

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

As Engrossed: S2/23/05

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.

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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 shall be obtained by donation or purchase
20 from any person, a licensed winery within or without the state, or a licensed
21 Arkansas wholesaler.

22 (b) If wine to be auctioned is obtained as provided for in this
23 subchapter, the provisions of § 3-3-216 shall not apply to any person who,
24 for purposes of sale of the wine at a charitable auction:

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

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

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

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30 3-5-1505. Prohibited activities.

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

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

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

35 (3) When the auction is conducted on a premises that holds a
36 permit for the sale or dispensing of wine, allow the auctioned wine to be

1 consumed on the permitted premises; and

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

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

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

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8 3-5-1506. Permit duration, fees, and gross receipts.

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

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

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

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17 3-5-1507. Administrative rules.

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

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

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

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28 */s/ Hill*
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