

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

State of Arkansas
90th General Assembly
Regular Session, 2015

A Bill

SENATE BILL 1028

By: Senator J. Woods

For An Act To Be Entitled

AN ACT TO AUTHORIZE LICENSED NATIVE BREWERS TO ESTABLISH SATELLITE TASTING ROOMS; TO AUTHORIZE TRANSPORTATION OF ALCOHOLIC BEVERAGES AMONG NATIVE BREWERIES, DISTILLERIES, SMALL FARM WINERIES, AND SATELLITE TASTING ROOMS; AND FOR OTHER PURPOSES.

Subtitle

TO AUTHORIZE NATIVE BREWERS' SATELLITE TASTING ROOMS AND TRANSPORTATION OF ALCOHOLIC BEVERAGES TO SATELLITE TASTING ROOMS.

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

SECTION 1. DO NOT CODIFY. Findings.

The General Assembly finds that authorizing the establishment of satellite tasting rooms will:

(1) Allow the growing native brewery and native distillery industries to improve services, create jobs, and generate new local tax revenues;

(2) Increase awareness of the variety of Arkansas native beers, malt liquors, brandies, spirituous liquors, hard ciders, and small farm wines;

(3) Simplify the distribution of alcoholic beverages within a narrowly defined sector of the alcoholic beverage industry; and

(4) Provide only a limited exception to the state's existing three-tier system.



SECTION 2. Arkansas Code § 3-4-602(f), concerning sales by liquor distillers and malt liquor manufacturers, is amended to read as follows:

(f) ~~No~~ Except as provided in the Arkansas Native Brewery Act, § 3-5-1401 et seq., a distiller or manufacturer shall not sell or contract to sell any spirituous, vinous (except wines), ~~or~~ malt liquors, or hard ciders referred to ~~herein~~ in this section to any wholesaler, distributor, or jobber, or to any other person who is not duly authorized under this act to receive, possess, transport, distribute, or sell those liquors.

SECTION 3. Arkansas Code § 3-5-1403 is amended to read as follows:
3-5-1403. Definitions.

As used in this subchapter:

- (1) "Barrel" means thirty-one gallons (31 gals.);
- (2) "Beer" means any fermented liquor made from malt or any substitute having an alcoholic content of not more than five percent (5%) by weight;
- (3) "Brewery" means the facilities of a native brewer that operate a small brewery, contract brewing company, microbrewery, or restaurant;
- (4) "Contract brewing company" means any licensed brewery that hires another company to produce a portion of its beer or malt beverage;
- (5) "Director" means the Director of the Alcoholic Beverage Control Division;
- (6) "Malt beverage" means any liquor brewed from the fermented juices of grain and having an alcoholic content of no less than five percent (5%) nor more than twenty-one percent (21%) by weight;
- (7) "Microbrewery-restaurant" means any restaurant that manufactures one (1) or more varieties of beer or malt beverage in an aggregate quantity of not more than five thousand (5,000) barrels per year and stores the beer or malt beverages on the premises or on any adjacent premises;
- (8) "Native brewer" means any person who is licensed by the Alcoholic Beverage Control Division to manufacture and sell beer and malt beverages at a small brewery or microbrewery-restaurant;
- (9) "Native brewery" means a small brewery or microbrewery-

restaurant;

(10) "Person" means any natural person, partnership, association, or corporation;

(11) "Producer brewery" means any licensed brewery, domestic or foreign, that manufactures or packages beer or malt beverages for a small brewery, contract brewing company, microbrewery, or restaurant;

(12) "Restaurant" means any public or private facility that:

(A) Is kept, used, maintained, advertised, and held out to the public or to a private or restricted membership as a place where complete meals are regularly served, and the place is provided with adequate and sanitary kitchen and dining equipment and has a seating capacity of at least fifty (50) people and employs a sufficient number of employees to prepare, cook, and serve food suitable for its guests or members; and

(B) Serves at least one (1) meal per day, and the place is open a minimum of five (5) days per week with the exception of holidays, vacations, and periods of redecorating; ~~and~~

(13) "Satellite tasting room" means a facility of a native brewer that is established at a location separate from the licensed brewery to serve:

(A) Beer, malt beverage, hard cider, native brandy, and spirituous liquor manufactured by the native brewery;

(B) Small farm wines; and

(C) Mixers, soft drinks, and other items customarily associated with the sale of liquors; and

~~(13)~~(14) "Small brewery" means any licensed facility that manufactures fewer than thirty thousand (30,000) barrels of beer and malt beverages per year for sale or consumption.

SECTION 4. Arkansas Code § 3-5-1407 is amended to read as follows:

3-5-1407. Transportation

(a)(1) A native brewery may transport its beer and malt beverages along any highway, road, street, or other thoroughfare of travel.

(2) A native brewery may transport from a brewery or distillery owned and operated by the native brewer to any satellite tasting room owned and operated by the native brewer without any additional license fee:

(A) Beer, malt beverage, hard cider, native brandy, and

spirituous liquor manufactured by the brewery or distillery owned and operated by the native brewer; and

(B) Small farm wines.

(b) Any native brewery may ship its products out of the state by common carrier or other appropriate parcel delivery service, and common carriers and other appropriate parcel delivery services may accept beer and malt beverages from Arkansas native brewers for delivery outside the state.

(c) Any native brewery in this state may ship its products within the state by common carrier or other appropriate parcel delivery service, and common carriers and other appropriate parcel delivery services may accept beer and malt beverages from Arkansas native breweries for delivery within the state if the beer and malt beverages are only shipped to persons holding a wholesale permit to purchase, store, sell, or dispense beer and malt beverages.

SECTION 5. Arkansas Code Title 3, Chapter 5, Subchapter 14, is amended to add an additional section to read as follows:

3-5-1417. Satellite tasting rooms.

(a) A native brewer may establish one (1) or more satellite tasting rooms.

(b)(1) The Alcoholic Beverage Control Division shall adopt rules to implement this section.

(2) The rules shall include without limitation:

(A) A requirement authorizing only a licensed native brewer to own and operate a satellite tasting room;

(B) A statement that the native brewer may transport products manufactured by the native brewer or a distillery owned by the native brewer to a satellite tasting room; and

(C) No additional fee for establishing and operating one (1) or more satellite tasting rooms.