

Stricken language would be deleted from and underlined language would be added to present law.

State of Arkansas  
89th General Assembly  
Regular Session, 2013

# A Bill

SENATE BILL 474

By: Senator K. Ingram  
By: Representative Wright

## For An Act To Be Entitled

AN ACT TO CREATE AN INDUSTRY STANDARD CONCERNING THE DONATION OF ALCOHOLIC BEVERAGES; TO AMEND THE RESTRICTIONS FOR HANDLING ALCOHOLIC BEVERAGES BY PERSONS OVER EIGHTEEN (18) YEARS OF AGE BUT YOUNGER THAN TWENTY-ONE (21) YEARS OF AGE; TO REPEAL THE LIMITATION ON AND THE PENALTY FOR THE ALCOHOLIC BEVERAGE CONTROL BOARD GRANTING OR TRANSFERRING A RETAILER'S PERMIT DURING CERTAIN TIMES OF THE YEAR; TO PERMIT A WHOLESALER OF BEER AND LIGHT WINE TO SELL MALT LIQUOR TO A LIQUOR RETAILER; TO PERMIT A PRIVATE CLUB TO ADVERTISE THE PRICE AND SERVICE OF ALCOHOLIC BEVERAGES ON-PREMISES IN A COUNTY WHERE ITS VOTERS HAVE AUTHORIZED THE SALE OF INTOXICATING LIQUOR; TO REPEAL MISCELLANEOUS UNLAWFUL PRACTICES BY AN ALCOHOLIC BEVERAGE PERMITTEE; TO MAKE TECHNICAL CORRECTIONS; AND FOR OTHER PURPOSES.

## Subtitle

TO CREATE A STANDARD CONCERNING ALCOHOL DONATIONS; TO AMEND THE RULES FOR HANDLING ALCOHOL; TO AMEND A PERMIT REQUIREMENT; TO PERMIT THE SALE OF MALT LIQUOR; TO PERMIT A CLUB TO ADVERTISE; AND TO REPEAL AN UNLAWFUL PRACTICE.

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



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

3-1-104. Industry member conduct – Donation of intoxicating liquor.

(a) As used in this section:

(1) "Industry member" means any one (1) or more of the following:

(A) A distiller, manufacturer, importer, producer, wholesaler, or distributor of intoxicating liquor that holds a valid and appropriate permit issued by the Alcoholic Beverage Control Division;

(B) An agent of a distiller, manufacturer, importer, producer, wholesaler, or distributor of intoxicating liquor, including without limitation an employee, shareholder, owner, partner, corporate officer, or director; or

(C) A business paid by a distiller, manufacturer, importer, producer, wholesaler, or distributor of intoxicating liquor to assist in targeting and promoting the sale of intoxicating liquor, including without limitation an advertising agency or marketing firm; and

(2) "Retailer" means a person or business that:

(A) Is devoted wholly or partially to the sale of intoxicating liquor at retail; and

(B) Holds a valid retailer's permit issued by the division.

(b) An industry member or retailer may donate intoxicating liquor for on-premises consumption at a function to a charitable or nonprofit organization that does not have a permit to dispense intoxicating liquors if the premises used by the nonprofit organization has a permit for on-premises consumption of alcoholic beverages issued by the Director of the Alcoholic Beverage Control Division, if a permit is required by applicable law.

(c) An industry member may provide keg-tapping equipment and hook-up service to a charitable or nonprofit organization at a function.

SECTION 2. Arkansas Code § 3-3-204 is amended to read as follows:

3-3-204. Handling by minor.

(a) Except as provided in subsection (b) or (c) of this section, it shall be ~~is~~ unlawful for ~~any~~ a wholesaler, retailer, or transporter of

alcoholic beverages to allow ~~any~~ an employee or any other person under twenty-one (21) years of age to have anything to do with the selling, transporting, or handling of ~~alcoholic beverages~~ an alcoholic beverage.

(b) With the written consent of a parent or guardian, ~~persons~~ a person eighteen (18) years of age and older may:

(1) Sell or otherwise handle beer and ~~cooking wines~~ wine at retail grocery establishments; or

(2) Be employed by a licensed liquor wholesaler or licensed beer wholesaler or by a licensed native winery to handle alcoholic beverages at the place of business of the licensed wholesaler or winery.

(c) ~~With the written consent of a parent or guardian, persons~~ A person nineteen (19) years of age and older may sell and handle alcoholic beverages at ~~an establishment~~ a restaurant, private club, hotel, or motel that is licensed for on-premises consumption of alcoholic beverages under ~~§ 3-9-202(7) and (14) or § 3-9-301~~ this chapter.

(d)(1) ~~Anyone violating~~ A person who violates the provisions of this section ~~shall be~~ is guilty of a violation and upon conviction shall be fined not less than ten dollars (\$10.00) nor more than one hundred dollars (\$100).

(2) The violation shall be grounds for suspension, cancellation, or revocation by the Director of the Alcoholic Beverage Control Division of any permit issued to the person by the director.

SECTION 3. Arkansas Code § 3-4-204 is repealed.

~~3-4-204. When permits may not be issued.~~

~~(a) It shall be unlawful for the Alcoholic Beverage Control Board to grant or authorize the granting of any new retailer's permit to sell and dispense vinous or spirituous liquors for beverage purposes at retail, or to authorize the transfer of any permit previously issued, at any time during the last thirty (30) days of any even-numbered year and prior to January 15 of each odd-numbered year.~~

~~(b) As used in this section, the term "retailer's permit" means any permit issued pursuant to this chapter to sell or dispense vinous or spirituous liquors for beverage purposes at retail.~~

~~(c) Any violations of the provisions of this section by any members, officers, or employees of the board shall be grounds for dismissal therefrom. In addition, any violation shall be punished by a fine of not less than one~~

~~thousand dollars (\$1,000) nor more than ten thousand dollars (\$10,000) and imprisonment for not less than six (6) months nor more than one (1) year.~~

SECTION 4. Arkansas Code § 3-5-101 is amended to read as follows:

3-5-101. ~~Wholesalers~~ Wholesaler of beer and light wine may sell malt liquor.

~~Any~~ A person, firm, or corporation having a permit to sell beer and light wine at wholesale shall be permitted to ~~handle and~~ sell to liquor retailers malt liquor containing greater than five percent (5%) of alcohol by weight.

SECTION 5. Arkansas Code § 3-9-226 is amended to read as follows:

3-9-226. Private clubs – Advertising.

(a) As used in this section "intoxicating liquor" means a beverage containing more than one-half of one percent (0.5%) of alcohol by weight.

~~(a)(b)~~ (b) It shall be unlawful for ~~any~~ a private club, as defined by in § 3-9-202~~(10)~~, to use the 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 its 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.

~~(b)(c)(1) Private clubs~~ A private club, regardless of whether or not the voters in the county authorized the sale of intoxicating liquor in a local option election, shall be entitled to use the advertising media to advertise or announce social functions of general interest ~~such as~~ including without limitation:

- (A) A ~~four-ball tournaments~~ golf tournament;
- (B) A charity ~~balls~~ ball;
- (C) An ~~entertainment~~ entertainment event; or
- (D) ~~other~~ A similar activities activity.

(2) ~~occurring~~ The social function shall be held within the confines of club property.

(3) ~~when such~~ The advertising ~~or announcement is~~ for the social function shall be preceded by the words "Notice to Members" and the name of the club or organization sponsoring such social activity.

SECTION 5. Arkansas Code § 3-9-236(17), concerning miscellaneous unlawful practices by an alcoholic beverage permit holder, is amended to read as follows:

(17)(A) Employ ~~any~~ a person ~~in the serving of~~ to serve an alcoholic ~~beverages~~ beverage who has ~~been convicted~~ pleaded guilty or nolo contendere to or has been found guilty of:

(i) any A violation of ~~the laws~~ a law against concerning possession, sale, manufacture, or transportation of intoxicating liquor; or

(ii) ~~any crime involving moral turpitude; A felony and is on probation or serving a suspended sentence as a result of the felony, except as provided under subdivisions (17)(B) and (17)(C) of this section.~~

(B) A person who has pleaded guilty or nolo contendere to or has been found guilty of a felony and who is on probation or serving a suspended sentence as a result of the felony may be employed by an on-premise permittee if:

(i) The person works only in a kitchen; and

(ii) Alcoholic beverages are not served out of the kitchen.

(C) A person who has pleaded guilty or nolo contendere to or has been found guilty of a felony and who is not on probation or serving a suspended sentence as a result of the felony may be employed by an on-premise permittee in any capacity;