

State of Arkansas
8th General Assembly
Regular Session, 2005

A Bill

HOUSE BILL 2412

By: Representatives Kenney, Bolin, Bradford, Dickinson, D. Evans, Jeffrey, Matayo, Nichols, Norton,
Pace, Petrus, Sullivan, Wyatt
By: Senator Whitaker

For An Act To Be Entitled

AN ACT TO REFORM THE ARKANSAS AGRICULTURAL
MARKETING GRANTS FUND TO ORIGINAL LANGUAGE SO
THAT THE INTENTS AND PURPOSES OF STIMULATING
GRAPE FARMING ARE REALIZED; AND FOR OTHER
PURPOSES.

Subtitle

AN ACT TO REFORM THE ARKANSAS
AGRICULTURAL MARKETING GRANTS FUND TO
ORIGINAL INTENTS AND PURPOSES.

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

SECTION 1. Arkansas Code § 3-5-903 is amended to read as follows:

3-5-903. Rules and regulations.

(a) The Director of the Department of Finance and Administration may establish reasonable rules and regulations to be followed by wineries in this state in making application for the subsidy payments and to prevent abuse of the subsidy payments.

(b) The State Plant Board may make reasonable rules necessary for the enforcement of the records provision of this subchapter and to prevent violations of this subchapter.

SECTION 2. Arkansas Code § 3-5-904 is amended to read as follows:

3-5-904. Eligibility.



~~(a) Only those wineries actively involved in the sale of wine as an Arkansas-bonded winery for five (5) years or that have a federal license and are licensed by the State of Arkansas as of January 1, 2003, shall be eligible to receive grants under the provisions of this subchapter.~~

~~(b) Only those wineries located in this state which use not less than seventy five percent (75%) of Arkansas-grown and Arkansas-produced grapes, fruits, berries, or vegetables for producing wine shall be eligible to receive grants under the provisions of this subchapter.~~

~~(c) However, in any year in which there are losses in production of Arkansas-grown grapes, fruits, berries, or vegetables used in the production of wine resulting from droughts, floods, tornadoes, extreme weather conditions, or other natural causes, the percentage of Arkansas-grown and Arkansas-produced grapes, fruits, berries, or vegetables used in producing wine, as required in this subchapter, shall be reduced in the proportion of the losses in production of the products as determined and set forth in a disaster relief order issued by the Director of the Department of Finance and Administration prepared under the same procedures as set forth in the Native Wine Industry Disaster Relief Act, §§ 3-5-405 and 3-5-801 et seq.~~

Any Arkansas-bonded winery that has a federal license and purchases Arkansas-grown grapes or muscadines for use in the production of wine or juice shall be eligible to receive grants under this subchapter.

SECTION 3. Arkansas Code § 3-5-906 is amended to read as follows:
3-5-906. Records.

(a)(1) Any winery seeking grant payments under ~~the provisions of this subchapter shall~~ have at the winery's expense an authorized agent of the State Plant Board who shall keep records to verify processing and establish the quantities of grapes, fruits, berries, or vegetables or muscadines grown in this state purchased or produced by the winery and used in the making of wine or juice.

(2) The authorized agent shall send a copy of the records to the Director of the Department of Finance and Administration for audit purposes.

(b)(1) The records shall include weight receipts signed by the authorized agent for grapes, fruits, berries, or vegetables or muscadines used ~~in wine-making,~~ for wine or juice production together with proof of purchase of the grapes, fruits, berries, or vegetables or muscadines from

1 Arkansas producers, or proof of production of the grapes, ~~fruits, berries, or~~
 2 ~~vegetables or muscadines~~ in ~~production facilities~~ vineyards belonging to the
 3 winery, a copy of which shall accompany a request for grant payments under
 4 this subchapter.

5 (2) Proof of purchase shall consist of a copy of a sales and
 6 weight receipt indicating the Arkansas grower's name and address from whom
 7 purchased or indicating the weight of the products produced from ~~production~~
 8 ~~facilities~~ vineyards belonging to the winery.

9 (3) All weights shall be made by the authorized agent upon
 10 scales inspected and certified by the Arkansas Bureau of Standards.

11
 12 SECTION 4. Arkansas Code § 3-5-907 is amended to read as follows:

13 3-5-907. Payments - Amount.

14 (a) Grant payments as authorized in this subchapter shall be made by
 15 the Director of the Department of Finance and Administration from moneys
 16 appropriated by the General Assembly for that purpose at each biennial
 17 session of the General Assembly.

18 ~~(b)(1) Grant funds awarded shall be distributed equally to each winery~~
 19 ~~at a base amount not to exceed twenty five thousand dollars (\$25,000), with~~
 20 ~~any remaining balance of the grant to be divided among each grantee according~~
 21 ~~to the same ratio as the wine taxes paid in the previous calendar year by the~~
 22 ~~grantee, as determined by the Chief Fiscal Officer of the State. The grant~~
 23 payments provided for in this subchapter shall be computed at the rate per
 24 pound of the grapes or muscadines authorized in subsection (c) of this
 25 section that are purchased by wineries or produced in vineyards or other
 26 growing facilities in this state that belong to the winery and are used for
 27 the production of wine or juice in this state.

28 (2) However, the aggregate amount of grant payments made in any
 29 fiscal year shall not exceed and the state should not be liable to make grant
 30 payments in amounts greater than the amount of funds appropriated by the
 31 General Assembly for the grant payments for each fiscal year.

32 (c) The grant payments provided for in this subchapter shall be
 33 computed at a rate of cents per pound of grapes or muscadines purchased or
 34 produced by a winery in this state as determined by the Director of the
 35 Department of Finance and Administration after the director estimates
 36 payments likely to be made during the fiscal year and divides that amount

1 into the total funds estimated to be available during the fiscal year for
2 grant payments appropriated by the General Assembly.

3 ~~(e)~~(d) Applications for grants shall be submitted to the ~~Chief Fiscal~~
4 ~~Officer of the State~~ Director of the Department of Finance and Administration
5 on or by ~~the 15th of June~~ 15.

6
7 SECTION 5. Arkansas Code § 3-5-908 is amended to read as follows:

8 3-5-908. Arkansas Agricultural Marketing Grants Fund.

9 There is established on the books of the Treasurer of State, Auditor of
10 State, and Chief Fiscal Officer of the State an Arkansas Agricultural
11 Marketing Grants Fund, into which shall be paid such moneys as may be
12 provided by law to be used exclusively for making payments of grants to
13 eligible Arkansas wineries with respect to the purchase of grapes or
14 muscadines produced in this state and purchased for use in this state for the
15 production of wine or juice.