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## MARKUP COPY

BUTTEAU OF LEGISLATIVE RESEARCH

Section 2.19 Labels and Size of Containers to be Approved by Director.

The contents of all labels affixed to containers of controlled beverages and the size and combination of such containers shall be approved by the Director. In no event shall any label or design be approved by the Director which contains any statement, design, device or representation which is obscene or indecent. Any product that does not meet the criteria for TTB COLA or Certification of Exemption, (such as IRC beers or ciders under 7% ABV), shall submit the following: proposed label(s), lab certificate of analysis, and a certification that the product does not qualify for TTB COLA or Certificate of Exemption. Any Primary American Source (PAS) submitting a brand registration to the agency for distribution of a product shall, in addition to all other requirements, submit to the Alcoholic Beverage Control Division a copy of the Alcohol and Tobacco Tax and Trade Bureau (TTB) Certificate of Label Approval (COLA) or a Certificate of Exemption from label approval. Any PAS that wishes to register a product for sale where the PAS has obtained a Certificate of Exemption from the TTB and any PAS that cannot be issued a COLA or Certificate of Exemption by TTB shall certify to the Director that the labels will still comply with TTB labeling criteria as found in the "Federal Alcohol Administration Act" Title 27 CFR Subchapter A -Liquors, Part 4, Subpart D, Section 4.39, Part 5, Subpart D, Section 5.42, Part 7, Subpart C, Section 7.29. Beer, light wine, and malt beverage products may submit a COLA with an updated label; provided only amended labels with TTB permitted changes will be accepted. If the ABV on the amended label differs from the COLA, a certificate of lab analysis must accompany the submission. In no instance shall permitted containers of spirituous beverages be less than one hundred (100) ml, vinous beverages or wine be less than one hundred eighty-seven (187) ml or beer or malt liquor be less than one hundred sixty-nine (169) ml or five and seventy-five hundredths (5.75) ounces. (Amended 8-16-11)

## SUMMARY OF SUBSTANTIVE CHANGES

This update will permit brand label registration, and in turn distribution into Arkansas, of products that do not qualify for a TTB COLA such as the ones described. This update also relaxes the rule for registering beer and malt beverage products. The TTB has relaxed its rules for COLA issuance and in numerous circumstances, does not require a new COLA for modifications to an existing label. In addition, the TTB will not issue a certificate of exemption for any products that will be shipped interstate. This has resulted in confusion and additional red tape for manufacturers who are trying to import products. Arkansas Code § 3-2-409 never required TTB COLA for beer, malt beverage, or light wine. This rule keeps the requirement of a COLA for these beer and malt beverages, but will allow new labels that have been modified from their original TTB COLA.