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SUBTITLE K – DISTILLERS OR LIQUOR MANUFACTURER OPERATIONS

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 sell, deliver, and transport to permitted retailers not more than fifteen thousand (15,000) nine-liter-equivalent cases or thirty-five thousand six hundred sixty-seven gallons (35,667 gals.) of spiritous liquor produced by the distiller or manufacturer per year.

~~(2)~~ (3) A distiller or manufacturer may export any liquor product from this state;

~~(3)~~ (4) 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)~~ (5) 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)~~ (6) A distiller or manufacturer may sell for on-premises consumption any liquor product it purchases from an in-state permitted wholesaler;

~~(6)~~ (7) 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)~~ (8) 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)~~ (9) 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)~~ (10) 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 four (4) 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

Act 706 of 2021 modifies Ark. Code Ann. §3-4-602 to allow a distiller to self-distribute licensed retailers not more than fifteen thousand (15,000) nine-liter-equivalent cases or thirty-five thousand six hundred sixty-seven gallons (35,667 gals.) of spirituous liquors per year.

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1 State of Arkansas As Engrossed: H3/22/21 H3/29/21 H4/1/21

2 93rd General Assembly

A Bill

3 Regular Session, 2021

HOUSE BILL 1763

4

5 By: Representatives Christiansen, Warren, Cozart, Haak, D. Garner, Rye, Tollett, Penzo

6 By: Senators L. Eads, C. Tucker, Hill, G. Leding

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For An Act To Be Entitled

9

AN ACT TO AMEND THE LAW REGARDING ARKANSAS

10

DISTILLERIES; TO AUTHORIZE SELF-DISTRIBUTION; TO

11

DECLARE AN EMERGENCY; AND FOR OTHER PURPOSES.

12

13

14

Subtitle

15

TO AMEND THE LAW REGARDING ARKANSAS

16

DISTILLERIES; TO AUTHORIZE SELF-

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DISTRIBUTION; AND TO DECLARE AN

18

EMERGENCY.

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

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SECTION 1. Arkansas Code § 3-4-602(g), concerning the alcoholic beverage permit for distillers or manufacturers, is amended to read as follows:

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

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

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

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(3) ~~Export out of the state;~~ Sell, deliver, or transport to

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licensed retailers not more than fifteen thousand (15,000) nine-liter-

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equivalent cases or thirty-five thousand six hundred sixty-seven gallons

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(35,667 gals.) of spirituous liquors per year;

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(4) Export out of the state;

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~~(4)-(5)~~ Sell for off-premises consumption spirituous or vinous

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liquors the distiller or manufacturer manufactures *on any day of the week;*



1 ~~(5)~~(6) Serve on the premises complimentary samples of liquors
2 produced by the distiller or manufacturer;

3 ~~(6)~~(7) Sell at retail, by the drink or by the package,
4 spirituous or vinous liquors produced on the premises of the distillery if
5 all sales occur in a wet territory; and

6 ~~(7)~~(8) Sell for consumption on the premises of the manufacturer:

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

9 (B) Wine;

10 (C) Beer; and

11 (D) Malt liquor.
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13 SECTION 2. EMERGENCY CLAUSE. It is found and determined by the
14 General Assembly of the State of Arkansas that this act is essential to the
15 preservation of the public peace, health, and safety and to the operation of
16 the alcohol laws in the State of Arkansas; that this act eliminates
17 conflicting language and allows consistent application of alcohol laws; that
18 this act is immediately necessary due to the substantial growth and continued
19 expansion of the distilling industry in Arkansas; that clear and consistent
20 application of the law to the distilling industry is in the public's
21 immediate interest as is controlling the distribution of alcoholic beverages
22 within the state. Therefore, an emergency is declared to exist, and this act
23 being immediately necessary for the preservation of the public peace, health,
24 and safety shall become effective on:

25 (1) The date of its approval by the Governor;

26 (2) If the bill is neither approved nor vetoed by the Governor,
27 the expiration of the period of time during which the Governor may veto the
28 bill; or

29 (3) If the bill is vetoed by the Governor and the veto is
30 overridden, the date the last house overrides the veto.
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32 /s/Christiansen
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35 **APPROVED: 4/14/21**
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