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Section 2.16 Manufacturers to Register Brands of Controlled Beverages; Manufacturers and Wholesalers Not to Change Brands Without Approval of Director.

- (2) Every manufacturer, importer or producer of spirituous and vinous beverages doing business in the State of Arkansas shall submit to the Alcoholic Beverage Control Division one (1) Alcohol and Tobacco Tax and Trade Bureau Certificate of Label Approval for each brand of spirituous and vinous beverages and the brand label extension of each brand of spirituous and vinous beverages to be shipped for the first time by the shipper into or within the state and shall designate in the application for registration one (1) licensed liquor wholesaler in the state, who shall be the exclusive distributor of such brand or label within the state. Such designated wholesaler shall be initially approved by the Director and shall not be changed nor initially disapproved except for good cause, and the Director shall determine good cause after a hearing pursuant to the provisions set out in this Rule. Any brands or labels previously registered in this state, and which have subsequently been withdrawn from distribution in this state, shall be treated in the same manner as the initial registration of brands or labels and are subject to the provisions hereof.

A brand label and brand label extension shall be registered by the supplier before the first shipment of each brand label and brand label extension into or within the state on or after July 1, 2013. A copy of the Alcohol Tobacco Tax and Trade Bureau Certificate of Label Approval for each brand label and brand label extension shall be submitted with the registration of each brand label and brand label extension.

The registration of a brand label and a brand label extension shall: 1)Be in writing or electronically submitted, 2)Be verified if it is submitted in writing, and 3)Set forth information as the Director of the Alcoholic Beverage Control Division requires.

Each Alcohol and Tobacco Tax and Trade Bureau Certificate of Label Approval submitted for registration shall be accompanied by a registration fee of fifteen dollars (\$15.00) payable by check, cash, money order, or electronic payment.

All brand label and brand label extensions shall be renewed annually.

In addition to the label registration process provided above, spiritous liquor beverages classified as ready-to-drink products containing spiritous liquor with a final finished product of no

greater than fifteen percent (15%) alcohol by weight may also be registered under A.C.A. § 3-2-409.

SUMMARY OF SUBSTANTIVE CHANGES

Act 578 of 2021 authorizes manufactures, importers or producers of spiritous liquor beverages, classified as ready-to-drink products containing spiritous liquor with a final finished product of no greater than fifteen percent (15%) alcohol by weigh, to register their brand labels in the same manner as beer or malt products.

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1 State of Arkansas
2 93rd General Assembly
3 Regular Session, 2021
4

As Engrossed: S3/29/21

A Bill

SENATE BILL 554

5 By: Senator M. Johnson
6

For An Act To Be Entitled

8 AN ACT TO AMEND THE LAW REGARDING ALCOHOLIC
9 BEVERAGES; TO AUTHORIZE BEER WHOLESALERS TO
10 DISTRIBUTE CERTAIN READY-TO-DRINK PRODUCTS; AND FOR
11 OTHER PURPOSES.
12
13

Subtitle

14 TO AMEND THE LAW REGARDING ALCOHOLIC
15 BEVERAGES; AND TO AUTHORIZE BEER
16 WHOLESALERS TO DISTRIBUTE CERTAIN READY-
17 TO-DRINK PRODUCTS.
18
19
20

21 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
22

23 *SECTION 1. Arkansas Code § 3-2-403(b), concerning manufacturers,*
24 *importers, or producers of spirituous and vinous beverages, is amended to add*
25 *an additional subdivision to read as follows:*

26 *(3) Spirituous liquor beverages classified as a ready-to-drink*
27 *product containing spirituous liquor with a final finished product of no*
28 *greater than fifteen percent (15%) alcohol by weight may be registered under*
29 *§ 3-2-409 pursuant to rules adopted by the division.*
30

31 *SECTION 2. Arkansas Code § 3-2-409 is amended to read as follows:*

32 *3-2-409. Beer, malt products, or light wine.*

33 *(a)(1) Every manufacturer or importer of beer or other malt products*
34 *or light wine doing business in the State of Arkansas shall submit to the*
35 *Alcoholic Beverage Control Division one (1) label for each brand of beer or*
36 *malt product or light wine to be shipped for the first time into or within*



1 the state and shall designate within the application for registration any
2 number of wholesalers in the state, each of whom shall be the exclusive
3 distributor of such brand within the geographical territory assigned by the
4 manufacturer or importer to such wholesaler.

5 (2) A wholesaler of beer and light wine may sell:

6 (A) Ready-to-drink products containing spirituous liquor
7 with a final finished product of no greater than fifteen percent (15%)
8 alcohol by weight; and

9 (B) Malt liquor.

10 (b) Transfers of brands of malt products or light wine or changes in
11 geographical distribution areas assigned shall not be subject to the
12 provisions set out above for spirituous or vinous products so long as any
13 such manufacturer or importer has complied with the filing provisions of
14 applicable law.

15 (c) This section does not create a dual distributorship.

16 (d) The division shall promulgate rules regarding the distribution of
17 ready-to-drink products containing spirituous liquor with a final finished
18 product of no greater than fifteen percent (15%) alcohol by weight and malt
19 liquor.

20
21 SECTION 3. Arkansas Code § 3-5-101 is amended to read as follows:

22 3-5-101. Wholesaler of beer and light wine may sell malt liquor and
23 certain ready-to-drink products.

24 A person, firm, or corporation having a permit to sell beer and light
25 wine at wholesale shall be permitted to sell to liquor retailers:

26 (1) ~~malt~~ Malt liquor containing greater than five percent (5%)
27 of alcohol by weight; and

28 (2) Ready-to-drink products containing spirituous liquor with a
29 final finished product of no greater than fifteen percent (15%) alcohol by
30 weight.

31
32 SECTION 4. DO NOT CODIFY. Rules.

33 (a) When adopting the initial rules required under this act, the
34 Alcoholic Beverage Control Division shall file the final rules with the
35 Secretary of State for adoption under § 25-15-204(f):

36 (1) On or before July 1, 2022; or

