

1 State of Arkansas
2 88th General Assembly
3 Regular Session, 2011
4

As Engrossed: H3/22/11 H3/25/11

A Bill

HOUSE BILL 2135

5 By: Representatives Pierce, Hyde, Webb
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For An Act To Be Entitled

8 *AN ACT TO AMEND THE LAWS REGARDING PRIVATE CLUB*
9 *PERMITS; TO ALLOW TEMPORARY AUTHORIZATION FOR*
10 *DESIGNATED ENTERTAINMENT DISTRICTS BY LOCAL*
11 *ORDINANCE; AND FOR OTHER PURPOSES.*

Subtitle

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15 *TO AMEND THE LAWS REGARDING PRIVATE CLUB*
16 *PERMITS AND TO ALLOW TEMPORARY*
17 *AUTHORIZATION FOR DESIGNATED*
18 *ENTERTAINMENT DISTRICTS BY LOCAL*
19 *ORDINANCE.*

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22 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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24 *SECTION 1. Arkansas Code § 3-9-221(a), concerning exceptions from the*
25 *alcoholic beverage laws, is amended to read as follows:*

26 *(a) The General Assembly recognizes that:*

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

36 *(2) Many individuals travel to this state to assemble at*



1 regional meetings and conventions to associate with other individuals who are
2 members of professional and social organizations and that:

3 (A) Many of the restaurants and entertainment facilities
4 used for the meetings and conventions promote the hospitality of the host
5 communities where the restaurants, convention, and entertainment facilities
6 are located;

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

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

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

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

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

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

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

36 (E)(i) Further, since the counties or parts of counties in

1 which these hotels or large-event facilities will be located do not allow the
2 open public retail sale of intoxicating liquors, the non-profit corporations
3 that have been established to have the hotel facilities or the large-event
4 facilities should be allowed to offer alcoholic beverages to members of the
5 nonprofit corporations and their guests.

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

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

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

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

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

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

28
29 SECTION 3. Arkansas Code Title 3, Chapter 9, Subchapter 2 is amended
30 to add a new section to read as follows:

31 3-9-240. Hotel or large-event facility private club permit.

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

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

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

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

10 (1) Eighty (80) lodging rooms and five thousand square feet
11 (5,000 sq. ft.) of public meeting, banquet, or restaurant space from a hotel;
12 or

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

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

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

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

29 (A) Sleeping rooms;

30 (B) Pool-side bars;

31 (C) Banquet facilities;

32 (D) Restaurants;

33 (E) Lobbies;

34 (F) Exhibit halls;

35 (G) Patios; and

36 (H) Outdoor gardens.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

22 (C) The annual renewal fee for a hotel holding a hotel or
23 large-event facility private club permit is one thousand five hundred dollars
24 (\$1,500).

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

29 (i) The director shall promulgate rules to enforce this section.
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31 SECTION 4. Arkansas Code Title 3, Chapter 5, Subchapter 1 is amended
32 to add a new section to read as follows:

33 "3-5-108. Designated entertainment districts.

34 (a)(1) Notwithstanding any other provision of law, a city or town in a
35 wet county may permit by ordinance the open consumption of alcoholic
36 beverages in a designated entertainment district.

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

3 (A) Contains:

4 (i) Restaurants;

5 (ii) Bars;

6 (iii) Entertainment or hospitality establishments;

7 or

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

11 (B) Adjoins trolley tracks that use metal rails.

12 (b) The ordinance adopted by the city or town under this section shall
13 contain:

14 (1) The boundaries of the designated entertainment district; and

15 (2) Reasonable standards for the regulation of open consumption
16 of alcoholic beverages within the designated entertainment district.

17 (c) This section shall not prohibit a property owner within the
18 designated entertainment district from restricting the possession or
19 consumption of alcoholic beverages on his or her property.

20 (d) The city or town authorizing by ordinance a designated
21 entertainment district shall reauthorize the designated entertainment
22 district annually.

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24 /s/Pierce
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