

RECEIVED

DEC 20 2019

BUREAU OF
LEGISLATIVE RESEARCH

MARKUP COPY

SUBTITLE J - HARD CIDER MANUFACTURER OPERATIONS

Section 2.77 "Hard Cider Manufacturer" means an establishment in Arkansas that does not produce for sale more than forty-five thousand (45,000) barrels per year of hard cider, the alcoholic content of which does not exceed twenty-one percent (21%); manufactures at its licensed facility no less than thirty-five percent (35%) of its hard cider to be sold in the state; and has a permit to manufacture, import, transport, store, and sell to a wholesaler, jobber, distributor, or retailer hard cider to be used and sold for beverage purposes as authorized under this section. In addition, the hard cider manufacturer permittee may include 1 tap room at its facility and may operate a restaurant in conjunction with its tap room, may maintain one (1) separate manufacturing facility, may export hard cider manufactured by the manufacturer out of the state, and may sell for on-premises and off-premises consumption as provided in ACA § 3-4-611.

Section 2.78 Hard Cider Manufacturer Permit Application. An application under this section shall: (1) Be in writing; (2) Be verified; (3) State in detail information concerning the applicant for the permit and the premises to be used by the applicant as required by the director; (4) Be accompanied by a certified check, cash, or postal money order for the amount required in subsection (f) of ACA 3-4-611; and shall be in accordance with all other application requirements found in ABC Rule section 1.20.

Section 2.79 Floor Plan to be Furnished with Application. Each person applying for a hard cider manufacturer permit as authorized by law shall submit with the application a floor plan of the permitted business that will identify the portion of the building that will be operated as the manufacturing facility and the portion that will be operated as the tap room or restaurant, if any. The manufacturing facility portion diagram will also show the size and location of various tanks or other devices that will be used to manufacture and store the products manufactured at such manufacturing facility. In addition, the applicant for the hard cider manufacturer permit must show or declare in his application, to the standards set by the Director as part of the application process, that he has met or will be able to meet the standards for hard cider manufacturing operations as set forth by the applicable Alcohol and Tobacco Tax and Trade Bureau regulations that may apply to the operation of a hard cider manufacturer.

Section 2.80 Separate Hard Cider Manufacturing Facility. A hard cider manufacturer permittee may maintain one (1) separate manufacturing facility for the production or storage of hard cider as needed to meet demand, except that each facility used by the hard cider manufacturer permittee shall not in the aggregate produce more than forty-five thousand (45,000) barrels of hard cider per year. Hard cider manufactured by a separate manufacturing facility of a hard cider manufacturing permittee shall be:

(i) Sold to a licensed wholesaler; or

(ii) Transported:

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

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

Section 2.80.1 Separate Hard Cider Manufacturing Facility - Application. A hard cider manufacturer permittee shall notify the Alcoholic Beverage Control of its intent to operate a separate hard cider manufacturing facility by providing the following documentation:

- (1) A completed Separate Hard Cider Manufacturer Facility application form;
- (2) A floor plan of the proposed premises;
- (3) At least four (4) photographs of the proposed premises, depicting the front, back, and sides of the building;
- (4) Copies of any permits required by the Alcohol and Tobacco Tax and Trade Bureau for production at the location, if applicable; and
- (5) Certification that the proposed facility is in compliance with any local zoning requirements for the location.

Upon receipt of the required documentation, the Alcoholic Beverage Control shall issue an endorsement to the hard cider manufacturer permittee. The endorsement shall be posted on the premises in compliance with the specifications set forth in Section 1.37.

Section 2.81 Hard Cider Manufacturing Tap Room - Application. The hard cider manufacturer permittee may include 1 tap room at its main facility and may operate a restaurant in conjunction with its tap room. The hard cider manufacturer permittee shall complete an application for a hard cider manufacturer tap room. The same posting, publication and notice requirements of applicants for a retail beer permit shall apply to hard cider manufacturer tap room applicants. Hard cider manufacturer permittees shall designate a managing agent for the tap room and permittees shall notify the Alcoholic Beverage Control of any change in the managing agent. The managing agent shall either live in the same county as the location of the tap room or within thirty five (35) miles of the tap room. Upon submission to the ABC of the required application and completion of the posting, publication, and notice requirements, the Director of the ABC may issue an endorsement to the Hard Cider Manufacturer Permittee for the operation of a Hard Cider Manufacturer Tap Room. The endorsement shall be posted on the premises of the tap room in compliance with the specifications set forth in Section 1.37. If the Director refuses to issue the Tap Room endorsement to the hard cider manufacturer permittee, the Director's decision may be appealed to the Alcoholic Beverage Control Board pursuant to Section 1.51.

Section 2.82 Distribution of Hard Cider Manufacturer Products. A Hard Cider Manufacturer may sell, deliver, or transport hard cider manufactured by the hard cider manufacturer to:

- Wholesalers;
- Retail license holders;
- Small brewery license holders;
- Small winery license holders;
- Microbrewery-restaurant license holders; and
- Distillers;

A hard cider manufacturer may only sell, deliver, or transport hard cider produced on the premises of the hard cider manufacturer under this section if the total production of the permitted hard cider manufacturer does not exceed fifteen thousand (15,000) barrels of hard

cider per year from all facilities under common ownership with the hard cider manufacturer. Each permitted hard cider manufacturer shall submit documentation of production each year to renew the permit with the Alcoholic Beverage Control Division.

A hard cider manufacturer may distribute no more than fifteen thousand (15,000) barrels per year.

To sell and transport hard cider to the permittees listed above under this section, the hard cider manufacturing permit holder shall obtain a hard cider manufacturing wholesale permit.

Section 2.83 Disposition of Hard Cider Manufacturer Products.

(1) A hard cider manufacturer permittee may sell for on-premises or off-premises consumption by the drink or by the package hard cider manufactured by the hard cider manufacturer if the manufacturer provides tours through its facility; and if during all legal operating hours in which business is normally and legally conducted on the premises. Only sealed containers may be removed from the premises.

(2) A hard cider manufacturer permittee may also sell for on-premises consumption hard cider purchased from wholesalers licensed by the state, wine, beer, and malt beverages purchased from wholesalers;

(3) If a hard cider manufacturer permittee has an endorsed taproom, it may sell for on-premises consumption spirituous liquors (authorized and effective only in cities and counties, or portions of cities and counties, in which the manufacture or sale of intoxicating liquor is not prohibited as a result of a local option election held under Initiated Act No. 1 of 1942, §§ 3-8-201 — 3-8-203 and 3-8-205 — 3-8-209, and in which the sale of alcoholic beverages for on-premises consumption has been approved by a majority vote at a referendum election as provided).

(4) A hard cider manufacturer permittee may donate hard cider it manufactures to a charitable or non-profit corporation on the same basis as a manufacturer under the provisions of Section 2.28(6) of these Regulations or the hard cider manufacturer may sell for resale the products that it manufactures to charitable or non-profit organizations holding valid temporary permits as provided for by the Alcoholic Beverage Control Division, except they may not sell to non-profit organizations holding private club licenses except as provided in subparagraph number 5 below of this Section. The sale of said products shall be limited to the duration of the particular temporary permitted activity

(5) A hard cider manufacturer permittee may sell at retail hard cider manufactured by the manufacturer at fairs and festivals with the permission and the consent of the management of the events if the sale occurs in a wet area.

Section 2.84 Samples and Tasting Events May be Offered. The hard cider manufacturer permittee may serve on its premises complimentary samples of hard cider manufactured by the manufacturer and may conduct hard cider-tasting events for educational or promotional purposes. Before an authorization for a tasting event is issued, the manufacturer shall provide written notice of the hard cider-tasting event at least two (2) weeks before the event. A hard cider-tasting event shall be held in any facility licensed by the division in a wet territory of this state.

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).

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31

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**

33

34

35

36