

1 IN THE SENATE

BY SENATOR OWEN

2 SENATE BILL NO. 107

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to wholesaling of intoxi-  
7 cating liquor, except malt liquor, by the  
8 Alcoholic Beverage Control Board; and to  
9 wholesaling of malt liquor under state  
10 license."

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

12 \* Section 1. AS 04 is amended by adding a new chapter to  
13 read:

14 CHAPTER 12. WHOLESALING.

15 ARTICLE 1. SALE BY STATE.

16 Sec. 04.12.010. SALE BY ALCOHOLIC BEVERAGE CONTROL  
17 BOARD. The Alcoholic Beverage Control Board is given the  
18 exclusive right to sell at wholesale all intoxicating liquor,  
19 except malt liquor, in the state, and a licensee, permittee,  
20 or other person authorized to sell, distribute, or receive  
21 intoxicating liquor at retail shall purchase the liquor from  
22 the board only. The board may purchase intoxicating liquor  
23 in the quantities and from the sources it considers desirable  
24 and shall sell the same to retail distributors or permittees  
25 in the state at prices which will provide a fund sufficient  
26 to defray all activities under this chapter and result in  
27 the profit which seems proper.

28 Sec. 04.12.020. POWERS OF BOARD. The board shall have,  
29 in addition to those prescribed by existing law, the

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1 following powers with respect to the sale and distribution  
2 at wholesale of intoxicating liquor:

3 (1) to hire a director to supervise wholesale  
4 liquor activities under this chapter, and other personnel  
5 which may be necessary to carry out the functions of this  
6 chapter;

7 (2) to rent, lease or purchase warehouses or ware-  
8 house facilities in the state or elsewhere for the purpose of  
9 storing or handling intoxicating liquor;

10 (3) to promulgate regulations which may be neces-  
11 sary to carry out the purposes of this chapter;

12 (4) to bond all employees, including the director,  
13 for the faithful performance of their duties, and to pay the  
14 premiums on the bonds from money appropriated to carry out  
15 the functions of this chapter;

16 (5) to designate bonded agents to handle the  
17 distribution of liquor at small outlets on a commission or  
18 concession basis, under appropriate regulations;

19 (6) to purchase or acquire land and improvements  
20 for warehouse and building sites and for other necessary  
21 functions under this chapter;

22 (7) to purchase office furnishings, supplies,  
23 equipment, vehicles, and all other materials necessary to its  
24 functions under this chapter;

25 (8) to contract with common carriers for the  
26 transportation of liquor and other supplies and materials;

27 (9) to do all other things necessary to the ef-  
28 fectuation of the purposes of this chapter.

29 Sec. 04.12.030. APPOINTMENT OF DIRECTOR. The board

1 shall appoint a director who shall be a reputable person  
2 with training and experience in the fields of business and  
3 administration. An employee of a person, partnership, or  
4 corporation engaged in the production, sale, or distribution  
5 of intoxicating liquor is not eligible for appointment as  
6 director. The salary of the director shall not exceed  
7 \$15,000 a year. He serves for an indefinite period and at  
8 the pleasure of the board, and may be removed by the board  
9 at any time with or without cause.

10 Sec. 04.12.040. DUTIES OF DIRECTOR. Subject to the  
11 supervision and control of the board, the director shall  
12 administer the wholesale liquor operations of the board. He  
13 shall hire and train the persons necessary to carry out this  
14 chapter, including such specialized personnel as accountants  
15 and purchasing agents. He shall keep accurate and complete  
16 records of all transactions under this chapter and of all  
17 business conducted by his office. He shall give bond in the  
18 amount of \$25,000 to insure his faithful performance of his  
19 duties under this chapter. He shall regularly inspect all  
20 facilities of the board established under this chapter, and  
21 is entitled to travel and per diem authorized for state  
22 employees in the performance of his duties.

23 Sec. 04.12.050. MONEY COLLECTED. All earnings col-  
24 lected under this chapter from the resale of intoxicating  
25 liquor is deposited in the general fund. Funds for the  
26 administration of this chapter, including salaries, office  
27 expenses, and other expenses, shall be appropriated by the  
28 legislature.

29 Sec. 04.12.060. SALE FOR CASH ONLY. No sale of in-

1 toxicating liquor may be made by the board to any retailer  
2 except for cash on or before delivery of the liquor.

3 Sec. 04.12.070. PROHIBITION AGAINST PURCHASE FROM OTHER  
4 THAN BOARD. It is unlawful for a retail licensee, permittee,  
5 or other person to purchase intoxicating liquor, except malt  
6 beverages, at wholesale from a person or company other than  
7 the board.

8 Sec. 04.12.080. INTERIOR DECORATIONS PROHIBITED. A  
9 manufacturer, rectifier or wholesaler shall not furnish,  
10 give, rent, lend, or sell any interior decorations other  
11 than signs, or furnish, give, rent, lend, or sell signs for  
12 inside or outside use costing collectively more than \$25 in  
13 one calendar year to a person authorized to sell alcoholic  
14 or malt beverages under a retail liquor license, either  
15 directly or indirectly or through a subsidiary or affiliate,  
16 or an officer, director or firm member of a manufacturer,  
17 rectifier or wholesaler. A manufacturer, rectifier, or  
18 wholesaler who violates this section is guilty of a mis-  
19 demeanor, and upon conviction is punishable by a fine of  
20 not more than \$300. The receipt by a licensee of benefits  
21 from an act prohibited by this section shall be ground for  
22 the revocation of his license by the board.

23 Sec. 04.12.090. EXCISE TAXES. The board is required  
24 to pay all excise taxes which are required of wholesale  
25 liquor dealers, except wholesalers of malt liquor, under  
26 state law, and to perform all other duties required of  
27 those wholesalers in connection with the reporting and pay-  
28 ment of such taxes, except that the board is not required  
29 to post a bond to insure the payment of the taxes.

1 ARTICLE 2. WHOLESALE MALT LIQUOR LICENSE.

2 Sec. 04.12.110. ISSUANCE OF LICENSE AND FEE. The  
3 board may issue wholesale licenses for the sale of malt  
4 liquor only. The holder of a wholesale malt liquor license  
5 has the right to sell malt liquor or beverages in bulk in  
6 quantities of not less than five gallons to holders of  
7 liquor licenses under state law, but not to the consumer.  
8 A wholesale license is required for each distribution point.  
9 The fee for the license is as follows: on the total amount  
10 of business transacted in any year, \$100 as a minimum  
11 license fee to accompany the application and in payment of  
12 the fee for the first \$10,000 of business transacted, and  
13 in addition, on the business transacted during any year:

14	OVER	AND NOT OVER	A FEE OF
15	\$ 10,000	\$ 25,000	\$ 150
16	25,000	50,000	500
17	50,000	75,000	750
18	75,000	100,000	1,000
19	100,000	150,000	1,500
20	150,000	200,000	2,000
21	200,000	300,000	3,000
22	300,000	400,000	4,000
23	400,000		5,000

24 \* Sec. 2. AS 04.05.040(8) is amended to read:

25 (8) providing for the making of returns and  
26 reports by wholesalers of malt liquor [WINE, BEER AND  
27 LIQUOR];

28 \* Sec. 3. AS 04.10.020(N) is repealed and re-enacted to read:

29 (h) wholesale malt liquor license;

1       \* Sec. 4. All wholesale licenses for the sale or distribution  
2 of hard and distilled liquor, malt beverages, and wine are re-  
3 voked. The Alcoholic Beverage Control Board is authorized to  
4 refund to the holders of all those licenses that part of the  
5 minimum license fee which covers the period from the effective  
6 date of this Act to the normal expiration date of the licenses.  
7 The holders of wholesale licenses shall be liable for the gradu-  
8 ated fees prescribed in AS 04.10.110 on all sales made before  
9 the effective date of this Act. Nothing in this Act shall be  
10 construed to prevent persons or companies holding stocks of  
11 wholesale liquor lawfully acquired before the passage of this Act  
12 from selling the stocks of liquor to the board only after the  
13 effective date of this Act.

14       \* Sec. 5. AS 04.10.110 is repealed.  
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