

ARKANSAS REGISTER



Proposed Rule Cover Sheet

Secretary of State
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Name of Department Department of Finance and Administration

Agency or Division Name Alcoholic Beverage Control

Other Subdivision or Department, If Applicable _____

Previous Agency Name, If Applicable _____

Contact Person Doralee Chandler

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Name of Rule Direct Shipment of Vinous Liquor or Mead Rule 2.75

Newspaper Name Arkansas Democrate Gazette

Date of Publishing October 17, 2021 thru October 19, 2021

Final Date for Public Comment November 17, 2021

Location and Time of Public Meeting 1515 West 7th Street, 5th Floor, 9:00 am

MARKUP COPY

Section 2.75 Direct Shipment of Vinous Liquor or Mead to Arkansas Residents.

Any winery licensed by this state or the state where its principal place of business is located and which is registered with the Alcoholic Beverage Control Division pursuant to ACA § 3-5-1703 may ship vinous liquor or mead to an Arkansas consumer. Prior to the winery's first shipment into or within the state the winery shall (1) register with the Alcoholic Beverage Control Division; (2) provide the division with a copy of the winery's current licenses to manufacture wine issued by: (A) the state of domicile; and (B) the Alcohol and Tobacco Tax and Trade Bureau of the United States Treasury; and (3) pay a registration fee of twenty-five dollars (\$25.00).

A consumer must be physically present at the winery to purchase the vinous liquor or mead to be shipped into or within the state and must provide identification to the shipping winery that the consumer is at least twenty-one (21) years old.

A winery shall ship only a vinous liquor or mead to a private residence and may only ship one case of vinous liquor and one case of mead per consumer in any calendar quarter.

A shipment of a vinous liquor or mead shall have a shipping label provided by the Alcoholic Beverage Control Division affixed to the shipping package. The fee for each label shall not exceed ten dollars (\$10.00).

A winery shall have the vinous liquor or mead delivered to an Arkansas consumer during the hours of the day that alcoholic beverages may be purchased in the state.

A winery shall collect and remit to the Department of Finance and Administration all sales taxes and excises taxes due on a sale to an individual of this state as if the sale took place on the premises of an Arkansas Small Farm Winery, including without limitation taxes under ACA § § 3-5-1605, 3-7-104, 3-7-111, and 3-7-201.

(Adopted ~~8-21-13~~ 9-01-2021)

SUMMARY OF SUBSTANTIVE CHANGES

Act 271 of 2021 amended the direct shipment of Vinous Liquor Act to allow for the shipment of mead.

Clean copy

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(Adopted 9-01-2021)

FINANCIAL IMPACT STATEMENT

PLEASE ANSWER ALL QUESTIONS COMPLETELY

DEPARTMENT DFA

DIVISION Alcoholic Beverage Control

PERSON COMPLETING THIS STATEMENT Doralee Chandler

TELEPHONE 501-682-1105 FAX 501-682-2221 EMAIL: Doralee.Chandler@dfa.arkansas.gov

To comply with Ark. Code Ann. § 25-15-204(e), please complete the following Financial Impact Statement and file two copies with the questionnaire and proposed rules.

SHORT TITLE OF THIS RULE Section 2.75 Direct Shipment of Vinous Liquor or Mead to Arkansas Residents (Title 2, Subtitle B, Rule 2.75)

1. Does this proposed, amended, or repealed rule have a financial impact? Yes No ☒
2. Is the rule based on the best reasonably obtainable scientific, technical, economic, or other evidence and information available concerning the need for, consequences of, and alternatives to the rule? Yes x No ☐
3. In consideration of the alternatives to this rule, was this rule determined by the agency to be the least costly rule considered? Yes x No ☐

If an agency is proposing a more costly rule, please state the following:

(a) How the additional benefits of the more costly rule justify its additional cost;

(b) The reason for adoption of the more costly rule;

(c) Whether the more costly rule is based on the interests of public health, safety, or welfare, and if so, please explain; and;

(d) Whether the reason is within the scope of the agency's statutory authority; and if so, please explain.

4. If the purpose of this rule is to implement a federal rule or regulation, please state the following: N/A

(a) What is the cost to implement the federal rule or regulation?

Current Fiscal Year

General Revenue	_____
Federal Funds	_____
Cash Funds	_____
Special Revenue	_____
Other (Identify)	_____
Total	<u>0</u>

Next Fiscal Year

General Revenue	_____
Federal Funds	_____
Cash Funds	_____
Special Revenue	_____
Other (Identify)	_____
Total	<u>0</u>

(b) What is the additional cost of the state rule?

Current Fiscal Year

General Revenue _____
Federal Funds _____
Cash Funds _____
Special Revenue _____
Other (Identify) _____

Total 0

Next Fiscal Year

General Revenue _____
Federal Funds _____
Cash Funds _____
Special Revenue _____
Other (Identify) _____

Total 0

5. What is the total estimated cost by fiscal year to any private individual, entity and business subject to the proposed, amended, or repealed rule? Identify the entity(ies) subject to the proposed rule and explain how they are affected.

Current Fiscal Year

\$ 0

Next Fiscal Year

\$ 0

6. What is the total estimated cost by fiscal year to state, county, and municipal government to implement this rule? Is this the cost of the program or grant? Please explain how the government is affected.

Current Fiscal Year

\$ 0

Next Fiscal Year

\$ 0

7. With respect to the agency's answers to Questions #5 and #6 above, is there a new or increased cost or obligation of at least one hundred thousand dollars (\$100,000) per year to a private individual, private entity, private business, state government, county government, municipal government, or to two (2) or more of those entities combined?

Yes No ☒

If YES, the agency is required by Ark. Code Ann. § 25-15-204(e)(4) to file written findings at the time of filing the financial impact statement. The written findings shall be filed simultaneously with the financial impact statement and shall include, without limitation, the following:

- (1) a statement of the rule's basis and purpose;
- (2) the problem the agency seeks to address with the proposed rule, including a statement of whether a rule is required by statute;
- (3) a description of the factual evidence that:
 - (a) justifies the agency's need for the proposed rule; and
 - (b) describes how the benefits of the rule meet the relevant statutory objectives and justify the rule's costs;
- (4) a list of less costly alternatives to the proposed rule and the reasons why the alternatives do not adequately address the problem to be solved by the proposed rule;

- (5) a list of alternatives to the proposed rule that were suggested as a result of public comment and the reasons why the alternatives do not adequately address the problem to be solved by the proposed rule;
- (6) a statement of whether existing rules have created or contributed to the problem the agency seeks to address with the proposed rule and, if existing rules have created or contributed to the problem, an explanation of why amendment or repeal of the rule creating or contributing to the problem is not a sufficient response; and
- (7) an agency plan for review of the rule no less than every ten (10) years to determine whether, based upon the evidence, there remains a need for the rule including, without limitation, whether:
 - (a) the rule is achieving the statutory objectives;
 - (b) the benefits of the rule continue to justify its costs; and
 - (c) the rule can be amended or repealed to reduce costs while continuing to achieve the statutory objectives.