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181

State of Alaska

Committees

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Representative Max F. Gruenberg, Jr.
District 11
Spenard, Upper Midtown Anchorage

February 28, 1989

MEMORANDUM

TO: Members of the Senate Judiciary Committee

FROM: Rep. Max Gruenberg *Max*

RE: CSHB 181, (Judiciary) "An Act relating to the private manufacture of an alcoholic beverage; and providing for an effective date."

In 1986 the definition of an alcoholic beverage was rewritten to encompass privately brewed alcoholic beverages to eliminate a perceived loophole in local option statutes. Inadvertently, this has been interpreted to ban "homebrewing" in all areas of the state. Although it is within the ABC Board's authority to issue licenses for the private manufacture of homebrew, the Board has declined to do so.

HB 181 would exempt "homebrewing" from most provisions governing alcohol beverages -- mainly those related to licensing. Homebrewing would still be prohibited in both "damp" and "dry" local option areas; municipalities would continue to have the authority to regulate "homebrewing" and possession, consumption or sale of homebrew for persons under age 21 would be prohibited.

We amended the bill in the House HESS Committee to prohibit the sale and consumption of homebrew at school events. In the House Judiciary Committee we amended the definition of alcohol to conform to the federal definition. This allows the unlicensed sale of beverages that contain only trace amounts of alcohol.

Thank you.

CSHB 181 (Judiciary) - "An Act relating to the private manufacture of and the definition of an alcoholic beverage."

Section 1 (a) would exempt "homebrewing" from Title 4 EXCEPT for the provisions listed in Section 1 (b) as follows:

(1) possession or consumption by persons under the age of 21 (as 04.16.050);

(2) furnishing or delivery of alcoholic beverages to persons under the age of 21 (AS 04.16.051);

(3) sale and consumption at school events (AS 04.16.080);

(4) municipal regulation of alcoholic beverages (AS 04.21.010);

(5) civil liability of persons providing alcoholic beverages (AS 04.21.020); and

(6) local options areas:
- prohibition of the sale of alcoholic beverages (AS 04.11.490);
- community liquor license; complete prohibition on sales (AS 04.11.492);
- prohibition of sale and importation of alcoholic beverages (AS 04.11.496);
- prohibition of possession of alcoholic beverages (AS 04.11.498); and
- prohibition of the sale of alcoholic beverages except by selected licenses (AS 04.11.500).

Note: The proposed bill would prohibit the private manufacture of "homebrew" in both "damp" and "dry" local option areas. The bill has no mitigating effect on the state's open container law.

At the request of the ABC Board, an unrelated issue which has no impact on "homebrewing" is addressed in section 2.

Section 2 amends the definition of "alcoholic beverage" contained in Title 4 to exclude from state regulation alcoholic beverages that contain less than one-half percent of alcohol by volume.

Section 3 provides for an immediate effective date.

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: Private manufacture of an
alcoholic beverage
Sponsor: Rep. Gruenberg
Requestor: House HESS Committee

Agency Affected: Department of Revenue
BRU: Alcoholic Beverage Control
Board
Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL	0	0	0	0	0	0
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REVENUE	0	0	0	0	0	0
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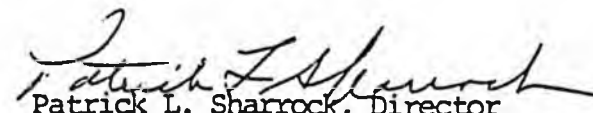
FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS : (Attach a separate page if necessary)


 Prepared by: Patrick L. Sharrock, Director Phone: 277-8638
 Division: Alcoholic Beverage Control Board Date: March 1, 1989
 Approved by Commissioner: Hugh Malone Date: 3/1/89
 Agency: Revenue

Distribution (by preparer):
 Legislative Finance
 Legislative Sponsor
 Requestor
 Office of Management and Budget
 Impacted Agency(ies)

5/4 talked to P. Sharrock - fiscal impact of CSHB 181 (Jud) still zero.
CFrasca