

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

As Engrossed: H4/3/23

A Bill

HOUSE BILL 1760

5 By: Representative Cavenaugh
6 By: Senator J. English
7

For An Act To Be Entitled

9 AN ACT TO AMEND THE LAW REGARDING ALCOHOLIC
10 BEVERAGES; TO REPEAL CERTAIN REQUIREMENTS RELATED TO
11 WHOLESALERS; TO DECLARE AN EMERGENCY; AND FOR OTHER
12 PURPOSES.
13

Subtitle

14
15
16 TO AMEND THE LAW REGARDING ALCOHOLIC
17 BEVERAGES; TO REPEAL CERTAIN REQUIREMENTS
18 RELATED TO WHOLESALERS; AND TO DECLARE AN
19 EMERGENCY.
20
21

22 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
23

24 SECTION 1. Arkansas Code § 3-4-606 is repealed.

25 ~~3-4-606. Wholesalers—Additional requirements.~~

26 ~~(a) In addition to any restriction or requirement now imposed by law~~
27 ~~or by valid rule promulgated in accordance with law, the following persons~~
28 ~~shall not be eligible hereafter to receive, obtain, or be granted any~~
29 ~~wholesale liquor permit:~~

30 ~~(1) Any individual person who is not a citizen and bona fide~~
31 ~~resident of the State of Arkansas and who has not been domiciled in the State~~
32 ~~of Arkansas continuously for at least five (5) years next preceding the date~~
33 ~~of his or her application for permit;~~

34 ~~(2) Any corporation in which any officer, director, manager, or~~
35 ~~stockholder of which would be ineligible as an individual person to obtain a~~
36 ~~permit by reason of the foregoing provisions of subdivision (a)(1) of this~~



1 ~~section or by reason of any other existing restriction or provision of law or~~
2 ~~valid rule promulgated in accordance with law; or~~

3 ~~(3) Any partnership, any of whose members or manager would be~~
4 ~~ineligible as an individual to obtain such permit by reason of the provisions~~
5 ~~of subdivision (a)(1) of this section or of any other provisions of law or~~
6 ~~valid rule as aforesaid.~~

7 ~~(b)(1) Any corporation which shall apply for a wholesale liquor permit~~
8 ~~shall, at the time of filing, attach thereto a list of its stockholders,~~
9 ~~managers, directors, and officers on such form as may be prescribed by the~~
10 ~~officer or authority issuing the permit, verified by the president and~~
11 ~~secretary and showing the names, addresses, and places of residence of all~~
12 ~~such persons for the five (5) years next preceding the date of application.~~

13 ~~(2) When the residence or address of any such stockholder,~~
14 ~~manager, director, or officer is changed, the change shall be reported by the~~
15 ~~corporation to such officer or authority within ten (10) days thereafter.~~

16 ~~(3) No stock in any corporation holding a permit shall be issued~~
17 ~~or transferred to any ineligible individual, except in the case of transfer~~
18 ~~by reason of death of a stockholder. In that event, the transfer by death to~~
19 ~~any ineligible individual shall be reported by the corporation to the issuing~~
20 ~~officer or authority not later than sixty (60) days after the death. If~~
21 ~~within six (6) months thereafter the stock transferred by death shall not~~
22 ~~have been transferred by bona fide transaction to an individual otherwise~~
23 ~~eligible to receive the permit as provided herein, and as provided by~~
24 ~~existing law or rule, as aforesaid, the permit of the corporation shall~~
25 ~~immediately be revoked and cancelled.~~

26 ~~(c) The provisions of this section shall not apply to any stock owned~~
27 ~~in any company legally operating in the State of Arkansas on June 7, 1951.~~

28 ~~(d)(1) Any wholesale liquor permit that may be issued to any~~
29 ~~individual, partnership, or corporation which shall be found thereafter~~
30 ~~ineligible as provided in this section, or as otherwise provided by law or~~
31 ~~rule, shall be cancelled and revoked.~~

32 ~~(2) If any individual, partnership, or corporation shall not~~
33 ~~comply fully with the provisions hereof, any permit theretofore issued shall~~
34 ~~be cancelled and revoked.~~

35 ~~(e) This section shall not apply to any person, firm, or corporation~~
36 ~~which, for a period of at least ten (10) years prior to June 7, 1951, had~~

1 ~~continuously been the holder of a wholesale liquor permit issued by this~~
2 ~~state.~~

3 ~~(f) This section shall be cumulative to existing restrictions and~~
4 ~~requirements governing the issuance of wholesale liquor permits.~~

5
6 SECTION 2. Arkansas Code § 3-4-607(j), concerning the requirements
7 applicable to a minimum wholesale permit, is repealed.

8 ~~(j) The provisions of § 3-4-606 shall apply to a wholesaler who has a~~
9 ~~minimum wholesale liquor permit.~~

10
11 SECTION 3. EMERGENCY CLAUSE. It is found and determined by the General
12 Assembly of the State of Arkansas that the current residency requirements to
13 obtain a wholesaler license for alcoholic beverages in this state is likely
14 unconstitutional; that a recent decision by the United States Supreme Court
15 makes clear that Arkansas is not allowed to require individuals to be
16 residents in the State of Arkansas in order to conduct business here; and
17 that this act is immediately necessary to remove what is likely an
18 unconstitutional infringement on people's rights. Therefore, an emergency is
19 declared to exist, and this act being immediately necessary for the
20 preservation of the public peace, health, and safety shall become effective
21 on:

22 (1) The date of its approval by the Governor;

23 (2) If the bill is neither approved nor vetoed by the Governor,
24 the expiration of the period of time during which the Governor may veto the
25 bill; or

26 (3) If the bill is vetoed by the Governor and the veto is
27 overridden, the date the last house overrides the veto.

28
29 /s/Cavenaugh

30
31
32 **APPROVED: 4/13/23**