

1 State of Arkansas  
2 90th General Assembly  
3 Regular Session, 2015  
4

As Engrossed: H3/16/15

# A Bill

HOUSE BILL 1989

5 By: Representative Ratliff  
6

## For An Act To Be Entitled

8 AN ACT TO AMEND ARKANSAS ALCOHOL LAWS TO ALLOW  
9 CERTAIN MANAGING AGENTS TO SERVE AS AN EXCEPTION TO  
10 RESIDENCY REQUIREMENTS; AND FOR OTHER PURPOSES.  
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### Subtitle

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14 TO AMEND ARKANSAS ALCOHOL LAWS TO ALLOW  
15 CERTAIN MANAGING AGENTS TO SERVE AS AN  
16 EXCEPTION TO RESIDENCY REQUIREMENTS.  
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19 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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21 *SECTION 1. Arkansas Code § 3-5-302 is amended to read as follows:*

22 *3-5-302. Applications – Qualifications of applicant.*

23 *(a) No A license shall not be issued to any person authorizing the sale*  
24 *of beer at retail unless the person shall file a verified application,*  
25 *accompanied by the fee required by law, and shall state in the application*  
26 *that he or she possesses the following qualifications:*

27 *(1)(A) The applicant ~~must be~~ is a person of good moral*  
28 *character, a citizen or resident alien of the United States, and a resident*  
29 *of the county in which the permit will be operated or ~~reside~~ resides within*  
30 *thirty-five (35) miles of the address of the premises described in the*  
31 *application.*

32 *(B) However, the residency requirement under subdivision*  
33 *(a)(1)(A) of this section does not apply to a managing agent of a*  
34 *partnership, corporation, or an association that is an applicant if:*

35 *(i) The applicant currently holds at least two (2)*  
36 *permits issued by the Alcoholic Beverage Control Division for the sale of*



1 alcoholic beverages; and

2 (ii) The applicant designates with the division a  
3 representative who resides within the county of the premises or within  
4 thirty-five (35) miles of the address of the premises described in the  
5 application;

6 (2) The applicant ~~shall not have~~ has not been convicted of a  
7 felony or have been convicted within five (5) years of the date of his or her  
8 application of any violation of the laws of this state or the laws of any  
9 other state relating to the sale of alcoholic beverages;

10 (3) The applicant ~~shall not have~~ has not had revoked, within  
11 five (5) years next-preceding his or her application, any license issued to  
12 him or her ~~pursuant to~~ under the laws of this state or any other state to  
13 sell alcoholic liquor of any kind;

14 (4) The applicant ~~shall be~~ is the owner of the premises for  
15 which the license is sought or the holder of an existing lease, buy-sell  
16 agreement, offer and acceptance, or option to lease thereon;

17 (5) If the applicant is a copartnership, all members of the  
18 partnership ~~must~~ shall be qualified to obtain a license; and

19 (6)(A)(i) If the applicant is a corporation, the president and  
20 directors, any stockholder owning more than five percent (5%) of the stock of  
21 the corporation who are not exempted under subdivision (a)(6)(A)(ii) of this  
22 section, and the person or persons who ~~shall~~ will conduct and manage the  
23 licensed premises for the corporation shall possess all the qualifications  
24 required herein for an individual license.

25 (ii) An applicant is not required to state the  
26 identity of its shareholders who are not the president or a director when the  
27 corporation:

28 (a) Is publicly traded on a nationally  
29 recognized stock exchange; or

30 (b) Holds at least ten (10) permits issued by  
31 the ~~Alcoholic Beverage Control Division~~ division for the sale of alcoholic  
32 beverages.

33 (B) The requirement as to residence in the United States  
34 or citizenship of the United States ~~shall~~ does not apply to officers,  
35 directors, and stockholders of the corporation, but ~~the requirement shall~~  
36 does apply to any officer, director, or stockholder who is also the manager

1 of the licensed premises in any capacity in the conduct or operation of the  
2 licensed premises.

3 (b) If a retailer permitted under this section chooses to exercise the  
4 exemption to the residency requirements contained in subdivision (a)(1)(A) of  
5 this section, the retailer, after the issuance of the second permit issued to  
6 the permitted retailer by the division, may:

7 (1)(A) Change the managing agent of each of its permits by  
8 completing a form provided by the division.

9 (B)(i) A managing agent named under subdivision (b)(1)(A)  
10 of this section shall be a person of good moral character and a citizen or  
11 resident alien of the United States.

12 (ii) A managing agent named under subdivision  
13 (b)(1)(A) of this section shall not be required to meet the requirements set  
14 forth in subdivision (a)(1)(A) of this section; and

15 (2) Designate a representative for each permitted premises who  
16 resides within the county of the premises or within thirty-five (35) miles of  
17 the address of the premises stated on the permit.

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19 /s/Ratliff

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22 **APPROVED: 04/04/2015**