

**MINUTES OF THE ALCOHOLIC BEVERAGE CONTROL BOARD  
MARCH 18, 2020**

On the 18<sup>th</sup> day of March 2020, the A.B.C. Board did convene at Little Rock, Arkansas for its regular monthly meeting and in attendance were Freddie Black, Chairperson, and Jamie Anderson. In attendance, but by teleconference were Pam DePriest, Steve Smith and Alex Blass.

The Board considered the Director's Decisions Resume, the Private Club Resume, the Violation Resume, Warning Letters and Inactive Status Letters. Steve Smith made a motion that the Board approve the Director's Decision Resume, the Private Club Resume, the Violation Resume, Warning Letters and Inactive Status Letters. Jamie Anderson seconded the motion and the motion passed with a 5-0 vote.

Chairperson Freddie Black announced that the next A.B.C. Board meeting will be held on April 22, 2020 at 9:00 a.m.

The appeal hearing set for a violation order issued against permittee, Kurt W. Nilsson, d/b/a Olde Crow Chili Parlor and Mercantile located at 120 Ouachita, Hot Springs was postponed. A new date was not set, due to Public Safety recommendations issued against public gatherings due to the Corona Virus.

The next item considered were changes in rules. A.B.C. Division Director Doralee Chandler stated this was the public comment time period for A.B.C. Rules and Medical Marijuana Rules that had been previously passed. The Rules were published in the newspaper allowing 30 days' notice for public comment. She then read into the record the notice that was published in the newspaper as follows: In compliance with the Administrative Procedure Act of the State of Arkansas (Act 434 of 1967), notice is hereby given that the Alcoholic Beverage Control Board proposes to Promulgate rules concerning the alcoholic beverage industry and medical marijuana industry in the state of Arkansas. The Board will consider rules in the following areas: wine restaurant on premises permit; microbrewery-restaurant distribution permit; combined restaurant beer and wine permit; permits not to be issued to premises within state distances from church or schoolhouse; label and size of containers to be approved by director; advertising and promotional materials exception for racing facilities and nonprofit entities holding a large attendance facility permit; limitation on production; oversight of medical marijuana cultivation facilities, processors and dispensaries; medical marijuana operational rules Section 25 - abandonment of license for marijuana cultivation, processor, transporter and dispensary facilities. The public comment hearing will be held on March 18, 2020, at the hour of 9:00 a.m., in the fifth floor conference room, 1515 West Seventh Street, Little Rock, Arkansas. All interested parties will be afforded an opportunity to present their views at the hearing. The proposed rule is available on our website at: <https://www.dfa.arkansas.gov/alcoholic-beverage-control> . The Alcoholic Beverage Control Division will accept written comments on the proposed rule from February 13, 2020 to March 16, 2020. Please send comments to: The Alcoholic Beverage Control Division, 1515 West 7<sup>th</sup>, Suite 503, Little Rock, AR 72201. All Inquiries concerning the public comment hearing should be directed to Monty

Baugh, Staff Attorney, A.B.C. Division, 1515 West Seventh Street, Suite 503, Little Rock, Arkansas, 72201, with the publication being signed by Doralee Chandler, Director of A.B.C. Division.

Director Chandler stated she had received written public comment related to the medical marijuana rules. When asked, Staff Attorney Monty Baugh stated that he had not received any public comment regarding the rules.

The first rule introduced into the record for comment was Permits Not Issued Within Stated Distances, A.B.C. Rule 1.33(6). Act 983 of 2019 replaces the term "school building" with "schoolhouse" and defines it. Public comment was welcomed on this rule, but none were offered.

The second rule introduced was Wine Restaurant On Premises Permit, A.B.C. Rule 1.19(5). Act 691 of 2019 amended A.C.A. 3-9-303 and added hard cider to be authorized for sale under the wine restaurant on-premises permit. Public comment was welcomed on this rule, but none were offered.

The third rule introduced was Microbrewery-Restaurant Distribution, A.B.C. Rule 1.19(27). Act 308 of 2017 increased the barrel production from 20,000 to 45,000 barrels. This change reflects that current limitation. Public comment was welcomed on this rule, but none were offered.

The fourth rule introduced was Combined Restaurant Beer and Wine Rule, A.B.C. Rule 1.19(42). Act 691 of 2019 amended A.C.A. 3-4-1001 and added hard cider to be authorized for sale under the combined restaurant beer and wine permit. Public comment was welcomed on the rule, but none were offered.

The fifth rule introduced was Label and Size Containers, A.B.C. Rule 2.19. Brand label registrations are required for manufactures/suppliers. This rule amendment applies to products that do not qualify for a TTB COLA such as the ones described. The TTB has relaxed its rules for COLA issuance and in numerous circumstances, does not require a new COLA for modifications to an existing label. In addition, the TTB will not issue a certificate of exemption for any products to be shipped interstate. This has resulted in confusion and additional red tape for manufacturers who are trying to import products. A.C.A. § 3-2-409 never required TTB COLA for beer, malt beverage, or light wine. Public comment was welcomed on this rule, but none were offered.

The sixth rule introduced was Advertising and Promotional Materials, A.B.C. Rule 2.28(13). Act 744 of 2019 amended A.C.A. § 3-3-212 to allow a manufacturer to provide advertising material to nonprofit entities holding a Large Attendance Facility Permit. Public comment was welcomed on this rule, but none were offered.

The seventh rule introduced was Limitations on Production Rule, A.B.C. Rule 2.54. Act 308 of 2017 increased the barrel production to 45,000 barrels. This change corrects a typo and reflects that current limitation. Hard cider is also included as a result of Act 691 of 2019. Public comment was welcomed, but none were offered.

The eighth rule introduced was Medical Marijuana Rules – Abandonment of Licensure. These rules govern the oversight of medical marijuana cultivation, processing and dispensing in Arkansas. This amendment to the existing rules would create a manner in which to consider permits that are not operational within one year of licensure to be deemed abandoned or revoked. Public comment was welcomed on this rule, but none were offered.

Board member Jamie Anderson made a motion to approve the rules as presented and Pam DePriest seconded the motion and the motion passed by a 5-0 vote.

The ninth rule introduced was Oversight of Medical Marijuana Facilities. These rules govern the oversight of medical marijuana processing facilities in Arkansas by governing the requirements for record keeping, security, personnel, storage and processing marijuana in a consistent manner with the existing rules governing cultivation and dispensary facilities. Included in the proposed rules are amendments in the existing rule allows for consistency between dispensaries and cultivators for maintenance/contractors being in the facility at the request of the industry while requiring the use of security procedures to be used that were already required to be a part of the equipment. It also allows for patients with physical restrictions to bring someone into the dispensary waiting area for assistance purpose to reduce premise liability on the dispensaries. Director noted that public comment was entered related to the video surveillance systems and the requirement of the length of time video recordings must be stored. The change was to require video records be retained for three (3) years, however, the input from affected facilities showed the cost to meet the three (3) year requirement was excessive. The Director stated that her recommendation is that the change in the rule for video record retention be abandoned and the rule be left at the previous requirement of video retention for 90 days as originally adopted.

Board member Jamie Anderson made a motion to accept the Director’s recommendation and leave the rule as originally adopted and Pam Depriest seconded. The motion passed by a 5-0 vote.

Director Chandler asked that a motion to approve the balance of the rules as amended. Jamie Anderson made a motion to accept the balance of the rules as amended, Pam DePriest seconded the motion and the motion passed by a 5-0 vote.

The meeting was then adjourned.

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Freddie Black, Chairperson

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Doralee Chandler, Director