

1 State of Arkansas  
2 95th General Assembly  
3 Regular Session, 2025  
4

# A Bill

HOUSE BILL 1476

5 By: Representative B. McKenzie  
6 By: Senator Hester  
7

## For An Act To Be Entitled

9 AN ACT TO AMEND THE DIRECT SHIPMENT OF VINOUS LIQUOR  
10 ACT; TO ESTABLISH A WINE DIRECT SHIPPER LICENSE; AND  
11 FOR OTHER PURPOSES.  
12  
13

## Subtitle

15 TO AMEND THE DIRECT SHIPMENT OF VINOUS  
16 LIQUOR ACT; AND TO ESTABLISH A WINE  
17 DIRECT SHIPPER LICENSE.  
18

19 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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21 SECTION 1. Arkansas Code § 3-5-1703 through 3-5-1707 are amended to  
22 read as follows:

23 3-5-1703. ~~Registration~~ Wine direct shipper license – Renewal fee.

24 (a) ~~(1)~~ Unless ~~registered~~ licensed under this subchapter, a winery,  
25 supplier, importer, wholesaler, distributor, or retailer licensed by this  
26 state or the state where its principal place of business is located shall not  
27 ship vinous liquor to an Arkansas consumer.

28 ~~(2) This section does not apply to a small farm winery licensed~~  
29 ~~under § 3-5-1601 et seq.~~

30 (b) ~~Prior to the winery's first shipment into or within the state~~ In  
31 order to obtain a wine direct shipper license, the a winery, supplier,  
32 importer, wholesaler, distributor, or retailer shall:

33 (1) ~~Register~~ File an application for a wine direct shipper  
34 license with the Alcoholic Beverage Control Division;

35 (2) Provide the division with a true copy of the ~~winery's~~  
36 applicant's current alcoholic beverage license ~~to manufacture wine~~ issued by:



1 (A) The state of domicile; and

2 (B) The Alcohol and Tobacco Tax and Trade Bureau of the  
3 United States Department of the Treasury; and

4 (3) Pay a registration fee of ~~twenty five dollars (\$25.00)~~ one  
5 hundred dollars (\$100.00).

6 (c) A winery wine direct shipper licensee shall renew its application  
7 each year with the division by:

8 (1) Providing the division with a copy of the licenses required  
9 under subdivision (b)(2) of this section; and

10 (2) Paying a renewal fee of ~~twenty five dollars (\$25.00)~~ fifty  
11 dollars (\$50.00).

12 (d) A wine direct shipper licensee may ship vinous liquor directly to  
13 a resident as provided in § 3-5-1705.

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15 3-5-1704. ~~Purchase~~ — Payment of taxes — Reporting — Consent to  
16 jurisdiction.

17 (a) ~~A consumer must:~~

18 (1) ~~Be physically present at the winery to purchase the vinous~~  
19 ~~liquor to be shipped into or within the state; and~~

20 (2) ~~Provide identification to the winery proving that he or she~~  
21 ~~is twenty one (21) years of age or older.~~

22 (b)(1) A winery wine direct shipper licensee shall collect all sales  
23 taxes and excise taxes due on a sale to an individual of this state as if the  
24 sale took place on the premises of an Arkansas small farm winery, including  
25 without limitation taxes under §§ 3-5-1605, 3-7-104, 3-7-111, and 3-7-201.

26 (2) Taxes collected by the winery wine direct shipper licensee  
27 shall be submitted to the Department of Finance and Administration as  
28 directed without limitation under §§ 3-5-1605, 3-7-104, 3-7-111, and 3-7-201.

29 (3) A winery wine direct shipper licensee shall source the  
30 collection of sales and use taxes to the purchaser's delivery address in  
31 accordance with § 26-52-521(b)(2).

32 (b)(1) A wine direct shipper licensee located outside of the state  
33 shall report to the Alcoholic Beverage Control Division annually on the  
34 amount of vinous liquor the wine direct shipper licensee shipped into the  
35 state during the preceding calendar year.

36 (2) A wine direct shipper licensee located inside the state

1 shall provide the division with any requested by the division to ensure  
 2 compliance with this subchapter.

3 (c) A wine direct shipper licensee:

4 (1) Shall permit the department or division to perform an audit  
 5 of the records of the wine direct shipper licensee upon request; and

6 (2) Is subject to the jurisdiction of the department or other  
 7 state agency and the courts concerning enforcement of this subchapter and  
 8 related laws or rules.

9

10 3-5-1705. Direct shipment.

11 (a) A ~~winery~~ wine direct shipper licensee shall ship only a vinous  
 12 liquor to a private residence.

13 (b) A ~~winery~~ wine direct shipper licensee may ~~only ship one (1) case~~  
 14 ~~of vinous liquor per consumer in any calendar quarter up to twenty-four (24)~~  
 15 nine-liter cases of wine annually to a resident:

16 (1) Who is twenty-one (21) years of age or older;

17 (2) Who resides in an area that has authorized the manufacture  
 18 or sale of alcoholic beverages; and

19 (3) For his or her personal use and not for resale.

20 (c)~~(1)~~ A shipment of a vinous liquor shall have a shipping label  
 21 ~~provided by the Alcoholic Beverage Control Division~~ affixed to the shipping  
 22 package that conspicuously states "CONTAINS ALCOHOL: SIGNATURE OF PERSON AGE  
 23 21 OR OLDER REQUIRED FOR DELIVERY".

24 ~~(2) The fee for each label for a shipment shall not exceed ten~~  
 25 ~~dollars (\$10.00).~~

26

27 3-5-1706. Delivery.

28 (a) A ~~winery~~ wine direct shipper licensee shall have the vinous liquor  
 29 delivered to an Arkansas consumer during the hours of the day that alcoholic  
 30 beverages may be purchased in the state.

31 (b) A wine direct shipper licensee shall not ship vinous liquor to  
 32 resident located in a dry territory.

33

34 3-5-1707. Rules.

35 The Director of the Alcoholic Beverage Control Division, ~~the Alcoholic~~  
 36 ~~Beverage Control Board, the Secretary of the Department of Finance and~~

1 Administration, and any other affected agency of this state may shall adopt  
2 rules to implement this subchapter.

3  
4 SECTION 2. Arkansas Code §§ 3-5-1709 - 3-5-1710 are repealed.

5 ~~3-5-1709. Small farm winery shipment.~~

6 ~~(a)(1) A small farm winery licensee with a wine wholesale permit under~~  
7 ~~§ 3-5-1602(c)(1)(E) may ship small farm winery wine or mead under this~~  
8 ~~subchapter to a private resident without the private resident having been~~  
9 ~~physically present or having made an in person purchase at the small farm~~  
10 ~~winery if the shipment includes only small farm winery wine or mead.~~

11 ~~(2) Additional shipping registration of a small farm winery is~~  
12 ~~not required for a shipment under subdivision (a)(1) of this section.~~

13 ~~(b) A private resident shall provide identification to the small farm~~  
14 ~~winery proving that he or she is twenty-one (21) years of age or older.~~

15 ~~(c) A small farm winery may ship only one (1) case of small farm~~  
16 ~~winery wine and one (1) case of mead per private resident in any month.~~

17 ~~(d) A small farm winery shipping under this subchapter shall ensure~~  
18 ~~that all containers of small farm winery wine or mead delivered within this~~  
19 ~~state are conspicuously labeled as follows:~~

20 ~~“CONTAINS ALCOHOL; SIGNATURE OF PERSON AGE 21 OR OLDER REQUIRED~~  
21 ~~FOR DELIVERY”.~~

22 ~~(e)(1) A small farm winery shall collect all sales taxes and excise~~  
23 ~~taxes due on a sale to an individual of this state as if the sale took place~~  
24 ~~on the premises of the small farm winery, including without limitation taxes~~  
25 ~~under §§ 3-5-1605, 3-7-104, 3-7-111, and 3-7-201.~~

26 ~~(2) Taxes collected by the small farm winery shall be submitted~~  
27 ~~to the Department of Finance and Administration as directed without~~  
28 ~~limitation under §§ 3-5-1605, 3-7-104, 3-7-111, and 3-7-201.~~

29 ~~(3) A small farm winery shall source the collection of sales and~~  
30 ~~use taxes to the purchaser's delivery address in accordance with § 26-52-~~  
31 ~~521(b)(2).~~

32 ~~(4) A small farm winery shipping mead under this section shall~~  
33 ~~collect all taxes due on the mead in the same manner as required for wine.~~

34 ~~(f) A small farm winery that makes a direct shipment of small farm~~  
35 ~~winery wine or mead under this section shall maintain records regarding each~~  
36 ~~shipment of small farm winery wine or mead that include the:~~

1           ~~(1) Name and address of the person to whom the small farm winery~~  
2 ~~wine or mead is:~~

3                   ~~(A) Sold; and~~

4                   ~~(B) Billed; and~~

5           ~~(2) Date of shipment.~~

6  
7           ~~3-5-1710. Permits — Drawing — Issuance.~~

8           ~~(a)(1) Within sixty (60) days after April 3, 2017, the Alcoholic~~  
9 ~~Beverage Control Board shall notify by mail all small farm wineries licensed~~  
10 ~~under § 3-5-1602 and holding a small farm wine wholesale permit under § 3-5-~~  
11 ~~1602(c)(1)(E) issued on or before April 15, 2017, that they are eligible for~~  
12 ~~a small farm winery private resident shipping permit if the winery produced~~  
13 ~~by fermentation at least eight hundred gallons (800 gals.) of wine in the~~  
14 ~~previous calendar year as shown on the winery's TTB F 5120-17.~~

15           ~~(2) The board shall issue a small farm winery private resident~~  
16 ~~shipping permit to a small farm winery holding a small farm wine wholesale~~  
17 ~~permit under § 3-5-1602(c)(1)(E) issued on or before April 15, 2017, upon~~  
18 ~~receipt of the following:~~

19                   ~~(A) Proof that the winery produced by fermentation at~~  
20 ~~least eight hundred gallons (800 gals.) of wine in the previous calendar year~~  
21 ~~as shown on the winery's TTB F 5120-17; and~~

22                   ~~(B) Payment of a licensing fee of twenty five dollars~~  
23 ~~(\$25.00).~~

24           ~~(b)(1) In each subsequent year, the board may issue up to five (5)~~  
25 ~~small farm winery private resident shipping permits to small farm wineries~~  
26 ~~licensed under § 3-5-1602 and holding a small farm wine wholesale permit~~  
27 ~~under § 3-5-1602(c)(1)(E) issued after April 15, 2017, if the winery produced~~  
28 ~~by fermentation at least eight hundred gallons (800 gals.) of wine in the~~  
29 ~~previous calendar year as shown on the winery's TTB F 5120-17.~~

30           ~~(2) The board shall notify the public at large by legal notice~~  
31 ~~and internet posting that the board will accept applications for small farm~~  
32 ~~winery private resident shipping permits.~~

33           ~~(3) The notice required under subdivision (b)(2) of this section~~  
34 ~~shall include:~~

35                   ~~(A) The number of permits to be issued;~~

36                   ~~(B) The last date applications will be accepted; and~~

1                   ~~(C) The date of a drawing to determine which applicants~~  
 2 ~~will be awarded a permit if the number of applicants exceeds the number of~~  
 3 ~~permits authorized by the board.~~

4                   ~~(4) The board shall not accept an application more than ninety~~  
 5 ~~(90) days after the date of publication of the notice required under~~  
 6 ~~subdivision (b)(2) of this section.~~

7                   ~~(5)(A) If the number of applicants for a permit exceeds the~~  
 8 ~~number of permits authorized by the board, the Director of the Alcoholic~~  
 9 ~~Beverage Control Division shall conduct a drawing not earlier than one~~  
 10 ~~hundred twenty (120) days after the publication of the notice specified in~~  
 11 ~~subdivision (b)(2) of this section, nor later than one hundred eighty (180)~~  
 12 ~~days after publication of the notice.~~

13                   ~~(B)(i) On the date of the drawing, each applicant for a~~  
 14 ~~permit or his or her agent shall draw a number between one (1) and a number~~  
 15 ~~equal to the number of permits to be granted of applications filed.~~

16                   ~~(ii) Position numbers shall not be transferred or~~  
 17 ~~assigned.~~

18                   ~~(6) Upon payment of a licensing fee of twenty-five dollars~~  
 19 ~~(\$25.00), the director shall issue a permit to each eligible licensee that~~  
 20 ~~draws a number one (1) through the number authorized by the board for the~~  
 21 ~~drawing.~~

22                   ~~(c) A small farm winery shall renew its small farm winery private-~~  
 23 ~~resident shipping permit each year with the division by paying a renewal fee~~  
 24 ~~of twenty-five dollars (\$25.00).~~

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 26                   SECTION 3. Arkansas Code Title 3, Chapter 5, Subchapter 17, is amended  
 27 to add additional sections to read as follows:

28                   3-5-1711. Enforcement.

29                   (a) The Alcoholic Beverage Control Division may enforce the  
 30 requirements of this subchapter through administrative proceedings to suspend  
 31 or revoke a wine direct shipper license.

32                   (b) The division may accept payment of a fine as an offer in  
 33 compromise in lieu of suspension according to division rules.

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 35                   3-5-1712. Prohibition.

36                   (a) A winery, supplier, importer, wholesaler, or distributor that does

1 not possess a wine direct shipper license shall not ship vinous liquor  
2 directly to a consumer in the state.

3 (b) A person who knowingly makes, participates in, transports,  
4 imports, or receives a shipment in violation of subsection (a) of this  
5 section is guilty of a Class C misdemeanor.

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7 SECTION 4. DO NOT CODIFY. Rules.

8 (a) When adopting the rules required to implement this act, the  
9 Alcoholic Beverage Control Division shall file the final rules with the  
10 Secretary of State for adoption under § 25-15-204(f):

11 (1) On or before one hundred eighty (180) days from the  
12 effective date of this act; or

13 (2) If approval under § 10-3-309 has not occurred by one hundred  
14 eighty (180) days from the effective date of this act, as soon as practicable  
15 after approval under § 10-3-309.

16 (b) The department shall file the proposed rules with the Legislative  
17 Council under § 10-3-309(c) sufficiently in advance of one hundred eighty  
18 (180) days from the effective date of this act, so that the Legislative  
19 Council may consider the rules for approval before one hundred eighty (180)  
20 days from the effective date of this act.

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