

State of Arkansas
94th General Assembly
Regular Session, 2023

A Bill

HOUSE BILL 1586

By: Representative M. Berry

By: Senator B. Johnson

For An Act To Be Entitled

AN ACT TO AMEND THE LAW CONCERNING MILITARY-TYPE
CANTEENS AND EXCHANGES; AND FOR OTHER PURPOSES.

Subtitle

TO AMEND THE LAW CONCERNING MILITARY-TYPE
CANTEENS AND EXCHANGES.

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

SECTION 1. Arkansas Code § 12-63-404, is amended to read as follows:

12-63-404. ~~Canteen~~ Military-type canteens and exchanges— Establishment and operations.

(a) The Adjutant General, as custodian of military properties and military reservations, ~~is authorized to~~ may institute and operate military-type canteens and exchanges similar to those operated by armed forces of the United States on any military reservation, and he or she ~~shall have authority to~~ may designate suitable buildings and lands located on a military reservation for ~~such purposes~~ the operation of military-type canteens and exchanges.

(b)(1) Except as otherwise provided in subdivision (b)(2) of this section, ~~every~~ a military-type canteen and exchange established or operated ~~pursuant to the authority granted~~ under this section ~~shall be~~ is subject to similar procedures, policies, limitations, and restrictions governing ~~such~~ the canteens and exchanges of the Army and Air Force Exchange Service, as the Adjutant General may deem advisable, necessary, or expedient.

(2)(A) ~~Military~~ Military-type canteens and exchanges established



or operated ~~pursuant to the authority granted~~ under this section shall not sell, trade, exchange, market, or vend automobiles, household appliances, furniture, building products, motorcycles, ~~and or~~ bicycles.

(B) ~~Military~~ Military-type canteens and exchanges may contract with one (1) or more automobile rental agencies to provide leased or rented vehicles for use by uniformed service members, trainees, and other temporary residents of military reservations.

SECTION 2. Arkansas Code § 12-63-405 is amended to read as follows:

12-63-405. ~~Canteens~~ Military-type canteens and exchanges – Adjutant General’s powers and duties.

~~(a)~~ The Adjutant General ~~shall have the authority~~ may:

(1) ~~To hire and set the salaries or compensation of sufficient employees~~ Enter into contracts or agreements with military focused non-profits, military focused non-profit foundations, or other entity for the operation of military-type canteens and exchanges;

(2) ~~To enter~~ Enter into or authorize contracts or agreements with wholesalers, distributors, or suppliers of inventory items for stocking the military-type canteens and exchanges;

(3) ~~To prescribe~~ Prescribe a system of bookkeeping, accounting, and auditing procedures for the proper handling of funds derived from the operations of military-type canteens and exchanges; and

(4) ~~To prescribe~~ Prescribe rules governing the operation of the military-type canteens and exchanges on military reservations and military properties.

~~(b) Employees of canteens and exchanges are not subject to the Uniform Classification and Compensation Act, § 21-5-201 et seq.~~

SECTION 3. The catchline of Arkansas Code § 12-63-406, concerning the sales of inventory at canteens, is amended to read as follows:

12-63-406. ~~Canteens~~ Military-type canteens and exchanges – Inventory and sales – Tax exemption.

SECTION 4. Arkansas Code § 12-63-406(a), concerning the authority of the Adjutant General to purchase inventory, is amended to read as follows:

(a) The Adjutant General, acting for and on behalf of the Arkansas

National Guard, ~~shall have authority to~~ may purchase normally regarded military-type canteen and exchange inventory items, subject to the limitations prescribed in § 12-63-404.

SECTION 5. Arkansas Code § 12-63-407 is amended to read as follows:

12-63-407. ~~Canteens~~ Military-type canteens and exchanges— Camp Robinson and Fort Chaffee.

(a) The General Assembly finds that the Adjutant General is subject to conflicting laws of the State of Arkansas and regulations of the United States Department of the Army and the National Guard Bureau, requiring the Adjutant General to reconcile conflicting laws and regulations.

(b) The purpose of this section is to eliminate duplicated and conflicting laws, reconcile state law to United States Department of the Army, United States Department of the Air Force, and National Guard Bureau regulations, and to reduce operating expenses of the Camp Joseph T. Robinson and Fort Chaffee military-type canteens and exchanges.

(c) The Adjutant General ~~is authorized to~~ may operate the Camp Joseph T. Robinson and Fort Chaffee military-type canteens and exchanges in accordance with the regulations of the United States Department of the Army, United States Department of the Air Force, and the National Guard Bureau governing morale, welfare, and recreation fund activities as he or she may determine to be applicable.

(d)(1) Nothing in this section shall be construed to eliminate the restrictions on the types of goods or services the Camp Joseph T. Robinson and Fort Chaffee military-type canteens and exchanges may offer for sale, trade, exchange, market, or vend.

(2) This section shall not be construed to expand or broaden the authority of the Camp Joseph T. Robinson and Fort Chaffee military-type canteens and exchanges to sell goods and services to any person other than to:

(A) Active, retired, and reserve members of the armed services;

(B) Full-time employees of the Department of the Military and the United States Department of Defense;

(C) Employees of contractors performing contracts or services on either Camp Joseph T. Robinson or Fort Chaffee; or

(D) Employees of other government agencies, students, and other tenants of either Camp Joseph T. Robinson or Fort Chaffee.

(e)(1) The Adjutant General shall cause an external annual audit of the Camp Joseph T. Robinson and Fort Chaffee military-type canteens and exchanges.

(2) The audit shall be conducted by a certified public accountant.

(f) The Adjutant General shall, within ten (10) days of receipt, submit a copy of the annual audits and any other audits of the Camp Joseph T. Robinson and Fort Chaffee military-type canteens and exchanges conducted in accordance with regulations of the United States Department of the Army, the United States Department of the Air Force, and the National Guard Bureau to Arkansas Legislative Audit.

SECTION 6. Arkansas Code § 12-63-409 is amended to read as follows:

12-63-409. ~~Canteen~~ Military-type canteens and exchanges— Use of funds.

All nonappropriated funds derived from the operation of the Camp Joseph T. Robinson and Fort Chaffee military-type canteens and exchanges shall be used exclusively for improvements on, to, or for Camp Joseph T. Robinson, Fort Chaffee, or any other military reservation, armory, airfield, or for the general welfare of the units and members of the Arkansas National Guard.

SECTION 7. Arkansas Code § 12-63-410 is amended to read as follows:

12-63-410. ~~Canteen~~ Military-type canteens and exchanges— Conditional termination.

(a) If the Adjutant General deems it to be in the best interest of the military forces of this state or of the United States, the Adjutant General may enter into an agreement or agreements with the Army and Air Force Exchange Service for the institution, maintenance, and operation by the Army and Air Force Exchange Service of post exchanges on Camp Joseph T. Robinson or Fort Chaffee, or both.

(b)(1) Upon the execution of the agreement or agreements and the institution by the Army and Air Force Exchange Service of a post exchange on Camp Joseph T. Robinson or Fort Chaffee, the operation of the ~~military-style~~ military-type canteen or canteens and exchange, as the case may be, by the Adjutant General, as provided in §§ 12-63-404 – 12-63-409 and this section,

shall terminate.

(2) The termination of the operation of one (1) or more military-type canteens and exchanges shall not mandate that other military-type canteens and exchanges at other locations be closed.

APPROVED: 4/4/23