

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

State of Arkansas  
93rd General Assembly  
Regular Session, 2021

# A Bill

SENATE BILL 538

By: Senator G. Leding

## For An Act To Be Entitled

AN ACT TO CREATE A PUBLIC HOUSE PERMIT FOR THE ON-  
PREMISES CONSUMPTION OF ALCOHOLIC BEVERAGES; AND FOR  
OTHER PURPOSES.

### Subtitle

TO CREATE A PUBLIC HOUSE PERMIT FOR THE  
ON-PREMISES CONSUMPTION OF ALCOHOLIC  
BEVERAGES.

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

SECTION 1. Arkansas Code § 3-3-210(b)(4), concerning the sale of alcoholic beverages on Sunday or early weekday mornings, is amended to read as follows:

(4) The vote of the majority of the electors against the off-premises sale of alcoholic beverages on Sunday has no effect on sales of mixed drinks in hotels, ~~and~~ restaurants, and public houses as authorized by § 3-9-215 or § 3-9-216 or any other ~~on-premises consumption permitted outlet~~ outlet permitted for on-premises consumption.

SECTION 2. Arkansas Code § 3-9-202, defining terms for entities engaged in the on-premises consumption of alcoholic beverages, is amended to add an additional subdivision to read as follows:

(17) "Public house" means an individual, partnership, limited liability company, or corporation that is primarily engaged in the business of the sale of alcoholic beverages for on-premises consumption.



SECTION 3. Arkansas Code § 3-9-210(a), concerning applications to sell alcoholic beverages on-premises, is amended to read as follows:

(a)(1) Any hotel, ~~or~~ restaurant, or public house as defined in § 3-9-202 desiring to sell alcoholic beverages for on-premises consumption shall make application to the Director of the Alcoholic Beverage Control Division for a permit upon forms prescribed and furnished by the director and in accordance with the rules ~~and regulations~~ of the Alcoholic Beverage Control Board.

(2)(A) If the hotel, ~~or~~ restaurant, or public house is owned by a partnership, whether regular or limited, a nonpartner manager or operator may be issued the permit provided that he or she meets the other qualifications required by this section.

(B) The failure of one (1) or more partners to be residents of this state shall not be grounds for denial of the permit.

SECTION 4. Arkansas Code § 3-9-210(c), concerning applications to sell alcoholic beverages on-premises, is amended to read as follows:

(c) The board shall ~~have authority to~~ require an applicant, under oath, to disclose the following information:

- (1) The name of the applicant;
- (2) Location of the hotel, ~~or~~ restaurant, or public house;
- (3) Sufficient data to establish that the applicant meets the requirements of § 3-9-202;
- (4) The names and addresses of all owners of the hotel, ~~or~~ restaurant, or public house;
- (5) That the applicant is a citizen or resident alien of the United States and a resident of Arkansas on the date of application, and if a corporation, duly qualified to do business in this state;
- (6) That neither the applicant nor any person to be employed in the serving of beverages authorized ~~herein shall be~~ in this subchapter is a person who has been convicted within five (5) years of the date of his or her employment of any violation of the laws against possession, sale, manufacture, or transportation of intoxicating liquor, or convicted of a felony;
- (7) That the manager or operator of the hotel, ~~or~~ restaurant, or public house seeking the permit is of good moral character and not a

convicted felon; and

(8) Such other relevant information as may be required.

SECTION 5. Arkansas Code § 3-9-212(a), concerning the permit fees to sell alcoholic beverages for on-premises consumption, is amended to read as follows:

(a) Each application for a permit to sell alcoholic beverages for on-premises consumption shall be accompanied by a permit fee in the following applicable amount:

Hotel, having fewer than 100 rooms	\$750
Hotel, having 100 or more rooms	1,500
Restaurant, having a seating capacity of less than 100 persons	750
Restaurant, having a seating capacity of 100 or more persons	1,500
Large meeting or attendance facility as defined in § 3-9-202(16)(B)	2,500
<u>Public house</u>	<u>2,500</u>

SECTION 6. Arkansas Code § 3-9-215 is amended to read as follows:

3-9-215. Authorization of Sunday sales on December 31.

When a Sunday falls on December 31 of any year, licensed restaurants, ~~and~~ hotels, and public houses authorized to sell alcoholic beverages under § 3-3-210 may automatically sell alcoholic beverages for on-premises consumption between the hours of 10:00 a.m. on Sunday and 2:00 a.m. on the following Monday unless the city, town, or county establishes by ordinance a lesser period of time within which alcoholic beverages may be sold for on-premises consumption by the licensed restaurants, ~~and~~ hotels, and public houses.

SECTION 7. Arkansas Code § 3-9-229 is amended to read as follows:

3-9-229. Collection of taxes.

(a) The Secretary of the Department of Finance and Administration may assess and collect delinquent state and local taxes from the owner or owners of the hotel, ~~or~~ restaurant, or public house, file claims for unpaid taxes

against bonds or other security required to be posted by the permittee, and enforce liens against assets held by the owner or owners.

(b) The Alcoholic Beverage Control Division may suspend or refuse to renew a permit held by a nonpartner if the hotel, ~~or~~ restaurant, or public house owner fails to remit state taxes.

SECTION 8. Arkansas Code Title 3, Chapter 9, Subchapter 2, is amended to add an additional section to read as follows:

3-9-242. Public houses – Qualifications for permit.

The Alcoholic Beverage Control Division shall not issue a public house permit until the applicant:

(1) Provides proof that the applicant has obtained a sales tax permit from the Revenue Division of the Department of Finance and Administration;

(2) Receives approval of the public house’s intended premises by the Department of Health; and

(3) Provides proof of general liability insurance providing coverage in an amount of no less than five hundred thousand dollars (\$500,000).