

2 State of Arkansas  
3 90th General Assembly  
4 Regular Session, 2015

# A Bill

DRAFT MGF/LNS  
HOUSE BILL

5  
6 By: Representative Hammer

7 Filed with: Joint Performance Review Committee  
8 pursuant to A.C.A. §10-3-217.

## 9 For An Act To Be Entitled

10 AN ACT TO LIMIT THE ISSUANCE OF PERMITS FOR THE OFF-  
11 PREMISES SALE OF BEER AND WINE IN PROXIMITY TO  
12 CHURCHES AND SCHOOLS; AND FOR OTHER PURPOSES.

## 13 14 15 Subtitle

16 TO LIMIT THE ISSUANCE OF PERMITS FOR THE  
17 OFF-PREMISES SALE OF BEER AND WINE IN  
18 PROXIMITY TO CHURCHES AND SCHOOLS.

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21 WHEREAS, the provisions concerning alcoholic beverages in Title 3 of  
22 the Arkansas Code were enacted beginning in 1933 with the repeal of the  
23 Eighteenth Amendment to the United States Arkansas Constitution whereby the  
24 entire state became “wet,” with prohibition to be determined on a county-by-  
25 county basis; and

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27 WHEREAS, a 1935 state law mandated that, in order to hold a referendum  
28 on the matter of prohibition, a petition had to be signed by at least thirty-  
29 five percent (35%) of a county’s electorate; and

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31 WHEREAS, by the end of the twentieth century, the lines between wet and  
32 dry counties had solidified, with forty-three (43) counties dry and thirty-  
33 two (32) wet; and

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35 WHEREAS, a 1993 bill essentially updated the 1935 legislation,  
36 restricting referendums on county-wide prohibition to once every four (4)

1 years. Yet in order to get on the ballot, thirty-eight percent (38%) of the  
2 electorate was required to sign a petition; and

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4 WHEREAS, in 2003, the state Alcohol Beverage Control Board began  
5 arbitrarily expanding the methods of administering the state's laws, including  
6 the discretionary modification of rules and standards; and

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8 WHEREAS, throughout nominally dry counties, private clubs that serve  
9 alcohol proliferate, the largest number having been in Benton County, prior  
10 to citizens voting that county wet in 2012; and

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12 WHEREAS, in November 2014, a ballot initiative to approve alcohol sales  
13 statewide failed, while during the same election Saline County and Columbia  
14 County approved the sale of alcohol, evidencing that prohibition of alcohol  
15 remains a county-by-county issue in Arkansas and upholding the intent of the  
16 18th amendment; and

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18 WHEREAS, the question of Arkansas's role in the sale and control of  
19 alcohol has not been studied in a comprehensive way in forty-one (41) years;  
20 and

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22 WHEREAS, this lack of an overall stated alcohol policy has resulted in  
23 an enigmatic labyrinth of inconsistent alcohol laws, many of which are  
24 obsolete and in need of revision; and

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26 WHEREAS, a legislative study of the liquor laws, including free-market  
27 business approaches, which would make recommendations for the general  
28 updating and revision of the state's liquor laws, while also making  
29 recommendations for any fundamental change in the policies underlying the  
30 laws, would enhance legislative oversight and be useful to the legislature  
31 and the people of Arkansas; and

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33 WHEREAS, the potential state revenue and financial impact of state-  
34 controlled sale of alcohol by other states, has not previously been  
35 considered by our General Assembly; and

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1           WHEREAS, any unintended consequences from a transformation of the  
2 state's liquor laws and all potential state revenue sources should be  
3 considered by the stewards of this state,  
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5 NOW THEREFORE,

6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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8           SECTION 1. Arkansas Code § 3-5-207(a), concerning the scope of state  
9 permits for the sale of beer and light wines is amended to read as follows:

10           (a)(1) Except as provided in subsection (b) of this section, any permit  
11 issued under the provisions of § 3-5-206 authorizing the sale of light wines  
12 or beer for consumption under the provisions prescribed in the permit shall  
13 be construed to authorize the sale of such liquor by the bottle, by the glass  
14 or draught, and in or from the original package.

15           (2) A new permit under this subchapter shall not be issued by  
16 the Director of the Alcoholic Beverage Control Division for a business  
17 located within one thousand feet (1,000') of the property line of a church or  
18 schoolhouse; and

19           (3)(A) An existing permit under this subchapter shall not be  
20 transferred to a location within one thousand feet (1,000') of the property  
21 line of any church or schoolhouse.

22           (B) As an exception to subdivision (a)(3)(A) of this  
23 section, if a business permitted for under this subchapter already exists  
24 within one thousand feet (1,000') of the property line of one (1) or more  
25 churches or schoolhouses, that the permit may be transferred to a new  
26 location that is within one thousand feet (1,000') of the property line of  
27 the closest church or schoolhouse to the present business location if the new  
28 location is determined by the Alcoholic Beverage Control Division to serve  
29 the public convenience and advantage.

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31           SECTION 2. Arkansas Code § 3-5-226, concerning the on-premises sale of  
32 beer by breweries, is amended to add an additional subsection to read as  
33 follows:

34           (c)(1) A new permit under this subchapter shall not be issued by the  
35 Director of the Alcoholic Beverage Control Division for the location of a

1 business situated within one thousand feet (1,000') of the property line of a  
2 church or schoolhouse; and

3 (2)(A) An existing permit under this subchapter shall not be  
4 transferred to a location within one thousand feet (1,000') of the property  
5 line of any church or schoolhouse.

6 (B) As an exception to subdivision (c)(2)(A) of this  
7 section, if a business permitted under this subchapter already exists within  
8 one thousand feet (1,000') of the property line of one (1) or more churches  
9 or schoolhouses, that the permit may be transferred to a new location that is  
10 within one thousand feet (1,000') of the property line of the closest church  
11 or schoolhouse to the present business location if the new location is  
12 determined by the Alcoholic Beverage Control Division to serve the public  
13 convenience and advantage.

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15 SECTION 3. Arkansas Code § 3-5-1204, concerning licenses for  
16 microbrewery-restaurants, is amended to add an additional subsection to read  
17 as follows:

18 (d)(1) A new permit under this subchapter shall not be issued by the  
19 director for the location of a business situated within one thousand feet  
20 (1,000') of the property line of a church or schoolhouse; and

21 (2)(A) An existing permit under this subchapter shall not be  
22 transferred to a location within one thousand feet (1,000') of the property  
23 line of any church or schoolhouse.

24 (B) As an exception to subdivision (d)(2)(A) of this  
25 section, if a business permitted under this subchapter already exists within  
26 one thousand feet (1,000') of the property line of one (1) or more churches  
27 or schoolhouses, that the permit may be transferred to a new location that is  
28 within one thousand feet (1,000') of the property line of the closest church  
29 or schoolhouse to the present business location if the new location is  
30 determined by the Alcoholic Beverage Control Division to serve the public  
31 convenience and advantage.

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33 SECTION 4. Arkansas Code § 3-5-1405, concerning licenses for small  
34 breweries, is amended to add an additional subsection to read as follows:

1       (e)(1) A new permit under this subchapter shall not be issued by the  
2 director for the location of a business situated within one thousand feet  
3 (1,000') of the property line of a church or schoolhouse; and

4               (2)(A) An existing permit under this subchapter shall not be  
5 transferred to a location within one thousand feet (1,000') of the property  
6 line of any church or schoolhouse.

7               (B) As an exception to subdivision (e)(2)(A) of this  
8 section, if a business permitted under this subchapter already exists within  
9 one thousand feet (1,000') of the property line of one (1) or more churches  
10 or schoolhouses, that the permit may be transferred to a new location that is  
11 within one thousand feet (1,000') of the property line of the closest church  
12 or schoolhouse to the present business location if the new location is  
13 determined by the Alcoholic Beverage Control Division to serve the public  
14 convenience and advantage.

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16       SECTION 5. Arkansas Code § 3-5-1602, concerning licensing of small  
17 farm wineries, is amended to add an additional subsection to read as follows:

18       (e)(1) A new permit under this subchapter shall not be issued by the  
19 Director of the Alcoholic Beverage Control Division for the location of a  
20 business situated within one thousand feet (1,000') of the property line of a  
21 church or schoolhouse; and

22               (2)(A) An existing permit under this subchapter shall not be  
23 transferred to a location within one thousand feet (1,000') of the property  
24 line of any church or schoolhouse.

25               (B) As an exception to subdivision (c)(2)(A) of this  
26 section, if a business permitted under this subchapter already exists within  
27 one thousand feet (1,000') of the property line of one (1) or more churches  
28 or schoolhouses, that the permit may be transferred to a new location that is  
29 within one thousand feet (1,000') of the property line of the closest church  
30 or schoolhouse to the present business location if the new location is  
31 determined by the Alcoholic Beverage Control Division to serve the public  
32 convenience and advantage.

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35 Referral requested by: Representative Kim Hammer

36 Prepared by: KFW

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