

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 HOUSE BILL NO. 17

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIRST LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act designating the Board of Liquor
7 control as wholesaler of intoxicating
8 liquors, except malt liquors; prescribing
9 the Board's powers with respect to whole-
10 saling; providing for a Director of the
11 Board and prescribing his duties; pro-
12 viding for the distribution of monies
13 collected; prohibiting sales except for
14 cash; prohibiting purchases other than
15 from Board; prohibiting interior decora-
16 tions other than signs of a limited value
17 by manufacturers and others; providing
18 for the payment of excise taxes; stating
19 intent of legislature and repealing cer-
20 tain sections of ACLA; providing for whole-
21 sale malt liquor licenses; and voiding
22 existing wholesale licenses, permitting
23 refunds, and permitting purchases of
24 stocks."

25 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

26 Section 1. STATE BOARD OF LIQUOR CONTROL DESIGNATED AS
27 SOLE WHOLESALER OF LIQUOR FOR ALASKA. The State Board of Liquor
28 Control is hereby given the exclusive right to sell at whole-
29 sale all intoxicating liquors, except malt liquors, in the State

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1 of Alaska, and licensee, permittee or any other person author-
2 ized to sell, distribute, or receive such intoxicating liquors
3 at retail shall purchase any such liquors except from the Board
4 of Liquor Control. The said Board may purchase intoxicating
5 liquors in such quantities and from such sources as it may deem
6 desirable and shall sell the same to retail distributors or
7 permittees within the State, at such prices as will provide a
8 fund sufficient to defray all activities under this Act and re-
9 sult in such profit as may seem right and 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 ware-
18 house facilities within the State 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
25 under this Act.

26 (5) To designate bonded agents to handle the distri-
27 bution 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 effectua-
9 tion of the purposes of this Act.

10 Sec. 3. APPOINTMENT AND QUALIFICATIONS OF DIRECTOR:

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

20 Sec. 4. DUTIES OF THE DIRECTOR. Subject to the supervision
21 and 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
24 this Act, including such specialized personnel as accountants
25 and purchasing agents. He shall keep accurate and complete
26 records of all transactions under this Act and of all business
27 conducted by his office. He shall be required to give bond in
28 the amount of \$25,000.00 to insure his faithful performance of
29 his duties under this Act. He shall regularly inspect all fac-

1 ilities of the Board established pursuant to this Act, and shall
2 be entitled to all travel and per diem expenses authorized for
3 State employees 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 State. Funds for
8 the administration of this Act, including salaries, office ex-
9 penses, 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
23 six 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
2 under a retail liquor license, either directly or indirectly or
3 through a subsidiary or affiliate, or by any officer, director
4 or firm member, of any manufacturer, rectifier or wholesaler.
5 Any manufacturer, rectifier or wholesaler who violates the pro-
6 visions of this section shall be deemed guilty of a misdemeanor,
7 and, upon conviction thereof, shall be fined not more than
8 \$300.00. The receipt by any licensee of benefits from any act
9 prohibited by this section shall be a ground for the revocation
10 of his license 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 re-
13 quired of wholesale liquor dealers, except wholesalers of malt
14 liquors, under State law, and to perform all other duties re-
15 quired of such wholesalers in connection with the reporting and
16 payment of such taxes, except that the Board shall not be re-
17 quired to 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
21 the Legislature to designate the Board of Liquor Control as the
22 exclusive wholesaler of intoxicating beverages, except malt
23 liquors, within the State of Alaska; to repeal all legislation re-
24 lating to the license of wholesalers; to leave undisturbed the
25 law of the State 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 as amended
29 by Ch. 131, SLA 1957, is hereby 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 State law, but not to the consumer. A wholesale
7 license shall be required for each distribution point. The fee
8 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 distri-
25 bution of hard and distilled liquors, malt beverages and wines
26 are hereby revoked. The Tax Commissioner is hereby authorized
27 to refund to the holders of all said licenses that part of the
28 minimum license fee which covers the period from the effective
29 date 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 as amended
3 by Ch. 131, SLA 1957, on all sales made prior to the effective
4 date of this Act. Nothing in this Act shall be construed to
5 prevent persons or companies holding stocks or wholesale liquors
6 lawfully acquired before the passage of this Act from selling
7 such stocks of liquor to the Board only after the passage of this
8 Act.

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