

State of Arkansas
94th General Assembly
Regular Session, 2023

As Engrossed: H3/7/23
A Bill

HOUSE BILL 1498

By: Representatives M. Brown, Magie

By: Senators Irvin, J. Bryant

For An Act To Be Entitled

AN ACT TO AMEND THE LAW REGARDING ALCOHOLIC BEVERAGES; TO AMEND THE LAW RELATED TO MICROBREWERY-RESTAURANT PRIVATE CLUBS; TO PERMIT A MICROBREWERY-RESTAURANT PRIVATE CLUB PERMITTEE TO STORE AND SELL SPIRITUOUS LIQUOR TO MEMBERS FOR ON-PREMISES CONSUMPTION; TO PROVIDE DISCRETION RELATED TO REVOCATION OF A MICROBREWERY-RESTAURANT PRIVATE CLUB PERMIT; TO INCLUDE MICROBREWERY-RESTAURANT PRIVATE CLUBS AS A TYPE OF ENTITY PERMITTED IN AN ENTERTAINMENT DISTRICT; AND FOR OTHER PURPOSES.

Subtitle

TO AMEND THE LAW RELATED TO MICROBREWERY-RESTAURANT PRIVATE CLUBS.

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

SECTION 1. Arkansas Code § 3-5-1901, concerning definitions related to microbrewery-restaurant private clubs, is amended to add an additional subdivision to read as follows:

(9) "On-premises consumption" means the sale of alcoholic beverages by the drink or in broken or unsealed containers for consumption:

(A) On the premises where sold; or

(B) Within the boundaries of a designated entertainment district established under § 14-54-1412 that is contiguous with the premises.



SECTION 2. Arkansas Code § 3-5-1904(a)(2) and (3), concerning the scope of a microbrewery-restaurant private club permit, are amended to read as follows:

(2)(A) Store beer, malt beverage, and hard cider manufactured by the microbrewery-restaurant private club and any other beer, malt beverage, ~~and hard cider, and spirituous liquor~~ that the microbrewery-restaurant private club permittee may purchase from retailers and small brewers permitted by this state on the microbrewery-restaurant private club permitted premises and on the premises of the one (1) separate brewing facility of a microbrewery-restaurant private club authorized under subdivision (a)(8) of this section.

(B) Two (2) or more microbrewery-restaurant private clubs sharing common ownership or a brewery of any size sharing common ownership with a microbrewery-restaurant private club shall be considered one (1) entity for purposes of:

(i) Calculating barrel production; and
(ii) The transportation of beer, malt beverage, or hard cider produced by one (1) entity among no more than three (3) microbrewery-restaurant private clubs of the one (1) entity;

(3) Operate a restaurant that:

(A) ~~is~~ Is the sales outlet for beer, malt beverage, or hard cider manufactured by the microbrewery-restaurant private club; and

(B) ~~that sells~~ Sells the beer, malt beverage, or hard cider and any other beer, malt beverage, hard cider, ~~or wine, or spirituous liquor~~ that the microbrewery-restaurant private club permittee may purchase;

(i) ~~from~~ From retailers permitted by this state for on-premises consumption ~~on the permitted premises;~~ or

(ii) ~~purchased directly~~ Directly from permitted small brewers allowed to distribute directly to the microbrewery-restaurant private club;

SECTION 3. Arkansas Code § 3-5-1904(d), concerning advertising by a microbrewery-restaurant private club, is amended to read as follows:

(d)(1) A Except as provided in subdivision (d)(2) of this section, a microbrewery-restaurant private club, as described in this subchapter, shall not use advertising media to promote the consumption and use of alcoholic

beverages or to advertise or announce the price of service of alcoholic beverages for on-premises consumption in a county where voters have not authorized the sale of intoxicating liquor in a local option election under Initiated Act No. 1 of 1942, as amended, §§ 3-8-201 – 3-8-203, and 3-8-205 – 3-8-209.

(2) The prohibition on advertising or promoting the consumption and use of alcoholic beverages under subdivision (d)(1) of this section does not apply to a microbrewery-restaurant private club advertisement consisting solely of the name of the microbrewery-restaurant private club.

SECTION 4. Arkansas Code § 3-5-1905(b), concerning the penalty on a microbrewery-restaurant private club permit holder related to prohibited sales, is amended to read as follows:

(b) If a permittee sells, barter, loans, or gives away an alcoholic beverage in violation of this subchapter or other alcoholic beverage control laws of this state, the permit of the club ~~shall~~ may be revoked.

SECTION 5. Arkansas Code § 3-5-1906(1), concerning the state permitting fee paid by a microbrewery-restaurant private club permittee, is amended to read as follows:

(1) Pay the applicable city or county permit fees and barrelage or taxes and shall pay a state permitting fee to the Alcoholic Beverage Control Division of seven hundred fifty dollars (\$750) per fiscal year to manufacture and sell to members its beer, malt beverages, and hard cider for on-premises consumption ~~on the premises~~ and to sell to members other beer, malt beverages, ~~and~~ hard cider, and spirituous liquor purchased from a permitted ~~wholesaler~~ retailer for on-premises consumption ~~on the premises~~;

SECTION 6. Arkansas Code § 14-54-1412(a)(2), concerning the definition of a "designated entertainment district", is amended to read as follows:

(2) Contains any number and any combination of restaurants, taprooms, taverns, entertainment establishments, hospitality establishments, music venues, theaters, bars, private clubs, microbrewery-restaurant private clubs, art galleries, art studios, tourist destinations, distilleries, dance clubs, cinemas, or concert halls.

/s/M. Brown

APPROVED: 3/21/23