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2 92nd General Assembly  
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4

As Engrossed: S2/26/19

# 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.  
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## 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:  
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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, or retailer hard cider to be used  
33 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, or retailer hard cider in or from the  
14 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;

24                   (E) Small winery license holders; and

25                   (F) Microbrewery-restaurant license holders;

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

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

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

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

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

35                   (A) Hard cider manufactured by the manufacturer;

36                   (B) Hard cider that the manufacturer may purchase from

1 wholesalers licensed by the state;

2 (C) Wine;

3 (D) Beer; and

4 (E) Malt beverages;

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

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

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

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

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

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

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

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

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

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

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

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

1 outside the state.

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

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

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

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

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

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

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

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

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

28 3-4-101. Permit required.

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

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

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

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

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

(9) Hard cider manufacturing permit.

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

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

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

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

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

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

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

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

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

8 (e) The permit shall contain a description of the premises permitted  
9 and in form and substance shall be a permit to the person specifically  
10 designated in the permit to sell spirituous liquor, wine as defined in § 3-9-  
11 301(7), beer, hard cider, or malt liquors for beverage purposes.

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

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

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

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

25 (h) A wholesaler shall not sell or contract to sell ~~any~~ spirituous  
26 liquor, wine as defined in § 3-9-301(7), beer, hard cider, or malt liquors to  
27 a dispensary, hotel, restaurant, or club if the dispensary, hotel,  
28 restaurant, or club is not authorized under this act to receive, possess,  
29 transport, distribute, or sell spirituous liquor, wine as defined in § 3-9-  
30 301(7), beer, hard cider, or malt liquors.

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

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

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

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

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

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

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

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

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

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

35 (2) A wholesaler holding a minimum wholesale liquor permit shall  
36 not sell or buy from another person unless the other person holds a minimum

1 wholesale liquor permit, but a wholesaler may export from or import into this  
2 state spirituous liquors, wine as defined in § 3-9-301(7), hard cider, and  
3 malt liquors under rules promulgated by the Alcoholic Beverage Control  
4 Division.

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

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

17

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

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

25

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

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

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

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

35 (C) The permittee to charge an entry fee for persons  
36 wishing to attend the festival and to distribute beer, ~~and~~ malt beverages,



1 and hard cider on any day of the week, including Sunday, as provided for in  
2 this section, pursuant to the following conditions:

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

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

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

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

19

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

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

28

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

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

36

1 SECTION 16. Arkansas Code § 3-5-1405(a)(7), concerning alcoholic  
2 beverages authorized for on-premises consumption at a small brewery, is  
3 amended to read as follows:

4 (C) Hard cider.

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

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

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

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

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

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

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

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

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

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

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

1 the size of the permitted building space.

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

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

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

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

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

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

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

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

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

33 3-9-304. Sale by restaurant located near certain cities.

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

1 1970 Federal Decennial Census, and in an area in which the sale of alcoholic  
2 beverages is lawful, shall be entitled to make application for and obtain a  
3 permit to serve wine or hard cider, or both, with food in such restaurants in  
4 the manner prescribed in this subchapter.

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

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

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

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

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

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

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

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

1 required herein for an individual license.

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

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

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

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

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

20

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

22 3-9-306. Prohibited acts.

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

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

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

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

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

36

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

2 3-9-602. Sale by licensed facility authorized – Restrictions.

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

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

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

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

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

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

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

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

35 (4) The applicant has not had revoked within five (5) years  
36 immediately preceding his or her application any license issued to him or her

1 pursuant to the laws of this state or any other state to sell alcoholic  
2 liquor of any kind;

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

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

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

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

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

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

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

26

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

28 3-9-604. Prohibited acts.

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

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

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

36 (3) Sell wine or hard cider upon the licensed premises or permit

1 wine or hard cider to be consumed thereon on any day or at any time when the  
2 sale or consumption is prohibited by law; or

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

6  
7 SECTION 29. Arkansas Code § 3-9-605 is amended to read as follows:  
8 3-9-605. Penalties.

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

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17 /s/L. Eads  
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