

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

A Bill

SENATE BILL 1028

4
5 By: Senator J. Woods

For An Act To Be Entitled

8 AN ACT TO AUTHORIZE LICENSED NATIVE BREWERS TO
9 ESTABLISH SATELLITE TASTING ROOMS; TO AUTHORIZE
10 TRANSPORTATION OF ALCOHOLIC BEVERAGES AMONG NATIVE
11 BREWERIES, DISTILLERIES, SMALL FARM WINERIES, AND
12 SATELLITE TASTING ROOMS; AND FOR OTHER PURPOSES.

Subtitle

15 TO AUTHORIZE NATIVE BREWERS' SATELLITE
16 TASTING ROOMS AND TRANSPORTATION OF
17 ALCOHOLIC BEVERAGES TO SATELLITE TASTING
18 ROOMS.

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

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24 SECTION 1. DO NOT CODIFY. Findings.

25 The General Assembly finds that authorizing the establishment of
26 satellite tasting rooms will:

27 (1) Allow the growing native brewery and native distillery
28 industries to improve services, create jobs, and generate new local tax
29 revenues;

30 (2) Increase awareness of the variety of Arkansas native beers,
31 malt liquors, brandies, spirituous liquors, hard ciders, and small farm
32 wines;

33 (3) Simplify the distribution of alcoholic beverages within a
34 narrowly defined sector of the alcoholic beverage industry; and

35 (4) Provide only a limited exception to the state's existing
36 three-tier system.



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2 SECTION 2. Arkansas Code § 3-4-602(f), concerning sales by liquor
3 distillers and malt liquor manufacturers, is amended to read as follows:

4 (f) ~~No~~ Except as provided in the Arkansas Native Brewery Act, § 3-5-
5 1401 et seq., a distiller or manufacturer shall not sell or contract to sell
6 any spirituous, vinous (except wines), ~~or~~ malt liquors, or hard ciders
7 referred to ~~herein~~ in this section to any wholesaler, distributor, or jobber,
8 or to any other person who is not duly authorized under this act to receive,
9 possess, transport, distribute, or sell those liquors.

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11 SECTION 3. Arkansas Code § 3-5-1403 is amended to read as follows:
12 3-5-1403. Definitions.

13 As used in this subchapter:

14 (1) "Barrel" means thirty-one gallons (31 gals.);

15 (2) "Beer" means any fermented liquor made from malt or any
16 substitute having an alcoholic content of not more than five percent (5%) by
17 weight;

18 (3) "Brewery" means the facilities of a native brewer that
19 operate a small brewery, contract brewing company, microbrewery, or
20 restaurant;

21 (4) "Contract brewing company" means any licensed brewery that
22 hires another company to produce a portion of its beer or malt beverage;

23 (5) "Director" means the Director of the Alcoholic Beverage
24 Control Division;

25 (6) "Malt beverage" means any liquor brewed from the fermented
26 juices of grain and having an alcoholic content of no less than five percent
27 (5%) nor more than twenty-one percent (21%) by weight;

28 (7) "Microbrewery-restaurant" means any restaurant that
29 manufactures one (1) or more varieties of beer or malt beverage in an
30 aggregate quantity of not more than five thousand (5,000) barrels per year
31 and stores the beer or malt beverages on the premises or on any adjacent
32 premises;

33 (8) "Native brewer" means any person who is licensed by the
34 Alcoholic Beverage Control Division to manufacture and sell beer and malt
35 beverages at a small brewery or microbrewery-restaurant;

36 (9) "Native brewery" means a small brewery or microbrewery-

1 restaurant;

2 (10) "Person" means any natural person, partnership,
3 association, or corporation;

4 (11) "Producer brewery" means any licensed brewery, domestic or
5 foreign, that manufactures or packages beer or malt beverages for a small
6 brewery, contract brewing company, microbrewery, or restaurant;

7 (12) "Restaurant" means any public or private facility that:

8 (A) Is kept, used, maintained, advertised, and held out to
9 the public or to a private or restricted membership as a place where complete
10 meals are regularly served, and the place is provided with adequate and
11 sanitary kitchen and dining equipment and has a seating capacity of at least
12 fifty (50) people and employs a sufficient number of employees to prepare,
13 cook, and serve food suitable for its guests or members; and

14 (B) Serves at least one (1) meal per day, and the place is
15 open a minimum of five (5) days per week with the exception of holidays,
16 vacations, and periods of redecorating; ~~and~~

17 (13) "Satellite tasting room" means a facility of a native
18 brewer that is established at a location separate from the licensed brewery
19 to serve:

20 (A) Beer, malt beverage, hard cider, native brandy, and
21 spirituous liquor manufactured by the native brewery;

22 (B) Small farm wines; and

23 (C) Mixers, soft drinks, and other items customarily
24 associated with the sale of liquors; and

25 ~~(13)~~(14) "Small brewery" means any licensed facility that
26 manufactures fewer than thirty thousand (30,000) barrels of beer and malt
27 beverages per year for sale or consumption.

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29 SECTION 4. Arkansas Code § 3-5-1407 is amended to read as follows:

30 3-5-1407. Transportation

31 (a)(1) A native brewery may transport its beer and malt beverages
32 along any highway, road, street, or other thoroughfare of travel.

33 (2) A native brewery may transport from a brewery or distillery
34 owned and operated by the native brewer to any satellite tasting room owned
35 and operated by the native brewer without any additional license fee:

36 (A) Beer, malt beverage, hard cider, native brandy, and

1 spirituous liquor manufactured by the brewery or distillery owned and
2 operated by the native brewer; and

3 (B) Small farm wines.

4 (b) Any native brewery may ship its products out of the state by
5 common carrier or other appropriate parcel delivery service, and common
6 carriers and other appropriate parcel delivery services may accept beer and
7 malt beverages from Arkansas native brewers for delivery outside the state.

8 (c) Any native brewery in this state may ship its products within the
9 state by common carrier or other appropriate parcel delivery service, and
10 common carriers and other appropriate parcel delivery services may accept
11 beer and malt beverages from Arkansas native breweries for delivery within
12 the state if the beer and malt beverages are only shipped to persons holding
13 a wholesale permit to purchase, store, sell, or dispense beer and malt
14 beverages.

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16 SECTION 5. Arkansas Code Title 3, Chapter 5, Subchapter 14, is amended
17 to add an additional section to read as follows:

18 3-5-1417. Satellite tasting rooms.

19 (a) A native brewer may establish one (1) or more satellite tasting
20 rooms.

21 (b)(1) The Alcoholic Beverage Control Division shall adopt rules to
22 implement this section.

23 (2) The rules shall include without limitation:

24 (A) A requirement authorizing only a licensed native
25 brewer to own and operate a satellite tasting room;

26 (B) A statement that the native brewer may transport
27 products manufactured by the native brewer or a distillery owned by the
28 native brewer to a satellite tasting room; and

29 (C) No additional fee for establishing and operating one
30 (1) or more satellite tasting rooms.

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