



# WET/DRY ELECTION

## Hot Spring County Sale or Manufacture of Alcoholic Beverages Election

**ELECTION DATE:** Tuesday, November 8, 2022

### What is being proposed?

Hot Spring County voters have proposed legalizing the sale and manufacture of alcoholic beverages in Hot Spring County, subject to regulation and issuance of permits by the Alcoholic Beverage Control Division and Arkansas law.

### When is the election?

The election is Tuesday, Nov. 8, 2022. Early voting starts Oct. 24, 2022 at the Hot Spring County Fairgrounds, from 8 a.m. to 6 p.m., Monday through Friday, and from 10 a.m. to 4 p.m. on Saturdays. Early voting will also take place from 8 a.m. to 6 p.m. on Nov. 4 at Bismarck Methodist Church, and from 8 a.m. to 5 p.m. on Nov. 7.

Hot Spring County voters can check their voter status or find out where they're supposed to vote on Election Day by calling the Hot Spring County Clerk's Office at 501-332-2291. You can also check your voter registration status online at [www.voterview.ar-nova.org](http://www.voterview.ar-nova.org).

### Why is this issue on the ballot?

Hot Spring County is currently a dry county, meaning that alcohol may not be manufactured or sold in the county without a vote of the people. Residents in 1943 voted to go dry, and a vote has not occurred on the issue of alcohol sales since then.

## QUICK LOOK: What does your vote mean?

**FOR:** A FOR vote on the local option question means you are in favor of changing the county's status from dry to wet, which would allow for the sale and manufacturing of alcohol to take place in Hot Spring County.

**AGAINST:** An AGAINST vote on the local option question means you are in favor of keeping the county's dry status, so that the sale and manufacturing of alcohol in Hot Spring County would continue to be prohibited.

## Exercising your voting privilege:

We live in a democratic society where voting is a privilege of citizenship. Democracy works best when informed citizens exercise their voting privilege. **Election Day for this issue is Tuesday, Nov. 8, 2022. Early voting begins Oct. 24, 2022. Please exercise your right to vote on this issue.**

**PUBLIC POLICY CENTER**

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The following statements are examples of what supporters and opponents have made public either in media statements, campaign literature, on websites or interviews with Public Policy Center staff. The University of Arkansas System Division of Agriculture does not endorse or validate these statements.

## **What do supporters say?**

- Hot Spring County will continue to fall behind other counties in economic development and job growth until we decide to make this a wet county. The revenue the alcohol tax alone could bring in is reason enough. Not to mention the restaurant and other businesses who would feel more comfortable developing here knowing that there's more opportunities. No one is any holier or drinks less because this is a dry county. At this point, we are only hurting ourselves.
- The direct sales tax from direct alcohol sales is only a small reason to support a wet county. The safety improvements and jobs and retail sales and future economic development far exceed sales tax as a reason to vote "wet."
- Supporters point to the commissioned AEDI study that predicted fewer drug arrests and arrests for Driving Under the Influence in counties with alcohol sales. The study also predicted \$11.8 million in retail sales could take place in Hot Spring County and 54 additional jobs could be created by the change in law across various industries in the county based on data from 2016.

## **What do opponents say?**

- The Public Policy Center is unaware of any organized opposition to the proposed proposed ballot issue. However, in general people may be opposed to allowing alcohol sales in their communities for health, safety, religious or other reasons.

Using the citizen initiative process allowed under state law, citizens making up the Vote Hot Spring County Wet collected signatures from 6,734 registered voters in Hot Spring County to place this local option proposal on the ballot. The Hot Spring County Clerk's Office certified that this proposal qualified for the November 2022 ballot.

### **Who can vote in this election?**

People who live in Hot Spring County and are registered to vote are able to vote in this special election.

### **What is a "wet" county?**

A "wet" county is one where the making and selling of alcohol is allowed. However, the majority of Arkansas' "wet" counties do have areas where alcohol sales are prohibited.

### **What is a "dry" county?**

A "dry" county is where voters have decided that the making and selling of alcohol is not allowed. However, some "dry" counties have restaurants that sell alcohol. State law allows alcohol to be sold for onsite consumption at certain businesses and nonprofit clubs, or "private clubs," that exist for a purpose other than just selling alcohol.

### **What is the wet-dry status of Hot Spring County?**

As per the definition of a "dry" county, there are no breweries or package liquor stores in the county. Currently there are two establishments in Hot Spring County that have a private club license for the sale of alcohol for onsite consumption.

Arkansas Code 3-4-201 authorizes the state to issue one retail sales license for every 7,500 people residing in a county. As of 2020, Hot Spring County had a population of 33,040. If voters in Hot Spring County pass this issue, at least four retail sales licenses in addition to onsite consumption licenses would be allowed under state law. Each application for a retail sales license would need to be approved by the Alcoholic Beverage Control Commission. There are no limits on the number of restaurants that can serve alcohol for onsite consumption if they meet requirements and are issued licenses by Alcoholic Beverage Control Commission.

### **How much tax revenue would alcohol sales generate?**

Alcohol sales would be subject to state and local sales taxes. To our knowledge, the last study conducted to estimate the potential revenue that would be generated from alcohol sales in Hot Spring County took place in 2018. The report by the Arkansas Economic Development Institute (AEDI) at the University of Arkansas at Little Rock estimated that alcohol sales would generate an additional \$134,358 in tax revenue each year for the county. If alcohol sales were made in retail stores or restaurants located in cities or towns within the county, they would also receive tax revenue on those sales.

The use of any additional tax revenue generated through alcohol sales would be determined by the Hot Spring County Quorum

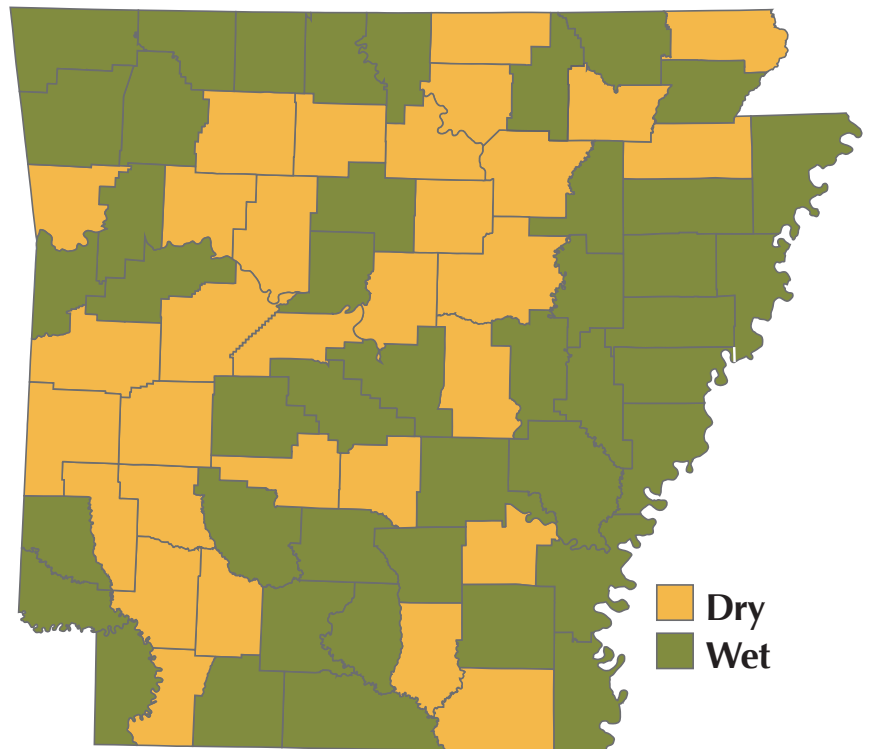
Court and local city councils, which set their budgets and determine how tax revenues are spent each year.

As of September 2022, Hot Spring County has a county sales tax rate slightly below the state median at 1.5%. Cities in the county have city sales taxes ranging from 1% in Perla, 2% in Malvern and 3% in Rockport.

### What is the wet-dry status of other counties in Arkansas?

State law in Arkansas allows local governments to pass laws governing the sale of alcohol in their area. The result is a patchwork of areas that allow, limit or prohibit the sale of alcohol. In order to qualify a local option proposal for the ballot, ballot issue groups must collect signatures from 38% of the registered voters in the county. As of 2021, 44 of Arkansas' 75 counties allowed sales of alcohol. The remaining are dry counties and do not permit the sale or manufacture of alcohol. According to the Alcoholic Beverage Control Division, many wet counties have dry areas within their borders, such as townships or cities.

## Arkansas Local Option Status



Source: Alcoholic Beverage Control. Unofficial Local Option Status. Accessed Oct. 12, 2022 at [www.dfa.arkansas.gov/alcoholic-beverage-control/abc-rules-and-regulations/unofficial-local-option-election-status](http://www.dfa.arkansas.gov/alcoholic-beverage-control/abc-rules-and-regulations/unofficial-local-option-election-status)

The following is the official wording for the local option question as it will appear on the ballot.

### HOT SPRING COUNTY SPECIAL LOCAL OPTION QUESTION (WET/DRY QUESTION)

Vote for or Against the question by placing an appropriate mark

- ☐ FOR the Manufacture or Sale of Intoxicating Liquors
- ☐ AGAINST the Manufacture or Sale of Intoxicating Liquors

**Conflict of interest:** This fact sheet was prepared to provide the citizens of Hot Spring County with information to help them in making an informed choice on Election Day. An effort has been made to ensure the information is presented in a fair and balanced way that best represents the facts associated with this ballot issue. As part of this effort, we are obligated to divulge potential conflicts of interest and to recognize their influence on the educational programs and matter we produce. The University of Arkansas System Division of Agriculture and Hot Spring County Cooperative Extension Service are partially funded by state and county general funds. As such, any laws affecting revenues of the state or county has the potential to affect the Hot Spring County Extension Office.