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AMENDMENT SUMMARY: The proposed amendment allows microbrewery-restaurant private clubs to sell spirituous beverages. This proposed Amendment is in response to Act 334 of the 2023 Regular Session of the Arkansas General Assembly.

**5.86 Permit Scope and Restrictions.** The Director of the Alcoholic Beverage Control Division may issue a microbrewery-restaurant private club permit that authorizes the permittee to:

Operate a microbrewery-restaurant private club and manufacture one (1) or more varieties of beer, malt beverage, or hard cider in an aggregate quantity not to exceed forty-five thousand (45,000) barrels per year from all facilities under common ownership with the microbrewery;

Store beer, malt beverage, and hard cider manufactured by the microbrewery-restaurant private club and any other beer, malt beverage, hard cider, and spirituous liquor that the microbrewery-restaurant private club permittee may purchase from retailers and small brewers permitted by this state on the microbrewery-restaurant private club permitted premises and on the premises of the one (1) separate brewing facility of a microbrewery-restaurant private club.

Two (2) or more microbrewery-restaurant private clubs sharing common ownership or a brewery of any size sharing common ownership with a microbrewery-restaurant private club shall be considered one (1) entity for 146 purposes of: calculating barrel production; and the transportation of beer, malt beverage, or hard cider produced by one (1) entity among no more than three (3) microbrewery-restaurant private clubs of the one (1) entity; Operate a restaurant that is the sales outlet for beer, malt beverage, or hard cider manufactured by the microbrewery-restaurant private club and that sells the beer, malt beverage, or hard cider and any other beer, malt beverage, hard cider, wine, or spirituous liquor that the microbrewery-restaurant private club permittee may purchase from retailers permitted by this state for consumption on the permitted premises or purchased directly from permitted small brewers allowed to distribute directly to the microbrewery-restaurant private club; Sell on the premises beer, malt beverage, or hard cider manufactured by the microbrewery-restaurant private club or commonly owned facility to a member for on-premises consumption during legal operating hours

Serve to a member on-premises complimentary samples of beer, malt beverages, or hard cider produced by the microbrewery-restaurant private club

Sell beer, malt beverage, or hard cider of its own manufacture to a wholesale dealer permitted by this state for the purpose of resale to other retail permit holders

**5.90 Advertising for a microbrewery-restaurant private club.** Except as provided in ACA § 3-5-1904(d)(2), a microbrewery-restaurant private club may use advertising media to announce social functions of general interest, including without limitation:

- (1) A golf tournament;
- (2) A charity ball;
- (3) An entertainment event; or
- (4) A similar activity.

Such event shall be held within the confines of the microbrewery-restaurant private club property. The advertising for the social function shall be preceded by the words "Notice to Members" and the name of the club or organization sponsoring the event.

The prohibition on advertising or promoting the consumption and use of alcoholic beverages under ACA § 3-5-1904(d)(1) does not apply to a microbrewery-restaurant private club advertisement consisting solely of the name of the microbrewery-restaurant private club.

1 State of Arkansas  
2 94th General Assembly  
3 Regular Session, 2023  
4

As Engrossed: H3/7/23

# A Bill

HOUSE BILL 1498

5 By: Representatives M. Brown, Magie  
6 By: Senators Irvin, J. Bryant  
7

## For An Act To Be Entitled

9 AN ACT TO AMEND THE LAW REGARDING ALCOHOLIC  
10 BEVERAGES; TO AMEND THE LAW RELATED TO MICROBREWERY-  
11 RESTAURANT PRIVATE CLUBS; TO PERMIT A MICROBREWERY-  
12 RESTAURANT PRIVATE CLUB PERMITTEE TO STORE AND SELL  
13 SPIRITUOUS LIQUOR TO MEMBERS FOR ON-PREMISES  
14 CONSUMPTION; TO PROVIDE DISCRETION RELATED TO  
15 REVOCATION OF A MICROBREWERY-RESTAURANT PRIVATE CLUB  
16 PERMIT; TO INCLUDE MICROBREWERY-RESTAURANT PRIVATE  
17 CLUBS AS A TYPE OF ENTITY PERMITTED IN AN  
18 ENTERTAINMENT DISTRICT; AND FOR OTHER PURPOSES.  
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## Subtitle

21 TO AMEND THE LAW RELATED TO MICROBREWERY-  
22 RESTAURANT PRIVATE CLUBS.  
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26 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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28 SECTION 1. Arkansas Code § 3-5-1901, concerning definitions related to  
29 microbrewery-restaurant private clubs, is amended to add an additional  
30 subdivision to read as follows:

31 (9) "On-premises consumption" means the sale of alcoholic  
32 beverages by the drink or in broken or unsealed containers for consumption:

33 (A) On the premises where sold; or

34 (B) Within the boundaries of a designated entertainment  
35 district established under § 14-54-1412 that is contiguous with the premises.  
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1 SECTION 2. Arkansas Code § 3-5-1904(a)(2) and (3), concerning the  
2 scope of a microbrewery-restaurant private club permit, are amended to read  
3 as follows:

4 (2)(A) Store beer, malt beverage, and hard cider manufactured by  
5 the microbrewery-restaurant private club and any other beer, malt beverage,  
6 ~~and hard cider, and spirituous liquor~~ that the microbrewery-restaurant  
7 private club permittee may purchase from retailers and small brewers  
8 permitted by this state on the microbrewery-restaurant private club permitted  
9 premises and on the premises of the one (1) separate brewing facility of a  
10 microbrewery-restaurant private club authorized under subdivision (a)(8) of  
11 this section.

12 (B) Two (2) or more microbrewery-restaurant private clubs  
13 sharing common ownership or a brewery of any size sharing common ownership  
14 with a microbrewery-restaurant private club shall be considered one (1)  
15 entity for purposes of:

16 (i) Calculating barrel production; and  
17 (ii) The transportation of beer, malt beverage, or  
18 hard cider produced by one (1) entity among no more than three (3)  
19 microbrewery-restaurant private clubs of the one (1) entity;

20 (3) Operate a restaurant that:

21 (A) ~~is~~ Is the sales outlet for beer, malt beverage, or  
22 hard cider manufactured by the microbrewery-restaurant private club; and

23 (B) ~~that sells~~ Sells the beer, malt beverage, or hard  
24 cider and any other beer, malt beverage, hard cider, ~~or wine, or spirituous~~  
25 liquor that the microbrewery-restaurant private club permittee may purchase;

26 (i) ~~from~~ From retailers permitted by this state for  
27 on-premises consumption ~~on the permitted premises;~~ or

28 (ii) ~~purchased directly~~ Directly from permitted  
29 small brewers allowed to distribute directly to the microbrewery-restaurant  
30 private club;

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32 SECTION 3. Arkansas Code § 3-5-1904(d), concerning advertising by a  
33 microbrewery-restaurant private club, is amended to read as follows:

34 (d)(1) A Except as provided in subdivision (d)(2) of this section, a  
35 microbrewery-restaurant private club, as described in this subchapter, shall  
36 not use advertising media to promote the consumption and use of alcoholic

1 beverages or to advertise or announce the price of service of alcoholic  
 2 beverages for on-premises consumption in a county where voters have not  
 3 authorized the sale of intoxicating liquor in a local option election under  
 4 Initiated Act No. 1 of 1942, as amended, §§ 3-8-201 – 3-8-203, and 3-8-205 –  
 5 3-8-209.

6 (2) The prohibition on advertising or promoting the consumption  
 7 and use of alcoholic beverages under subdivision (d)(1) of this section does  
 8 not apply to a microbrewery-restaurant private club advertisement consisting  
 9 solely of the name of the microbrewery-restaurant private club.

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 11 SECTION 4. Arkansas Code § 3-5-1905(b), concerning the penalty on a  
 12 microbrewery-restaurant private club permit holder related to prohibited  
 13 sales, is amended to read as follows:

14 (b) If a permittee sells, barter, loans, or gives away an alcoholic  
 15 beverage in violation of this subchapter or other alcoholic beverage control  
 16 laws of this state, the permit of the club ~~shall~~ may be revoked.

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 18 SECTION 5. Arkansas Code § 3-5-1906(1), concerning the state  
 19 permitting fee paid by a microbrewery-restaurant private club permittee, is  
 20 amended to read as follows:

21 (1) Pay the applicable city or county permit fees and barrelage  
 22 or taxes and shall pay a state permitting fee to the Alcoholic Beverage  
 23 Control Division of seven hundred fifty dollars (\$750) per fiscal year to  
 24 manufacture and sell to members its beer, malt beverages, and hard cider for  
 25 on-premises consumption ~~on the premises~~ and to sell to members other beer,  
 26 malt beverages, ~~and~~ hard cider, and spirituous liquor purchased from a  
 27 permitted ~~wholesaler~~ retailer for on-premises consumption ~~on the premises~~;

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 29 SECTION 6. Arkansas Code § 14-54-1412(a)(2), concerning the definition  
 30 of a "designated entertainment district", is amended to read as follows:

31 (2) Contains any number and any combination of restaurants,  
 32 taprooms, taverns, entertainment establishments, hospitality establishments,  
 33 music venues, theaters, bars, private clubs, microbrewery-restaurant private  
 34 clubs, art galleries, art studios, tourist destinations, distilleries, dance  
 35 clubs, cinemas, or concert halls.

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*/s/M. Brown*

**APPROVED: 3/21/23**