

1 State of Arkansas As Engrossed: H3/22/11 H3/25/11 S3/29/11

2 88th General Assembly

A Bill

3 Regular Session, 2011

HOUSE BILL 2135

4

5 By: Representatives Pierce, Hyde, Webb

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For An Act To Be Entitled

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*AN ACT TO AMEND THE LAWS REGARDING PRIVATE CLUB
PERMITS; AND FOR OTHER PURPOSES.*

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11

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Subtitle

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*TO AMEND THE LAWS REGARDING PRIVATE CLUB
PERMITS.*

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17 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

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*SECTION 1. Arkansas Code § 3-9-221(a), concerning exceptions from the
alcoholic beverage laws, is amended to read as follows:*

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(a) The General Assembly recognizes that:

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*(1) Many individuals in this state serve mixed drinks containing
alcoholic beverages to their friends and guests in the privacy of their homes
and, in addition, that many individuals associated together in private
nonprofit corporations established for fraternal, patriotic, recreational,
political, social, or other mutual purposes as authorized by law, established
not for pecuniary gain, have provided for their mutual convenience and for
the preparation and serving to themselves and their guests mixed drinks
prepared from alcoholic beverages owned by the members individually or in
common under a so-called "locker", "pool", or "revolving fund" system; ~~and~~*

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*(2) Many individuals travel to this state to assemble at
regional meetings and conventions to associate with other individuals who are
members of professional and social organizations and that:*

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*(A) Many of the restaurants and entertainment facilities
used for the meetings and conventions promote the hospitality of the host
communities where the restaurants, convention, and entertainment facilities*

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1 are located;

2 (B) Many of the host organizations plan to serve mixed
3 drinks containing alcoholic beverages to their friends and guests at these
4 meetings and while entertaining and dining during these conventions; and

5 (C) Many of the host communities have individuals who have
6 associated together in private nonprofit corporations established for
7 recreational, social, community hospitality, professional association,
8 entertainment, or other mutual purposes established, not for pecuniary gain,
9 but for their mutual convenience and to provide for the preparation and
10 serving to themselves and their guests mixed drinks prepared from alcoholic
11 beverages owned by the members individually or in common under a so-called
12 locker, pool, or revolving fund system; and

13 (3)(A)(i) That there are a number of counties or parts of
14 counties where the public retail sale of intoxicating liquors has not been
15 approved by the voters.

16 (ii) However, within those counties or parts of
17 counties there are significant developments of tourism facilities and large-
18 event facilities that promote the economic development of the state.

19 (B) To ensure that tourism and large-event facilities as
20 well as other associated activities are allowed to exist to promote the
21 economic development in the state, a new hotel or large-event facility
22 private club permit, for use in those places where the public retail sale of
23 intoxicating liquors is not authorized, should be created.

24 (C) These permits are necessary so that persons visiting
25 hotels or large-event facilities in these areas will be able to enjoy the
26 amenities that a person might find in other states.

27 (D) This additional permit will enhance the experience of
28 going to hotels or large-event facilities that may display items of historic
29 interest, contain extensive art collections, or host musical or dramatic
30 presentations.

31 (E)(i) Further, since the counties or parts of counties in
32 which these hotels or large-event facilities will be located do not allow the
33 open public retail sale of intoxicating liquors, the non-profit corporations
34 that have been established to have the hotel facilities or the large-event
35 facilities should be allowed to offer alcoholic beverages to members of the
36 nonprofit corporations and their guests.

1 (ii) These nonprofit corporations have been
2 established for the purpose of operating a qualifying hotel or large-event
3 facility private club or other mutual purposes, not for pecuniary gain, but
4 for their mutual convenience and to provide for the preparation and serving
5 to the members and their guests alcoholic beverages owned by the members
6 individually or in common under "locker", "pool", or "revolving fund" system.

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8 SECTION 2. Arkansas Code § 3-9-202 is amended to add a new definition
9 to read as follows:

10 (14) "Large event facility" means a facility that houses
11 convention center activity, tourism activity, trade show and product display
12 and related meeting activity, or any other similar large meeting or
13 attendance activity and that either itself or through one (1) or more
14 independent contractors complies with all of the following:

15 (A) Serves full and complete meals and food on the
16 premises;

17 (B) Has one (1) or more places for food service on the
18 premises with a seating capacity for not fewer than five hundred (500)
19 people; or

20 (C) Employs a sufficient number and kind of employees to
21 serve meals and food on the premises capable of handling at least five
22 hundred (500) people.

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24 SECTION 3. Arkansas Code Title 3, Chapter 9, Subchapter 2 is amended
25 to add a new section to read as follows:

26 3-9-240. Hotel or large-event facility private club permit.

27 (a)(1) An application for a hotel or large-event facility private club
28 permit shall be in writing and shall provide information concerning the
29 applicant for the hotel or large-event facility private club permit and the
30 premises to be used by the applicant as the Director of the Alcoholic
31 Beverage Control Division requires.

32 (2) A hotel or large-event facility permit may be issued only in
33 a county or a territory of a county that does not allow the public retail
34 sale of intoxicating liquors as provided under § 3-8-201.

35 (b) The application for a hotel or large-event facility private club
36 permit shall be accompanied by a check or money order for the amount required

1 by this section for the hotel or large-event facility private club permit.

2 (c) A hotel or large-event facility private club permit application
3 shall contain a description of the premises permitted and provide proof that
4 the space leased has at least:

5 (1) Eighty (80) lodging rooms and five thousand square feet
6 (5,000 sq. ft.) of public meeting, banquet, or restaurant space from a hotel;
7 or

8 (2) Ten thousand square feet (10,000 sq. ft.) of interior or
9 exterior public meeting, banquet, exhibit hall, or restaurant space from a
10 large-event facility.

11 (d) If the director grants an application for a hotel or large-event
12 facility private club permit, he or she shall issue a hotel or large-event
13 facility private club permit in a form as determined by the rules of the
14 Alcoholic Beverage Control Division.

15 (e)(1) A hotel or large-event facility private club permit authorizes
16 the dispensing, service, and consumption of alcoholic beverages by and to
17 members and their guests on the premises of a hotel or large-event facility
18 private club permittee for on-premises consumption at a hotel or large-event
19 facility leased to a hotel or large-event facility private club permittee.

20 (2) The areas of a hotel or large-event facility that may be
21 leased to a hotel or large-event facility private club permittee for purposes
22 of a hotel or large-event facility private club permit include without
23 limitation:

24 (A) Sleeping rooms;

25 (B) Pool-side bars;

26 (C) Banquet facilities;

27 (D) Restaurants;

28 (E) Lobbies;

29 (F) Exhibit halls;

30 (G) Patios; and

31 (H) Outdoor gardens.

32 (3) Members of the hotel or large-event facility private club
33 permittee that holds a hotel or large-event facility private club permit may
34 move from one (1) area to another area designated under subdivision (f)(2) of
35 this section while consuming alcoholic beverages.

36 (f)(1) A hotel or large-event facility that leases all or a portion of

1 its premises to a hotel or large-event facility private club permittee shall
2 clearly identify the areas of the hotel or large-event facility that are
3 leased to the hotel or large-event facility private club permittee.

4 (2)(A) Areas leased by a hotel or large-event facility private
5 club permittee that contain articles of historic interest or art or dramatic
6 or musical presentations shall be open to members of the hotel or large-event
7 facility private club permittee and to nonmembers of the hotel or large-event
8 facility private club permittee.

9 (B) However, a person must be a member or the guest of a
10 member of the hotel or large-event facility private club permittee to consume
11 or possess alcoholic beverages dispensed by the hotel or large-event facility
12 private club permittee.

13 (3) Persons under twenty-one (21) years of age may be allowed on
14 the premises of the hotel or large-event facility private club permittee.

15 (4)(A) A hotel holding a hotel or large-event facility private
16 club permit under this section may lease a sleeping room to a hotel or large-
17 event facility private club permittee for the service of alcoholic beverages.

18 (B) A hotel may use room service to serve the alcoholic
19 beverage.

20 (C) The hotel may stock the leased sleeping room with
21 alcoholic beverages and the hotel or large-event facility private club
22 permittee through the hotel's employees shall inventory the alcoholic
23 beverages in the leased sleeping room.

24 (D) Sleeping rooms that are solely occupied by persons
25 twenty (20) years of age and under shall not receive alcoholic beverages
26 through room service or be stocked with alcoholic beverages.

27 (5) A hotel or large-event facility that leases space to a hotel
28 or large-event facility private club permittee shall provide a means of
29 entering the hotel or large-event facility to allow a person to knowingly
30 decide if he or she would like to become a member of the hotel or large-event
31 facility private club permittee.

32 (g)(1) A hotel leasing its premises to a hotel or large-event facility
33 private club permittee may include a membership application to the hotel or
34 large-event facility private club permittee as part of its registration
35 materials.

36 (2) A guest of a hotel becoming a member of the hotel or large-

1 event facility private club permittee shall receive a membership card.

2 (3) A hotel that includes a membership application to the hotel
3 or large-event facility private club permittee as part of its registration
4 materials shall retain the registration materials as required by the
5 division.

6 (4) A hotel or large-event facility private club permittee may
7 refuse a membership or revoke a membership of a person that does not abide by
8 the hotel or large-event facility private club permittee rules.

9 (h)(1)(A) The application by a hotel for a hotel or large-event
10 facility private club permit shall be accompanied by an annual permit fee of
11 one thousand five hundred dollars (\$1,500).

12 (B) In an area in which the sale of intoxicating liquor
13 has not been authorized by local option as provided under § 3-8-201 et seq.,
14 the application for a hotel or large-event facility private club permit shall
15 be accompanied by an additional application fee of one thousand five hundred
16 dollars (\$1,500).

17 (C) The annual renewal fee for a hotel holding a hotel or
18 large-event facility private club permit is one thousand five hundred dollars
19 (\$1,500).

20 (2) The application and renewal fee for a large-event facility
21 for a hotel or large-event private club permit is two thousand five hundred
22 dollars (\$2,500) per year payable on or before June 30 of each calendar year
23 for the fiscal year beginning July 1.

24 (i) The director shall promulgate rules to enforce this section.

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26 /s/Pierce

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29 **APPROVED: 04/04/2011**