

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

A Bill

SENATE BILL 771

5 By: Senator J. Hutchinson
6

For An Act To Be Entitled

8 AN ACT TO ESTABLISH A RETAIL OFF-PREMISES PERMIT FOR
9 THE SALE OF WINE AT GROCERY STORES AND TO PROVIDE
10 ECONOMIC STIMULUS TO THE FRUIT GROWERS IN THE STATE
11 BY PROVIDING A TAX CREDIT FOR THE PURCHASE AND SALE
12 OF ARKANSAS FRUIT; AND FOR OTHER PURPOSES.
13
14

Subtitle

15 AN ACT TO ESTABLISH A RETAIL OFF-PREMISES
16 PERMIT FOR THE SALE OF WINE AT GROCERY
17 STORES AND TO PROVIDE ECONOMIC STIMULUS
18 TO THE FRUIT GROWERS IN THE STATE.
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22 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
23

24 SECTION 1. Arkansas Code § 3-5-904 is amended to read as follows:
25 3-5-904. Eligibility.

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

31 (b) ~~Only~~ Except as provided in subsection (c) of this section, only
32 those wineries located in this state which use not less than seventy-five
33 percent (75%) of Arkansas-grown and Arkansas-produced grapes, fruits,
34 berries, or vegetables for producing wine shall be eligible to receive grants
35 under the provisions of this subchapter.

36 (c) Only a grower having at least twenty (20) acres of land in



1 Arkansas cultivated for the production of grapes, fruits, berries, or
2 vegetables that is actually sold to or used by wineries actively involved in
3 the sale of wine as an Arkansas-bonded winery is eligible to receive grants
4 under this subchapter.

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

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16 SECTION 2. Arkansas Code § 3-5-905 is amended to read as follows:
17 3-5-905. Applications.

18 Any winery or grower in this state that produces wine from grapes,
19 fruits, berries, or vegetables grown in this state and complies with the
20 provisions of § 3-5-904, that desires to receive the grants authorized in
21 this subchapter with respect to the purchase of such products or with respect
22 to such products produced in vineyards or of other growing facilities in this
23 state belonging to the winery, may make application for grant payments under
24 this subchapter upon forms and in accordance with the rules and regulations
25 promulgated by the Director of the Department of Finance and Administration.
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27 SECTION 3. Arkansas Code § 3-5-906 is amended to read as follows:
28 3-5-906. Records.

29 (a) Any winery seeking grant payments under the provisions of this
30 subchapter shall keep records to establish the quantities of grapes, fruits,
31 berries, or vegetables grown in this state purchased or produced by the
32 winery and used in the making of wine.

33 (b) A grower seeking grant payments under this subchapter shall keep
34 records to establish the quantities of grapes, fruits, berries, or vegetables
35 grown in this state and sold to a winery as provided in § 3-5-904.

36 ~~(b)~~(c)(1) The records shall include weight receipts for grapes,

1 fruits, berries, or vegetables used in wine-making, together with proof of
2 purchase of the grapes, fruits, berries, or vegetables from Arkansas
3 producers, or proof of production of the grapes, fruits, berries, or
4 vegetables in production facilities belonging to the winery, a copy of which
5 shall accompany a request for grant payments under this subchapter.

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

10 (3) All weights shall be made upon scales inspected and
11 certified by the Bureau of Standards of the State Plant Board.

12
13 SECTION 4. Arkansas Code § 3-5-907 is amended to read as follows:
14 3-5-907. Payments – Amount.

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

19 (b) ~~Grant~~ Except for grant funds allocated exclusively for the
20 awarding of tax credits, grant funds awarded shall be distributed equally to
21 each winery at a base amount not to exceed twenty-five thousand dollars
22 (\$25,000), with any remaining balance of the grant to be divided among each
23 grantee according to the same ratio as the wine taxes paid in the previous
24 calendar year by the grantee, as determined by the Chief Fiscal Officer of
25 the State.

26 (c) Grant funds allocated exclusively for the awarding of tax credits
27 shall be divided among each grantee according to the same ratio as the wine
28 taxes paid in the previous calendar year by the grantee as determined by the
29 Chief Fiscal Officer of the State.

30 ~~(e)~~(d) Applications for grants shall be submitted to the Chief Fiscal
31 Officer of the State on or by the 15th of June.

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33 SECTION 5. Arkansas Code Title 3, Chapter 5, is amended to add an
34 additional subchapter to read as follows:

35 Subchapter 18 – Wine Sales in Grocery Stores

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1 3-5-1801. Definitions.

2 As used in this subchapter:

3 (1) "Grocery store" means a retail store or supermarket located
4 in a wet territory dedicating at least ten thousand square feet (10,000 sq.
5 ft.) of showroom floor area to the sale of groceries, including the aisle
6 space adjacent to any shelving or display case used for the display of
7 groceries; and

8 (2) "Wine" means port wine, sherry wine, vermouth wine, or other
9 wines, the alcoholic content of which does not exceed twenty-one percent
10 (21%) regardless of whether the wines are manufactured within or without the
11 State of Arkansas.

12
13 3-5-1802. Grocery store wine permit.

14 (a) A grocery store may apply to the Alcoholic Beverage Control Board
15 for a grocery store wine permit.

16 (b) A grocery store wine permit shall allow a permittee to sell wine
17 for off-premises consumption.

18 (c) A grocery store seeking a grocery store wine permit shall meet the
19 criteria for the holder of an off-premises retail beer permit in addition to
20 the criteria of this section.

21 (d)(1) For the privilege of selling wine in a grocery store, there
22 shall be paid for each grocery store wine permit a fee based on the size of
23 the permitted building space.

24 (2) The fee shall be one thousand dollars (\$1,000) for a
25 permitted building space containing less than thirty-five thousand one square
26 feet (35,001 sq. ft.);

27 (3) The fee shall be two thousand five hundred dollars (\$2,500)
28 for a permitted building space containing between thirty-five thousand one
29 square feet (35,001 sq. ft.) and fifty thousand square feet (50,000 sq. ft.);

30 (4) The fee shall be three thousand five hundred dollars
31 (\$3,500) for a permitted building space containing between fifty thousand one
32 square feet (50,001 sq. ft.) and seventy-five thousand square feet (75,000
33 sq. ft.);

34 (5) The fee shall be five thousand dollars (\$5,000) for a
35 permitted building space containing more than seventy-five thousand square
36 feet (75,000 sq. ft.).

1 (e)(1) The first one hundred dollars (\$100) of each fee collected
2 under subsection (d) of this section shall be retained by the Alcoholic
3 Beverage Control Division.

4 (2) The balance of the fee shall be paid into the Arkansas
5 Agricultural Marketing Grants Fund pursuant to § 3-5-901 et seq. to be used
6 exclusively for making payments of tax credit grants to eligible Arkansas
7 wineries.

8 (f) A grocery store wine permittee may conduct tasting events for
9 educational and promotional purposes on the permittee’s premises after
10 obtaining a sampling permit from the division under § 3-5-104(f).

11 (g) A grocery store wine permittee may derive no more than thirty-five
12 percent (35%) of its gross sales from the sale of vehicle fuels.

13 (h) A grocery store wine permittee may derive no more than twenty
14 percent (20%) of its gross sales from the sale of alcoholic beverages.

15 (i) A grocery store wine permittee shall offer for sale small farm
16 wine as defined in § 3-5-1601 et seq.

17
18 SECTION 6. DO NOT CODIFY. Uncodified Section 4 of Act 668 of 2007 is
19 repealed.

20 ~~SECTION 4. NOT TO BE CODIFIED. In the event that this act, or any part~~
21 ~~thereof, is determined by a court to be unconstitutional, this act shall~~
22 ~~become void and all wines, including native wines, distributed for sale in~~
23 ~~the State of Arkansas shall be distributed under § 3-2-401 et seq. and sold~~
24 ~~by licensed retailers under § 3-4-201 et seq.~~