

1 IN THE SENATE

BY SENATORS RIVERS,  
PERATROVICH AND McNEES

2

SENATE BILL NO. 109

3

IN THE LEGISLATURE OF THE TERRITORY OF ALASKA

4

TWENTY-THIRD SESSION

5

A BILL

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For an Act entitled: "An Act designating the Board of Liquor

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Control as wholesaler of intoxicating

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liquors, except malt liquors; prescribing

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the Board's powers with respect to whole-

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salings; providing for a Director of the

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Board and prescribing his duties; providing

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for the distribution of monies collected;

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prohibiting sales except for cash; pro-

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hibiting purchases other than from Board;

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prohibiting interior decorations other than

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signs of a limited value by manufacturers

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and others; providing for the payment of

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excise taxes; stating intent of legislature

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and repealing certain sections of ACLA; pro-

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viding for wholesale malt liquor licenses;

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and voiding existing wholesale licenses,

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permitting refunds, and permitting pur-

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chases of stocks."

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BE IT ENACTED BY THE LEGISLATURE OF THE TERRITORY OF ALASKA:

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Section 1. TERRITORIAL BOARD OF LIQUOR CONTROL DESIGNATED

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AS SOLE WHOLESALER OF LIQUOR FOR TERRITORY. The Territorial

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Board of Liquor Control is hereby given the exclusive right to

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sell at wholesale all intoxicating liquors, except malt liquors,

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in the Territory of Alaska, and no licensee, permittee or any

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1 other person authorized to sell, distribute, or receive such  
2 intoxicating liquors at retail shall purchase any such liquors  
3 except from the Board of Liquor Control. The said Board may  
4 purchase intoxicating liquors in such quantities and from such  
5 sources as it may deem desirable and shall sell the same to re-  
6 tail distributors or permittees within the Territory, at such  
7 prices as will provide a fund sufficient to defray all activities  
8 under this Act and result in such profit as may seem right and  
9 proper.

10       Sec. 2. POWERS OF BOARD. The Board shall have, in addi-  
11 tion to those prescribed by existing law, the following powers  
12 with respect to the sale and distribution at wholesale of intoxi-  
13 cating liquors;

14           (1) To hire a Director to supervise wholesale liquor  
15 activities under this Act, and such other personnel as may be  
16 necessary to carry out the functions of this Act.

17           (2) To rent, lease or purchase warehouses or warehouse  
18 facilities within the Territory or elsewhere for the purpose of  
19 storing or handling intoxicating liquors.

20           (3) To establish such rules and regulations as may be  
21 necessary to carry out the purposes of this Act.

22           (4) To bond all employees, including the Director,  
23 for the faithful performance of their duties, and to pay the  
24 premiums on such bonds from monies appropriated or collected under  
25 this Act.

26           (5) To designate bonded agents to handle the distribu-  
27 tion of liquor at small outlets on a commission or concession  
28 basis, under appropriate rules and regulations.

29           (6) To purchase or acquire land and improvements for

1 warehouse and building sites and for other necessary functions  
2 under this Act.

3 (7) To purchase office furnishings, supplies, equip-  
4 ment, vehicles, and all other materials necessary to its func-  
5 tions under this Act.

6 (8) To contract with common carriers for the trans-  
7 portation of liquors and other supplies and materials.

8 (9) To do all other things necessary to the effectu-  
9 ation of the purposes of this Act.

10 Sec. 3. APPOINTMENT AND QUALIFICATIONS OF DIRECTOR: SALARY:  
11 TENURE OF OFFICE. The Board shall appoint a Director who shall  
12 be a reputable person with training and experience in the fields  
13 of business and administration. No employee of any person, part-  
14 nership or corporation engaged in the production, sale or dis-  
15 tribution of intoxicating liquors shall be eligible for appoint-  
16 ment as Director. The Director shall serve at a salary not to  
17 exceed \$15,000.00 per annum. He shall serve for an indefinite  
18 period and at the pleasure of the Board, and he may be removed  
19 by the Board at any time with or without cause.

20 Sec. 4. DUTIES OF DIRECTOR. Subject to the supervision and  
21 control of the Board, the Director shall administer the whole-  
22 sale liquor operations of the Board. He shall hire and train  
23 such persons as may be necessary to carry out the purposes of this  
24 Act, including such specialized personnel as accountants and pur-  
25 chasing agents. He shall keep accurate and complete records of  
26 all transactions under this Act and of all business conducted by  
27 his office. He shall be required to give bond in the amount of  
28 \$25,000 to insure his faithful performance of his duties under  
29 this Act. He shall regularly inspect all facilities of the Board

1 established pursuant to this Act, and shall be entitled to all  
2 travel and per diem expenses authorized for Territorial employees  
3 in the performance of his duties.

4       Sec. 5. MONIES COLLECTED FROM SALE OF INTOXICATING LIQUORS:  
5 APPROPRIATION FOR ADMINISTRATION. All earnings collected under  
6 the provisions of this Act from the resale of intoxicating liquor  
7 shall be covered into the General Fund of the Territory. Funds  
8 for the administration of this Act, including salaries, office  
9 expenses, and other expenses, shall be appropriated by the Legis-  
10 .lature.

11       Sec. 6. SALE FOR CASH ONLY. No sale of intoxicating liquor  
12 shall be made by the Board to any retailer except for cash on or  
13 before delivery of said liquor.

14       Sec. 7. PROHIBITION AGAINST PURCHASE FROM OTHER THAN BOARD:  
15 PENALTY. It shall be unlawful for any retail licensee, permittee  
16 or other person to purchase intoxicating liquor, except malt  
17 beverages, at wholesale from any person or company other than the  
18 Board of Liquor Control. Whoever shall purchase intoxicating  
19 liquor, except malt beverages, at wholesale from any person or  
20 company other than the Board of Liquor Control shall be deemed  
21 guilty of a misdemeanor, and upon conviction thereof, shall be  
22 fined not more than \$1,000.00 or imprisoned for not more than six  
23 months, or both.

24       Sec. 8. INTERIOR DECORATIONS BY MANUFACTURER, RECTIFIER, OR  
25 WHOLESALER PROHIBITED: PENALTY. No manufacturer, rectifier or  
26 wholesaler shall furnish, give, rent, lend or sell any interior  
27 decorations other than signs, or furnish, give, rent, lend or sell  
28 any sign or signs for inside or outside use, costing collectively  
29 more than Twenty-five Dollars (\$25.00) in any one calendar year,

1 to any person authorized to sell alcoholic or malt beverages under  
2 a retail liquor license, either directly or indirectly or through  
3 a subsidiary or affiliate, or by any officer, director or firm  
4 member, of any manufacturer, rectifier or wholesaler. Any manu-  
5 facturer, rectifier or wholesaler who violates the provisions of  
6 this section shall be deemed guilty of a misdemeanor, and, upon  
7 conviction thereof, shall be fined not more than \$300.00. The  
8 receipt by any licensee of benefits from any act prohibited by  
9 this section shall be a ground for the revocation of his license  
10 by the Board.

11       Sec. 9. PAYMENT OF EXCISE TAXES. The Board of Liquor Con-  
12 trol shall be required to pay all excise taxes which are required  
13 of wholesale liquor dealers, except wholesalers of malt liquors,  
14 under Territorial law, and to perform all other duties required  
15 of such wholesalers in connection with the reporting and payment  
16 of such taxes, except that the Board shall not be required to  
17 post a bond to insure the payment of such taxes.

18       Sec. 10. INTENT OF LEGISLATURE: REPEAL OF CONFLICTING  
19 LEGISLATION.

20       (1) INTENT OF LEGISLATURE. It is the intention of the  
21 Legislature to designate the Board of Liquor Control as the ex-  
22 clusive wholesaler of intoxicating beverages, except malt liquors,  
23 within the Territory of Alaska; to repeal all legislation relat-  
24 ing to the license of wholesalers; to leave undisturbed the law  
25 of the Territory relating to the issuance of all other licenses;  
26 and to retain all powers of the Board of Liquor Control not ex-  
27 pressly repealed herein or not in conflict with this Act.

28       (2) REPEAL. Section 35-4-21(H), ACLA 1949, is hereby  
29 repealed.

1           Sec. 11 WHOLESALE MALT LIQUOR LICENSE. The Board shall  
2 have the power to issue wholesale licenses for the sale of malt  
3 liquors only. The holder of a wholesale malt liquor license  
4 shall have the right to sell malt liquors or beverages in bulk  
5 in quantities of not less than five gallons to holders of liquor  
6 licenses under Territorial law, but not to the consumer. A  
7 wholesale license shall be required for each distribution point.  
8 The fee for such license shall be as follows:

9           On the total amount of business transacted in any  
10 year: \$100.00 as a minimum license fee, to accompany  
11 the application, and in payment of the fee for the first  
12 \$10,000.00 of business transacted, and, in addition  
13 thereto, on the business transacted during any year:  
14 above \$ 10,000 and not over \$ 25,000,...a fee of \$ 150.00  
15 above \$ 25,000 and not over \$ 50,000,...a fee of \$ 500.00  
16 above \$ 50,000 and not over \$ 75,000....a fee of \$ 750.00  
17 above \$ 75,000 and not over \$100,000,...a fee of \$1000.00  
18 above \$100,000 and not over \$150,000,...a fee of \$1500.00  
19 above \$150,000 and not over \$200,000,...a fee of \$2000.00  
20 above \$200,000 and not over \$300,000...a fee of \$3000.00  
21 above \$300,000 and not over \$400,000....a fee of \$4000.00  
22 above \$400,000.....a fee of \$5000.00

23           Sec. 12. WHOLESALE LICENSES VOIDED: REFUND: PURCHASE OF  
24 STOCK BY BOARD. All wholesale licenses for the sale or distribu-  
25 tion of hard and distilled liquors, malt beverages and wines are  
26 hereby revoked. The Tax Commissioner is hereby authorized to  
27 refund to the holders of all said licenses that part of the mini-  
28 mum license fee which covers the period from the effective date  
29 of this Act to the normal expiration dates of such licenses.

1 The holders of wholesale licenses shall be liable for the gradu-  
2 ated fees prescribed in Section 35-4-21(H), ACLA 1949, on all sales  
3 made prior to the effective date of this Act. Nothing in this  
4 Act shall be construed to prevent persons or companies holding  
5 stocks of wholesale liquors lawfully acquired before the passage  
6 of this Act from selling such stocks of liquor to the Board only  
7 after the passage of this Act.

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