

State of Arkansas
91st General Assembly
Regular Session, 2017

A Bill

HOUSE BILL 2045

By: Representative D. Douglas

For An Act To Be Entitled

AN ACT TO CLARIFY THE LAW REGARDING THE HOLDING OF MORE THAN ONE RETAIL LIQUOR PERMIT; TO ALLOW INDIVIDUAL FAMILY MEMBERS TO OWN THEIR INDIVIDUAL BUSINESSES; AND FOR OTHER PURPOSES.

Subtitle

TO CLARIFY THE LAW REGARDING THE HOLDING OF MORE THAN ONE RETAIL LIQUOR PERMIT; AND TO ALLOW INDIVIDUAL FAMILY MEMBERS TO OWN THEIR INDIVIDUAL BUSINESSES.

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

SECTION 1. Arkansas Code § 3-4-205(a) concerning interest in multiple retail liquor permits being prohibited, is amended to read as follows:

(a) ~~For purposes of this section, the term~~ As used in this section:

(1)(A) "Franchise Agreement" means a written or oral agreement for a definite or indefinite period in which a person grants to another person a license to use a trade name, trademark, service mark, or related characteristic within an exclusive or nonexclusive territory or to sell or distribute goods or services within an exclusive or nonexclusive territory at wholesale or retail, by lease agreement, or otherwise.

(B) However, a "Franchise" not include a lease, license, or concession granted by a retailer to sell goods or furnish services on or from premises that are occupied by the retailer primarily for the retailer's own merchandising activities;

(2) "Franchisee" means a person to whom a franchise is offered



or granted; and

(3) ~~“vested permits” is defined as~~ “Vested permit” means those multiple retail liquor permits which were lawfully issued to any person, firm, or corporation prior to July 19, 1971.

SECTION 2. Arkansas Code § 3-4-205(b), concerning the prohibition on interests in multiple retail liquor permits, is amended to read as follows:

(b)(1)(A) ~~No~~ Except for a franchisee, a retail liquor permit shall not be issued, either as a new permit or as a replacement of an existing permit, to any person, firm, or corporation if the person, firm, or corporation has any interest in another retail liquor permit, regardless of the degree of interest.

(B) A retail liquor permit shall apply only to one (1) location, and a person, firm, or corporation shall not be permitted to receive any direct or indirect financial benefit from the sale of liquor at any location other than the permitted location.

(2) However, notwithstanding this prohibition, any retail liquor permits held by any person, firm, or corporation on July 19, 1971, which continue to be held by any person, firm, or corporation having an interest in more than one (1) retail liquor permit on August 13, 1993, shall be vested permits.

SECTION 3. Arkansas Code § 3-4-205, concerning the prohibition on interests in multiple retail liquor permits, is amended to add an additional subsection to read as follows:

(e) Under a franchise agreement, the Alcoholic Beverage Control Division shall deem a franchisee to be the holder of one (1) retail liquor permit regardless of the number of locations operated by the franchisee under the franchise agreement.