

**Hall of the House of Representatives**  
88th General Assembly - Regular Session, 2011  
**Amendment Form**

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**Subtitle of House Bill No. 2135**

TO AMEND THE LAWS REGARDING PRIVATE CLUB PERMITS.

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**Amendment No. 1 to House Bill No. 2135**

Amend House Bill No. 2135 as originally introduced:

Add Representatives Hyde, Webb as cosponsors of the bill

AND

Page 1, delete line 8 and substitute:

"AN ACT TO ALLOW THE CREATION OF CERTAIN DESIGNATED AREAS IN CITIES AND TOWN THAT PERMITS PUBLIC DRINKING; TO AMEND THE LAWS REGARDING PRIVATE CLUB"

AND

Delete the subtitle in its entirety and substitute:

"TO ALLOW THE CREATION OF CERTAIN DESIGNATED AREAS IN CITIES AND TOWN THAT PERMITS PUBLIC DRINKING AND TO AMEND THE LAWS REGARDING PRIVATE CLUB PERMITS."

AND

Page 1, delete lines 19 and 20 and substitute:

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

(a) The General Assembly recognizes that:

(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~~



(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:

(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 are located;

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

(C) Many of the host communities have individuals who have associated together in private nonprofit corporations established for recreational, social, community hospitality, professional association, entertainment, or other mutual purposes established, not for pecuniary gain, but for their mutual convenience and to provide 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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(A) Sleeping rooms;

(B) Pool-side bars;

- (C) Banquet facilities;
- (D) Restaurants;
- (E) Lobbies;
- (F) Exhibit halls;
- (G) Patios; and
- (H) Outdoor gardens.

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

(f)(1) A hotel or large-event facility that leases all or a portion of its premises to a hotel or large-event facility private club permittee shall clearly identify the areas of the hotel or large-event facility that are leased to the hotel or large-event facility private club permittee.

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

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

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

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

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

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

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

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

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

(2) A guest of a hotel becoming a member of the hotel or large-event facility private club permittee shall receive a membership card.

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

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

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

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

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

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

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

SECTION 4. Arkansas Code § 5-71-212(c), prohibiting public drinking of alcoholic beverages, is amended to read as follows:

(c) A Except as provided in subsection (f) of this section, a person commits the offense of drinking in public if the person, other than in a place of business licensed to sell alcoholic beverages for consumption on the premises, consumes any alcoholic beverage:

- (1) In any public place;
- (2) On any highway or street;
- (3) Upon any passenger coach, streetcar, or in or upon any vehicle commonly used for the transportation of passengers; or
- (4) In or about any depot, platform, waiting station or room, or other public place.

SECTION 5. Arkansas Code § 5-71-212, prohibiting public intoxication and public drinking of alcoholic beverages, is amended to add a new subsection to read as follows:

(f)(1) As used in this subsection, "designated entertainment district" means a contiguous area located in a commercial area of a city or town that:

(A) Contains:

- (i) Restaurants;
- (ii) Bars;
- (iii) Entertainment or hospitality establishments;

or

(iv) Businesses that contain articles of historic interest, art presentations, dramatic presentations, or musical presentations; and

(B) Adjoins trolley tracks that use metal rails.

(2) Subsection (c) of this section does not apply within the boundaries of a designated entertainment district established by ordinance in any city or town collecting a gross receipts tax on prepared food or hotel and motel accommodations under § 26-75-602 and located in a wet county.

(3) Rules of the Alcoholic Beverage Control Division prohibiting the carrying of an alcoholic beverage out of an establishment holding a permit for on-premises consumption of alcohol do not apply within a designated entertainment district.

(4) A city or town desiring to establish a designated entertainment district shall set by ordinance reasonable standards for the regulation of public drinking of alcohol within the designated entertainment district."

The Amendment was read \_\_\_\_\_

By: Representative Pierce  
MAG/CDS - 03/21/11 09:59  
MAG330

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Chief Clerk