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SUBTITLE K – DISTILLERS OR MANUFACTURERS

Section 2.85 Disposition of Distiller or Liquor Manufacturer Products. Subject to all other product disposition rules, unless specifically allowed under this rule section, a distiller or liquor manufacturer is permitted to sell, serve, or otherwise dispose of controlled beverage product it produces or otherwise procures as follows:

- (1) A distiller or manufacturer may sell, deliver, and transport any liquor product to a wholesaler or rectifier;
- (2) A distiller or manufacturer may export any liquor product from this state;
- (3) A distiller or manufacturer may sell for off-premises consumption on any day of the week, including Sunday, its own spiritous or vinous liquor product produced either at its in-state premises or its out-of-state premises;
- (4) A distiller or manufacturer may sell for on-premises consumption its own liquor, wine, beer, or malt liquor product produced either at its in-state premises or its out-of-state premises;
- (5) A distiller or manufacturer may sell for on-premises consumption any liquor product it purchases from an in-state permitted wholesaler;
- (6) A distiller or manufacturer may serve for on-premises consumption complimentary samples of any liquor product it produces either in-state or out-of-state;
- (7) If a distiller's or manufacturer's permitted location is in a wet territory, that distiller or manufacturer may sell by the drink or by the retail package any spiritous or vinous liquor product produced on the premises, provided that only sealed containers may be removed from the premises;
- (8) A distiller or manufacturer may donate its liquor product 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;
- (9) A distiller or manufacturer may sell for resale its liquor product to charitable or non-profit organizations holding valid temporary permits as provided for by the Alcoholic Beverage Control Division, except that a distiller or manufacturer may sell to non-profit organizations holding private club licenses only as provided in subparagraph number 5 below of this Section. Sales of a distiller's or manufacturer's liquor products to a temporary permitted location shall be limited to the duration of the temporary permitted activity.

SUMMARY OF SUBSTANTIVE CHANGES

Subtitle K is a new addition resulting from Act 740 of 2019. The Act amends the Distiller or Liquor Manufacturer permit and defines operations, and specifically authorizes off-premises and on-premises sales of vinous liquor and authorizes vinous liquor tasting events, and this subtitle reflects those legislative changes.

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1 State of Arkansas
2 92nd General Assembly
3 Regular Session, 2019
4

A Bill

SENATE BILL 562

5 By: Senator D. Wallace
6 By: Representative A. Davis
7

For An Act To Be Entitled

9 AN ACT TO AMEND THE LAW REGARDING A DISTILLER OR
10 MANUFACTURER PERMIT; TO AUTHORIZE OFF-PREMISES SALES
11 OF VINOUS LIQUOR FOR CONSUMPTION; TO AUTHORIZE ON-
12 PREMISES SALES OF VINOUS LIQUOR BY THE DRINK; TO
13 AUTHORIZE A VINOUS LIQUOR TASTING EVENT; AND FOR
14 OTHER PURPOSES.
15
16

Subtitle

17
18 TO AMEND THE LAW REGARDING A DISTILLER OR
19 MANUFACTURER PERMIT; TO AUTHORIZE OFF-
20 PREMISES SALES OF VINOUS LIQUOR; TO
21 AUTHORIZE ON-PREMISES SALES OF VINOUS
22 LIQUOR BY THE DRINK; AND TO AUTHORIZE A
23 VINOUS LIQUOR TASTING EVENT.
24
25

26 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
27

28 SECTION 1. Arkansas Code § 3-4-602 is amended to read as follows:
29 3-4-602. Distillers or manufacturers.

30 (a) Any person may apply to the Director of the Alcoholic Beverage
31 Control Division for a permit to manufacture, distill, import, transport,
32 store, and sell to a wholesaler, jobber, or distributor spirituous, vinous
33 (except small farm wines), or malt liquors to be used and sold for beverage
34 purposes.

35 (b) The application shall be in writing and verified and shall set
36 forth in detail such information concerning the applicant for the permit and



1 the premises to be used therefor as the director shall require.

2 (c) The application shall be accompanied by a certified check, cash,
3 or postal money order for the amount required by this act for the permit.

4 (d) If the director ~~shall grant~~ grants the application, he or she
5 shall issue a permit in such form as shall be determined by rules and
6 regulations established by the director.

7 (e) The permit shall contain a description of the premises to be used
8 by the applicant and in form and in substance shall be a permit to the person
9 therein specifically designated to manufacture, distill, transport, and sell
10 to a wholesaler, jobber, or distributor spirituous, vinous (except small farm
11 wines), or malt liquors in or from the premises therein specifically
12 authorized.

13 (f) No distiller or manufacturer shall sell or contract to sell any
14 spirituous, vinous (except small farm wines), or malt liquors referred to
15 herein to any wholesaler, distributor, or jobber, or to any other person who
16 is not duly authorized under this act to receive, possess, transport,
17 distribute, or sell those liquors.

18 (g) Under rules adopted by the director, a distiller or manufacturer
19 may:

20 (1) Sell, deliver, or transport to wholesalers;

21 (2) Sell, deliver, or transport to rectifiers;

22 (3) Export out of the state;

23 (4) Sell for off-premises consumption spirituous or vinous
24 liquors the distiller or manufacturer manufactures on any day of the week;

25 (5) Serve on the premises complimentary samples of liquors
26 produced by the distiller or manufacturer;

27 (6) Sell at retail, by the drink or by the package, spirituous
28 or vinous liquors produced on the premises of the distillery if all sales
29 occur in a wet territory; and

30 (7) Sell for consumption on the premises of the manufacturer:

31 (A) Liquors produced by the manufacturer or liquors that
32 the manufacturer may purchase from wholesalers licensed by the state;

33 (B) Wine;

34 (C) Beer; and

35 (D) Malt liquor.

36 (h)(1) For the privilege of distilling spirituous liquors or

1 manufacturing malt liquors, each person engaged in distilling spirituous
2 liquors or manufacturing malt liquors shall pay an annual permit fee of three
3 hundred dollars (\$300) for each manufacturing or distilling plant.

4 (2) For the privilege of manufacturing vinous liquors (except
5 small farm wines), there is assessed and there shall be paid an annual permit
6 fee of and by every person engaged therein. The permit fee shall be in the
7 sum of five hundred dollars (\$500) for each ~~and every~~ manufacturing plant.

8 (3) However, for the privilege of distilling brandy or
9 spirituous liquors for use only in the fortifying of native wines, which are
10 wines manufactured from the juices of grapes, berries, and other fruits or
11 vegetables grown in this state, there shall be collected an annual permit fee
12 of two hundred fifty dollars (\$250) for each manufacturing or distilling
13 plant.

14 (i) Liquors may be sold for on-premises sale or off-premises sale, or
15 both, for consumption during all legal operating hours in which business is
16 normally and legally conducted on the premises, if:

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

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

19 (j)(1) A manufacturer may provide liquor it manufactures to charitable
20 or nonprofit organizations or sell for resale liquor it manufactures to
21 charitable or nonprofit organizations holding valid special event permits
22 issued by the Alcoholic Beverage Control Board.

23 (2) The sale of products under subdivision (j)(1) of this
24 section is limited to the duration of the particular special event.

25 (k)(1) If approved by the Alcoholic Beverage Control Division and if
26 the division receives written notice at least five (5) days before the event,
27 the division may authorize a distiller or manufacturer to conduct a
28 spirituous or vinous liquor tasting event for educational or promotional
29 purposes at any location in a wet area of this state.

30 (2)(A) Before an authorization is issued under subdivision
31 (k)(1) of this section, the division shall receive written notice of the
32 spirituous or vinous liquor tasting event at least two (2) weeks before the
33 event.

34 (B) A spirituous or vinous liquor tasting event may be
35 held under this subsection (k) in any facility licensed by the division in a
36 wet area of this state.

APPROVED: 4/5/19