

1 State of Arkansas  
2 92nd General Assembly  
3 Regular Session, 2019  
4

# A Bill

HOUSE BILL 1774

5 By: Representative Rushing  
6 By: Senator K. Ingram  
7

## For An Act To Be Entitled

9 AN ACT TO ALLOW RETAIL OFF-PREMISES CONSUMPTION SALES  
10 OF MALT BEVERAGE AT GROCERY STORES; TO AMEND THE  
11 GROCERY STORE WINE PERMIT; AND FOR OTHER PURPOSES.  
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## Subtitle

15 TO ALLOW RETAIL OFF-PREMISES CONSUMPTION  
16 SALES OF MALT BEVERAGE AT GROCERY STORES;  
17 AND TO AMEND THE GROCERY STORE WINE  
18 PERMIT.  
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21 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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23 SECTION 1. Arkansas Code §§ 3-5-1801 and 3-5-1802 are amended to read  
24 as follows:

25 3-5-1801. Definitions.

26 As used in this subchapter:

27 (1) "Grocery store" means a single physical establishment that:

28 (A) Has an inventory of human-consumable items; and

29 (B) Is located in a wet territory;

30 (2) "Malt beverage" means a liquor brewed from the fermented  
31 juices of grain and having an alcoholic content of not less than five percent  
32 (5%) nor more than twenty-one percent (21%) by weight;

33 ~~(2)~~(3) "Slotting allowance" means an allowance paid by a  
34 manufacturer to a grocery store for making room for a product on the grocery  
35 store's shelves; and

36 ~~(3)~~(4) "Wine" means port, wine, sherry wine, vermouth wine, or



1 other wines manufactured within or without the State of Arkansas, the  
2 alcoholic content of which does not exceed twenty-one percent (21%).

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4 3-5-1802. Grocery store wine and malt beverage permit – Fees.

5 (a) A grocery store may apply to the Alcoholic Beverage Control Board  
6 for a grocery store wine and malt beverage permit.

7 (b)(1) A grocery store wine and malt beverage permit allows a  
8 permittee to purchase and sell wine and malt beverage for off-premises  
9 consumption at a single location.

10 (2) Wine inventory orders or purchases, or both, and malt  
11 beverage inventory orders or purchases, or both, shall be made only by a  
12 permittee for delivery to a single permitted location.

13 (3) An order of wine inventory, malt beverage inventory, or  
14 both, for one location shall not be combined with an order for another  
15 location in a manner that would result in a cumulative discount or quantity  
16 discount, or both.

17 (c) A grocery store seeking a grocery store wine and malt beverage  
18 permit shall meet the criteria for the holder of an off-premises retail beer  
19 permit in addition to the criteria established in this section.

20 (d)(1) For the privilege of selling wine or malt beverage, or both, in  
21 a grocery store, each grocery store shall pay a grocery store wine and malt  
22 beverage permit fee based on the size of the permitted building space.

23 (2) The fee shall be:

24 (A) One thousand dollars (\$1,000) for a permitted building  
25 space containing less than thirty-five thousand one square feet (35,001 sq.  
26 ft.);

27 (B) Two thousand five hundred dollars (\$2,500) for a  
28 permitted building space containing between thirty-five thousand one square  
29 feet (35,001 sq. ft.) and fifty thousand square feet (50,000 sq. ft.);

30 (C) Three thousand five hundred dollars (\$3,500) for a  
31 permitted building space containing between fifty thousand one square feet  
32 (50,001 sq. ft.) and seventy-five thousand square feet (75,000 sq. ft.); and

33 (D) Five thousand dollars (\$5,000) for a permitted  
34 building space containing more than seventy-five thousand square feet (75,000  
35 sq. ft.).

36 (e) One hundred percent (100%) of the fee from sales of wine shall be

1 paid into the Arkansas Wine Grants Fund.

2 (f) A grocery store wine and malt beverage permittee may conduct  
3 tasting events for educational and promotional purposes on the permittee's  
4 premises after obtaining a wine sampling permit from the Alcoholic Beverage  
5 Control Division under § 3-5-104.

6 (g)(1) A grocery store seeking a grocery store wine and malt beverage  
7 permit may derive no more than twenty percent (20%) of its gross sales from  
8 the sale of alcoholic beverages.

9 (2) However, the requirement under subdivision (g)(1) of this  
10 section does not apply to an otherwise qualifying grocery store that, as of  
11 January 1, ~~2017~~2019, derives more than twenty percent (20%) of its gross  
12 sales from the sale of alcoholic beverages.

13 (h) A grocery store wine and malt beverage permittee shall offer for  
14 sale small farm winery wine as defined in § 3-5-1601 et seq.

15 (i) A grocery store wine and malt beverage permit shall be available  
16 for issue only in a county in which the retail sale of alcohol under § 3-4-  
17 604 was authorized as of January 1, ~~2017~~2019.

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19 SECTION 2. DO NOT CODIFY. A grocery store wine permit in effect on  
20 the effective date of this act shall continue in effect and shall be treated  
21 as a grocery store wine and malt beverage permit until the expiration of the  
22 grocery store wine permit.

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