

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

A Bill

SENATE BILL 523

5 By: Senator Irvin
6 By: Representative Dalby
7

For An Act To Be Entitled

8 AN ACT TO AMEND THE LAW REGARDING ALCOHOLIC
9 BEVERAGES; TO REMOVE THE REQUIREMENT THAT A PRIVATE
10 CLUB BE A NONPROFIT ORGANIZATION; AND FOR OTHER
11 PURPOSES.
12
13
14

Subtitle

15 TO AMEND THE LAW REGARDING ALCOHOLIC
16 BEVERAGES; AND TO REMOVE THE REQUIREMENT
17 THAT A PRIVATE CLUB BE A NONPROFIT
18 ORGANIZATION.
19
20

21 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
22

SECTION 1. Legislative findings.

The General Assembly finds that:

23 (1) The regulatory framework governing private clubs in this state
24 needs to be modernized to reflect evolving economic realities;
25

26 (2) Permitting flexibility in business structures can enhance
27 efficiency and economic viability and encourage broader investment and
28 growth;
29

30 (3) Allowing private clubs in dry counties to operate through diverse
31 business entities, including without limitation corporations, partnerships,
32 and limited liability companies, will foster competitive fairness, stimulate
33 local economic development, and attract increased investment by offering
34 businesses greater operational flexibility; and

35 (4) Permitting private clubs in dry counties to function through any
36 legally recognized business entity structure, including without limitation



1 corporations, partnerships, limited liability companies, or sole
 2 proprietorships, aligns regulatory practices with modern business practices
 3 and enhances the state's overall economic competitiveness.
 4

5 SECTION 2. Arkansas Code § 3-4-108(b), concerning the selling of
 6 alcoholic beverages with a food purchase by a private club, is amended to
 7 read as follows:

8 (b) A private club holding a valid alcoholic beverage permit may serve
 9 alcoholic beverages in a sealed container during legal operating hours
 10 directly to a ~~member or a guest of a member of the private club~~ who is
 11 twenty-one (21) years of age or older along with the purchase of a meal as
 12 defined in § 3-9-202:

- 13 (1) At the point of sale to be consumed off-premises;
- 14 (2) At the drive-through to be consumed off-premises;
- 15 (3) At the curbside to be consumed off-premises; or
- 16 (4) Delivered to a consumer at a location off-premises.

17
 18 SECTION 3. Arkansas Code § 3-5-1901(7), concerning the definition of a
 19 "microbrewery-restaurant private club" under the law regarding microbrewery-
 20 restaurant private club permits, is amended to read as follows:

21 (7) "Microbrewery-restaurant private club" means a nonprofit
 22 organization, corporation, partnership, limited liability company, or sole-
 23 proprietorship organized and existing or authorized to do business under the
 24 laws of this state that+

- 25 ~~(A) Is is both a microbrewery and a restaurant;~~
- 26 ~~(B) Has members, which are not directly or indirectly~~
 27 ~~benefitted by the entity's net revenues;~~
- 28 ~~(C) Exists for some common recreational, social,~~
 29 ~~patriotic, political, national, benevolent, athletic, community hospitality,~~
 30 ~~professional association, entertainment, or other object or purpose other~~
 31 ~~than the consumption of alcoholic beverages; and~~
- 32 ~~(D) Has existed for at least one (1) year;~~

33
 34 SECTION 4. Arkansas Code § 3-5-1902 is amended to read as follows:
 35 3-5-1902. Microbrewery-restaurant private club.

36 (a) A microbrewery-restaurant private club applicant shall be an

1 entity organized and existing or authorized to do business under the laws of
 2 this state before applying for a microbrewery-restaurant private club permit
 3 as prescribed in this subchapter.

4 ~~(b) The net revenues of the microbrewery-restaurant private club shall~~
 5 ~~not directly or indirectly benefit its members, except for the payment of~~
 6 ~~bona fide expenses of the microbrewery-restaurant private club's operations.~~

7 ~~(c) Activities at the microbrewery-restaurant private club shall be~~
 8 ~~conducted for some common recreational, social, patriotic, political,~~
 9 ~~national, benevolent, athletic, community hospitality, professional~~
 10 ~~association, entertainment, or other object or purpose and not solely for the~~
 11 ~~consumption of alcoholic beverages.~~

12 ~~(d)(1) At the time of application for a microbrewery-restaurant~~
 13 ~~private club permit, the entity shall own or lease, be the holder of a buy-~~
 14 ~~sell agreement or offer and acceptance, or have an option to lease a~~
 15 ~~building, property, or space for the reasonable comfort and accommodation of~~
 16 ~~its members and the families and guests of its members.~~

17 ~~(2) The microbrewery-restaurant private club shall restrict the~~
 18 ~~use of club facilities to its members and the families and guests of its~~
 19 ~~members.~~

20 ~~(e) For purposes of this subchapter, a person is a member of the~~
 21 ~~microbrewery-restaurant private club only upon ordering an alcoholic beverage~~
 22 ~~as defined in § 3-5-1901.~~

23 ~~(f)(c)~~ If the entity holding a microbrewery-restaurant private club
 24 permit additionally holds another alcoholic beverage permit, the hours of
 25 operation authorized for the microbrewery-restaurant private club apply to
 26 all permits of the entity.

27
 28 SECTION 5. Arkansas Code § 3-5-1904(a)(4) and (5), concerning the
 29 selling and serving certain alcoholic beverages on-premises by the holder of
 30 a microbrewery-restaurant private club permit are amended to read as follows:

31 (4) Sell on the premises beer, malt beverage, or hard cider
 32 manufactured by the microbrewery-restaurant private club or commonly owned
 33 facility to a ~~member~~ guest for on-premises consumption during legal operating
 34 hours;

35 (5) Serve to a ~~member~~ guest on-premises complimentary samples of
 36 beer, malt beverages, or hard cider produced by the microbrewery-restaurant

1 private club;

2

3 SECTION 6. Arkansas Code § 3-5-1904(e)(3), concerning advertising of a
4 social function by a microbrewery-restaurant private club, is amended to read
5 as follows:

6 (3) The advertising for the social function shall be preceded by
7 ~~the words "Notice to Members" and~~ the name of the club or organization
8 sponsoring the social activity.

9

10 SECTION 7. Arkansas Code § 3-5-1905(a), concerning sales prohibited by
11 a microbrewery-restaurant private club, is amended to read as follows:

12 (a) A microbrewery-restaurant private club permitted under this
13 subchapter shall not sell alcoholic beverages either by the package or by the
14 drink to a guest;

15 ~~(1) Nonmember for on-premises or off-premises consumption; or~~

16 ~~(2) Member for off-premises consumption.~~

17

18 SECTION 8. Arkansas Code § 3-5-1906(1), concerning the permit fee for
19 a microbrewery-restaurant private club, is amended to read as follows:

20 (1) Pay the applicable city or county permit fees and barrelage
21 or taxes and shall pay a state permitting fee to the Alcoholic Beverage
22 Control Division of seven hundred fifty dollars (\$750) per fiscal year to
23 manufacture and sell to ~~members~~ guests its beer, malt beverages, and hard
24 cider for on-premises consumption and to sell to ~~members~~ guests other beer,
25 malt beverages, hard cider, and spirituous liquor purchased from a permitted
26 retailer for on-premises consumption;

27

28 SECTION 9. Arkansas Code § 3-5-1907(a)(3), concerning the information
29 required for an application of an applicant that is reapplying for a
30 microbrewery-restaurant private club permit within two (2) years of denial,
31 is amended to read as follows:

32 (3) The petition on which the signatures are obtained under this
33 section shall state clearly that the purpose of the petition is to obtain an
34 alcoholic beverage permit for a microbrewery-restaurant private club and to
35 serve alcoholic beverages to ~~members~~ guests.

36

1
2 SECTION 10. Arkansas Code § 3-9-202(14), concerning the definition of
3 a private club, is amended to read as follows:

4 (14)(A)(i) ~~“Private club” means an entity that is organized,~~
5 ~~existing, or authorized to do business under the laws of this state as: a~~

6 ~~(A) A nonprofit corporation; or~~

7 ~~(B) A sole-proprietorship, corporation, partnership, or~~
8 ~~limited liability company organized and existing under the laws of this~~
9 ~~state, no part of the net revenues of which shall inure directly or~~
10 ~~indirectly to the benefit of any of its members or any other individual,~~
11 ~~except for the payment of bona fide expenses of the club’s operations, and~~
12 ~~which is conducted for some common recreational, social, patriotic,~~
13 ~~political, national, benevolent, athletic, community hospitality,~~
14 ~~professional association, entertainment, or other nonprofit object or purpose~~
15 ~~other than the consumption of alcoholic beverages.~~

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

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

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

30 ~~(C) Furthermore, where the business entity that holds a~~
31 ~~private club permit additionally holds a retail beer permit, retail wine for~~
32 ~~consumption on the premises permit, or cafe or restaurant wine permit, the~~
33 ~~hours of operation authorized for the private club shall likewise apply to~~
34 ~~all permits of the business entity;~~

35
36 SECTION 11. Arkansas Code § 3-9-221 is amended to read as follows:

1 3-9-221. Private clubs – Exception from alcoholic beverage laws.

2 (a) The General Assembly recognizes that:

3 ~~(1) Many individuals in this state serve mixed drinks containing~~
 4 ~~alcoholic beverages to their friends and guests in the privacy of their homes~~
 5 ~~and, in addition, that many individuals associated together in private~~
 6 ~~nonprofit corporations established for fraternal, patriotic, recreational,~~
 7 ~~political, social, or other mutual purposes as authorized by law, established~~
 8 ~~not for pecuniary gain, have provided for their mutual convenience and for~~
 9 ~~the preparation and serving to themselves and their guests mixed drinks~~
 10 ~~prepared from alcoholic beverages owned by the members individually or in~~
 11 ~~common under a so-called “locker”, “pool”, or “revolving fund” system;~~

12 ~~(2) Many individuals travel to this state to assemble at~~
 13 ~~regional meetings and conventions to associate with other individuals who are~~
 14 ~~members of professional and social organizations and that:~~

15 ~~(A) Many of the restaurants and entertainment facilities~~
 16 ~~used for the meetings and conventions promote the hospitality of the host~~
 17 ~~communities where the restaurants, convention, and entertainment facilities~~
 18 ~~are located;~~

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

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

30 ~~(3)(A)(i)(1)(A) That there There are a number of counties or~~
 31 ~~parts of counties where the public retail sale of intoxicating liquors has~~
 32 ~~not been approved by the voters.~~

33 ~~(ii)(B) However, within those counties or parts of~~
 34 ~~counties there are significant developments of tourism facilities and large-~~
 35 ~~event facilities that promote the economic development of the state;~~

36 ~~(B)(2) To ensure that tourism and large-event facilities~~

1 as well as other associated activities are allowed to exist to promote the
 2 economic development in the state, a new hotel, restaurant, or large-event
 3 facility private club permit, for use in those places where the public retail
 4 sale of intoxicating liquors is not authorized, should be created-;

5 ~~(C)(3)~~ These permits are necessary so that persons
 6 visiting hotels, restaurants, or large-event facilities in these areas will
 7 be able to enjoy the amenities that a person might find in other states-;

8 ~~(D)(4)~~ This additional permit will enhance the experience
 9 of going to hotels, restaurants, or large-event facilities that may display
 10 items of historic interest, contain extensive art collections, or host
 11 musical or dramatic presentations-; and

12 ~~(E)(i)(5)~~ Further, since the counties or parts of counties
 13 in which these hotels, restaurants, or large-event facilities will be located
 14 do not allow the open public retail sale of intoxicating liquors, ~~the~~
 15 ~~nonprofit corporations that have been established to have the hotel~~
 16 facilities, restaurants, or the large-event facilities should be allowed to
 17 offer alcoholic beverages to ~~members of the nonprofit corporations and their~~
 18 guests.

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

25 (b)(1) In order to clarify the alcoholic beverage control laws of this
 26 state and to regulate and prohibit the sale of alcoholic beverages in
 27 violation of the provisions of this subchapter and other applicable alcoholic
 28 beverage control laws of this state, the General Assembly determines that the
 29 preparation, mixing, and serving of mixed drinks, beer, and wine for
 30 consumption only on the premises of a private club as defined in § 3-9-
 31 202(14) ~~by the members thereof and their guests~~ and the making of a charge
 32 for such services shall not be deemed to be a sale or be in violation of any
 33 law of this state prohibiting the manufacture, sale, barter, loan, or giving
 34 away of intoxicating liquor whenever:

35 (A) ~~The~~ If the private club permittee is a nonprofit, the
 36 alcoholic beverages, beer, and wine so consumed ~~have been~~ may be furnished or

1 drawn from private stocks thereof belonging to such members, individually or
 2 in common under a so-called locker, pool, or revolving fund system ~~and that~~
 3 are replenished only at the expense of such members; and

4 (B) The private club has acquired a permit from the
 5 Alcoholic Beverage Control Board, in such form as the board may appropriately
 6 determine.

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

15 (B) Persons attending the event may purchase alcoholic
 16 beverages from the private club ~~shall be deemed guests of the private club,~~
 17 ~~and the club may serve the alcoholic beverages to the guests for cash.~~

18 (C) The director may promulgate rules he or she deems
 19 necessary to implement this subdivision (b)(2).

20 (c) In order to clarify the alcoholic beverage control laws of this
 21 state and to regulate and prohibit the sale of alcoholic beverages in
 22 violation of the provisions of this subchapter and other applicable alcoholic
 23 beverage control laws of this state, the General Assembly determines that the
 24 preparation, mixing, and serving of wine and beer for consumption only by the
 25 lodging guests on the premises of a bed and breakfast private club as defined
 26 in ~~§ 3-9-202(2)~~ § 3-9-202 and the making of a charge for such services shall
 27 not be deemed to be a sale or to be in violation of any law of this state
 28 prohibiting the manufacture, sale, barter, loan, or giving away of
 29 intoxicating liquor whenever:

30 (1) ~~The wine and beer so consumed have been furnished or drawn~~
 31 ~~from private stocks belonging to an owner of the bed and breakfast private~~
 32 ~~club and are replenished only at the expense of such owner;~~

33 (2) The wine and beer consumed must have been purchased in an
 34 Arkansas licensed retail alcoholic beverage store, as authorized by the
 35 director;

36 (3)(2) The average annual volume of wine and beer consumed shall

1 not exceed three gallons (3 gals.) per month per guest room; and

2 ~~(4)~~(3) The bed and breakfast private club has acquired a permit
3 from the board in such form as the board may appropriately determine.
4

5 SECTION 12. Arkansas Code § 3-9-222(c)(3), concerning the contents of
6 the notice required to be published by an applicant for a private club
7 permit, is amended to read as follows:

8 (3) The notice shall give the names of the managing agent ~~and~~
9 ~~the nonprofit corporation~~ or, in the case of a bed and breakfast private club
10 or a hotel, restaurant, or large-event facility private club, the name of the
11 business owner, and shall state:

12 (A) That the manager, ~~or in the case of a bed and~~
13 ~~breakfast private club~~, the owner, at least one (1) partner, or the majority
14 stockholder is a citizen of Arkansas;

15 (B) That he or she is of good moral character;

16 (C) That he or she has never been convicted of a felony or
17 had a license to sell or dispense alcoholic beverages revoked within the five
18 (5) years preceding the date of the notice; and

19 (D) That he or she has never been convicted of violating
20 the laws of this state or of any other state governing the sale or dispensing
21 of alcoholic beverages.
22

23 SECTION 13. Arkansas Code § 3-9-223(b), concerning a supplemental tax
24 on gross receipts for private clubs, is amended to read as follows:

25 (b)(1) In addition, there is levied a supplemental tax of ten percent
26 (10%) upon the gross proceeds or gross receipts derived by the private club
27 from the charges to members or guests for the preparation and serving of
28 mixed drinks or for the cooling and serving of beer and wine, ~~drawn from the~~
29 ~~private stocks of the members as provided in § 3-9-221~~, for consumption only
30 on the premises where served.

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

1
2 SECTION 14. Arkansas Code § 3-9-223(e), concerning the passing on of
3 taxes prescribed on a private club, is amended to read as follows:

4 (e) The taxes herein prescribed may be passed on to the members or
5 guests.

6
7 SECTION 15. Arkansas Code § 3-9-224 is repealed.

8 ~~3-9-224. Private clubs — Sales prohibited.~~

9 ~~(a) No private club permitted hereunder shall sell alcoholic beverages~~
10 ~~either by the package or drink.~~

11 ~~(b) Alcoholic beverages, beer, and wine owned by members may be stored~~
12 ~~on the premises of the club.~~

13 ~~(c) If any permittee shall sell, barter, loan, or give away any~~
14 ~~intoxicating liquor in violation of this subchapter or other alcoholic~~
15 ~~beverage control laws of this state, the permit of the club shall be revoked.~~

16
17 SECTION 16. Arkansas Code § 3-9-226(c)(3), concerning the requirement
18 that advertising by a private club for a social function contain a "notice to
19 members", is repealed.

20 ~~(3) The advertising for the social function shall be preceded by~~
21 ~~the words "Notice to Members" and the name of the club or organization~~
22 ~~sponsoring such social activity.~~

23
24 SECTION 17. Arkansas Code § 3-9-226, concerning advertising by a
25 private club, is amended to add an additional subdivision to read as follows:

26 (d) This section shall not apply to a private club permit holder
27 operating under substantially the same trade name in both wet and dry
28 territories provided that the advertising is:

29 (1) Not directed exclusively toward a dry territory; and

30 (2) Otherwise compliant with applicable law.

31
32 SECTION 18. Arkansas Code § 3-9-240 is amended to read as follows:

33 3-9-240. Hotel, restaurant, or large-event facility private club
34 permit.

35 (a)(1) An application for a hotel, restaurant, or large-event facility
36 private club permit shall be in writing and shall provide information

1 concerning the applicant for the hotel, restaurant, or large-event facility
 2 private club permit and the premises to be used by the applicant as the
 3 Director of the Alcoholic Beverage Control Division requires.

4 (2) A hotel, restaurant, or large-event facility private club
 5 permit may be issued only in a county or a territory of a county that does
 6 not allow the public retail sale of intoxicating liquors as provided under §
 7 3-8-201.

8 (3) A hotel, restaurant, or large-event facility private club
 9 permit may be issued to a nonprofit corporation, corporation, partnership,
 10 individual, or limited liability company.

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

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

18 (1) Eighty (80) lodging rooms and five thousand square feet
 19 (5,000 sq. ft.) of public meeting, banquet, or restaurant space from a hotel;
 20 ~~or~~

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

24 (3) Seating capacity for not fewer than one hundred (100) people
 25 in a restaurant as defined in § 3-9-202.

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

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

36 (2) The areas of a hotel, restaurant, or large-event facility

1 that may be ~~leased to~~ utilized by a hotel, restaurant, or large-event
 2 facility private club permittee for purposes of a hotel, restaurant, or
 3 large-event facility private club permit include without limitation:

- 4 (A) Sleeping rooms;
- 5 (B) Pool-side bars;
- 6 (C) Banquet facilities;
- 7 (D) Restaurants;
- 8 (E) Lobbies;
- 9 (F) Exhibit halls;
- 10 (G) Patios; and
- 11 (H) Outdoor gardens.

12 (3) ~~Members~~ Guests of the hotel or large-event facility private
 13 club permittee that holds a hotel, restaurant, or large-event facility
 14 private club permit may move from one area to another area designated under
 15 subdivision (e)(2) of this section while consuming alcoholic beverages.

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

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

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

29 (3)(2) ~~(3)(2)~~ Persons under twenty-one (21) years of age may be allowed
 30 on the premises of the hotel, restaurant, or large-event facility private
 31 club permittee.

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

36 (B) ~~The hotel holding a hotel or large-event facility~~

1 ~~private club permit~~ may use room service to serve the alcoholic beverage.

2 ~~(C)(B)~~ The hotel holding a hotel, restaurant, or large-
3 event facility private club permit may stock ~~the leased~~ a sleeping room with
4 alcoholic beverages, and the hotel or large-event facility private club
5 permittee through the hotel's employees shall inventory the alcoholic
6 beverages in ~~the leased~~ a sleeping room.

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

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

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

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

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

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

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

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

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

5 (i) The director shall promulgate rules to enforce this section.
6

7 SECTION 19. DO NOT CODIFY. Transitional language.

8 (a) Upon the effective date of this act, a private club permit
9 currently held by a nonprofit corporation shall, upon written request by the
10 board of directors of the nonprofit corporation to the Alcoholic Beverage
11 Control Division and the Alcoholic Beverage Control Enforcement Division, be
12 transferred to a corporation, partnership, individual, or limited liability
13 company organized and existing under or authorized to do business under the
14 laws of this state operating at the same location.

15 (b) The successor entity and the entity's owners under a transfer
16 under subsection (a) of this section shall comply with all applicable private
17 club permit application procedures under existing law, except that a new
18 private club permit fee or application fee shall not be required.

19 (c) Upon approval of a transfer to the new entity, the board of
20 directors of a nonprofit corporation holding a private club permit may
21 transfer all assets of the nonprofit corporation, including without
22 limitation all alcoholic beverage inventories, equipment, and property, to
23 the successor business entity identified under subsection (a) of this
24 section.

25 (d) For a period of five (5) years from the effective date of this
26 act, the Secretary of State shall waive all fees associated with the
27 dissolution of nonprofit corporations currently holding private club permits
28 that become unnecessary due to the transfer authorized by this act.
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