## 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.

1	State of Arkansas	As Engrossed: S2/23/05 S3/2/05		
2	85th General Assembly	A Bill		
3	Regular Session, 2005		SENATE BILL 428	
4				
5	By: Senator Hill			
6	By: Representative Cowling			
7				
8				
9		For An Act To Be Entitled		
10	AN ACT TO	AUTHORIZE THE ISSUANCE OF A TEMPO	RARY	
11	WINE CHARI	ITABLE AUCTION LICENSE; AND FOR OT	HER	
12	PURPOSES.			
13				
14		Subtitle		
15	AN ACT	TO AUTHORIZE THE ISSUANCE OF A		
16	TEMPORA	ARY WINE CHARITABLE AUCTION		
17	LICENSE	Ε.		
18				
19				
20	BE IT ENACTED BY THE GEN	NERAL ASSEMBLY OF THE STATE OF ARKA	ANSAS:	
21				
22	SECTION 1. Arkans	sas Code Title 3, Chapter 5 is amer	nded to add an	
23	additional subchapter to	read as follows:		
24	3-5-1501. Tempora	ary wine charitable auction permit.	<u>•</u>	
25	(a) There is esta	ablished a temporary wine charitabl	le auction permit.	
26	(b) The Alcoholic	Beverage Control Division shall i	issue the permit to	
27	qualifying charitable no	onprofit organizations that are exe	empt from taxation	
28	under Section 501 of the	e Internal Revenue Code of 1986, as	s it existed on	
29	January 1, 2005, and tha	at have received tax exempt status	from the Internal	
30	Revenue Service pursuant	to Section $501(c)(3)$ or $(4)$ of the	he Internal Revenue	
31	Code, as it existed on J	January 1, 2005.		
32	(c) The permit sh	nall authorize the qualifying char	itable nonprofit	
33	organization to sell win	ne for purposes of raising funds fo	or the charitable	
34	organization during a live or silent auction conducted by the charitable			
35	organization.			
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T	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		
L4	authorized by this subchapter shall be deposited into the account of the		
15	charitable organization that holds the temporary wine charitable auction		
16	permit.		
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18	3-5-1504. Origination of wine to be auctioned.		
19	(a) The wine to be auctioned shall be obtained by:		
20	(1) Donation from any person or an out-of-state winery, if the		
21	laws of the out-of-state winery allows the donation;		
22	(2) Donation or purchase from a licensed winery within the		
23	state; or		
24	(3) Donation or purchase from a licensed Arkansas wholesaler.		
25	(b) If wine to be auctioned is obtained as provided 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	<u>Arkansas Code be applicable.</u>		
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.		
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31	/s/ Hill		
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