

S B

3911

SB 391

Patrick M. Rodey  
Senator

# Alaska State Legislature

3111 C. St., Suite 510  
Anchorage, Alaska 99503  
(907) 561-7618



During Session:  
P.O. Box V  
Juneau, Alaska 99811  
(907) 465-3793

## Senate

DATE: April 6, 1988

TO : Senator Jay Kerttula, Chair  
Senate Judiciary Committee

FROM: Senator Patrick Rodey

A handwritten signature in cursive script that reads "Pat".

RE : Senate Bill 391 - relating to the sale of wine by wineries

Attached is a copy of a revised version of SB 391 which adds two minor changes from the original version before the Senate Judiciary Committee.

Section 1 remains the same as in the original bill. This section merely allows a holder of a winery license to sell in quantities of less than 5 gallons to an individual who is present on the licensed premises.

Section 2 is added to allow the holder of a brewery license the same opportunity as set forth above in Sec. 1.

Section 3 is added to allow a winery to offer off-premises sampling as is currently allowed by breweries.

As a result of these minor amendments, AS 04.11.130 (brewery license) and AS 04.11.140 (winery license) will be consistent.

# 3  
draft  
46

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29

IN THE SENATE

CS FOR SENATE BILL NO. 391 ( )

IN THE LEGISLATURE OF THE STATE OF ALASKA

FIFTEENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to the sale of wine by wineries and  
breweries and to the provision of wine samples by  
wineries."

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

\* Section 1. AS 04.11.130(b) is repealed and reenacted to read:

(b) The holder of a brewery license may sell beer in quantities  
of

(1) less than five gallons to an individual who is present  
on the licensed premises;

(2) more than five gallons to a person who is licensed  
under this title.

\* Sec. 2. AS 04.11.140(b) is repealed and reenacted to read:

(b) The holder of a winery license may sell wine in quantities  
of

(1) less than five gallons to an individual who is present  
on the licensed premises;

(2) more than five gallons to a person who is licensed  
under this title.

\* Sec. 3. AS 04.11.140(c) is amended to read:

(c) The holder of a winery license may permit a person to sample  
small portions of the wine [ON THE PREMISES] free of charge unless  
prohibited by AS 04.16.030.

5-1305L  
Bannister  
4/8/88

Original sponsor: Rodey

1 IN THE SENATE

BY THE JUDICIARY COMMITTEE

2 CS FOR SENATE BILL NO. 391 (Judiciary)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the sale of wine by wineries and  
7 breweries and to the provision of wine samples by  
8 wineries."

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

10 \* Section 1. AS 04.11.130(b) is repealed and reenacted to read:

11 (b) The holder of a brewery license may sell beer in quantities  
12 of

13 (1) less than five gallons to an individual who is present  
14 on the licensed premises;

15 (2) more than five gallons to a person who is licensed  
16 under this title.

17 \* Sec. 2. AS 04.11.140(b) is repealed and reenacted to read:

18 (b) The holder of a winery license may sell wine in quantities  
19 of

20 (1) less than five gallons to an individual who is present  
21 on the licensed premises;

22 (2) more than five gallons to a person who is licensed  
23 under this title.

24 \* Sec. 3. AS 04.11.140(c) is amended to read:

25 (c) The holder of a winery license may permit a person to sample  
26 small portions of the wine [ON THE PREMISES] free of charge unless  
27 prohibited by AS 04.16.030.  
28  
29

March 31, 1988

Gary Koski- Pres.  
Homegrown Industries LTD.  
P.O. Box 91537  
Anchorage, Ak. 99509  
Ph.# (907) 276-8260

Senator Jay Kertulla- Chairman  
Senate Judiciary Committee

Dear Senator Kertulla,

I am writing to you in regards to S.B. 391, an act relating to the sale of wine from wineries. I am concerned because I am starting up operation of ALASKA WINERY, Alaska's first licensed winery to produce, ferment, and bottle a line of fine berry and fruit wines from locally grown berries and fruit. We are actively engaged in the creation of a commercial berry industry in the Mat-Valley which would increase production from a present usable level of 5-6000 pounds per year, up to 40-50,000 or more pounds per year. Our development could create over 200 jobs with the growers, pickers, industry suppliers, retail sales, or distributors. Plans for the winery eventually call for the need of 70,000 pounds of berries and other fruit per year for just the winery. Development of the berry industry will also allow for expansion of the jelly and candy establishments and other edible tourist attractions.

I am not asking for state assistance, although the Anchorage Economic Development Corporation Board of Directors has agreed to support us and help in our securing financing. The capital is being obtained from private investors through the creation of Homegrown Industries Ltd., an Alaska corporation that I formed and Chair. We are hoping to start operation of our winery this summer ( 1988 ) early enough to be able to use part of this years rhubarb crop and possibly the blueberry too, if a large enough quantity can be gotten, to introduce two Alaskan Wines. We will definitely have the distinction of being the northernmost winery in North America. We will be starting off as a micro-scale winery ( 15,000 bottles/yr. ), expanding production as we gain market acceptance and as the expansion of the berry industry will allow.

S.B. 391 would allow us to sell our wine, and only our wine, from our winery to the general public, the bulk of which will be tourists that will come to our tasting room during the times that we have it open to the public. Passage of this bill would follow in the steps of the other states, such as California, that allow the manufacturer of a legally produced wine the ability to sell his wine, but only his wine, from his winery to the general public. The restriction of being only allowed to sell less than two cases ( 5 wine gallons ) is a sensible restriction and will allow for more control, yet allow for the collector of fine wines. Paragraph C of Sec. 04.11.140, of which I know you are very familiar with, already prohibits us from selling our wine by the glass. But we should be able to sell a bottle of Alaskan made wine to Mr. John Q. Tourist and his lovely wife if they want to take one back to share with their Uncle Jake who just couldn't make it.

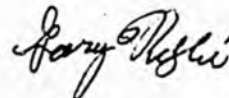
(cont.)

(page 2)

I have talked to literally thousands of tourists and residents about their interests in Alaska and their ideas on an Alaskan wine and well over 80% of those asked, indicated that they would be interested in buying at least one bottle. I have talked to Bill Roche and Pat Schrock of the Alcohol Beverage Control Board about this bill and they could see no problem with it. I've talked with Bill on numerous occasions over the past 3 years that I have been working on this, about my plans and making sure everything is set up correctly and have recieved vast support throughout the Anchorage community. Without the rights to sell our product to the general public, in any city, makes us dependant on a third party to sell our wine for us and we will not be able to operate.

I urge you for your support in passage of S.B. 391. If you have any questions about Alaska Winery, please contact me and I will clarify our operations more.

Sincerely,



Gary Koski- Pres.