

ARKANSAS SENATE
92nd General Assembly - Regular Session, 2019
Amendment Form

Subtitle of Senate Bill No. 348

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

Amendment No. 2 to Senate Bill 348

Amend Senate Bill No. 348 as engrossed, S2/26/19 (version: 2/26/2019 10:23:13 AM)

Delete SECTION 1 in its entirety and substitute the following:

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

3-4-611. Hard cider manufacturing permit.

(a) A person may apply to the Director of the Alcoholic Beverage Control Division for 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.

(b) 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; and

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

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

(d) A permit under this section shall:

(1) Contain a description of the premises to be used by the



applicant; and

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

(e) A hard cider manufacturer may:

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

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

(i) Wholesalers;

(ii) Retail license holders;

(iii) Small brewery license holders;

(iv) Small winery license holders;

(v) Microbrewery-restaurant license holders; and

(vi) Distillers;

(B)(i) A hard cider manufacturer may only sell, deliver, or transport hard cider produced on the premises of the hard cider manufacturer under subdivision (e)(2)(A) of 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.

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

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

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

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

(3)(A) 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.

(B) 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.

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

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

(6) Serve on the premises:

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

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

(ii) Subdivision (e)(6)(B)(i) of this section authorizing on-premises consumption is 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 in this chapter;

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

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

(A) Hard cider manufactured by the manufacturer;

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

(C) Wine;

(D) Beer; and

(E) Malt beverages;

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

(10) Sell 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 and the hard cider sold is for consumption by persons of legal age.

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

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

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

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

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

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

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

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

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

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

(3) A hard cider manufacturer in this state may ship hard cider it manufactures within the state by common carrier or other appropriate

parcel delivery service, and common carriers and other appropriate parcel delivery services may accept hard cider from Arkansas manufacturers for delivery within the state if the hard cider is shipped only to persons holding a wholesale permit to purchase, store, sell, or dispense hard cider.

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

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

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

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

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

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

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

The Amendment was read the first time, rules suspended and read the second time and _____

By: Senator L. Eads
CRH/CRH - 03-04-2019 21:18:35
CRH094

Secretary