

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

State of Arkansas
90th General Assembly
Regular Session, 2015

As Engrossed: S3/23/15 S3/24/15
A Bill

SENATE BILL 1032

By: Senator J. Woods
By: Representative Neal

For An Act To Be Entitled

AN ACT TO AUTHORIZE DISTILLERS AND MANUFACTURERS TO
PRODUCE HARD CIDER; AND FOR OTHER PURPOSES.

Subtitle

TO AUTHORIZE DISTILLERS AND MANUFACTURERS
TO PRODUCE HARD CIDER.

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

SECTION 1. Arkansas Code § 3-1-102(a), concerning definitions for distillers for alcohol permits, is amended to read as follows:

(a) As used in this act, unless the context otherwise requires:

(1) "Block" means the area on both sides of that portion of a street lying between intersecting streets and extending back, on both sides, halfway to the next parallel street;

(2) "Dispensary" means any store which, under the provisions of this act and having paid all taxes required by the state, sells at retail, in unbroken packages, for consumption off the premises, any intoxicating alcoholic liquor as defined by this act;

(3) "Hard cider" means liquor brewed from the fermented juices of fruit and containing more than three percent (3%) and not more than twenty-one percent (21%) of alcohol by weight;

~~(3)(A)~~(4)(A) "Malt" means liquor brewed from the fermented juices of grain and containing more than five percent (5%) of alcohol by weight~~;~~.

(B) Beer containing not more than five percent (5%) of



alcohol by weight and all other malt beverages containing not more than five percent (5%) of alcohol by weight are not defined as malt liquors and are excepted from each and every provision of this act;

~~(4)~~(5) "Manufacturer" means any person engaged in the business of distilling, brewing, making, blending, rectifying, or producing for sale in wholesale quantities alcoholic liquors of any kind including whiskey, brandy, cordials, liquors, ales, beers, or other liquids containing alcohol, except wines;

~~(5)~~(6) "Person" means any and all corporations, partnerships, associations, or individuals;

~~(6)~~(7) "Spirituous" means liquor distilled from the fermented juices of grain, fruits, or vegetables and containing more than twenty-one percent (21%) of alcohol by weight, or any other liquids containing more than twenty-one percent (21%) of alcohol by weight; and

~~(7)~~(8) "Vinous" means the fermented juices of fruits, except native wine, containing more than five percent (5%) and not more than twenty-one percent (21%) of alcohol by weight.

*SECTION 2. 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;*~~

(5) "Hard cider" means liquor brewed from the fermented juices of fruit and containing more than three percent (3%) and not more than twenty-one percent (21%) alcohol by weight;

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

SECTION 3. Arkansas Code § 3-5-1405 is amended to read as follows:
3-5-1405. Licenses – Scope – Restrictions.

(a) The Director of the Alcoholic Beverage Control Division may issue a license for a licensee:

(1) *To operate a small brewery that:*

(A) *Manufactures at its licensed facility:*

(i) *No less than thirty-five percent (35%) of its beer, ~~and~~ malt beverages, and hard cider to be sold in the state and no more than thirty thousand (30,000) barrels per year; or*

(ii) *Purchases from a producer brewery beer, ~~or~~ malt beverages, or hard cider in an aggregate quantity not to exceed sixty thousand (60,000) barrels per year;*

(B) *Sells to wholesale or to the consumer for consumption either on or off the premises brand name products of the licensed facility;*

(C) *Stores any beer, ~~and~~ malt beverages, and hard cider legally purchased for resale on the premises;*

(D) *Serves on the premises or at small brewery off-premises retail sites complimentary samples of beer produced by the small brewery or another licensed small brewery if the small brewery or its off-premises retail sites are located in a wet territory;*

(E) *Sells at retail by the drink or by the package beer produced on the premises of the small brewery or produced by another small brewery if all sales occur in a wet territory and at:*

(i) *The small brewery off-premises retail sites; or*

(ii)(a) *Fairs and food and beer festivals, with the permission and the consent of the management of the events.*

(b) *A sales and use tax permit also is required for sales under this subdivision (a)(1)(E)(ii);*

(F)(i) *Sells and transports beer produced on the premises of the small brewery or of another small brewery to wholesale and retail license holders and small brewery license holders.*

(ii) *To sell and transport beer under subdivision (a)(1)(F)(i) of this section, the small brewery shall obtain a small brewery wholesale permit; and*

(G) *Sells for consumption on the premises of the small brewery beer produced by the small brewery or another small brewery and purchased by the drink or by the package at the licensed premises if the small brewery is located in a wet territory; or*

(2) *To operate a microbrewery-restaurant that:*

(A) *Manufactures beer, ~~and~~ malt beverages, and hard cider*

in an aggregate quantity not to exceed five thousand (5,000) barrels per year;

(B)(i) Sells to wholesale or retail dealers or to the consumer for consumption either on or off the premises.

(ii) However, off-premise sales are limited to brand name products of the licensed facility;

(C) Stores any beer, ~~and~~ malt beverages, and hard cider purchased for resale on the premises; and

(D) Sells wine on the premises.

(b) Notwithstanding the provisions of any other law to the contrary, beer, ~~and~~ malt beverages, and hard cider may be sold for on-premises or off-premises consumption during all legal operating hours in which business is normally and legally conducted on the premises, if:

(1) The brewery provides tours through its facility; and

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

(c)(1) A native brewery may provide beer, ~~and~~ malt beverages, and hard cider it manufactures to charitable or nonprofit organizations or sell for resale beer, ~~and~~ malt beverages, and hard cider it manufactures to charitable or nonprofit organizations holding valid special event permits issued by the Alcoholic Beverage Control Board.

(2) The sale of those products is limited to the duration of the particular special event.

(d) Any person holding a valid microbrewery-restaurant license is considered a native brewery licensee that maintains production limits according to the definition of microbrewery-restaurant in § 3-5-1403.

/s/J. Woods