

By: Whitmire

S.B. No. 1974

A BILL TO BE ENTITLED

1 AN ACT
2 relating to certain alcoholic beverage auction and raffle permits.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

4 SECTION 1. Chapter 53, Alcoholic Beverage Code, is amended to read
5 as follows:

6 Chapter 53. Temporary Charitable Auction and Raffle Permit.

7 Sec. 53.001. AUTHORIZED ACTIVITIES. The holder of a temporary
8 charitable auction and raffle permit may auction or raffle
9 alcoholic beverages for consumption off premises to raise money to
10 support charitable works of the permit holder.

11 Sec. 53.002. FEE. (a) The state fee for a temporary
12 charitable auction and raffle permit is \$25.

13 (b) A local fee may not be charged for the application for
14 the issuance of a temporary charitable auction and raffle permit.

15 (c) The commission may not impose a surcharge for a
16 temporary charitable auction and raffle permit.

17 Sec. 53.003. DURATION OF PERMIT. A temporary charitable
18 auction and raffle permit may be issued for a period of not more
19 than five days.

20 Sec. 53.004. PERMIT. The commission may issue a temporary
21 charitable auction and raffle permit only to an organization that
22 is exempt from taxation under Section 501(a), Internal Revenue Code
23 of 1986 (26 U.S.C. Section 501(a)) by being listed under Section
24 501(c)(3), Internal Revenue Code of 1986 (26 U.S.C. Section

1 501(c)(3)).

2 Sec. 53.005. AUCTION OR RAFFLE LOCATION. (a) The holder of a
3 temporary charitable auction and raffle permit may conduct an
4 auction or raffle in any area where the sale of the type of
5 alcoholic beverage to be auctioned or raffled is authorized by a
6 local option election.

7 (b) The holder of a temporary charitable auction and raffle
8 permit may conduct an auction or raffle at a premises of another
9 permit or license holder if:

10 (1) the alcoholic beverages to be auctioned or raffled
11 are kept separate from the alcoholic beverages sold, stored, or
12 served at the premises; and

13 (2) the alcoholic beverages subject to the auction or
14 raffle, whether or not sold or awarded [~~unsold~~] at the auction or
15 raffle, are removed from the premises immediately following the
16 auction.

17 Sec. 53.006. AUCTION OR RAFFLE NOTICE. Before an auction or
18 raffle is held, the holder of a temporary charitable auction and
19 raffle permit shall provide to the branch office of the commission
20 located closest to the auction site written notice of:

21 (1) the date, time, and place of the auction or raffle;
22 and

23 (2) the inventory of the alcoholic beverages to be
24 auctioned or raffled.

25 Sec. 53.007. DISPOSITION OF PROCEEDS. The proceeds from an
26 auction or raffle authorized by this chapter shall be deposited to
27 the account of the holder of a temporary charitable auction and

1 raffle permit.

2 Sec. 53.008. PROHIBITED ACTIVITIES. The holder of a temporary
3 charitable auction and raffle permit may not:

4 (1) auction or raffle distilled spirits, wine, ale, or
5 malt liquor that has not been donated to the organization;

6 (2) auction or raffle alcoholic beverages if any taxes
7 are owed on the beverages;

8 (3) conduct more than one auction or raffle during
9 each calendar year; or [~~and~~]

10 (4) pay a commission or promotional allowance to a
11 person to:

12 (A) arrange or conduct an auction or raffle under
13 this chapter; or

14 (B) arrange the donation of alcoholic beverages
15 to be auctioned or raffled by the organization.

16 Sec. 53.009. RULES. (a) The commission may [~~shall~~] adopt
17 rules governing the issuance and use of a temporary charitable
18 auction or raffle permit.

19 (b) The commission shall adopt rules establishing penalties
20 for the violation of rules adopted under this chapter. A penalty
21 established by the commission under this subsection may not exceed
22 a penalty that the commission may impose on the holder of another
23 temporary license or permit.

24 SECTION 2. Title 3, Alcoholic Beverage Code, is amended by
25 adding a new Chapter 56 to read as follows:

26 Chapter 56. CAMPAIGN FUNDRAISING AUCTION AND RAFFLE PERMIT

27 Sec. 56.001. AUTHORIZED ACTIVITIES. The holder of a

1 campaign fundraising auction and raffle permit may auction or
2 affle alcoholic beverages for consumption off premises to raise
3 money to support campaign fundraising by the permit holder.

4 Sec. 56.002. FEE. The annual state fee for a campaign
5 fundraising auction and raffle permit is \$500.

6 Sec. 56.003. ISSUANCE OF PERMIT. A campaign fundraising
7 auction and raffle permit may only be issued to a person or
8 organization that is subject to reporting requirements under
9 Chapter 251, Election Code or Chapter 254, Election Code.

10 Sec. 56.004. AUCTION OR RAFFLE LOCATION. (a) The holder
11 of a campaign fundraising auction and raffle permit may conduct an
12 auction or raffle in any area where the sale of the type of
13 alcoholic beverage to be auctioned or raffled is authorized by a
14 local option election.

15 (b) The holder of a campaign fundraising auction and raffle
16 permit may conduct an auction or raffle at the premises of another
17 permit or license holder if:

18 (1) the alcoholic beverages to be auctioned or raffled
19 are kept separate from the alcoholic beverages sold, stored, or
20 served at the premises; and

21 (2) the alcoholic beverages subject to the auction or
22 affle, whether or not sold or awarded at the auction or raffle, are
23 removed from the premises immediately following the auction or
24 affle.

25 Sec. 56.005. AUCTION OR RAFFLE NOTICE. Before an auction or
26 affle is held, the holder of a campaign fundraising auction and
27 affle permit shall provide to the branch office of the commission

1 located closest to the auction or raffle site written notice of:

2 (1) the date, time, and place of the auction or raffle; and

3 (2) the inventory of the alcoholic beverages to be auctioned
4 or raffled.

5 Sec. 56.006. DISPOSITION OF PROCEEDS. The proceeds from an
6 auction or raffle authorized by this chapter shall be deposited to
7 the account of the holder of a campaign fundraising auction and
8 raffle permit.

9 Sec. 56.007. PROHIBITED ACTIVITIES. The holder of a
10 campaign fundraising auction and raffle permit may not:

11 (1) auction or raffle distilled spirits, wine, ale, or malt
12 liquor that has not been donated to the entity;

13 (2) auction or raffle alcoholic beverages if any taxes are
14 owed on the beverages; or

15 (3) pay a commission or promotional allowance to a person
16 to:

17 (A) arrange or conduct an auction or raffle under this
18 chapter; or

19 (B) arrange the donation of alcoholic beverages to be
20 auctioned or raffled by the organization.

21 Sec. 56.008. APPLICATION OF PROVISIONS GENERALLY
22 APPLICABLE TO PERMITS. The campaign fundraising auction and raffle
23 permit is subject to the provisions generally applicable to permits
24 in Chapter 11 of this code.

25 Sec. 56.009. RULES. The commission may adopt rules
26 necessary to implement this chapter.

27 SECTION 3. This Act takes effect immediately if it receives

S.B. No. 1974

1 a vote of two-thirds of all the members elected to each house, as
2 provided by Section 39, Article III, Texas Constitution. If this
3 Act does not receive the vote necessary for immediate effect, this
4 Act takes effect September 1, 2017.