

State of Arkansas
91st General Assembly
Regular Session, 2017

As Engrossed: H3/9/17
A Bill

HOUSE BILL 1379

By: Representative G. Hodges

For An Act To Be Entitled

AN ACT TO CREATE A LAYOUT CENTER PERMIT PROGRAM FOR
ALCOHOLIC BEVERAGE MERCHANDISE PLANNING; AND FOR
OTHER PURPOSES.

Subtitle

TO CREATE A LAYOUT CENTER PERMIT PROGRAM
FOR ALCOHOLIC BEVERAGE MERCHANDISE
PLANNING.

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

SECTION 1. Arkansas Code § 3-4-601 is amended to read as follows:

3-4-601. Kinds of permits generally.

There shall be ~~six (6)~~ seven (7) kinds of permits, each of which shall be distinctive in color and design so as to be readily distinguishable from each other, to wit:

- (1) Distiller's permit;
- (2) Brewer's permit;
- (3) Rectifier's permit;
- (4) Wholesaler's permit;
- (5) Dispenser's permit; ~~and~~
- (6) Hotel, restaurant, or club permit; and
- (7) Layout Center permit.

SECTION 2. Arkansas Code Title 3, Chapter 4, Subchapter 6, is amended to add an additional section to read as follows:

3-4-610. Layout Center permit.



(a) A corporation that is publicly traded on a nationally recognized stock exchange that has its principal place of business in Arkansas and is permitted to sell alcoholic beverages for on-premises or off-premises consumption in Arkansas and other states may apply for a Layout Center permit.

(b)(1) The application shall be in writing and shall provide information concerning the applicant for the Layout Center permit and the premises to be used by the applicant as the Director of the Alcoholic Beverage Control Division requires.

(2) The permitted premises shall:

(A) Be closed to the general public; and

(B) Not be used for retail sales of alcoholic beverages.

(3) A manufacturer or wholesaler may provide alcoholic beverages of any type directly to a layout center permittee at the permitted premises.

(4) A manufacturer or wholesaler that provides alcoholic beverages under this section need not:

(A) Be authorized to do business in this state; or

(B) Have any type of license or permit to operate in the state.

(5) The layout center permittee may also temporarily transport an alcoholic beverage to the permitted premises from a permitted retail outlet operated by the layout center permittee or the affiliates of the layout center permittee within the state.

(6) An alcoholic beverage provided under this section need not:

(A) Be available for sale in Arkansas; or

(B) Possess a brand label approved for sale in this state.

(7) A layout center permittee may:

(A) Pay a manufacturer or wholesaler for:

(i) The value of an alcoholic beverage; and

(ii) The cost of delivering the alcoholic beverage;

or

(B) Provide or deliver the alcoholic beverage to the layout center permittee without charge.

(8) An alcoholic beverage provided under this section shall:

(A) Be used solely for the purpose of merchandise planning within the permitted premises; and

(B) Not be consumed or sold on the permitted premises.

(9) When a layout center permittee is finished using the product for merchandise planning, the layout center permittee:

(A) For an alcoholic beverage received from a manufacturer, shall:

(i) Destroy the alcoholic beverage;

(ii) Return the alcoholic beverage to the manufacturer; or

(iii) Donate the alcoholic beverage to a charitable organization qualified under the Internal Revenue Code of 1986, 26 U.S.C. § 501(c)(3):

(B) For an alcoholic beverage received from a wholesaler, shall:

(i) Destroy the alcoholic beverage; or

(ii) Donate the alcoholic beverage to a charitable organization qualified under the Internal Revenue Code of 1986, 26 U.S.C. § 501(c)(3); or

(C) For an alcoholic beverage temporarily transported from a permitted retail outlet operated by the layout center permittee or an affiliate of the layout center permittee, may return the alcoholic beverages to the retail outlet.

(10) The layout center permittee shall maintain documentation of the receipt and disposition of all alcoholic beverages within the permitted premises.

(c) Provision of alcoholic beverages by a manufacturer or wholesaler under this section or otherwise assisting the layout center permittee with merchandise planning at the permitted premises is not a gift, gratuity, or inducement to the layout center permittee or an affiliate of the layout center permittee.

(d) An alcoholic beverage provided by a manufacturer or wholesaler under this section is exempt from taxation.

(e) The Alcoholic Beverage Control Division may conduct inspections of the premises permitted under this section.

(f) The division shall assess an annual fee of one hundred dollars (\$100) for a Layout Center permit.

(g) Providing alcoholic beverages to a layout center permittee under

this section is not a violation of any statute or regulation including a regulation requiring a manufacturer or wholesaler to provide the same services to all retailers.

(h) Owning, possessing or transporting alcoholic beverages furnished, or being furnished, to a corporation under this section is not be an offense under § 3-3-401 et seq.

/s/G. Hodges

APPROVED: 03/28/2017