AMENDMENT SUMMARY: The proposed amendment allows microbrewery-restaurants to make ready-to-drink products. This proposed Amendment is in response to Act 169 of the 2023 Regular Session of the Arkansas General Assembly.

Section 1.20 Types of Permits for Which Application May Be Made.

(27) Microbrewery-Restaurant Distribution Permit authorizes a microbrewery-restaurant licensee to sell beer or malt liquors, hard cider, or ready-to-drink product of its own manufacture to a wholesale dealer for the purposes of resale to retail licensees in Arkansas under the three-tier system of distribution. The total aggregate brewing limitation for a Microbrewery-Restaurant shall be in the amount of forty-five thousand (45,000) barrels per calendar year. In addition, any holder of a microbrewery-restaurant distribution permit may transport and ship its beer and malt liquor by appropriate means for delivery outside the State of Arkansas to business entities licensed and qualified to accept such products in their respective states; “Ready-to-drink product” means a product containing spirituous liquor with a final finished product of no greater than fifteen percent (15%) alcohol by weight. (Amended 1-23-24)

2.5.1 “Microbrewery-Restaurant” means any establishment in which beer, malt, and hard cider are brewed and sold at retail in a restaurant setting under the same ownership in the same building or attached buildings. The operation of the microbrewery-restaurant shall be a limited exception to the three-tier system as defined in other parts of these Rules. A microbrewery-restaurant establishment shall be allowed to brew hard cider, beer, ready-to-drink products, or other malt beverage products, as defined in ACA § 3-5-1202, and such products may be brewed in one or more varieties to be served in the restaurant operated at the same premises. The microbrewery-restaurant shall be limited to a production of 45,000 barrels of products per year, with each barrel having a volume of thirty-one (31) gallons. The beer, malt beverage, hard cider, or ready-to-drink products brewed at the microbrewery operation may be sold at the restaurant maintained at the same premises for on premises consumption on any day of the week. The microbrewery-restaurant may sell on the premises beer, malt beverages, and hard cider manufactured by the microbrewery in brewery-sealed packages at retail directly to the consumer for off-premises consumption on any day of the week. The microbrewery-restaurant may sell beer, malt, or hard cider of its own manufacture to a wholesale dealer licensed by this state for the purpose of resale to other retail license holders as set forth by ACA § 3-4-605 and ACA § 3-5-101, dealing with the wholesale distribution of beer, malt, hard cider, or ready-to-drink products. The restaurant may purchase beer from other manufacturers of beer as set forth in that Act for sale and dispensing at the restaurant operation. (Amended 1-23-24)

2.53 Microbrewery-Restaurant and Separate Brewing Facility Application and Operations.

A. A microbrewery-restaurant shall manufacture beer, malt beverage, hard cider, or ready-to-drink products containing not in excess of twenty-one percent (21%) alcohol by weight, and may sell the same or products produced at the permittee’s separate brewing facility, for consumption on or off the premises. The microbrewery portion of the microbrewery-restaurant permitted operation (hereinafter “permitted business”) shall be separated from the restaurant portion of the permitted business by a solid wall. The wall may be made of glass or other materials, but shall prevent direct access by the public
patronizing the restaurant. If the operator of the permitted business does desire to allow members of
the public to take a tour of the brewery, such tour shall only be conducted under the direct supervision
of brewery personnel. Microbrewery-Restaurant permittees may store the manufactured beer, malt
beverage, hard cider, or ready-to-drink product, and any other beer, malt beverage, hard cider, or
ready-to-drink product which the permittee may purchase from wholesalers and small brewers licensed
by this state on the microbrewery-restaurant premises and on the premises of the one (1) separate
brewing facility of the microbrewery-restaurant. Two (2) or more microbrewery-restaurants sharing
ownership or a brewery of any size sharing common ownership with a microbrewery-restaurant shall be
considered one (1) entity for the purposes of calculating barrel production and transportation of beer,
malt beverage, or hard cider produced by one (1) entity among no more than three (3) microbrewery
restaurant facilities of the one (1) entity. (Amended 1-23-24) A ready-to-drink product authorized for
off-premises consumption under this section shall be sold only from the location where the ready-to-
drink product is manufactured.

B. A microbrewery-restaurant permittee may maintain one (1) separate brewing facility for production
or storage of beer, malt beverage, hard cider, or ready-to-drink product as needed to meet demand,
except that each facility used by the microbrewery-restaurant permittee shall not in the aggregate
produce more than forty-five thousand (45,000) barrels of beer, malt beverage, and hard cider, and
ready-to-drink product per year.

C. A microbrewery-restaurant permittee shall notify the Alcoholic Beverage Control of its intent to
operate a separate brewing facility by providing the following documentation: (1) A completed Separate
Brewing Facility application form; (2) A floor plan of the proposed premises; (3) At least four (4)
photographs of the proposed premises, depicting the front, back and sides of the building; (4) Copies of
any permits required by the Alcohol and Tobacco Tax and Trade Bureau for production at the location, if
applicable; and (5) Certification that the proposed facility is in compliance with any local zoning
requirements for the location.

D. Ready-to-drink products produced by a separate brewing facility of a microbrewery-restaurant
licensee shall be sold only to a licensed wholesaler.

Upon receipt of the required documentation, the Alcoholic Beverage Control shall issue an endorsement
to the microbrewery restaurant permittee. The endorsement shall be posted on the premises in
compliance with the specifications set forth in Section 1.37. (Adopted 9-20-17)

E. On-premises consumption of a ready-to-drink product shall only be allowed in cities and counties, or
portions of cities and counties, in which the manufacture or sale of intoxicating liquor is not prohibited
as a result of a local option election helped under Initiated Act No. 1 of 1942, §§ 3-8-201 – 3-8-203 and
3-8-205 – 3-8-209, and in which the sale of alcoholic beverages for on-premises consumption has been
approved by a majority vote at a referendum election as provided in § 3-9-201 et seq.

2.58 Disposition of Microbrewery Products. A microbrewery-restaurant operation shall be allowed to
dispose or sell the products that it brews by the following methods:

(1) A permittee may sell beer or malt beverages in draft form at the restaurant for on premises
consumption only;
(2) The permittee may can or bottle beer or malt beverage products and may sell those products in brewery-sealed packages at retail to the customer for consumption off the premises;

(3) The permittee may distribute beer and malt beverage products to charities and non-profit corporations on the same basis as a manufacturer under the provisions of Section 2.28(6) of these Rules or the microbrewery-restaurant may sell for resale the products that it manufactures to charitable or non-profit organizations holding valid “special-event” permits as provided for by the Alcoholic Beverage Control Division, except they may not sell to non-profit organizations holding private club licenses except as provided in Subparagraph number 4 of this Section. The sale of said products shall be limited to the duration of the particular “special event” permitted activity;

(4) The permittee may sell at retail by the drink or by the package products produced on the premises of the microbrewery-restaurant at fairs and food and beer festivals, with the permission and the consent of the management of events. (Amended 9-16-15)

(5) The permittee may sell beer, malt beverages, hard cider, and ready-to-drink products of its own manufacture to a wholesaler dealer licensed by this state for the purpose of resale to other retail license holders as set forth by ACA 3-4-605 and ACA 3-5-101, dealing with wholesale distribution of beer, malt beverage, and hard cider. (Adopted 9-16-15)

2.55.2 Tastings. A microbrewery-restaurant may conduct beer-tasting, malt beverage-tasting, and hard cider-tasting events for educational or promotional purposes at any location in wet areas of this state if:

(1) A request for approval to conduct a beer-tasting, malt beverage-tasting, and hard cider-tasting event is received by the Alcoholic Beverage Control Division at least two (2) weeks before the event;

(2) The request is approved by the division; and

(3) Written notice is given by the division to the permit holder at least five (5) days before the event. The microbrewery-restaurant shall use only beer, malt beverage, and hard cider produced by the microbrewery-restaurant for an event approved. This section does not authorize the conducting of a beer-tasting, malt beverage-tasting, and hard cider-tasting event at a separate brewing facility of a microbrewery-restaurant private club.