

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

State of Arkansas  
85th General Assembly  
Regular Session, 2005

# A Bill

SENATE BILL 428

By: Senator Hill  
By: Representative Cowling

## For An Act To Be Entitled

AN ACT TO AUTHORIZE THE ISSUANCE OF A TEMPORARY  
WINE CHARITABLE AUCTION LICENSE; AND FOR OTHER  
PURPOSES.

## Subtitle

AN ACT TO AUTHORIZE THE ISSUANCE OF A  
TEMPORARY WINE CHARITABLE AUCTION  
LICENSE.

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

SECTION 1. Arkansas Code Title 3, Chapter 5 is amended to add an  
additional subchapter to read as follows:

3-5-1501. Temporary wine charitable auction permit.

(a) There is established a temporary wine charitable auction permit.

(b) The Alcoholic Beverage Control Division shall issue the permit to  
qualifying charitable nonprofit organizations that are exempt from taxation  
under Section 501 of the Internal Revenue Code of 1986, as it existed on  
January 1, 2005, and that have received tax exempt status from the Internal  
Revenue Service pursuant to Section 501(c)(3) or (4) of the Internal Revenue  
Code, as it existed on January 1, 2005.

(c) The permit shall authorize the qualifying charitable nonprofit  
organization to sell wine for purposes of raising funds for the charitable  
organization during a live or silent auction conducted by the charitable  
organization.



1       3-5-1502. Authorized location of auction.

2       (a) The holder of a temporary wine charitable auction permit may  
3 conduct an auction in any area of the State of Arkansas where the sale of the  
4 wine is authorized.

5       (b) The holder of a permit may conduct an auction at a premises of  
6 another on-premises permit that is licensed to sell or dispense the wine if:

7           (1) The wine to be auctioned is kept separate from the wine  
8 sold, stored, or served at the permitted premises; and

9           (2) The wine, whether sold or unsold, is removed from the  
10 premises immediately following the auction.

11  
12       3-5-1503. Disposition of auction proceeds.

13       The proceeds from the sale of wine sold at a charitable auction as  
14 authorized by this subchapter shall be deposited into the account of the  
15 charitable organization that holds the temporary wine charitable auction  
16 permit.

17  
18       3-5-1504. Origination of wine to be auctioned.

19       (a) The wine to be auctioned must be obtained either by donation or  
20 purchase.

21       (b)(1) If obtained by donation, the wine must be donated by an  
22 individual resident of Arkansas or by a business headquartered in Arkansas.

23       (2) If obtained by purchase, the wine must be purchased from a  
24 wholesaler licensed in Arkansas.

25       (c) If wine to be auctioned is donated as provided for in this  
26 subchapter, the provisions of § 3-3-216 shall not apply to any person who,  
27 for purposes of sale of the wine at a charitable auction:

28           (1) Ships or transports the wine into Arkansas;

29           (2) Stores or possesses the wine in Arkansas; or

30           (3) Purchases the wine at a charitable auction as provided for  
31 in this subchapter.

32  
33       3-5-1505. Prohibited activities.

34       The holder of a temporary wine charitable auction permit shall not:

35       (1) Auction any wine that has not been obtained as provided for  
36 in this subchapter;

1           (2) Conduct more than two (2) auctions during any calendar year;

2           (3) When the auction is conducted on a premises that holds a  
3 permit for the sale or dispensing of wine, allow the auctioned wine to be  
4 consumed on the permitted premises; and

5           (4) Pay a commission or promotional fee to:

6                   (A) Any person to arrange or conduct an auction authorized  
7 under this subchapter; or

8                   (B) Arrange for the donation of wine to be auctioned by  
9 the charitable organization.

10  
11       3-5-1506. Permit duration, fees, and gross receipts.

12       (a) The temporary wine charitable auction permit shall be issued for a  
13 period of not more than five (5) days.

14       (b) The fee for the permit shall be fifty dollars (\$50.00).

15       (c) The gross receipts from the sale of wine at a charitable auction  
16 under this section shall not be subject to the Arkansas Gross Receipts Tax  
17 Act of 1941, as amended, nor shall the taxes imposed under Title 3 of the  
18 Arkansas Code be applicable.

19  
20       3-5-1507. Administrative rules.

21       (a) The Alcoholic Beverage Control Division shall adopt regulations  
22 governing the application, issuance, and use of a temporary wine charitable  
23 auction permit.

24       (b)(1) The Alcoholic Beverage Control Division shall also adopt rules  
25 establishing penalties for violation of this subchapter or rules adopted  
26 pursuant to this subchapter.

27       (2) However, penalties adopted by the division shall not exceed  
28 penalties which may be imposed on charitable organizations holding other  
29 types of temporary permits.