

1 State of Arkansas As Engrossed: H3/4/25 H3/12/25 H3/19/25

2 95th General Assembly

A Bill

3 Regular Session, 2025

HOUSE BILL 1455

4

5 By: Representative Pilkington

6 By: Senator J. Bryant

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For An Act To Be Entitled

9 AN ACT TO AMEND THE LAW REGARDING PRIVATE *CLUBS*; TO
10 AUTHORIZE CERTAIN PRIVATE CLUBS TO PURCHASE CERTAIN
11 PRODUCTS DIRECTLY FROM A SMALL BREWERY PERMIT *HOLDER*
12 *UNDER AN EXCLUSIVE AGREEMENT*; AND FOR OTHER PURPOSES.

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Subtitle

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*TO AUTHORIZE CERTAIN PRIVATE CLUBS TO
PURCHASE CERTAIN PRODUCTS DIRECTLY FROM
A SMALL BREWERY PERMIT HOLDER UNDER AN
EXCLUSIVE AGREEMENT.*

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

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23 SECTION 1. Arkansas Code § 3-4-405(a)(21), concerning Class C permit
24 violations, is amended to read as follows:

25 (21) Unauthorized purchasing by a private club from other than a
26 retailer or small brewery permit holder as provided in § 3-9-221;

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28 SECTION 2. Arkansas Code § 3-9-221(a) and (b), concerning the private
29 club exception from alcoholic beverage laws, are amended to read as follows:

30 (a) The General Assembly recognizes that:

31 (1) Many individuals in this state serve mixed drinks containing
32 alcoholic beverages to their friends and guests in the privacy of their homes
33 and, in addition, that many individuals associated together in private
34 nonprofit corporations established for fraternal, patriotic, recreational,
35 political, social, or other mutual purposes as authorized by law, established
36 not for pecuniary gain, have provided for their mutual convenience and for



1 the preparation and serving to themselves and their guests mixed drinks
2 prepared from alcoholic beverages ~~owned by the members individually or in~~
3 ~~common under a so-called "locker", "pool", or "revolving fund" system~~
4 lawfully purchased;

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

8 (A) Many of the restaurants and entertainment facilities
9 used for the meetings and conventions promote the hospitality of the host
10 communities where the restaurants, convention, and entertainment facilities
11 are located;

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

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

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

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

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

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

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

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

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

18 (b)(1) In order to clarify the alcoholic beverage control laws of this
19 state and to regulate and prohibit the sale of alcoholic beverages in
20 violation of the provisions of this subchapter and other applicable alcoholic
21 beverage control laws of this state, the General Assembly determines that the
22 preparation, mixing, and serving of mixed drinks, beer, and wine for
23 consumption only on the premises of a private club as defined in § 3-9-
24 202(14) by the members thereof and their guests and the making of a charge
25 for such services shall not be deemed to be a sale or be in violation of any
26 law of this state prohibiting the manufacture, sale, barter, loan, or giving
27 away of intoxicating liquor ~~whenever~~

28 ~~(A) The alcoholic beverages, beer, and wine so consumed~~
29 ~~have been furnished or drawn from private stocks thereof belonging to such~~
30 ~~members, individually or in common under a so-called locker, pool, or~~
31 ~~revolving fund system and are replenished only at the expense of such~~
32 ~~members; and~~

33 ~~(B) The~~ the private club has acquired a permit from the
34 Alcoholic Beverage Control Board, in such form as the board may appropriately
35 determine.

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1 (2)(A) A private club may serve any alcoholic beverage furnished
2 ~~or drawn~~ under the provisions of subdivision (b)(1) of this section on the
3 golf course on which the private club is located when the private club is
4 hosting a professional golf tournament or other charitable golf tournament
5 sponsored by a charitable organization described in 26 U.S.C. § 501(c)(3) and
6 the Director of the Alcoholic Beverage Control Division has been notified by
7 the private club at least sixty (60) calendar days prior to the beginning of
8 the event.

9 (B) Persons attending the event shall be deemed guests of
10 the private club, and the club may serve the alcoholic beverages to the
11 guests for cash.

12 (C) The director may promulgate rules he or she deems
13 necessary to implement this subdivision (b)(2).
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15 SECTION 3. Arkansas Code § 3-9-221, concerning private club exception
16 from alcoholic beverage laws, is amended to add an additional subsection to
17 read as follows:

18 (d)(1) A private club located in an entertainment district may
19 purchase from a holder of a small brewery permit the alcoholic beverages
20 brewed by the small brewery permit holder if the private club located in the
21 entertainment district and the small brewery permit holder are parties to an
22 exclusive agreement.

23 (2) The private club located in an entertainment district and the small
24 brewery permit holder that enter into an exclusive agreement under
25 subdivision (d)(1) of this section shall be located in adjacent counties.

26 (3) A small brewery permit holder may enter into an exclusive
27 agreement under this section with only one (1) private club at a time.
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29 SECTION 4. Arkansas Code § 3-9-223(b), concerning the supplemental tax
30 on gross proceeds or gross receipts derived by the private clubs, is amended
31 to read as follows:

32 (b)(1) In addition, there is levied a supplemental tax of ten percent
33 (10%) upon the gross proceeds or gross receipts derived by the private club
34 from the charges to members for the preparation and serving of mixed drinks
35 or for the cooling and serving of beer and wine, ~~drawn from the private~~
36 ~~stocks of the members~~ as provided in § 3-9-221, for consumption only on the

1 premises where served.

2 (2) In addition to the tax levied under subdivision (b)(1) of
3 this section, a supplemental tax of four percent (4%) is levied on the gross
4 proceeds or gross receipts derived by the private club from the charges to
5 members for the preparation and serving of mixed drinks ~~drawn from the~~
6 ~~private stocks of the members~~ as provided in § 3-9-221 for consumption only
7 on the premises where served.

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/s/Pilkington

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APPROVED: 4/10/25

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