotel, restaurant, or club is not authorized under §  
21 3-4-601 to receive, possess, transport, distribute, or sell spirituous  
22 liquors, wine as defined in § 3-9-301(7), hard cider, and malt liquors.

23 (h) A minimum wholesale liquor permittee of ~~any~~ spirituous liquors,  
24 wine as defined in § 3-9-301(7), hard cider, and malt liquors in Arkansas  
25 shall purchase spirituous liquors, wine as defined in § 3-9-301(7), hard  
26 cider, and malt liquors only from a distiller, importer, rectifier, or a  
27 domestic wine producer. However, this restriction does not apply to the  
28 purchase of native wines.

29

30 SECTION 12. Arkansas Code § 3-4-1001(a)(1), concerning retail sale of  
31 alcoholic beverages at restaurants, is amended to read as follows:

32 (a)(1) In addition to all other existing alcoholic beverage permits  
33 authorized to be issued by the Alcoholic Beverage Control Division for the  
34 retail sale of alcoholic beverages, there is created a restaurant beer and  
35 wine permit, which authorizes the sale of beer, hard cider, and wine as  
36 defined in § 3-9-301(7) at restaurants as defined in § 3-9-301(6).



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SECTION 13. Arkansas Code § 3-5-105(a)(1), concerning beer festival permits, is amended to read as follows:

(a)(1) The Director of the Alcoholic Beverage Control Division may issue a temporary permit to authorize the following:

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

(B) The consumption by persons of legal age of beer and malt beverages, as defined by § 3-5-1202, and hard cider on the festival grounds;

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

(i) The distribution of beer, ~~and~~ malt beverages, and hard cider, as authorized in this section, shall be limited to the secure area as prescribed in subdivision (a)(1)(D) of this section; and

(ii) The distribution of beer, ~~and~~ malt beverages, and hard cider on Sunday, as authorized in this section, shall be limited to the hours between 12:00 noon and 10:00 p.m. central time and be limited to those areas where the retail sale and consumption of alcoholic beverages on Sunday has been approved pursuant to Arkansas law;

(D) The festival permittee to designate the permitted area on the festival grounds to be approved by the director, such that it is a secure area which will not allow unsupervised access and egress; and

(E) Participation in this event by any legal brewery, microbrewery, microbrewery-restaurant, distributor, wholesaler, brewpub, small brewery, hard cider manufacturer, or small brewery tap room, whether or not it is currently registered or its product is licensed in the State of Arkansas.

SECTION 14. Arkansas Code § 3-5-105(b)(4)(A), concerning wholesaler tax for products sold at beer festivals, is amended to read as follows:

(4)(A) The designated wholesaler shall pay the Miscellaneous Tax Section of the Office of Excise Tax Administration of the Department of Finance and Administration a wholesalers tax of \$7.507808 per barrel equal to

1 thirty-one gallons (31 gals.) for each barrel of beer, ~~or~~ malt beverage, or  
2 hard cider provided for this festival by any participant whose product is not  
3 currently licensed or registered in the State of Arkansas.

4  
5 SECTION 15. Arkansas Code § 3-5-105(f), concerning laws conflicting  
6 with a beer festival permit, is amended to read as follows:

7 (f) Every provision of this section shall be subject to all beer, ~~and~~  
8 malt beverage, and hard cider laws and regulations, except that conflicting  
9 beer, ~~and~~ malt beverage, and hard cider laws and regulations shall be  
10 inapplicable to any provision of this section to the extent that they  
11 conflict herewith.

12  
13 SECTION 16. Arkansas Code § 3-5-1405(a)(7), concerning alcoholic  
14 beverages authorized for on-premises consumption at a small brewery, is  
15 amended to read as follows:

16 (C) Hard cider.

17  
18 SECTION 17. Arkansas Code § 3-5-1602(c)(1), concerning the scope of a  
19 small farm winery license, is amended to add an additional subdivision to  
20 read as follows:

21 (H) Sell for on-premises or off-premises consumption hard  
22 cider manufactured by a hard cider manufacturer, if all sales occur in a wet  
23 territory.

24  
25 SECTION 18. Arkansas Code § 3-5-1801(3), concerning the definition of  
26 "wine", is amended to read as follows:

27 (3) "Wine" means port, wine, sherry wine, vermouth wine, or other  
28 wines manufactured within or without the State of Arkansas or hard cider, the  
29 alcoholic content of which does not exceed twenty-one percent (21%).

30  
31 SECTION 19. Arkansas Code § 3-5-1802(a) and (b), concerning permitted  
32 sales of alcohol for off-premises consumption, are amended to read as  
33 follows:

34 (a) A grocery store may apply to the Alcoholic Beverage Control Board  
35 for a grocery store wine permit.

36 (b)(1) A grocery store wine permit allows a permittee to purchase and

1 sell wine and hard cider for off-premises consumption at a single location.

2 (2) Wine and hard cider inventory orders or purchases, or both,  
3 shall be made only by a permittee for delivery to a single permitted  
4 location.

5 (3) An order of wine and hard cider inventory for one location  
6 shall not be combined with an order for another location in a manner that  
7 would result in a cumulative discount or quantity discount, or both.

8

9 SECTION 20. Arkansas Code § 3-5-1802(d)(1), concerning permitted sales  
10 of alcohol for off-premises consumption, is amended to read as follows:

11 (d)(1) For the privilege of selling wine and hard cider in a grocery  
12 store, each grocery store shall pay a grocery store wine permit fee based on  
13 the size of the permitted building space.

14

15 SECTION 21. Arkansas Code § 3-9-211 is amended to add an additional  
16 subsection to read as follows:

17 (d) A permit to sell alcoholic beverages for on-premises consumption  
18 includes the authority to sell hard cider.

19

20 SECTION 22. Arkansas Code § 3-9-303 is amended to read as follows:

21 3-9-303. Sale by licensed cafe or restaurant authorized –  
22 Restrictions.

23 (a) It shall be lawful for ~~any a~~ a cafe or restaurant, as defined in §  
24 3-9-301, in this state to sell wines, as defined in § 3-9-301, or hard cider  
25 for consumption with food served in ~~such the~~ the cafe or restaurant upon  
26 obtaining a license, and paying the fee therefor, from the Director of the  
27 Alcoholic Beverage Control Division as provided in this subchapter.

28 (b) However, it shall be unlawful for the director to issue ~~any a~~ a  
29 license to a cafe or restaurant for sales of wine or hard cider served with  
30 food in ~~any a~~ a city, county, township, or other area in this state wherein the  
31 sale and possession of wines or hard cider is unlawful.

32 (c) All licenses shall be renewed annually in the manner provided by  
33 law.

34 (d) The holder of a license to sell wine or hard cider in a restaurant  
35 or cafe, as defined in § 3-9-301, which is located in any city having a  
36 population of less than six hundred (600) persons and in a county having a

1 population of less than seventeen thousand five hundred (17,500) persons  
2 according to the 1990 Federal Decennial Census and within three (3) miles of  
3 a river which serves as a common boundary between that county and another  
4 state shall be entitled, in addition to other privileges inherent under the  
5 permit, to sell wine or hard cider in unopened containers from such  
6 restaurant for off-premises consumption.

7  
8 SECTION 23. Arkansas Code § 3-9-304 is amended to read as follows:

9 3-9-304. Sale by restaurant located near certain cities.

10 ~~Any~~ A restaurant, as defined in § 3-9-301, ~~which that~~ is located within  
11 two (2) miles of a city having a population of at least fifty-five thousand  
12 (55,000) but not more than sixty thousand (60,000) persons according to the  
13 1970 Federal Decennial Census, and in an area in which the sale of alcoholic  
14 beverages is lawful, shall be entitled to make application for and obtain a  
15 permit to serve wine or hard cider, or both, with food in such restaurants in  
16 the manner prescribed in this subchapter.

17  
18 SECTION 24. Arkansas Code § 3-9-305(a), concerning license  
19 applications for restaurant sale of wine, is amended to read as follows:

20 (a) ~~No~~ A license shall not be issued to ~~any~~ a person authorizing the  
21 sale of wine or hard cider, or both, at retail for consumption on the  
22 premises with food served in any cafe or restaurant unless the person ~~shall~~  
23 file files with the Director of the Alcoholic Beverage Control Division a  
24 verified application therefor, accompanied by the fee required by law, and  
25 shall state in the application that he or she possesses the following  
26 qualifications:

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

31 (2) The applicant has not been convicted of a felony or has not  
32 been convicted within five (5) years of the date of his or her application of  
33 any violation of the laws of this state or any other state relating to  
34 alcoholic beverages;

35 (3) The applicant has not had revoked within five (5) years next  
36 preceding his or her application any license issued to him or her pursuant to

1 the laws of this state or any other state to sell alcoholic liquor of any  
2 kind;

3 (4) The applicant shall be the owner of the premises for which  
4 the license is sought or the holder of an existing lease, buy-sell agreement,  
5 offer and acceptance, or option to lease thereon;

6 (5) If the applicant is a copartner, all members of the  
7 copartnership must be qualified to obtain a license;

8 (6)(A)(i) If the applicant is a corporation, the president and  
9 directors thereof, any stockholder owning more than five percent (5%) of the  
10 stock of such corporation who is not exempted under subdivision (6)(A)(ii) of  
11 this section, and the person or persons who shall conduct and manage the  
12 licensed premises for the corporation shall possess all the qualifications  
13 required herein for an individual license.

14 (ii) An applicant is not required to state the  
15 identity of its shareholders who are not the president or the director when  
16 the corporation:

17 (a) Is publicly traded on a nationally  
18 recognized stock exchange; or

19 (b) Holds at least ten (10) permits issued by  
20 the Alcoholic Beverage Control Division for the sale of alcoholic beverages.

21 (B) The requirement as to residence in the United States  
22 or citizenship of the United States shall not apply to officers, directors,  
23 and stockholders of the corporation, but the requirement shall apply to any  
24 officer, director, or stockholder who is also the manager of the licensed  
25 premises in any capacity in the conduct or operation of the licensed  
26 premises; and

27 (7) The cafe or restaurant making application for the license is  
28 primarily engaged in the business of serving foods to the public prepared for  
29 consumption on the premises and must be an established eating place within  
30 the rules and regulations promulgated by the Alcoholic Beverage Control Board  
31 as provided in § 3-9-301(6).

32

33 SECTION 25. Arkansas Code § 3-9-306 is amended to read as follows:

34 3-9-306. Prohibited acts.

35 ~~No~~ A holder of a license authorizing the sale of wine or hard cider, or  
36 both, for consumption with food served on the premises where sold, ~~nor any or~~

1 a servant, agent, or employee of the licensee, shall not do any of the  
2 following upon the licensed premises:

- 3 (1) Knowingly sell wine or hard cider to a minor;  
4 (2) Knowingly sell wine or hard cider to ~~any~~ a person while the  
5 person is in an intoxicated condition;  
6 (3) Sell wine or hard cider upon the licensed premises or permit  
7 wine or hard cider to be consumed thereon on any day or at any time when the  
8 sale or consumption is prohibited by law; or  
9 (4) Permit on the licensed premises any disorderly conduct,  
10 breach of peace, or any lewd, immoral, or improper entertainment, conduct, or  
11 practices.

12

13 SECTION 26. Arkansas Code § 3-9-602 is amended to read as follows:

14 3-9-602. Sale by licensed facility authorized – Restrictions.

15 (a) It ~~shall be~~ is lawful for ~~any~~ a facility in this state to sell  
16 wines or hard cider for consumption on the premises upon obtaining a license  
17 from the Director of the Alcoholic Beverage Control Division and paying the  
18 fee therefor, as provided in this subchapter.

19 (b) However, it shall be unlawful for the director to issue ~~any~~ a  
20 license to a facility for sales of wine or hard cider, or both, for  
21 consumption on the premises in ~~any~~ a city, county, township, or other area in  
22 this state wherein the sale and possession of wines or hard cider is  
23 unlawful.

24 (c) All licenses shall be renewed annually in the manner as is  
25 provided by law.

26

27 SECTION 27. Arkansas Code § 3-9-603(a), concerning license  
28 applications for on-premises wine consumption, is amended to read as follows:

29 (a) ~~No~~ A license shall not be issued to ~~any~~ a person authorizing the  
30 sale of wine or hard cider, or both, at retail for consumption on the  
31 premises unless the person ~~shall file~~ files with the Director of the  
32 Alcoholic Beverage Control Division a verified application therefor  
33 accompanied by the fee required by law and ~~shall state~~ states in the  
34 application that he or she possesses the following qualifications:

35 (1) The applicant is a person of good moral character, a citizen  
36 or resident alien of the United States, and a resident of the county in which

1 the permit will be operated or resides within thirty-five (35) miles of the  
2 address of the premises described in the application;

3 (2) The applicant must be a resident of the State of Arkansas on  
4 the date of the application and maintain such residency within the state as a  
5 continuing qualification to hold the permit issued by the Director of the  
6 Alcoholic Beverage Control Division;

7 (3) The applicant has never been convicted of a felony or has  
8 not been convicted within five (5) years of the date of his or her  
9 application of any violation of the laws of this state or any other state  
10 relating to alcoholic beverages;

11 (4) The applicant has not had revoked within five (5) years  
12 immediately preceding his or her application any license issued to him or her  
13 pursuant to the laws of this state or any other state to sell alcoholic  
14 liquor of any kind;

15 (5) The applicant must be the owner of the premises for which  
16 the license is sought or the holder of an existing lease, buy-sell agreement,  
17 offer and acceptance, or option to lease thereon;

18 (6) If the applicant is a copartner, all members of the  
19 copartnership must be qualified to obtain a license; and

20 (7)(A)(i) If the applicant is a corporation, the president and  
21 directors thereof, any stockholder owning more than five percent (5%) of the  
22 stock of such corporation who is not exempted under subdivision (a)(7)(A)(ii)  
23 of this section, and the person or persons who shall conduct and manage the  
24 licensed premises for the corporation shall possess all the qualifications  
25 required herein for an individual license.

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

29 (a) Is publicly traded on a nationally  
30 recognized stock exchange; or

31 (b) Holds at least ten (10) permits issued by  
32 the Alcoholic Beverage Control Division for the sale of alcoholic beverages.

33 (B) The requirement as to residence shall not apply to  
34 officers, directors, and stockholders of the corporation, but the requirement  
35 shall apply to any officer, director, or stockholder who is also the manager  
36 of the licensed premises in any capacity in the conduct or operation of the

1 licensed premises.

2

3 SECTION 28. Arkansas Code § 3-9-604 is amended to read as follows:

4 3-9-604. Prohibited acts.

5 ~~No~~ A holder of a license authorizing the sale of wine or hard cider, or  
6 both, for consumption on the premises where sold ~~nor any~~ or a servant, agent,  
7 or employee of the licensee shall not do any of the following upon the  
8 licensed premises:

9 (1) Knowingly sell wine or hard cider to a minor;

10 (2) Knowingly sell wine or hard cider to ~~any~~ a person while the  
11 person is in an intoxicated condition;

12 (3) Sell wine or hard cider upon the licensed premises or permit  
13 wine or hard cider to be consumed thereon on any day or at any time when the  
14 sale or consumption is prohibited by law; or

15 (4) Permit on the licensed premises any disorderly conduct,  
16 breach of the peace, or any lewd, immoral, or improper entertainment,  
17 conduct, or practices.

18

19 SECTION 29. Arkansas Code § 3-9-605 is amended to read as follows:

20 3-9-605. Penalties.

21 If ~~any~~ a facility licensed under this subchapter to sell wine or hard  
22 cider, or both, for consumption on the premises ~~shall violate any of the~~  
23 ~~provisions of~~ violates this subchapter or ~~any of the provisions of~~ the other  
24 laws of this state regarding the sale of wine or hard cider at retail, the  
25 owner or operator of the facility ~~shall be~~ is guilty of a Class B  
26 misdemeanor.

27

28

29 /s/L. Eads

30

31

32 **APPROVED: 4/4/19**

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