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Referred: Commerce, State
Affairs and Finance

1 IN THE HOUSE

BY WRIGHT AND WIGGINS

2 HOUSE BILL NO. 222

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to wholesaling of intoxicating
7 liquor."

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

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

10 CHAPTER 12. WHOLESALING.

11 ARTICLE 1. SALE BY STATE.

12 Sec. 04.12.010. SALE BY ALCOHOLIC BEVERAGE CONTROL BOARD. The
13 Alcoholic Beverage Control Board is given the exclusive right to sell
14 at wholesale all intoxicating liquor, in the state, and a licenses,
15 permittee, or other person authorized to sell, distribute, or receive
16 intoxicating liquor at retail shall purchase the liquor from the
17 board only. The board may purchase intoxicating liquor in the quanti-
18 ties and from the sources it considers desirable and shall sell it to
19 retail distributors or permittees in the state at prices which will
20 provide a fund sufficient to defray all activities under this chapter
21 and result in the profit which seems proper.

22 Sec. 04.12.020. POWERS OF BOARD. The board shall have, in addi-
23 tion to those prescribed by existing law, the following powers with
24 respect to the sale and distribution at wholesale of intoxicating
25 liquor:

26 (1) to hire a director to supervise wholesale liquor
27 activities under this chapter, and other personnel which may be neces-
28 sary to carry out the functions of this chapter;

29 (2) to rent, lease or purchase warehouses or warehouse

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1 facilities in the state or elsewhere for the purpose of storing or
2 handling intoxicating liquor;

3 (3) to promulgate regulations which may be necessary to
4 carry out the purposes of this chapter;

5 (4) to bond all employees, including the director, for the
6 faithful performance of their duties, and to pay the premiums on the
7 bonds from money appropriated to carry out the functions of this
8 chapter;

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

12 (6) to purchase or acquire land and improvements for ware-
13 house and building sites and for other necessary functions under this
14 chapter;

15 (7) to purchase office furnishings, supplies, equipment,
16 vehicles, and all other materials necessary to its functions under
17 this chapter;

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

20 (9) to do all other things necessary to the effectuation of
21 the purposes of this chapter.

22 Sec. 04.12.030. APPOINTMENT OF DIRECTOR. The board shall appoint
23 a director who shall be a reputable person with training and experience
24 in the fields of business and administration. An employee of a person,
25 partnership, or corporation engaged in the production, sale, or distri-
26 bution of intoxicating liquor is not eligible for appointment as
27 director. The salary of the director shall not exceed \$20,000 a year.
28 He serves for an indefinite period and at the pleasure of the board,
29 and may be removed by the board at any time with or without cause.

1 Sec. 04.12.040. DUTIES OF DIRECTOR. Subject to the supervision
2 and control of the board, the director shall administer the wholesale
3 liquor operations of the board. He shall hire and train the persons
4 necessary to carry out this chapter, including such specialized
5 personnel as accountants and purchasing agents. He shall keep accurate
6 and complete records of all transactions under this chapter and of all
7 business conducted by his office. He shall give bond in the amount of
8 \$25,000 to insure his faithful performance of his duties under this
9 chapter. He shall regularly inspect all facilities of the board
10 established under this chapter, and is entitled to travel and per diem
11 authorized for state employees in the performance of his duties.

12 Sec. 04.12.050. MONEY COLLECTED. All earnings collected under
13 this chapter from the resale of intoxicating liquor is deposited in
14 the general fund. Funds for the administration of this chapter,
15 including salaries, office expenses, and other expenses, shall be
16 appropriated by the legislature.

17 Sec. 04.12.060. SALE FOR CASH ONLY. No sale of intoxicating
18 liquor may be made by the board to a retailer except for cash on or
19 before delivery of the liquor.

20 Sec. 04.12.070. PROHIBITION AGAINST PURCHASE. It is unlawful
21 for a retail licensee, permittee, or other person to purchase intoxi-
22 cating liquor at wholesale from a person or company other than the
23 board.

24 Sec. 04.12.080. INTERIOR DECORATIONS PROHIBITED. A manufacturer,
25 rectifier or wholesaler shall not furnish, give, rent, lend, or sell
26 interior decorations other than signs, or furnish, give, rent, lend,
27 or sell signs for inside or outside use costing collectively more than
28 \$25 in one calendar year to a person authorized to sell alcoholic or
29 malt beverages under a retail liquor license, either directly or

1 indirectly or through a subsidiary or affiliate, or an officer,
2 director or firm member of a manufacturer, rectifier or wholesaler.
3 A manufacturer, rectifier, or wholesaler who violates this section is
4 guilty of a misdemeanor, and upon conviction is punishable by a fine
5 of not more than \$300. The receipt by a licensee of benefits from an
6 act prohibited by this section shall be ground for the revocation of
7 his license by the board.

8 Sec. 04.12.090. EXCISE TAXES. The board is required to pay all
9 excise taxes which are required of wholesale liquor dealers under
10 state law, and to perform all other duties required of those whole-
11 sellers in connection with the reporting and payment of the taxes,
12 except that the board is not required to post a bond to insure the
13 payment of the taxes.

14 * Sec. 2. All wholesale licenses for the sale or distribution of hard
15 and distilled liquor, malt beverages, and wine are revoked. The Alcoholic
16 Beverage Control Board is authorized to refund to the holders of all those
17 licenses that part of the minimum license fee which covers the period from
18 the effective date of this Act to the normal expiration date of the licenses.
19 The holders of wholesale licenses shall be liable for the graduated fees
20 prescribed in AS 04.10.110 on all sales made before the effective date of
21 this Act. Nothing in this Act shall be construed to prevent persons or
22 companies holding stocks of wholesale liquor lawfully acquired before the
23 passage of this Act from selling the stocks of liquor to the board after
24 the effective date of this Act.

25 * Sec. 3. AS 04.05.040(8), 04.10.020(h) and 04.10.110 are repealed.
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