

1 State of Arkansas
2 94th General Assembly
3 Regular Session, 2023

A Bill

HOUSE BILL 1586

4
5 By: Representative M. Berry
6 By: Senator B. Johnson

For An Act To Be Entitled

9 AN ACT TO AMEND THE LAW CONCERNING MILITARY-TYPE
10 CANTEENS AND EXCHANGES; AND FOR OTHER PURPOSES.

Subtitle

14 TO AMEND THE LAW CONCERNING MILITARY-TYPE
15 CANTEENS AND EXCHANGES.

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

19
20 SECTION 1. Arkansas Code § 12-63-404, is amended to read as follows:

21 12-63-404. ~~Canteen~~ Military-type canteens and exchanges— Establishment
22 and operations.

23 (a) The Adjutant General, as custodian of military properties and
24 military reservations, ~~is authorized to~~ may institute and operate military-
25 type canteens and exchanges similar to those operated by armed forces of the
26 United States on any military reservation, and he or she ~~shall have authority~~
27 ~~to~~ may designate suitable buildings and lands located on a military
28 reservation for ~~such purposes~~ the operation of military-type canteens and
29 exchanges.

30 (b)(1) Except as otherwise provided in subdivision (b)(2) of this
31 section, ~~every~~ a military-type canteen and exchange established or operated
32 ~~pursuant to the authority granted~~ under this section ~~shall be~~ is subject to
33 similar procedures, policies, limitations, and restrictions governing ~~such~~
34 the canteens and exchanges of the Army and Air Force Exchange Service, as the
35 Adjutant General may deem advisable, necessary, or expedient.

36 (2)(A) ~~Military~~ Military-type canteens and exchanges established



1 or operated ~~pursuant to the authority granted~~ under this section shall not
 2 sell, trade, exchange, market, or vend automobiles, household appliances,
 3 furniture, building products, motorcycles, ~~and or~~ bicycles.

4 (B) ~~Military~~ Military-type canteens and exchanges may
 5 contract with one (1) or more automobile rental agencies to provide leased or
 6 rented vehicles for use by uniformed service members, trainees, and other
 7 temporary residents of military reservations.

8
 9 SECTION 2. Arkansas Code § 12-63-405 is amended to read as follows:
 10 12-63-405. ~~Canteens~~ Military-type canteens and exchanges – Adjutant
 11 General’s powers and duties.

12 (a) The Adjutant General ~~shall have the authority~~ may:

13 (1) ~~To hire and set the salaries or compensation of sufficient~~
 14 ~~employees~~ Enter into contracts or agreements with military focused non-
 15 profits, military focused non-profit foundations, or other entity for the
 16 operation of military-type canteens and exchanges;

17 (2) ~~To enter~~ Enter into or authorize contracts or agreements
 18 with wholesalers, distributors, or suppliers of inventory items for stocking
 19 the military-type canteens and exchanges;

20 (3) ~~To prescribe~~ Prescribe a system of bookkeeping, accounting,
 21 and auditing procedures for the proper handling of funds derived from the
 22 operations of military-type canteens and exchanges; and

23 (4) ~~To prescribe~~ Prescribe rules governing the operation of the
 24 military-type canteens and exchanges on military reservations and military
 25 properties.

26 (b) ~~Employees of canteens and exchanges are not subject to the Uniform~~
 27 ~~Classification and Compensation Act, § 21-5-201 et seq.~~

28
 29 SECTION 3. The catchline of Arkansas Code § 12-63-406, concerning the
 30 sales of inventory at canteens, is amended to read as follows:

31 12-63-406. ~~Canteens~~ Military-type canteens and exchanges – Inventory
 32 and sales – Tax exemption.

33
 34 SECTION 4. Arkansas Code § 12-63-406(a), concerning the authority of
 35 the Adjutant General to purchase inventory, is amended to read as follows:

36 (a) The Adjutant General, acting for and on behalf of the Arkansas

1 National Guard, ~~shall have authority to~~ may purchase normally regarded
 2 military-type canteen and exchange inventory items, subject to the
 3 limitations prescribed in § 12-63-404.

4
 5 SECTION 5. Arkansas Code § 12-63-407 is amended to read as follows:

6 12-63-407. ~~Canteens~~ Military-type canteens and exchanges— Camp Robinson
 7 and Fort Chaffee.

8 (a) The General Assembly finds that the Adjutant General is subject to
 9 conflicting laws of the State of Arkansas and regulations of the United
 10 States Department of the Army and the National Guard Bureau, requiring the
 11 Adjutant General to reconcile conflicting laws and regulations.

12 (b) The purpose of this section is to eliminate duplicated and
 13 conflicting laws, reconcile state law to United States Department of the
 14 Army, United States Department of the Air Force, and National Guard Bureau
 15 regulations, and to reduce operating expenses of the Camp Joseph T. Robinson
 16 and Fort Chaffee military-type canteens and exchanges.

17 (c) The Adjutant General ~~is authorized to~~ may operate the Camp Joseph
 18 T. Robinson and Fort Chaffee military-type canteens and exchanges in
 19 accordance with the regulations of the United States Department of the Army,
 20 United States Department of the Air Force, and the National Guard Bureau
 21 governing morale, welfare, and recreation fund activities as he or she may
 22 determine to be applicable.

23 (d)(1) Nothing in this section shall be construed to eliminate the
 24 restrictions on the types of goods or services the Camp Joseph T. Robinson
 25 and Fort Chaffee military-type canteens and exchanges may offer for sale,
 26 trade, exchange, market, or vend.

27 (2) This section shall not be construed to expand or broaden the
 28 authority of the Camp Joseph T. Robinson and Fort Chaffee military-type
 29 canteens and exchanges to sell goods and services to any person other than
 30 to:

31 (A) Active, retired, and reserve members of the armed
 32 services;

33 (B) Full-time employees of the Department of the Military
 34 and the United States Department of Defense;

35 (C) Employees of contractors performing contracts or
 36 services on either Camp Joseph T. Robinson or Fort Chaffee; or

1 (D) Employees of other government agencies, students, and
 2 other tenants of either Camp Joseph T. Robinson or Fort Chaffee.

3 (e)(1) The Adjutant General shall cause an external annual audit of
 4 the Camp Joseph T. Robinson and Fort Chaffee military-type canteens and
 5 exchanges.

6 (2) The audit shall be conducted by a certified public
 7 accountant.

8 (f) The Adjutant General shall, within ten (10) days of receipt,
 9 submit a copy of the annual audits and any other audits of the Camp Joseph T.
 10 Robinson and Fort Chaffee military-type canteens and exchanges conducted in
 11 accordance with regulations of the United States Department of the Army, the
 12 United States Department of the Air Force, and the National Guard Bureau to
 13 Arkansas Legislative Audit.

14
 15 SECTION 6. Arkansas Code § 12-63-409 is amended to read as follows:

16 12-63-409. ~~Canteen~~ Military-type canteens and exchanges— Use of funds.

17 All nonappropriated funds derived from the operation of the Camp Joseph
 18 T. Robinson and Fort Chaffee military-type canteens and exchanges shall be
 19 used exclusively for improvements on, to, or for Camp Joseph T. Robinson,
 20 Fort Chaffee, or any other military reservation, armory, airfield, or for the
 21 general welfare of the units and members of the Arkansas National Guard.

22
 23 SECTION 7. Arkansas Code § 12-63-410 is amended to read as follows:

24 12-63-410. ~~Canteen~~ Military-type canteens and exchanges— Conditional
 25 termination.

26 (a) If the Adjutant General deems it to be in the best interest of the
 27 military forces of this state or of the United States, the Adjutant General
 28 may enter into an agreement or agreements with the Army and Air Force
 29 Exchange Service for the institution, maintenance, and operation by the Army
 30 and Air Force Exchange Service of post exchanges on Camp Joseph T. Robinson
 31 or Fort Chaffee, or both.

32 (b)(1) Upon the execution of the agreement or agreements and the
 33 institution by the Army and Air Force Exchange Service of a post exchange on
 34 Camp Joseph T. Robinson or Fort Chaffee, the operation of the ~~military-style~~
 35 military-type canteen ~~or canteens~~ and exchange, as the case may be, by the
 36 Adjutant General, as provided in §§ 12-63-404 – 12-63-409 and this section,

1 shall terminate.

2 (2) The termination of the operation of one (1) or more
3 military-type canteens and exchanges shall not mandate that other military-
4 type canteens and exchanges at other locations be closed.

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