

State of Arkansas
92nd General Assembly
Regular Session, 2019

A Bill

HOUSE BILL 1774

By: Representative Rushing

By: Senator K. Ingram

For An Act To Be Entitled

AN ACT TO ALLOW RETAIL OFF-PREMISES CONSUMPTION SALES
OF MALT BEVERAGE AT GROCERY STORES; TO AMEND THE
GROCERY STORE WINE PERMIT; AND FOR OTHER PURPOSES.

Subtitle

TO ALLOW RETAIL OFF-PREMISES CONSUMPTION
SALES OF MALT BEVERAGE AT GROCERY STORES;
AND TO AMEND THE GROCERY STORE WINE
PERMIT.

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

SECTION 1. Arkansas Code §§ 3-5-1801 and 3-5-1802 are amended to read
as follows:

3-5-1801. Definitions.

As used in this subchapter:

(1) "Grocery store" means a single physical establishment that:

(A) Has an inventory of human-consumable items; and

(B) Is located in a wet territory;

(2) "Malt beverage" means a liquor brewed from the fermented
juices of grain and having an alcoholic content of not less than five percent
(5%) nor more than twenty-one percent (21%) by weight;

~~(2)~~(3) "Slotting allowance" means an allowance paid by a
manufacturer to a grocery store for making room for a product on the grocery
store's shelves; and

~~(3)~~(4) "Wine" means port, wine, sherry wine, vermouth wine, or



other wines manufactured within or without the State of Arkansas, the alcoholic content of which does not exceed twenty-one percent (21%).

3-5-1802. Grocery store wine and malt beverage permit – Fees.

(a) A grocery store may apply to the Alcoholic Beverage Control Board for a grocery store wine and malt beverage permit.

(b)(1) A grocery store wine and malt beverage permit allows a permittee to purchase and sell wine and malt beverage for off-premises consumption at a single location.

(2) Wine inventory orders or purchases, or both, and malt beverage inventory orders or purchases, or both, shall be made only by a permittee for delivery to a single permitted location.

(3) An order of wine inventory, malt beverage inventory, or both, for one location shall not be combined with an order for another location in a manner that would result in a cumulative discount or quantity discount, or both.

(c) A grocery store seeking a grocery store wine and malt beverage permit shall meet the criteria for the holder of an off-premises retail beer permit in addition to the criteria established in this section.

(d)(1) For the privilege of selling wine or malt beverage, or both, in a grocery store, each grocery store shall pay a grocery store wine and malt beverage permit fee based on the size of the permitted building space.

(2) The fee shall be:

(A) One thousand dollars (\$1,000) for a permitted building space containing less than thirty-five thousand one square feet (35,001 sq. ft.);

(B) Two thousand five hundred dollars (\$2,500) for a permitted building space containing between thirty-five thousand one square feet (35,001 sq. ft.) and fifty thousand square feet (50,000 sq. ft.);

(C) Three thousand five hundred dollars (\$3,500) for a permitted building space containing between fifty thousand one square feet (50,001 sq. ft.) and seventy-five thousand square feet (75,000 sq. ft.); and

(D) Five thousand dollars (\$5,000) for a permitted building space containing more than seventy-five thousand square feet (75,000 sq. ft.).

(e) One hundred percent (100%) of the fee from sales of wine shall be

paid into the Arkansas Wine Grants Fund.

(f) A grocery store wine and malt beverage permittee may conduct tasting events for educational and promotional purposes on the permittee's premises after obtaining a wine sampling permit from the Alcoholic Beverage Control Division under § 3-5-104.

(g)(1) A grocery store seeking a grocery store wine and malt beverage permit may derive no more than twenty percent (20%) of its gross sales from the sale of alcoholic beverages.

(2) However, the requirement under subdivision (g)(1) of this section does not apply to an otherwise qualifying grocery store that, as of January 1, ~~2017~~2019, derives more than twenty percent (20%) of its gross sales from the sale of alcoholic beverages.

(h) A grocery store wine and malt beverage permittee shall offer for sale small farm winery wine as defined in § 3-5-1601 et seq.

(i) A grocery store wine and malt beverage permit shall be available for issue only in a county in which the retail sale of alcohol under § 3-4-604 was authorized as of January 1, ~~2017~~2019.

SECTION 2. DO NOT CODIFY. A grocery store wine permit in effect on the effective date of this act shall continue in effect and shall be treated as a grocery store wine and malt beverage permit until the expiration of the grocery store wine permit.