

1 State of Arkansas
2 92nd General Assembly
3 Regular Session, 2019
4

A Bill

SENATE BILL 348

5 By: Senator L. Eads
6 By: Representative Penzo
7

For An Act To Be Entitled

9 AN ACT TO ESTABLISH A HARD CIDER MANUFACTURING
10 PERMIT; TO AMEND EXISTING ALCOHOLIC BEVERAGE PERMITS
11 TO AUTHORIZE THE SALE OF HARD CIDER; TO AMEND
12 PORTIONS OF THE LAW RESULTING FROM INITIATED ACT 1 OF
13 1942; AND FOR OTHER PURPOSES.
14
15

Subtitle

16 TO ESTABLISH A HARD CIDER MANUFACTURING
17 PERMIT; TO AMEND EXISTING ALCOHOLIC
18 BEVERAGE PERMITS TO AUTHORIZE THE SALE OF
19 HARD CIDER; AND TO AMEND PORTIONS OF THE
20 LAW RESULTING FROM INITIATED ACT 1 OF
21 1942.
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25 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
26

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

29 3-4-611. Hard cider manufacturing permit.

30 (a) A person may apply to the Director of the Alcoholic Beverage
31 Control Division for a permit to manufacture, import, transport, store, and
32 sell to a wholesaler, jobber, distributor, retailer, or consumer hard cider
33 to be used and sold for beverage purposes.

34 (b) An application under this section shall:

35 (1) Be in writing;

36 (2) Be verified;



1 (3) State in detail information concerning the applicant for the
2 permit and the premises to be used by the applicant as required by the
3 director; and

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

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

9 (d) A permit under this section shall:

10 (1) Contain a description of the premises to be used by the
11 applicant; and

12 (2) Permit the applicant to manufacture, transport, and sell to
13 a wholesaler, jobber, distributor, retailer, or consumer hard cider in or
14 from the premises specifically authorized.

15 (e) A hard cider manufacturer may:

16 (1) Manufacture at its licensed facility hard cider to be sold
17 in the state or exported out of the state;

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

20 (A) Wholesalers;

21 (B) Distributors;

22 (C) Retail license holders;

23 (D) Small brewery license holders; and

24 (E) Small winery license holders;

25 (3) Export hard cider manufactured by the manufacturer out of
26 the state;

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

29 (5) Serve on the premises complimentary samples of hard cider
30 manufactured by the manufacturer;

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

33 (7) Sell for consumption on the premises of the manufacturer:

34 (A) Hard cider manufactured by the manufacturer;

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

1 (C) Wine;

2 (D) Beer; and

3 (E) Malt beverages;

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

6 (9) Sell hard cider manufactured by the manufacturer at fairs
7 and festivals with the permission and the consent of the management of the
8 events if the sale occurs in a wet area and the hard cider sold is for
9 consumption by persons of legal age.

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

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

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

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

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

21 (i)(1) The Alcoholic Beverage Control Division may authorize a
22 manufacturer to conduct a hard cider-tasting event for educational or
23 promotional purposes.

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

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

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

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

1 (3) A hard cider manufacturer in this state may ship hard cider
2 it manufactures within the state by common carrier or other appropriate
3 parcel delivery service, and common carriers and other appropriate parcel
4 delivery services may accept hard cider from Arkansas manufacturers for
5 delivery within the state if the hard cider is shipped only to persons
6 holding a wholesale permit to purchase, store, sell, or dispense hard cider.

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

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

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

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

15 (1) The director shall adopt rules to implement and administer this
16 section.

17
18 SECTION 2. Arkansas Code § 3-1-102(6), concerning the definition of
19 manufacturer, is amended to read as follows:

20 (6) "Manufacturer" means any person engaged in the business of
21 distilling, brewing, making, blending, rectifying, or producing for sale in
22 wholesale quantities alcoholic liquors of any kind, including whiskey,
23 brandy, cordials, liquors, ales, beers, hard cider, or other liquids
24 containing alcohol, except wines;

25
26 SECTION 3. Arkansas Code § 3-4-101 is amended to read as follows:

27 3-4-101. Permit required.

28 (a) ~~No vinous~~ Vinous (except wines), spirituous, or malt liquors or
29 hard cider shall not be manufactured in this state for storage or sale at
30 retail within the state without a permit ~~therefor~~ issued by the Director of
31 the Alcoholic Beverage Control Division ~~as herein provided~~.

32 (b) ~~No A~~ person shall not sell vinous, spirituous, or malt liquors or
33 hard cider in this state, except as provided in this act. However, the
34 provisions of this act shall not apply to the manufacture, sale, and
35 distribution of wines in this state.

1 SECTION 4. Arkansas Code § 3-4-105(b)(1), concerning categories of
2 temporary permits, is amended to add an additional subdivision to read as
3 follows:

4 (D) Temporary hard cider permit – Fifty dollars (\$50.00)
5 for each event for a temporary permit allowing the sale of hard cider.
6

7 SECTION 5. Arkansas Code § 3-4-601(a), concerning kinds of permits, is
8 amended to add an additional subdivision to read as follows:

9 (9) Hard cider manufacturing permit.
10

11 SECTION 6. Arkansas Code § 3-4-604(a), concerning an applicant for
12 retail permit, is amended to read as follows:

13 (a) ~~Any~~ A person, other than a distiller, importer, rectifier, or
14 wholesaler, may apply to the Director of the Alcoholic Beverage Control
15 Division for a permit to sell and dispense vinous or spirituous liquors or
16 hard cider for beverage purposes at retail.
17

18 SECTION 7. Arkansas Code § 3-4-604(e)-(g), concerning retail permits,
19 are amended to read as follows:

20 (e) The permit shall contain a description of the premises permitted
21 and in form and substance shall be a permit to the person specifically
22 designated in the permit to sell and dispense at retail spirituous or vinous
23 liquors or hard cider.

24 (f) All such sales shall be in unbroken packages ~~which~~ that shall not
25 be opened or the contents or any part consumed on the premises where
26 purchased.

27 (g) For the privilege of operating a dispensary from which the vinous,
28 spirituous, and malt liquors (except wines), or hard cider are to be
29 dispensed in the manner provided in this act, there is assessed and there
30 shall be paid a permit fee of and by the person engaged therein in the sum of
31 four hundred dollars (\$400) per annum payable on or before June 30 of each
32 calendar year for the fiscal year beginning July 1.
33

34 SECTION 8. Arkansas Code § 3-4-605(a), concerning an applicant for a
35 wholesale permit, is amended to read as follows:

36 (a) ~~Any~~ A person other than a distiller, manufacturer, rectifier, or

1 importer may apply to the Director of the Alcoholic Beverage Control Division
 2 for a permit to sell spirituous liquor, wine as defined in § 3-9-301(7),
 3 beer, hard cider, or malt liquors at wholesale.

4
 5 SECTION 9. Arkansas Code § 3-4-605(e)-(j), concerning wholesale
 6 permits, are amended to read as follows:

7 (e) The permit shall contain a description of the premises permitted
 8 and in form and substance shall be a permit to the person specifically
 9 designated in the permit to sell spirituous liquor, wine as defined in § 3-9-
 10 301(7), beer, hard cider, or malt liquors for beverage purposes.

11 (f) A person holding a distiller’s or rectifier’s permit need not
 12 obtain a wholesaler’s permit in order to sell at wholesale spirituous liquor
 13 or wine as defined in § 3-9-301(7).

14 (g)(1)(A) A person other than a person holding a distiller’s,
 15 manufacturer’s, or rectifier’s permit shall not sell spirituous liquor, wine
 16 as defined in § 3-9-301(7), hard cider, or malt liquors at wholesale.

17 (B) A person other than a person holding a wholesaler’s
 18 permit shall not sell spirituous liquor, wine as defined in § 3-9-301(7), or
 19 malt liquors at wholesale.

20 (2) A wholesaler holding a permit shall not sell or buy from
 21 another unless he or she holds a permit, but a wholesaler may export from or
 22 import into this state liquors under rules promulgated by the Alcoholic
 23 Beverage Control Division.

24 (h) A wholesaler shall not sell or contract to sell ~~any~~ spirituous
 25 liquor, wine as defined in § 3-9-301(7), beer, hard cider, or malt liquors to
 26 a dispensary, hotel, restaurant, or club if the dispensary, hotel,
 27 restaurant, or club is not authorized under this act to receive, possess,
 28 transport, distribute, or sell spirituous liquor, wine as defined in § 3-9-
 29 301(7), beer, hard cider, or malt liquors.

30 (i) Further, a licensed wholesaler in Arkansas of ~~any~~ spirituous
 31 liquor, beer, hard cider, or wine as defined in § 3-9-301(7) may only
 32 purchase spirituous liquor, beer, hard cider, or wine as defined in § 3-9-
 33 301(7) from a distiller, importer, rectifier, hard cider manufacturer, or a
 34 domestic wine producer. However, this restriction does not apply to the
 35 purchase of native wines.

36 (j)(1) For the privilege of storing, transporting, and selling

1 spirituous liquor, wine as defined in § 3-9-301(7), beer, hard cider, or malt
2 liquors at wholesale, there is assessed and there shall be paid an annual
3 permit fee of and by every person engaged therein. The permit fee shall be in
4 the sum of seven hundred dollars (\$700) for each separate and distinct
5 establishment.

6 (2) However, this section does not apply to residents of
7 Arkansas who store, transport, and sell wine or hard cider at wholesale
8 manufactured by them in this state.

9
10 SECTION 10. Arkansas Code § 3-4-607(a), concerning an applicant for
11 minimum wholesale liquor permit, is amended to read as follows:

12 (a)(1) ~~Any~~ A person other than a distiller, manufacturer, rectifier,
13 or importer may apply to the Director of the Alcoholic Beverage Control
14 Division for a minimum wholesale liquor permit that allows the person to sell
15 spirituous liquors, wine as defined in § 3-9-301(7), hard cider, and malt
16 liquors at wholesale.

17 (2) A minimum wholesale liquor permit holder shall not sell more
18 than a combined total of twenty thousand (20,000) cases of spirituous
19 liquors, wine as defined in § 3-9-301(7), hard cider, or malt liquors.

20 (3) A case is a container that holds nine liters (9 l) of
21 beverages.

22
23 SECTION 11. Arkansas Code § 3-4-607(e)-(h), concerning minimum
24 wholesale permits, are amended to read as follows:

25 (e) The minimum wholesale liquor permit shall contain a description of
26 the premises permitted and in form and substance shall be a minimum wholesale
27 liquor permit to the person specifically designated to sell spirituous
28 liquors, wine as defined in § 3-9-301(7), hard cider, and malt liquors for
29 beverage purposes.

30 (f)(1) A person other than a person holding a distiller's,
31 manufacturer's, rectifier's, or minimum wholesale liquor permit shall not
32 sell spirituous liquors, wine as defined in § 3-9-301(7), and malt liquors at
33 wholesale.

34 (2) A wholesaler holding a minimum wholesale liquor permit shall
35 not sell or buy from another person unless the other person holds a minimum
36 wholesale liquor permit, but a wholesaler may export from or import into this

1 state spirituous liquors, wine as defined in § 3-9-301(7), hard cider, and
2 malt liquors under rules promulgated by the Alcoholic Beverage Control
3 Division.

4 (g) A wholesaler holding a minimum wholesale liquor permit shall not
5 sell or contract to sell any spirituous liquors, wine as defined in § 3-9-
6 301(7), hard cider, and malt liquors to a dispensary, hotel, restaurant, or
7 club if the dispensary, hotel, restaurant, or club is not authorized under §
8 3-4-601 to receive, possess, transport, distribute, or sell spirituous
9 liquors, wine as defined in § 3-9-301(7), hard cider, and malt liquors.

10 (h) A minimum wholesale liquor permittee of ~~any~~ spirituous liquors,
11 wine as defined in § 3-9-301(7), hard cider, and malt liquors in Arkansas
12 shall purchase spirituous liquors, wine as defined in § 3-9-301(7), hard
13 cider, and malt liquors only from a distiller, importer, rectifier, or a
14 domestic wine producer. However, this restriction does not apply to the
15 purchase of native wines.

16

17 SECTION 12. Arkansas Code § 3-4-1001(a)(1), concerning retail sale of
18 alcoholic beverages at restaurants, is amended to read as follows:

19 (a)(1) In addition to all other existing alcoholic beverage permits
20 authorized to be issued by the Alcoholic Beverage Control Division for the
21 retail sale of alcoholic beverages, there is created a restaurant beer and
22 wine permit, which authorizes the sale of beer, hard cider, and wine as
23 defined in § 3-9-301(7) at restaurants as defined in § 3-9-301(6).

24

25 SECTION 13. Arkansas Code § 3-5-105(a)(1), concerning beer festival
26 permits, is amended to read as follows:

27 (a)(1) The Director of the Alcoholic Beverage Control Division may
28 issue a temporary permit to authorize the following:

29 (A) A festival to be conducted over a period not to exceed
30 three (3) days;

31 (B) The consumption by persons of legal age of beer and
32 malt beverages, as defined by § 3-5-1202, and hard cider on the festival
33 grounds;

34 (C) The permittee to charge an entry fee for persons
35 wishing to attend the festival and to distribute beer, ~~and~~ malt beverages,
36 and hard cider on any day of the week, including Sunday, as provided for in

1 this section, pursuant to the following conditions:

2 (i) The distribution of beer, ~~and~~ malt beverages,
3 and hard cider, as authorized in this section, shall be limited to the secure
4 area as prescribed in subdivision (a)(1)(D) of this section; and

5 (ii) The distribution of beer, ~~and~~ malt beverages,
6 and hard cider on Sunday, as authorized in this section, shall be limited to
7 the hours between 12:00 noon and 10:00 p.m. central time and be limited to
8 those areas where the retail sale and consumption of alcoholic beverages on
9 Sunday has been approved pursuant to Arkansas law;

10 (D) The festival permittee to designate the permitted area
11 on the festival grounds to be approved by the director, such that it is a
12 secure area which will not allow unsupervised access and egress; and

13 (E) Participation in this event by any legal brewery,
14 microbrewery, microbrewery-restaurant, distributor, wholesaler, brewpub,
15 small brewery, hard cider manufacturer, or small brewery tap room, whether or
16 not it is currently registered or its product is licensed in the State of
17 Arkansas.

18

19 SECTION 14. Arkansas Code § 3-5-105(b)(4)(A), concerning wholesaler
20 tax for products sold at beer festivals, is amended to read as follows:

21 (4)(A) The designated wholesaler shall pay the Miscellaneous Tax
22 Section of the Office of Excise Tax Administration of the Department of
23 Finance and Administration a wholesalers tax of \$7.507808 per barrel equal to
24 thirty-one gallons (31 gals.) for each barrel of beer, ~~or~~ malt beverage, or
25 hard cider provided for this festival by any participant whose product is not
26 currently licensed or registered in the State of Arkansas.

27

28 SECTION 15. Arkansas Code § 3-5-105(f), concerning laws conflicting
29 with a beer festival permit, is amended to read as follows:

30 (f) Every provision of this section shall be subject to all beer, ~~and~~
31 malt beverage, and hard cider laws and regulations, except that conflicting
32 beer, ~~and~~ malt beverage, and hard cider laws and regulations shall be
33 inapplicable to any provision of this section to the extent that they
34 conflict herewith.

35

36 SECTION 16. Arkansas Code § 3-5-1405(a)(7), concerning alcoholic

1 beverages authorized for on-premises consumption at a small brewery, is
2 amended to read as follows:

3 (C) Hard cider.

4
5 SECTION 17. Arkansas Code § 3-5-1602(c)(1), concerning the scope of a
6 small farm winery license, is amended to add an additional subdivision to
7 read as follows:

8 (H) Sell for on-premises or off-premises consumption hard
9 cider manufactured by a hard cider manufacturer, if all sales occur in a wet
10 territory.

11
12 SECTION 18. Arkansas Code § 3-5-1801(3), concerning the definition of
13 "wine", is amended to read as follows:

14 (3) "Wine" means port, wine, sherry wine, vermouth wine, or other
15 wines manufactured within or without the State of Arkansas or hard cider, the
16 alcoholic content of which does not exceed twenty-one percent (21%).

17
18 SECTION 19. Arkansas Code § 3-5-1802(a) and (b), concerning permitted
19 sales of alcohol for off-premises consumption, are amended to read as
20 follows:

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

23 (b)(1) A grocery store wine permit allows a permittee to purchase and
24 sell wine and hard cider for off-premises consumption at a single location.

25 (2) Wine and hard cider inventory orders or purchases, or both,
26 shall be made only by a permittee for delivery to a single permitted
27 location.

28 (3) An order of wine and hard cider inventory for one location
29 shall not be combined with an order for another location in a manner that
30 would result in a cumulative discount or quantity discount, or both.

31
32 SECTION 20. Arkansas Code § 3-5-1802(d)(1), concerning permitted sales
33 of alcohol for off-premises consumption, is amended to read as follows:

34 (d)(1) For the privilege of selling wine and hard cider in a grocery
35 store, each grocery store shall pay a grocery store wine permit fee based on
36 the size of the permitted building space.

1
2 SECTION 21. Arkansas Code § 3-9-211 is amended to add an additional
3 subsection to read as follows:

4 (d) A permit to sell alcoholic beverages for on-premises consumption
5 includes the authority to sell hard cider.

6
7 SECTION 22. Arkansas Code § 3-9-303 is amended to read as follows:

8 3-9-303. Sale by licensed cafe or restaurant authorized –
9 Restrictions.

10 (a) It shall be lawful for ~~any a~~ a cafe or restaurant, as defined in §
11 3-9-301, in this state to sell wines, as defined in § 3-9-301, or hard cider
12 for consumption with food served in ~~such the~~ the cafe or restaurant upon
13 obtaining a license, and paying the fee therefor, from the Director of the
14 Alcoholic Beverage Control Division as provided in this subchapter.

15 (b) However, it shall be unlawful for the director to issue ~~any a~~ a
16 license to a cafe or restaurant for sales of wine or hard cider served with
17 food in ~~any a~~ a city, county, township, or other area in this state wherein the
18 sale and possession of wines or hard cider is unlawful.

19 (c) All licenses shall be renewed annually in the manner provided by
20 law.

21 (d) The holder of a license to sell wine or hard cider in a restaurant
22 or cafe, as defined in § 3-9-301, which is located in any city having a
23 population of less than six hundred (600) persons and in a county having a
24 population of less than seventeen thousand five hundred (17,500) persons
25 according to the 1990 Federal Decennial Census and within three (3) miles of
26 a river which serves as a common boundary between that county and another
27 state shall be entitled, in addition to other privileges inherent under the
28 permit, to sell wine or hard cider in unopened containers from such
29 restaurant for off-premises consumption.

30
31 SECTION 23. Arkansas Code § 3-9-304 is amended to read as follows:

32 3-9-304. Sale by restaurant located near certain cities.

33 ~~Any A~~ A restaurant, as defined in § 3-9-301, ~~which that~~ is located within
34 two (2) miles of a city having a population of at least fifty-five thousand
35 (55,000) but not more than sixty thousand (60,000) persons according to the
36 1970 Federal Decennial Census, and in an area in which the sale of alcoholic

1 beverages is lawful, shall be entitled to make application for and obtain a
2 permit to serve wine or hard cider, or both, with food in such restaurants in
3 the manner prescribed in this subchapter.

4
5 SECTION 24. Arkansas Code § 3-9-305(a), concerning license
6 applications for restaurant sale of wine, is amended to read as follows:

7 (a) ~~No~~ A license shall not be issued to ~~any~~ a person authorizing the
8 sale of wine or hard cider, or both, at retail for consumption on the
9 premises with food served in any cafe or restaurant unless the person ~~shall~~
10 ~~file~~ files with the Director of the Alcoholic Beverage Control Division a
11 verified application therefor, accompanied by the fee required by law, and
12 shall state in the application that he or she possesses the following
13 qualifications:

14 (1) The applicant is a person of good moral character, a citizen
15 or resident alien of the United States, and a resident of the county in which
16 the permit will be operated, or resides within thirty-five (35) miles of the
17 address of the premises described in the application;

18 (2) The applicant has not been convicted of a felony or has not
19 been convicted within five (5) years of the date of his or her application of
20 any violation of the laws of this state or any other state relating to
21 alcoholic beverages;

22 (3) The applicant has not had revoked within five (5) years next
23 preceding his or her application any license issued to him or her pursuant to
24 the laws of this state or any other state to sell alcoholic liquor of any
25 kind;

26 (4) The applicant shall be the owner of the premises for which
27 the license is sought or the holder of an existing lease, buy-sell agreement,
28 offer and acceptance, or option to lease thereon;

29 (5) If the applicant is a copartner, all members of the
30 copartnership must be qualified to obtain a license;

31 (6)(A)(i) If the applicant is a corporation, the president and
32 directors thereof, any stockholder owning more than five percent (5%) of the
33 stock of such corporation who is not exempted under subdivision (6)(A)(ii) of
34 this section, and the person or persons who shall conduct and manage the
35 licensed premises for the corporation shall possess all the qualifications
36 required herein for an individual license.

1 (ii) An applicant is not required to state the
2 identity of its shareholders who are not the president or the director when
3 the corporation:

4 (a) Is publicly traded on a nationally
5 recognized stock exchange; or

6 (b) Holds at least ten (10) permits issued by
7 the Alcoholic Beverage Control Division for the sale of alcoholic beverages.

8 (B) The requirement as to residence in the United States
9 or citizenship of the United States shall not apply to officers, directors,
10 and stockholders of the corporation, but the requirement shall apply to any
11 officer, director, or stockholder who is also the manager of the licensed
12 premises in any capacity in the conduct or operation of the licensed
13 premises; and

14 (7) The cafe or restaurant making application for the license is
15 primarily engaged in the business of serving foods to the public prepared for
16 consumption on the premises and must be an established eating place within
17 the rules and regulations promulgated by the Alcoholic Beverage Control Board
18 as provided in § 3-9-301(6).

19
20 SECTION 25. Arkansas Code § 3-9-306 is amended to read as follows:

21 3-9-306. Prohibited acts.

22 ~~No~~ A holder of a license authorizing the sale of wine or hard cider, or
23 both, for consumption with food served on the premises where sold, ~~nor any or~~
24 a servant, agent, or employee of the licensee, shall not do any of the
25 following upon the licensed premises:

26 (1) Knowingly sell wine or hard cider to a minor;

27 (2) Knowingly sell wine or hard cider to ~~any~~ a person while the
28 person is in an intoxicated condition;

29 (3) Sell wine or hard cider upon the licensed premises or permit
30 wine or hard cider to be consumed thereon on any day or at any time when the
31 sale or consumption is prohibited by law; or

32 (4) Permit on the licensed premises any disorderly conduct,
33 breach of peace, or any lewd, immoral, or improper entertainment, conduct, or
34 practices.

35
36 SECTION 26. Arkansas Code § 3-9-602 is amended to read as follows:

1 3-9-602. Sale by licensed facility authorized – Restrictions.

2 (a) It ~~shall be~~ is lawful for ~~any a~~ a facility in this state to sell
 3 wines or hard cider for consumption on the premises upon obtaining a license
 4 from the Director of the Alcoholic Beverage Control Division and paying the
 5 fee therefor, as provided in this subchapter.

6 (b) However, it shall be unlawful for the director to issue ~~any a~~ a
 7 license to a facility for sales of wine or hard cider, or both, for
 8 consumption on the premises in ~~any a~~ a city, county, township, or other area in
 9 this state wherein the sale and possession of wines or hard cider is
 10 unlawful.

11 (c) All licenses shall be renewed annually in the manner as is
 12 provided by law.

13
 14 SECTION 27. Arkansas Code § 3-9-603(a), concerning license
 15 applications for on-premises wine consumption, is amended to read as follows:

16 (a) ~~No A~~ license shall not be issued to ~~any a~~ a person authorizing the
 17 sale of wine or hard cider, or both, at retail for consumption on the
 18 premises unless the person ~~shall file~~ files with the Director of the
 19 Alcoholic Beverage Control Division a verified application therefor
 20 accompanied by the fee required by law and ~~shall state~~ states in the
 21 application that he or she possesses the following qualifications:

22 (1) The applicant is a person of good moral character, a citizen
 23 or resident alien of the United States, and a resident of the county in which
 24 the permit will be operated or resides within thirty-five (35) miles of the
 25 address of the premises described in the application;

26 (2) The applicant must be a resident of the State of Arkansas on
 27 the date of the application and maintain such residency within the state as a
 28 continuing qualification to hold the permit issued by the Director of the
 29 Alcoholic Beverage Control Division;

30 (3) The applicant has never been convicted of a felony or has
 31 not been convicted within five (5) years of the date of his or her
 32 application of any violation of the laws of this state or any other state
 33 relating to alcoholic beverages;

34 (4) The applicant has not had revoked within five (5) years
 35 immediately preceding his or her application any license issued to him or her
 36 pursuant to the laws of this state or any other state to sell alcoholic

1 liquor of any kind;

2 (5) The applicant must be the owner of the premises for which
3 the license is sought or the holder of an existing lease, buy-sell agreement,
4 offer and acceptance, or option to lease thereon;

5 (6) If the applicant is a copartner, all members of the
6 copartnership must be qualified to obtain a license; and

7 (7)(A)(i) If the applicant is a corporation, the president and
8 directors thereof, any stockholder owning more than five percent (5%) of the
9 stock of such corporation who is not exempted under subdivision (a)(7)(A)(ii)
10 of this section, and the person or persons who shall conduct and manage the
11 licensed premises for the corporation shall possess all the qualifications
12 required herein for an individual license.

13 (ii) An applicant is not required to state the
14 identity of its shareholders who are not the president or the director when a
15 corporation:

16 (a) Is publicly traded on a nationally
17 recognized stock exchange; or

18 (b) Holds at least ten (10) permits issued by
19 the Alcoholic Beverage Control Division for the sale of alcoholic beverages.

20 (B) The requirement as to residence shall not apply to
21 officers, directors, and stockholders of the corporation, but the requirement
22 shall apply to any officer, director, or stockholder who is also the manager
23 of the licensed premises in any capacity in the conduct or operation of the
24 licensed premises.

25

26 SECTION 28. Arkansas Code § 3-9-604 is amended to read as follows:

27 3-9-604. Prohibited acts.

28 ~~No~~ A holder of a license authorizing the sale of wine or hard cider, or
29 both, for consumption on the premises where sold ~~nor any~~ or a servant, agent,
30 or employee of the licensee shall not do any of the following upon the
31 licensed premises:

32 (1) Knowingly sell wine or hard cider to a minor;

33 (2) Knowingly sell wine or hard cider to ~~any~~ a person while the
34 person is in an intoxicated condition;

35 (3) Sell wine or hard cider upon the licensed premises or permit
36 wine or hard cider to be consumed thereon on any day or at any time when the

1 sale or consumption is prohibited by law; or

2 (4) Permit on the licensed premises any disorderly conduct,
3 breach of the peace, or any lewd, immoral, or improper entertainment,
4 conduct, or practices.

5
6 SECTION 29. Arkansas Code § 3-9-605 is amended to read as follows:

7 3-9-605. Penalties.

8 If ~~any~~ a facility licensed under this subchapter to sell wine or hard
9 cider, or both, for consumption on the premises ~~shall violate any of the~~
10 ~~provisions of~~ violates this subchapter or ~~any of the provisions of the~~ other
11 laws of this state regarding the sale of wine or hard cider at retail, the
12 owner or operator of the facility ~~shall be~~ is guilty of a Class B
13 misdemeanor.