

Regular Session, 2014

SENATE BILL NO. 604

BY SENATORS MARTINY AND MURRAY

ALCOHOLIC BEVERAGES. Provides for the donation of alcoholic beverages to certain organizations. (gov sig)

1 AN ACT

2 To amend and reenact R.S. 26:352, 793(A)(1), and 932(4) and (10), relative to the donation  
3 of alcoholic beverages; to authorize the donation of alcoholic beverages to certain  
4 events and organizations; to provide for certain types of temporary alcoholic  
5 beverage permits; to provide for definitions; and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 26:352, 793(A)(1), and 932(4) and (10) are hereby amended and  
8 reenacted to read as follows:

9 §352. Donated alcoholic beverages ~~of high alcoholic content taxable~~  
10 ~~When a~~ **Any** person ~~gives away~~ **or any dealer may donate alcoholic**  
11 ~~beverages of high alcoholic content for advertising or for any other purpose, the~~  
12 ~~beverages shall be taxed~~ **to a licensed Type A special event or to an unlicensed**  
13 **civic, religious, or charitable organization subject to the payment of any**  
14 **applicable excise taxes.**

15 \* \* \*

16 §793. Additional powers of the commissioner

17 A.(1) The commissioner may provide by regulation for the issuance of three-

1 day **retail** permits to serve alcoholic beverages at fairs, festivals, civic and fraternal  
2 and religious events, Mardi Gras events, and nonprofit functions. The permits shall  
3 be for a duration of three consecutive days only and no more than twelve such  
4 permits may be issued to any one person within a single calendar year. Fees for the  
5 permits shall be as provided by regulation.

6 **(a) There shall be three types of temporary alcoholic beverage permits:**

7 **Type A, Type B, and Type C.**

8 **(b) Type A permits shall be issued only to nonprofit organizations with**  
9 **tax exempt status under Sections 501(c)(3), 501(c)(6), and 501(c)(8) of the**  
10 **United States Internal Revenue Code where no transactions exist, whether**  
11 **directly or indirectly, between the licensed tax exempt organizations and any**  
12 **disqualified person as defined by Section 4958(f) of the United States Internal**  
13 **Revenue Code. To qualify for this permit, applicants shall submit all**  
14 **documentation as required in the regulations or upon request of the**  
15 **commissioner. Such regulations shall be promulgated in accordance with the**  
16 **Administrative Procedure Act as necessary to implement the provisions of this**  
17 **Subparagraph.**

18 **(c) Type B permits shall be issued only to nonprofit organizations, which**  
19 **are able to provide written proof of their nonprofit status, but are unable to**  
20 **show written proof of their tax exempt status under Sections 501(c)(3) or**  
21 **501(c)(8) of the United States Internal Revenue Code. To qualify for this**  
22 **permit, applicants shall submit all documentation as required in the regulations**  
23 **or upon the request of the commissioner. Such regulations shall be**  
24 **promulgated in accordance with the Administrative Procedure Act as necessary**  
25 **to implement the provisions of this Subparagraph.**

26 **(d) Type C permits shall be issued to persons holding events where**  
27 **alcoholic beverages are sold or supplied as part of a general admission or other**  
28 **type fee, but who do not meet the requirements for Type A or Type B**  
29 **temporary permits. To qualify for this permit, applicants shall submit all**

1 documentation as required in the regulations or upon request of the  
 2 commissioner. Such regulations shall be promulgated in accordance with the  
 3 Administrative Procedure Act as necessary to implement the provisions of this  
 4 Subparagraph.

5 \* \* \*

6 §932. Definitions

7 For purposes of this Chapter, the following terms have the respective  
 8 meanings ascribed to them in this Chapter, unless a different meaning clearly appears  
 9 from the context:

10 \* \* \*

11 (4) "Responsible vendor" means any vendor as defined in Paragraph ~~(9)~~ **(10)**  
 12 who qualifies and maintains certification in accordance with the provisions of this  
 13 Chapter.

14 \* \* \*

15 (10) "Vendor" means any holder of a Class "A" General, Class "A"  
 16 Restaurant, or Class "B" retail permit issued pursuant to R.S. 26:71 or R.S. 26:271  
 17 or any holder of Retail Dealer Registration Certificate or Retail Dealer Permit  
 18 defined by R.S. 26:902. **"Vendor" shall not include any holder of a Type A or**  
 19 **Type B temporary alcoholic beverage permit issued pursuant to R.S.**  
 20 **26:793(A)(1).**

21 Section 2. This Act shall become effective upon signature by the governor or, if not  
 22 signed by the governor, upon expiration of the time for bills to become law without signature  
 23 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If  
 24 vetoed by the governor and subsequently approved by the legislature, this Act shall become  
 25 effective on the day following such approval.

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The original instrument was prepared by Michelle Ducharme. The following digest, which does not constitute a part of the legislative instrument, was prepared by Thomas F. Wade.

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## DIGEST

Martiny (SB 604)

Present law requires alcoholic beverages of high alcoholic content that are given away for advertising or any other purpose to be taxed.

Proposed law authorizes any person or dealer to donate alcoholic beverages to a licensed Type A special event or an unlicensed civic, religious, or charitable organization subject to the payment of any applicable excise taxes.

Present law authorizes the commissioner to issue by regulation temporary permits for a duration of three consecutive days only and no more than 12 such permits issued to any one person within a single calendar year to serve alcoholic beverages at fairs, festivals, civic and fraternal and religious events, Mardi Gras events, and nonprofit functions, and requires fees for the permits to be provided by regulation.

Proposed law retains present law and creates three types of temporary alcoholic beverage permits.

Proposed law requires Type A permits to be issued only to nonprofit organizations with tax exempt status under Sections 501(c)(3), 501(c)(6), and 501(c)(8) of the Internal Revenue Code (IRC), where no transactions exist, whether directly or indirectly, between the licensed tax exempt organizations and any disqualified person as defined under the IRC, and requires the applicants to submit all documentation as required in the regulations promulgated in accordance with the Administrative Procedure Act or upon the request of the commissioner.

Proposed law requires Type B permits to be issued only to nonprofit organizations which are able to provide some written proof of their nonprofit status, but are unable to show written proof of their tax exempt status under the IRC, and requires the applicants to submit all documentation as required in the regulations promulgated in accordance with the Administrative Procedure Act or upon the request of the commissioner.

Proposed law requires Type C permits to be issued to persons holding events where alcoholic beverages are sold or supplied as part of a general admission or other type fee, but who do not meet the requirements for Type A or Type B temporary permits, and requires the applicants to submit all documentation as required in the regulations promulgated in accordance with the Administrative Procedure Act or upon the request of the commissioner.

Proposed law amends the definition of "vendor" to provide that it does not include any holder of a Type A or Type B temporary alcoholic beverage permit issued pursuant to proposed law.

Effective upon signature of the governor or lapse of time for gubernatorial action.

(Amends R.S. 26:352, 793(A)(1), and 932(4) and (10))

Summary of Amendments Adopted by Senate

Senate Floor Amendments to engrossed bill

1. Adds nonprofit organizations with tax exempt status under Section 501(c)(6) of the Internal Revenue Code (IRC).
2. Provides that "vendor" does not include any holder of a Type A or Type B temporary alcoholic beverage permit.
3. Adds emergency effective date.