



CHAPTER 53. TEMPORARY CHARITABLE AUCTION PERMIT

Sec. 53.001. AUTHORIZED ACTIVITIES.

The holder of a temporary charitable auction permit may auction alcoholic beverages for consumption off premises to raise money to support charitable works of the permit holder.

Sec. 53.002. FEE. (a) The state fee for a temporary charitable auction permit is \$25 with a surcharge of \$201.

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

Sec. 53.003. DURATION OF PERMIT. A temporary charitable auction permit may be issued for a period of not more than 5 days.

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

Sec. 53.005. AUCTION LOCATION. (a) The holder of a temporary charitable auction permit may conduct an auction in any area where the sale of the type of alcoholic beverage to be auctioned is authorized by a local option election.

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

- (1) the alcoholic beverages to be auctioned are kept separate from the alcoholic beverages sold, stored, or served at the premises; and
- (2) the alcoholic beverages subject to the auction, whether sold or unsold, are removed from the premises immediately following the auction.

Sec. 53.006. AUCTION NOTICE. Before an auction is held, the holder of a temporary charitable auction permit shall provide to the branch office of the commission located closest to the auction site written notice of: (a) the date, time, and place of the auction; and

(b) the inventory of the alcoholic beverages to be auctioned.

Sec. 53.007. DISPOSITION OF PROCEEDS. The proceeds from an auction authorized by this chapter shall be deposited to the account of the holder of a temporary charitable auction permit.

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

- (1) auction distilled spirits, wine, ale, or malt liquor that has not been donated to the organization;
- (2) auction alcoholic beverages if any taxes are owed on the beverages;
- (3) conduct more than one auction during each calendar year; and
- (4) pay a commission or promotional allowance to a person to:
 - (A) arrange or conduct an auction under this chapter; or
 - (B) arrange the donation of alcoholic beverages to be auctioned by the organization.

Sec. 53.009. RULES.

(1) The commission shall adopt rules governing the issuance and use of a temporary charitable auction permit.

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