

1 State of Arkansas  
2 95th General Assembly  
3 Regular Session, 2025  
4

# A Bill

SENATE BILL 345

5 By: Senator Irvin  
6 By: Representative Dalby  
7

## For An Act To Be Entitled

8  
9 AN ACT TO PROMOTE TOURISM AND ECONOMIC DEVELOPMENT BY  
10 IMPROVING EFFICIENCY OF THE PRIVATE CLUB PERMITTING  
11 PROCESS OF HOTELS, RESTAURANTS, AND LARGE-EVENT  
12 FACILITIES; TO REMOVE AN OVERLY BURDENSOME TAX  
13 REQUIREMENT; AND FOR OTHER PURPOSES.  
14  
15

## Subtitle

16  
17 TO PROMOTE TOURISM AND ECONOMIC  
18 DEVELOPMENT BY IMPROVING EFFICIENCY OF  
19 THE PRIVATE CLUB PERMITTING PROCESS OF  
20 HOTELS, RESTAURANTS, AND LARGE-EVENT  
21 FACILITIES; AND TO REMOVE AN OVERLY  
22 BURDENSOME TAX REQUIREMENT.  
23

24 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
25

26 SECTION 1. DO NOT CODIFY. Legislative findings.

27 The General Assembly finds that:

28 (1) Arkansas is known as the Natural State because of its  
29 natural beauty and abundant outdoor recreational opportunities;

30 (2)(A) Arkansas has been consistently recognized as one of the  
31 top places in the United States to live and in a recent annual study as the  
32 most popular state to move to in 2024;

33 (B) Respondents in the study cited job opportunities and  
34 affordability as the respondents' primary motivators to move to Arkansas;

35 (3) As a state, Arkansas can recruit sought-after amenities,  
36 including major restaurant chains that Arkansans express desire in their



1 communities to promote continued growth and economic development;

2 (4) Arkansas can recruit and attract hotels, large-event  
 3 facilities, and restaurants by eliminating the requirement to establish a  
 4 nonprofit corporation to obtain a private club permit; and

5 (5) The requirement to establish a nonprofit corporation to  
 6 obtain a private club permit is overly burdensome and results in the  
 7 necessity of filing multiple tax returns and other business filings for each  
 8 business location in the same corporation.

9  
 10 SECTION 2. Arkansas Code § 3-9-202(14), concerning the definition of  
 11 "private club", is amended to read as follows:

12 (14)(A)(i) "Private club" means, except as provided in  
 13 subdivision (14)(D) of this section, a nonprofit corporation organized and  
 14 existing under the laws of this state, no part of the net revenues of which  
 15 shall inure directly or indirectly to the benefit of any of its members or  
 16 any other individual, except for the payment of bona fide expenses of the  
 17 club's operations, and which is conducted for some common recreational,  
 18 social, patriotic, political, national, benevolent, athletic, community  
 19 hospitality, professional association, entertainment, or other nonprofit  
 20 object or purpose other than the consumption of alcoholic beverages.

21 (ii) The nonprofit corporation shall have been in  
 22 existence for a period of not less than one (1) year before applying for a  
 23 permit, as prescribed in this subchapter.

24 (iii) At the time of application for the permit, the  
 25 nonprofit corporation must have not fewer than one hundred (100) members and  
 26 at the time of application must own or lease, be the holder of a buy-sell  
 27 agreement or offer and acceptance, or have an option to lease a building,  
 28 property, or space therein for the reasonable comfort and accommodation of  
 29 its members and their families and guests and restrict the use of club  
 30 facilities to those persons.

31 (B) For purposes of this subdivision (14), a person shall  
 32 be required to become a member of the private club in any wet area of the  
 33 state only upon ordering an alcoholic beverage as defined under subdivision  
 34 (1) of this section.

35 (C) Furthermore, where the business entity that holds a  
 36 private club permit additionally holds a retail beer permit, retail wine for

1 consumption on the premises permit, or cafe or restaurant wine permit, the  
 2 hours of operation authorized for the private club shall likewise apply to  
 3 all permits of the business entity.

4 (D) A corporation, partnership, individual, or limited  
 5 liability company applying for a hotel, restaurant, or large-event facility  
 6 private club permit under § 3-9-221(a)(3)(B) is not required to form a  
 7 nonprofit corporation but shall otherwise comply with all requirements of §  
 8 3-9-240;

9  
 10 SECTION 3. Arkansas Code § 3-9-221(a)(3)(B)-(E), concerning counties  
 11 or parts of counties that have not approved the retail sale of intoxicating  
 12 liquors but are involved in tourism and promotion of economic development,  
 13 are amended to read as follows:

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

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

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

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

33 ~~(ii) These nonprofit corporations have been~~  
 34 ~~established for the purpose of operating a qualifying hotel or large-event~~  
 35 ~~facility private club or other mutual purposes, not for pecuniary gain, but~~  
 36 ~~for their mutual convenience and to provide for the preparation and serving~~

1 ~~to the members and their guests alcoholic beverages owned by the members~~  
2 ~~individually or in common under a locker, pool, or revolving fund system.~~

3  
4 SECTION 4. Arkansas Code § 3-9-222(c)(3)(A), concerning the contents  
5 of the notice required to be published by an applicant for a private club  
6 permit, is amended to read as follows:

7 (3) The notice shall give the names of the managing agent and  
8 the nonprofit corporation or, in the case of a bed and breakfast private  
9 club, the name of the business owner, and shall state:

10 (A) That the manager, or in the case of a bed and  
11 breakfast private club or a hotel, restaurant, or large-event facility  
12 private club, the owner, at least one (1) partner, or the majority  
13 stockholder is a citizen of Arkansas;

14  
15 SECTION 5. Arkansas Code § 3-9-240 is amended to read as follows:

16 3-9-240. Hotel, restaurant, or large-event facility private club  
17 permit.

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

23 (2) A hotel, restaurant, or large-event facility private club  
24 permit may be issued only in a county or a territory of a county that does  
25 not allow the public retail sale of intoxicating liquors as provided under §  
26 3-8-201.

27 (3) A hotel, restaurant, or large-event facility private club  
28 permit may be issued to a corporation, partnership, individual, or limited  
29 liability company.

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

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

1 (1) Eighty (80) lodging rooms and five thousand square feet  
 2 (5,000 sq. ft.) of public meeting, banquet, or restaurant space from a hotel;  
 3 ~~or~~

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

7 (3) Seating capacity for not fewer than one hundred (100) people  
 8 in the restaurant that otherwise complies with the requirements of § 3-9-  
 9 202(16).

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

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

20 (2) The areas of a hotel, restaurant, or large-event facility  
 21 that may be ~~leased to~~ utilized by a hotel, restaurant, or large-event  
 22 facility private club permittee for purposes of a hotel, restaurant, or  
 23 large-event facility private club permit include without 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~~ Guests of the hotel or large-event facility private  
 33 club permittee that holds a hotel, restaurant, or large-event facility  
 34 private club permit may move from one area to another area designated under  
 35 subdivision (e)(2) of 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 A person must be a member or the guest of a~~  
 10 ~~member of the hotel, restaurant, or large-event facility private club~~  
 11 ~~permittee to consume or possess alcoholic beverages dispensed by the hotel,~~  
 12 ~~restaurant, or large-event facility private club permittee.~~

13 ~~(3)(2) Persons under twenty-one (21) years of age may be allowed~~  
 14 ~~on the premises of the hotel, restaurant, or large-event facility private~~  
 15 ~~club permittee.~~

16 ~~(4)(A)(3)(A) A hotel holding a hotel, restaurant, or large-event~~  
 17 ~~facility private club permit under this section may lease a sleeping room to~~  
 18 ~~a hotel or large event facility private club permittee for the service of~~  
 19 ~~alcoholic beverages.~~

20 ~~(B) The hotel holding a hotel or large event facility~~  
 21 ~~private club permit may use room service to serve the alcoholic beverage.~~

22 ~~(C)(B) The hotel holding a hotel, restaurant, or large-~~  
 23 ~~event facility private club permit may stock ~~the leased~~ a sleeping room with~~  
 24 ~~alcoholic beverages, and the hotel or large-event facility private club~~  
 25 ~~permittee through the hotel's employees shall inventory the alcoholic~~  
 26 ~~beverages in the ~~leased~~ sleeping room.~~

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

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

35 ~~(g)(1) A hotel leasing its premises to a hotel or large event facility~~  
 36 ~~private club permittee may include a membership application to the hotel or~~

1 ~~large event facility private club permittee as part of its registration~~  
2 ~~materials.~~

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

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

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

12 ~~(h)(1)(A)(g)(1)(A)~~ For a hotel and a restaurant, the application and  
13 renewal fee for a hotel, restaurant, or large-event facility private club  
14 permit is one thousand five hundred dollars (\$1,500) per year payable on or  
15 before June 30 of each calendar year for the fiscal year beginning July 1.

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

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

25 (h) A restaurant holding a hotel, restaurant, or large-event facility  
26 private club permit may not generate more than thirty-five percent (35%) of  
27 the restaurant's revenue from the sale of alcohol.

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