



2023-2024 General Assembly

SENATE BILL 527: ABC Omnibus 2023-24, Sec. 26: Allow Private Club Franchises to Receive ABC Permits Immediately if Franchisor Has Been in Operation for at Least 12 Months

Committee:
Introduced by:
Analysis of: Sec. 26 of S.L. 2024-41

Date: August 26, 2024
Prepared by: Chris Saunders
Staff Attorney

OVERVIEW: Section 26 of S.L. 2024-41 allows an establishment that (i) qualifies under Section 501(c) of the Internal Revenue Code and (ii) is a franchisee of a franchisor that is permitted as a private club that has been in operation for 12 months, to receive an ABC permit without having been in operation for 12 months itself.

This section became effective July 8, 2024, and applies to applications for permits received by the Commission on or after that date.

CURRENT LAW: Under current law, a private club is defined as "[a]n establishment that qualifies under Section 501(c) of the Internal Revenue Code, as amended, 26 U.S.C. § 501(c), and that has been in operation for a minimum of 12 months prior to application for an ABC permit."

BILL ANALYSIS: Section 26 of S.L. 2024-41 allows an establishment that (i) qualifies under Section 501(c) of the Internal Revenue Code and (ii) is a franchisee of a franchisor that is permitted as a private club that has been in operation for 12 months, to receive an ABC permit without having been in operation for 12 months itself.

EFFECTIVE DATE: This section became effective July 8, 2024, and applies to applications for permits received by the Commission on or after that date.

Kara McCraw
Director



Legislative Analysis
Division
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