

S B

127

SENATE STATE AFFAIRS COMMITTEE

BILL NUMBER SB 127

SPONSOR State Affairs Committee

BILL TITLE Homebrewing

NOTE
C.S. HAS
TITLE CHANGE

DATE REFERRED

HEARING SCHEDULED 1-25-89

FISCAL NOTE PREPARED ✓

SPONSOR CONTACTED (Parehot)

or Teleconference
(Londi)

INTERESTED PARTIES CONTACTED

Sen. Binkley
Dept. Revenue → Cliff Gosh
ABC → Pat Shurreck
SOADA

100A message
✓ R23 10am

✓ Randall & Pat Oldenberg # 338-1472

W 279-1433
OAG Conservation Comm.

✓ Rick Helms 272-0621

✓ Rick Hemon-Webb 561-0008 (will call other people too)

OTHER

SENATE COMMITTEE REPORT

FIRST COMMITTEE OF REFERRAL

Date of 5-DAY NOTICE 1-19-89
IN ACCORDANCE WITH UNIFORM RULE 23

FURTHER

**FISCAL NOTE(S) MUST BE ATTACHED
IN ACCORDANCE WITH AS 24.08.035

DATE TURNED INTO OFFICE 1-25-89

1/19/89

Mr. President:

STATE AFFAIRS Committee considered SB 127

private manufacture of and the definition of an alcoholic beverage; efd

and recommended:

- replace with cs SB 127 (St Aff) same title
- attached amendment(s) and new title
- _____ letter of intent adopted
- do pass
- do not pass
- no recommendation
- individual recommendations
- further referral to _____

FISCAL NOTE(S) attached zero fiscal impact
 appropriation no FN attached Gov. FN introduced w/ bill

MEMBERS SIGNING DO PASS

Jan Fuchs
Fair Kelly
[Signature]

OTHER RECOMMENDATIONS

[Signature]
 Chairman Signature and recommendation

Committee backup attached

STATE OF ALASKA

DEPARTMENT OF REVENUE

ALCOHOLIC BEVERAGE CONTROL BOARD

STEVE COWPER, GOVERNOR

550 W. 7TH AVE
ANCHORAGE, ALASKA 99501-6698

January 23, 1989

The Honorable Pat Pourchot, Chairman
Senate State Affairs Committee
Alaska State Senate
P.O. Box V
Juneau, AK 99811

RE: Position Paper - CSSB 127

Dear Senator Pourchot:

This letter intends to express the Alcoholic Beverage Control Board's position concerning CSSB 127. The board fully supports the legislation and believes the bill remedies problems in present law prohibiting private manufacture of beer and wine.

Thank you for this opportunity to comment. If you have any questions, please do not hesitate to call.

Sincerely,



Patrick L. Sharrock
Director
(907) 277-8638

PLS:cr

cc: Michael W. Gordon, Chairman
Alcoholic Beverage Control Board

Board Members

CTS: 89-18

FISCAL NOTE

REQUEST:

Revision Date: _____
 Title: Private manufacture and derivation of alcoholic beverage.
 Sponsor: Senate State Affairs Committee
 Requestor: Senate State Affairs 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						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

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

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

Prepared by: Patrick L. Sharrock, Director
 Division: Alcoholic Beverage Control Board
 Approved by Commissioner: Hugh Malone
 Agency: Department of Revenue

Phone: 277-8638
 Date: January 25, 1989
 Date: January 25, 1989

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

STATE OF ALASKA
THE LEGISLATURE

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907 465-3800

LEGISLATIVE AFFAIRS AGENCY

M E M O R A N D U M

January 24, 1989

SUBJECT: Private manufacture of alcohol -
CSSB 127(SA)

TO: Senator Pat Pourchot

FROM: Michael F. Ford *m. f.*
Legislative Counsel

The following is a sectional analysis of the above referenced bill:

Section 1 - Exempts private manufacture of an alcoholic beverage from the statutory provisions of title 4, except as provided in subsection (b) of Sec. 04.21.015. Under subsection (b) the exemption for private manufacture is not applicable to

- (1) the prohibition against a person under 21 possessing or consuming alcohol;
- (2) the prohibition against a person furnishing alcohol to a person under 21;
- (3) municipal regulation of private manufacture;
- (4) the civil immunity provisions of AS 04.21.020;
- (5) alcohol privately manufactured in excess of federal law;
or
- (6) an area that has adopted a local option law.

The exemption against regulation under title 4 would also not apply to the requirement contained in AS 28.35.029 that a person cannot drive a motor vehicle with an open container of alcohol in the vehicle.

Section 2 - Effective date.

MFF:gc
WKG6/036

Sandra 6-0483E
Ford ✓
1/24/89

Original sponsor: State Affairs
Committee

1 IN THE SENATE BY THE STATE AFFAIRS COMMITTEE
2 CS FOR SENATE BILL NO. 127 (State Affairs)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 SIXTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the private manufacture of an
7 alcoholic beverage; and providing for an effective
8 date."

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

10 * Section 1. AS 04.21 is amended by adding a new section to read:

11 Sec. 04.21.015. PRIVATE MANUFACTURE OF ALCOHOLIC BEVERAGES. (a)

12 Except as provided in (b) of this section, the provisions of this
13 title do not apply to the private manufacture of alcoholic beverages.

14 (b) This section does not apply to AS 04.16.050, 04.16.051;
15 AS 04.21.010, 04.21.020; alcoholic beverages manufactured in a quanti-
16 ty that exceeds the limit imposed on private manufacture under federal
17 law; or an area that has adopted a local option law under AS 04.11.-
18 490 - 04.11.500.

19 * Sec. 2. This Act takes effect immediately under AS 01.10.070(c).

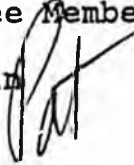


Official Business

Alaska State Legislature

P.O. Box V
State Capitol
Juneau, Alaska 99811

MEMORANDUM

TO: Senate State Affairs Committee Members
FROM: Senator Pat Pourchot, Chairman 
RE: January 25 Committee Hearing
DATE: January 24, 1989

On Wednesday, January 25 at 1:30 p.m. in the Beltz Room the Senate State Affairs Committee will hear the following bills:

SJR 1, Proposing an amendment to the Constitution of the State of Alaska relating to open meetings.

SJR 1 would place before the voters at the next general election a Constitutional amendment regarding open meetings. If the amendment were to pass, all private and substantive discussions and debates on legislation under its jurisdiction by a quorum of a house of the legislature or a committee would be prohibited. The exception to this would be executive sessions as authorized by statute. If the amendment were violated, the court could impose civil fines and other sanctions authorized by statute, but could not invalidate legislation.

In 1986 the League of Women Voters sued after a series of closed meetings by the legislature. The Supreme Court ruled that although the legislature had violated existing statute and its own Uniform Rules governing open meetings, the court could not enforce compliance because the statute and rule fall within the legislature's rule making authority. Adoption of a constitutional amendment would provide a basis for judicial enforcement.

A fiscal note, indicating a cost of \$2,200 to put the amendment on the ballot, is attached. Also attached is a summary sheet comparing SJR 1 to existing law and to SB 3.

SB 3, Relating to meetings held by the legislature or a committee of the legislature.

SB 3 proposes statutory amendments, rather than a Constitutional amendment, regarding open meetings. Other than this basic

Committee Memo
January 24, 1989

difference, many of its provisions are similar to those of SJR 1
(see attached chart).

SB 127, Relating to the private manufacture of and the definition
of an alcoholic beverage.

SB 127 would exempt privately produced alcoholic beverages
("homebrew") from most statutes governing alcohol, 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; sale to
and possession or consumption by a person under age 21 would
still be prohibited.

The current definition of alcoholic beverage was rewritten in
1986 to encompass privately produced alcoholic beverages to
eliminate a perceived loophole in the local option statutes.
Although it is within the ABC Board's authority to issue a
license for homebrewing, the Board has declined to do so.

The Great Northern Brewers Club has requested the statute changes
contained in SB 127 in time for this year's annual Fur Rendezvous
wine and beer judging competition. The competition has been
temporarily cancelled awaiting statutory clarification.

As introduced, SB 127 included a change in the definition of
alcoholic beverage to exclude from state regulation beverages
that contain less than one-half percent of alcohol by volume.
This section has been dropped from the committee substitute due
to concerns that it would allow the manufacture and possession of
beverages such as "near beer" in local option areas.

remembers)
Kozel
court ruling
made the
clear the
prohibition
applied
statutes
not just
in local
option
areas

date - deadline 2/8

penalty
local option area -
felony
other area -
misdemeanor

Sharrock
says no
provision
to license!
no provision
to waive.

by
Jeanne

1-24-89

Prior to adoption of Sec 11 Ch 80 SLA 86 the definition of "alcoholic beverage" was as follows:

"alcoholic beverage" includes but is not limited to whiskey, brandy, rum, gin, wine, ale, porter, beer, and all other spiritous, vinous, malt and other fermented or distilled liquors intended for human consumption and containing more than 1% alcohol by volume;"

Sec 11 Ch 80 SLA 86 (HB 700) rewrote the definition as follows:

"alcoholic beverage" means spiritous, vinous, malt or other fermented or distilled liquids, whatever the origin, that are intended for human consumption as a beverage and that contain alcohol whether produced commercially or privately;"

This amendment was specifically rewritten to include "homebrew" in the definition of an alcoholic beverage so that "homebrewing" would not be permitted in local option areas which prohibited possession of alcoholic beverages. (The section on the possession of alcoholic beverages in local option areas was adopted in Sec 2 Ch 80 SLA 86.)

The civil liability "shield" for homebrewers is included at the suggestion of legal services.

Under current law a person who provides alcoholic beverages (or homebrew under SB 127) to another person may not be held civilly liable for injuries resulting from the intoxication of that person unless the person who provides the alcoholic beverages (homebrew) holds a license...or is an agent or employee of such a licensee...and knowingly provides alcohol to a person under 21 or to an intoxicated person.

Since possession of a "license" is the determining factor as to whether a person may be held liable for certain actions, and since homebrewers are not licensed, the shield seems to be more perceived than real. However, Ford insists that the provision is necessary to protect homebrewers from frivolous suits.

per Sharnock testimony 1-25-89
Court ruling Kotzebue leg. intent did mean to
prohibit homebrewing everywhere. -not just local
option
effective Aug 3 - conviction = felony in local option
areas for private manufacture (misdemeanor
in wet areas)

SB 127, RELATING TO THE PRIVATE MANUFACTURE OF AN ALCOHOLIC BEVERAGE

TO TESTIFY:

Mary Heldon - wine making

PAT SHARROCK, A.B.C. BOARD

RICK HERRON-WEBB (HOMEBREWER -- ANCHORAGE TELECONFERENCE)

PAT OLDENBERG (HOMEBREWER -- ANCHORAGE TELECONFERENCE)

RICK HELMS (HOMEBREWER -- ANCHORAGE TELECONFERENCE)

OTHERS (SEE WITNESS LIST)

Mike Ford, Legislative Legal - to answer questions

FYI:

PRIOR TO 1986 STATUTE CHANGE, "ALCOHOLIC BEVERAGE" WAS DEFINED: WHISKEY, BRANDY, RUM, GIN, WINE, ALE, PORTER, BEER, AND ALL OTHER SPIRITOUS, VINOUS, MALT AND OTHER FERMENTED OR DISTILLED LIQUORS INTENDED FOR HUMAN CONSUMPTION AND CONTAINING MORE THAN 1% ALCOHOL BY VOLUME

DEFINITION AFTER 1986 STATUTE CHANGE (AS 04.21.080):

SPIRITOUS, VINOUS, MALT OR OTHER FERMENTED OR DISTILLED LIQUIDS, WHATEVER THE ORIGIN, THAT ARE INTENDED FOR HUMAN CONSUMPTION AS A BEVERAGE AND THAT CONTAIN ALCOHOL WHETHER PRODUCED COMMERCIALY OR PRIVATELY (EMPHASIS ADDED)

INTENT WAS TO PROHIBIT HOMEBREWING IN LOCAL OPTION AREAS; EFFECT WAS TO PROHIBIT HOMEBREWING PERIOD.

QUESTION: WHY IS THIS SUDDENLY AN ISSUE? NEW DEFINITION HAS BEEN ON BOOKS A COUPLE OF YEARS -- DID FUR RENDEVOUS HOLD THEIR HOMEBREWING COMPETITION LAST YEAR?

WE WILL HAVE FISCAL NOTE (ZERO) BY TIME OF MEETING.

→ *Robert Waldman, microbrewer
Propose amendment on
brewpubs.*

Federal Limits Imposed on Private Manufacture

23,172
Federal

Federal—Laws—Internal Revenue Code

759 11-88

[[23394]]

(e) **ILLEGALLY PRODUCED WINE.**—Notwithstanding subsection (a), any wine produced in the United States at any place other than the bonded premises provided for in this chapter shall (except as provided in section 5642 in the case of tax-free production) be subject to tax at the rate prescribed in subsection (b) at the time of production and whether or not removed for consumption or sale.

[Sec. 5041 as amended by Act of June 30, 1959, P. L. 86-75, 73 Stat. 157; Act of June 30, 1960, P. L. 86-564, 74 Stat. 290; Act of June 30, 1961, P. L. 87-72, 75 Stat. 194; Act of June 28, 1962, P. L. 87-508, 76 Stat. 114; Act of June 29, 1963, P. L. 88-52; Act of June 30, 1964, P. L. 88-348; Act of June 21, 1965, P. L. 89-44, 79 Stat. 136; Act of Oct. 26, 1974, P. L. 93-490, 88 Stat. 1466; Act of Oct. 4, 1976, P. L. 94-455, 90 Stat. 1520; Act of Nov. 10, 1988, P. L. 100-647, 102 Stat. 3342, applicable to wine removed after Dec. 31, 1988.]

[[23395]]

Sec. 5042. Exemption from Tax. (a) **TAX-FREE PRODUCTION.**—(1) **CIDER.**—Subject to regulations prescribed by the Secretary, the noneffervescent product of the normal alcoholic fermentation of apple juice only, which is produced at a place other than a bonded wine cellar and without the use of preservative methods or materials, and which is sold or offered for sale as cider and not as wine or as a substitute for wine, shall not be subject to tax as wine nor to the provisions of subchapter F.

(2) **WINE FOR PERSONAL OR FAMILY USE.**—Subject to regulations prescribed by the Secretary—

(A) **EXEMPTION.**—Any adult may, without payment of tax, produce wine for personal or family use and not for sale.

(B) **LIMITATION.**—The aggregate amount of wine exempt from tax under this paragraph with respect to any household shall not exceed—

(i) 200 gallons per calendar year if there are 2 or more adults in such household, or

(ii) 100 gallons per calendar year if there is only 1 adult in such household.

(C) **ADULTS.**—For purposes of this paragraph, the term "adult" means an individual who has attained 18 years of age, or the minimum age (if any) established by law applicable in the locality in which the

¶ 23394 26 U. S. C. 5041

household is situated at which wine may be sold to individuals, whichever is greater.

(3) **EXPERIMENTAL WINE.**—Subject to regulations prescribed by the Secretary, any scientific university, college of learning, or institution of scientific research may produce, receive, blend, treat, and store wine, without payment of tax, for experimental or research use but not for consumption (other than organoleptical tests) or sale, and may receive such wine spirits without payment of tax as may be necessary for such production.

[[23396]]

(b) CROSS REFERENCES.—

(1) For provisions relating to exemption of tax on losses of wine (including losses by theft or authorized destruction), see section 5370.

(2) For provisions exempting from tax samples of wine, see section 5372.

(3) For provisions authorizing withdrawals of wine free of tax or without payment of tax, see section 5362.

[Sec. 5042 as amended by Act of Oct. 4, 1976, P. L. 94-455, 90 Stat. 1520; Act of Oct. 13, 1978, P. L. 95-458, 92 Stat. 1255.]

[[23397]]

Sec. 5043. Collection of Taxes on Wines.

(a) **PERSONS LIABLE FOR PAYMENT.**—The taxes on wine provided for in this subpart shall be paid—

(1) **BONDED WINE CELLARS.**—In the case of wines removed from any bonded wine cellar, by the proprietor of such bonded wine cellar; except that—

(A) in the case of any transfer of wine in bond as authorized under the provisions of section 5362(b), the liability for payment of the tax shall become the liability of the transferee from the time of removal of the wine from the transferor's premises, and the transferor shall thereupon be relieved of such liability; and

(B) in the case of any wine withdrawn by a person other than such proprietor without payment of tax as authorized under the provisions of section 5362(c), the liability for payment of the tax shall become the liability of such person from the time of the removal of the wine from the bonded wine cellar, and such proprietor shall thereupon be relieved of such liability.

(2) **FOREIGN WINE.**—In the case of foreign wines, by the importer thereof.

(3) **OTHER WINES.**—Immediately, in the case of any wine produced, imported, received, removed, or possessed otherwise than as authorized by law, by any person

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wine



brewers under common control where one or more of the brewers is not a corporation.

(3) TOLERANCES.—Where the Secretary finds that the revenue will not be endangered thereby, he may by regulations prescribe tolerances for barrels and fractional parts of barrels, and, if such tolerances are prescribed, no assessment shall be made and no tax shall be collected for any excess in any case where the contents of a barrel or a fractional part of a barrel are within the limit of the applicable tolerance prescribed.

§ 23412

(b) ASSESSMENT ON MATERIALS USED IN PRODUCTION IN CASE OF FRAUD.—Nothing contained in this subpart or subchapter G shall be construed to authorize an assessment on the quantity of materials used in producing or purchased for the purpose of producing beer, nor shall the quantity of materials so used or purchased be evidence, for the purpose of taxation, of the quantity of beer produced; but the tax on all beer shall be paid as provided in section 5054, and not otherwise; except that this subsection shall not apply to cases of fraud, and nothing in this subsection shall have the effect to change the rules of law respecting evidence in any prosecution or suit.

§ 23412A

(c) ILLEGALLY PRODUCED BEER.—The production of any beer at any place in the United States shall be subject to tax at the rate prescribed in subsection (a) and such tax shall be due and payable as provided in section 5054(a)(3) unless—

(1) such beer is produced in a brewery qualified under the provisions of subchapter G, or

(2) such production is exempt from tax under section 5053(e) (relating to beer for personal or family use).

[Sec. 5051 as amended by Act of June 30, 1959, P. L. 86-75, 73 Stat. 157; Act of June 30, 1960, P. L. 86-564, 74 Stat. 290; Act of June 30, 1961, P. L. 87-72, 75 Stat. 194; Act of June 28, 1962, P. L. 87-508, 76 Stat. 114; Act of June 29, 1963, P. L. 88-52; Act of June 30, 1964, P. L. 88-348; Act of June 21, 1965, P. L. 89-44, 79 Stat. 136; Act of Oct. 4, 1976, P. L. 94-455, 90 Stat. 1520, effective Feb. 1, 1977; Act of Oct. 17, 1976, P. L. 94-529, 90 Stat. 2485; Act of Oct. 13, 1978, P. L. 95-458, 92 Stat. 1255.]

§ 23413

Sec. 5052. Definitions. (a) BEER.—For purposes of this chapter (except when used

§ 23412 26 U. S. C. 5052

with reference to distilling or distilling material) the term "beer" means beer, ale, porter, stout, and other similar fermented beverages (including sake or similar products) of any name or description containing one-half of 1 percent or more of alcohol by volume, brewed or produced from malt, wholly or in part, or from any substitute therefor.

§ 23414

(b) GALLON.—For purposes of this subpart, the term "gallon" means the liquid measure containing 231 cubic inches.

§ 23415

(c) REMOVED FOR CONSUMPTION OR SALE.—Except as provided for in the case of removal of beer without payment of tax, the term "removed for consumption or sale," for the purposes of this subpart, means—

(1) SALE OF BEER.—The sale and transfer of possession of beer for consumption at the brewery; or

(2) REMOVALS.—Any removal of beer from the brewery.

§ 23416

(d) BREWER.—
For definition of brewer, see section 5002.

[Sec. 5052 as amended by Act of Jan. 12, 1971, P. L. 91-673, 84 Stat. 2056.]

§ 23417

Sec. 5053. Exemptions. (a) REMOVALS FOR EXPORT.—Beer may be removed from the brewery, without payment of tax, for export, in such containers and under such regulations, and on the giving of such notices, entries, and bonds and other security, as the Secretary may by regulations prescribe.

§ 23418

(b) REMOVALS WHEN UNFIT FOR BEVERAGE USE.—When beer has become sour or damaged, so as to be incapable of use as such, a brewer may remove the same from his brewery without payment of tax, for manufacturing purposes, under such regulations as the Secretary may prescribe.

§ 23419

(c) REMOVALS FOR LABORATORY ANALYSIS.—Beer may be removed from the brewery, without payment of tax, for laboratory analysis, subject to such limitations and under such regulations as the Secretary may prescribe.

[§ 23419A]

(d) **REMOVALS FOR RESEARCH, DEVELOPMENT, OR TESTING.**—Under such conditions and regulations as the Secretary may prescribe, beer may be removed from the brewery without payment of tax for use in research, development, or testing (other than consumer testing or other market analysis) of processes, systems, materials, or equipment relating to beer or brewery operations.

[§ 23419B]

(e) **BEER FOR PERSONAL OR FAMILY USE.**—Subject to regulation prescribed by the Secretary, any adult may, without payment of tax, produce beer for personal or family use and not for sale. The aggregate amount of beer exempt from tax under this subsection with respect to any household shall not exceed—

(1) 200 gallons per calendar year if there are 2 or more adults in such household, or

(2) 100 gallons per calendar year if there is only 1 adult in such household.

For purposes of this subsection, the term "adult" means an individual who has attained 18 years of age, or the minimum age (if any) established by law applicable in the locality in which the household is situated at which beer may be sold to individuals, whichever is greater.

[§ 23420]

(f) **REMOVAL AS SUPPLIES FOR CERTAIN VESSELS AND AIRCRAFT.**—

For exemption as to supplies for certain vessels and aircraft, see section 309 of the Tariff Act of 1930, as amended (19 U. S. C. 1309).

[Sec. 5053 as amended by Act of June 21, 1965, P. L. 89-44, 79 Stat. 130; Act of Jan. 12, 1971, P. L. 91-673; 84 Stat. 2056; Act of Oct. 4, 1976, P. L. 94-455, 90 Stat. 1520; Act of Oct. 13, 1978, P. L. 95-458, 92 Stat. 1255.]

[§ 23421]

Sec. 5054. **Determination and Collection of Tax on Beer.** (a) **TAX OF DETERMINATION.**—(1) **BEER PRODUCED IN THE UNITED STATES.**—Except as provided in paragraph (3), the tax imposed by section 5051 on beer produced in the United States shall be determined at the time it is removed for consumption or sale, and shall be paid by the brewer thereof in accordance with section 5061.

(2) **BEER IMPORTED INTO THE UNITED STATES.**—Except as provided in paragraph (4), the tax imposed by section 5051 on beer imported

into the United States shall be determined at the time of importation thereof, or, if entered for warehousing, at the time of removal from the 1st such warehouse.

(3) **ILLEGALLY PRODUCED BEER.**—The tax on any beer produced in the United States shall be due and payable immediately upon production unless—

(A) such beer is produced in a brewery qualified under the provisions of subchapter G, or

(B) such production is exempt from tax under sections 5053(a) (relating to beer for personal or family use).

(4) **UNLAWFULLY IMPORTED BEER.**—Beer smuggled or brought into the United States unlawfully shall, for purposes of this chapter, be held to be imported into the United States, and the internal revenue tax shall be due and payable at the time of such importation.

[§ 23422]

(b) **TAX ON RETURNED BEER.**—Beer which has been removed for consumption or sale and is thereafter returned to the brewery shall be subject to all provisions of this chapter relating to beer prior to removal for consumption or sale, including the tax imposed by section 5051. The tax on any such returned beer which is again removed for consumption or sale shall be determined and paid without respect to the tax which was determined at the time of prior removal of the beer for consumption or sale.

[§ 23424]

(c) **APPLICABILITY OF OTHER PROVISIONS OF LAW.**—All administrative and penal provisions of this title, insofar as applicable, shall apply to any tax imposed by section 5051.

[Sec. 5054 as amended by Act of Oct. 4, 1976, P. L. 94-455, 90 Stat. 1520; Act of Oct. 13, 1978, P. L. 95-458, 92 Stat. 1255; Act of Oct. 21, 1986, P. L. 99-509, 9100 Stat. 2786, applicable to removals during semimonthly periods ending on or after Dec. 31, 1986.]

[§ 23425]

Sec. 5055. **Drawback of Tax.** On the exportation of beer, brewed or produced in the United States, the brewer thereof shall be allowed a drawback equal in amount to the tax found to have been paid on such beer, to be paid on submission of such evidence, records and certificates indicating exportation, as the Secretary may by regula-

26 U. S. C. 5055 § 23425

beer



Sen Pouchot
(Jeanne)
1-24-89

CS SB 127 - "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) municipal regulation of alcoholic beverages (AS 04.21.010);
- (4) civil liability of persons providing alcoholic beverages (AS 04.21.020); and
- (5) 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).

Section 2 provides for an immediate effective date.

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.

What is this?
source? date?
application?

BET

certain, or according as a question disputed between them is settled in one way or the other. *Coulter v. State*, 122 Tex.Cr.R. 9, 53 S.W.2d 477, 480.

A contract by which two or more parties agree that a sum of money, or other thing, shall be paid or delivered to one of them on the happening or not happening of an uncertain event. *Grooms v. Knox*, 25 Ala.App. 185, 142 So. 582.

In a "bet" or "wager" money belongs to the persons posting it, each of whom has a chance to win it, but, in the case of a "purse" or "premium," money belongs to the person offering it, who has no chance to win it, but is certain to lose it. *Toomey v. Penwell*, 76 Mont. 166, 245 P. 943, 945, 45 A.L.R. 993.

Bet and wager are synonymous terms. *Woodcock v. McQueen*, 11 Ind. 16; *Shumate v. Com.*, 15 Grat. (Va.) 660.

BETHLEHEM. See *Bedlam*.

BETTING BOOK. A book kept for registering bets on the result of a race as operated on race track. In a broader sense, the "betting book" is that book which enables the professional bettor to carry on his business, and to promote a race, and it includes the book, the making book and the bookmaker. *State v. Austin*, 142 La. 384, 76 So. 809, 810; *People v. Semmler*, 345 Ill. 272, 178 N.E. 100, 101.

BETRAYAL. A "betrayal," as of a professional secret on the part of a physician, signifies a wrongful disclosure in violation of the trust imposed by the patient. *Simonsen v. Swenson*, 104 Neb. 224, 177 N.W. 831, 832, 9 A.L.R. 1250.

BETROTHED. One who has exchanged promises to marry. The term may be synonymous with "intended wife." *Mace v. Grand Lodge, A. O. U. W. of Massachusetts*, 234 Mass. 299, 125 N.E. 569.

BETROTHMENT, BETROTHAL. Mutual promise of marriage; the plighting of troth; a mutual promise or contract between a man and woman competent to make it, to marry at a future time.

BETTER DESCRIBED. More fully delineated or more fully pictured or painted. *Katzin v. Kravant*, 99 N.J.Eq. 619, 133 A. 516, 517.

BETTER EQUITY. See *Equity*.

BETTERMENT. An improvement put upon an estate which enhances its value more than mere repairs. The improvement may be either temporary or permanent. *People v. Klee*, 282 Ill. 440, 118 N.E. 754, 757.

Also applied to denote the additional value which an estate acquires in consequence of some public improvement, as laying out or widening a street, etc., *Chase v. Sioux City*, 86 Iowa, 603, 53 N.W. 333.

BETTERMENT ACTS. Statutes which provide that a bona fide occupant of real estate making lasting improvements in good faith shall have a lien upon the estate recovered by the real owner to the extent that his improvements have increased the value of the land. Also called "occupying claimant acts." *Jones v. Hotel Co.*, 86 F. 388, 30 C.C.A. 108.

BETWEEN. A space which separates. *Hobson v. Postal Telegraph-Cable Co.*, 161 Tenn. 419, 32 S.

W.2d 1046. Strictly applicable only with reference to two things, but this may be understood as including cases in which a number of things are discriminated collectively as two wholes, or as taken in pairs, or where one thing is set off against a number of others. In *re McShane's Will*, 288 N.Y.S. 680, 682, 158 Misc. 777. Sometimes used synonymously with "among". In *re Moore's Estate*, 157 Pa.Super. 296, 43 A.2d 359.

As a measure or indication of distance, this word has the effect of excluding the two termini. *Morris & E. R. Co. v. Central R. Co.*, 31 N.J.Law. 212.

If an act is to be done "between" two certain days, it must be performed before the commencement of the latter day. In computing the time in such a case, both the days named are to be excluded. *Hodges v. Filstrup*, 94 Fla. 943, 114 So. 521, 522. But a clause in a contract of sale to the effect that the purchaser could require the vendor to repurchase between the fifth and sixth year from a certain date means during the sixth year. *Van Demark v. California Home Extension Ass'n*, 43 Cal.App. 685, 185 P. 866, 868.

In case of a devise to A. and B. "between them," these words create a tenancy in common. *Lashbrook v. Cock*, 2 Mer. 70.

Between equal equities the law must prevail. This is hardly of general application.

BEVERAGE. A liquor or liquid for drinking. *Burnstein v. U. S.*, C.C.A.Cal., 55 F.2d 599, 603. Especially pleasant or refreshing drink, or a habitual one. *Tennant v. F. C. Whitney & Sons*, 133 Wash. 581, 234 P. 666, 670.

This term is properly used to distinguish a sale of liquors to be drunk for the pleasure of drinking, from liquors to be drunk in obedience to a physician's advice, *Falstaff Corporation v. Allen*, D.C.Mo., 278 F. 643, 645; or from a liquid which it is possible to swallow, but which is not reasonably palatable or fit for drinking, *Tennant v. F. C. Whitney & Sons*, 133 Wash. 581, 234 P. 666. Thus, it is held that pure alcohol is not a "beverage" but a violent irritant. *Chas. L. Joy & Co. v. Carlson*, 28 Idaho 445, 154 P. 640, 641.

This term sometimes has a narrower meaning signifying a drink artificially prepared. *Climax Dairy Co. v. Mulder*, 78 Colo. 407, 242 P. 666, 669. *United States v. Robason*, D.C.Kan., 38 F.Supp. 991, 992.

BEWARED. O. Eng. Expended. Before the Britons and Saxons had introduced the general use of money, they traded chiefly by exchange of wares. *Wharton*.

BEYOND A REASONABLE DOUBT. In evidence means fully satisfied, entirely convinced, satisfied to a moral certainty; *State v. Harris*, 28 S.E.2d 232, 237, 223 N.C. 697; and phrase is the equivalent of the words clear, precise and indubitable. *Ferguson Packing Co. v. Mihalic*, 99 Pa.Super. 158, 162.

An accused's guilt must be established "beyond a reasonable doubt," which means that facts proven must, by virtue of their probative force, establish guilt. *People ex rel. Schubert v. Pinder*, 9 N.Y.S.2d 311, 312, 170 Misc. 345.

BEYOND SEA. Beyond the limits of the kingdom of Great Britain and Ireland; outside the United States; out of the state.

Beyond sea, beyond the four seas, beyond the sea, and out of the realm, are synonymous. Prior to the union of the two crowns of England and Scotland, on the accession of James I., the phrases "beyond the four seas," "beyond the seas," and "out of the realm," signified out of the



Official Business

Alaska State Legislature

Senate

P.O. BOX V
State Capitol
Juneau, Alaska 99811

January 9, 1989

Brenda Horn
P.O. Box 91922
Anchorage, AK 99509

Dear Brenda:

I wanted to let you know that I've received your letter regarding homebrewing for home use.

It is my understanding that the amendment to the statutes which prohibits homebrewing of alcoholic beverages was really aimed at preventing homebrewing in areas that had adopted local option laws. Unfortunately, the issue was not clarified at the time the bill was being considered, so we are now faced with a statewide prohibition on homebrewing.

I've checked with Senator Binkley (the sponsor of the original legislation) and with the Department of Revenue. Neither has any plans to introduce modifying legislation this year.

I will continue to pursue some acceptable means of getting the statute changed. But, in all honesty, it appears unlikely that legislation could be introduced and passed through the committee process in time for this year's Fur Rendezvous competition.

Brenda, again I appreciate your letting me know your concern.

Sincerely,



Senator Pat Pourchot

Randall and Pat Oldenburg
7601 E. 34th
Anchorage, Alaska
99504

The Honorable Pat Pourchot, Representative
P.O. Box 104836
Anchorage, Alaska
99510

1/10/84 JAN 9 1984
Talked to Randall
explained our position.

Dear Representative Pourchot:

We are Alaskan homebrewers who are very concerned about the current interpretation of the law regarding homebrewing for home use.

AS 04.11.010 states "a person may not manufacture, sell, offer for sale, possess for sale or barter, traffic in, or barter an alcoholic beverage unless under license or permit issued under this title." We know there is no permit for this activity and the ABC Board has indicated it does not intend to start issuing them.

This section was further clarified in AS 04.21.080.b.1 that states a definition of alcoholic beverage: "alcoholic beverage means spirituous, vinous, malt or other fermented or distilled liquids, whatever the origin, that are intended for human consumption as a beverage and that contain alcohol, whether produced commercially or privately."

We would like your support in clarifying the language, or introduce legislation that will enable a simple permitting process for homebrewers, so we can brew at home without breaking the law.

We are the officer's of a homebrewer's club in Anchorage called Great Northern Brewers, with a membership of about 90 members. If you would like to call us concerning this matter, please phone 338-1472. If we are not home we will return your message immediately upon our return.

Your prompt attention to his matter will be greatly appreciated as the Fur Rendezvous competition is rapidly approaching (which we are the Chairpersons for) and we would like to be part of it.

Sincerely,

Randall and Pat Oldenburg

Randall and Pat Oldenburg
Sno-Top Fermenters and
Great Northern Brewers

gone - he doesn't need a call back. Just
wanted Pat to know his position. I asked
for his address. ^{in case you wanted to keep him} informed.

MESSAGE
Date 1-17-89 Time 1:05 pm S.

For: _____

From: Rick Herron-Webb
of 3605 Arctic Blvd #531 99503

Phone No. 561-0008

Telephoned correct (X) Called to see you ()
Please call () Will Call Again ()
Returned your call () Urgent ()

RE: Homebrewing is a
Message homebrewer - it's his right; he'll
continue. Wants amendment to
statute: In "wet" communities, no
restrictions on homebrewing. + wants

Operator J. message to
LAA-16 get to Furber



Official Business

Alaska State Legislature

Senate

P.O. BOX V
State Capitol
Juneau, Alaska 99811

January 9, 1989

Rick Helms
P.O. Box 100916
Anchorage, AK 99510

Dear Rick:

I wanted to let you know that I've received your letter regarding homebrewing for home use.

It is my understanding that the amendment to the statutes which prohibits homebrewing of alcoholic beverages was really aimed at preventing homebrewing in areas that had adopted local option laws. Unfortunately, the issue was not clarified at the time the bill was being considered, so we are now faced with a statewide prohibition on homebrewing.

I've checked with Senator Binkley (the sponsor of the original legislation) and with the Department of Revenue. Neither has any plans to introduce modifying legislation this year.

I will continue to pursue some acceptable means of getting the statute changed. But, in all honesty it appears unlikely that legislation could be introduced and passed through the committee process in time for this year's Fur Rendezvous competition.

Rick, again I appreciate your letting me know your concern.

Sincerely,



Senator Pat Pourchot

6. Homebrewing

Rick Harris - 272-0621

P.O. 100916

Check to Brinkley - Janice Adams went to the airport
They have something blended (Janice will know)

The Honorable Pourchot, Pat

311 C Street Suite 506

Anchorage, Alaska

99 503

Dear Honorable Pourchot:

We are Alaskan homebrewers who are very concerned about the current interpretation of the law regarding homebrewing for home use.

AS 04.11.010 states "a person may not manufacture, sell, offer for sale, possess for sale or barter, traffic in, or barter an alcoholic beverage unless under license or permit issued under this title." We know there is no permit for this activity and the ABC Board has indicated it does not intend to start issuing them.

This section was further clarified in AS 04.21.080.b.1 that states a definition of alcoholic beverage: "alcoholic beverage means spirituous, vinous, malt or other fermented or distilled liquids, whatever the origin, that are intended for human consumption as a beverage and that contain ^{more than} 1/2% alcohol, whether produced commercially, or privately." ^{in an area which adopted a restriction on the sale of}

We would like your support in clarifying the language, or introduce ^{in the state} legislation that will enable a simple permitting process for homebrewers, so we can brew at home without breaking the law. ^{alcoholic beverage}

Your prompt attention to his matter will be greatly appreciated as the Fur Rendezvous competition is rapidly approaching and we would like to be part of it.

Sincerely,

Brenda S. [Signature]

AS 04.11.010

AS 04.11.496

AS 04.11.498

or in other cases in a quantity in excess of limitations on private manufacture under federal law.

filed reg
copy to
11/20
Theresa
in library
Kupuk

alcoholic beverage
cases

Sandra



Alaska State Legislature

SENATE

Official Business

P.O. Box V
State Capitol
Juneau, Alaska 99811

January 16, 1989

Marilyn Hedlund
1727 West 15th Avenue
Anchorage, AK 99501

Dear Marilyn:

Thank you for your letter regarding homebrewing for home use.

It is my understanding that the amendment to the statutes which prohibited homebrewing of alcoholic beverages was really aimed at preventing homebrewing in areas that had adopted local option laws. Unfortunately, the issue was not clarified at the time the bill was being considered, so we are now faced with a statewide prohibition on homebrewing.

After making several inquiries, I have found that there does not appear to be major objection to allowing homebrewing for personal use. However, because alcohol abuse is such a problem in our state, neither the Governor, the Department of Revenue nor individual legislators wish to introduce a bill which could be perceived as being soft on alcohol consumption.

However, there may be a way out of this dilemma. As chair of the Senate State Affairs Committee I have had a draft committee bill prepared. If I can obtain the support of the other committee members, the bill should be ready for introduction next week by the Senate State Affairs Committee. Unfortunately, it is unlikely that the bill could pass both houses and obtain the Governor's signature in time for this year's Fur Rondy.

A copy of the draft bill and a summary is enclosed for your review and comment.

Sincerely,

A large, stylized handwritten signature in black ink, appearing to read "Pat".

Senator Pat Pourchot, Chair
Senate State Affairs Committee

From:

Marilyn Hedlund

1727 W 15th Ave.

Anchorage, Alaska

99501

The Honorable

Pat Pouchot

P.O. Box V

Juneau, Alaska

99811

Dear Rep. Pouchot:

We are Alaskan homebrewers who are very concerned about the current interpretation of the law regarding homebrewing for home use.

AS 04.11.010 states "a person may not manufacture, sell, offer for sale, possess for sale or barter, traffic in, or barter an alcoholic beverage unless under license or permit issued under this title." We know there is no permit for this activity and the ABC Board has indicated it does not intend to start issuing them.

This section was further clarified in AS 04.21.080.b.1 that states a definition of alcoholic beverage: "alcoholic beverage means spirituous, vinous, malt or other fermented or distilled liquids, whatever the origin, that are intended for human consumption as a beverage and that contain alcohol, whether produced commercially or privately."

We would like your support in clarifying the language, or introduce legislation that will enable a simple permitting process for homebrewers, so we can brew at home without breaking the law.

Your prompt attention to this matter will be greatly appreciated as the Fur Rendezvous competition is rapidly approaching and we would like to be part of it.

Sincerely,

Marilyn Hedlund

P.S. Beer-making has been a hobby of mine for 2 years and I also enjoy teaching others the art. I was looking forward to entering the Fur Rendezvous competition for the first time, and I would appreciate any help you could give to enable a... of the... event.

Draft Legislation Relating to "Homebrew"

The attached draft bill would exempt homebrewing from Title 4 provisions EXCEPT for current statutory provisions relating to:

- (1) furnishing or delivery of alcoholic beverages to persons under the age of 21 (AS 04.16.051);
- (2) municipal regulation of alcoholic beverages (AS 04.21.010);
- (3) civil liability of persons providing alcoholic beverages (AS 04.21.020); and
- (4) 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).

The proposed bill would prohibit the private manufacture of "homebrew" in both "damp" and "dry" local option areas. In addition, the bill would redefine "alcoholic beverage" in accordance with federal law and would have no mitigating effect on the state's open container law.

6-0483A ✓
Ford
1/17/89

1 IN THE SENATE

BY POURCHOT

2 SENATE BILL NO.

3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 SIXTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the private manufacture of and
7 the definition of an alcoholic beverage."

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

9 * Section 1. AS 04.21 is amended by adding a new section to read:

10 Sec. 04.21.015. PRIVATE MANUFACTURE OF ALCOHOLIC BEVERAGES. (a)

11 Except as provided in (b) of this section, the provisions of this
12 title do not apply to the private manufacture of alcoholic beverages.

13 (b) This section does not apply to AS 04.16.051; AS 04.21.010,

14 .020, alcoholic beverages manufactured in a quantity that exceeds

15 the limit imposed on private manufacture under federal law or an area
16 that has adopted a local option law under AS 04.11.490 - 04.11.500.

17 * Sec. 2. AS 04.21.080(b)(1) is amended to read:

18 (1) "alcoholic beverage" means spirituous, vinous, malt or
19 other fermented or distilled liquids, whatever the origin, that are
20 intended for human consumption as a beverage and that contain one-half
21 percent or more of alcohol by volume, whether produced commercially or
22 privately;

23 + imm. efd
24
25

RECEIVED JAN 17 1989

Alaska State Legislature
House of Representatives



P.O. BOX 783
GIRDWOOD, ALASKA 99587
(907) 783-2905

WHILE IN JUNEAU
POUCH V
JUNEAU, ALASKA 99811
(907) 465-2693/2719

REPRESENTATIVE
JIM ZAWACKI
DISTRICT 7

MEMBER
COMMUNITY & REGIONAL
AFFAIRS COMMITTEE
LEGISLATIVE BUDGET &
AUDIT COMMITTEE
FINANCE SUBCOMMITTEE

January 16, 1989

Senator John Binkley
P.O. Box V
Juneau, Alaska 99811

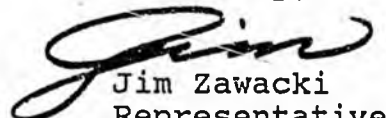
Dear John:

I'm not sure if you've received the attached letter, or others like it, but I thought I'd check with you to see if something is being done to rectify the problem. I seem to recall you referring to the situation in the media.

The specific area that concerns me immediately, is the possibility that the Beer and Wine competition for the Anchorage Fur Rendezvous will be eliminated. As a board member of Rony, I believe it will have a very adverse effect on a popular part of the Fur Rendezvous.

John, whatever I can do to help, please let me know. This problem needs to be resolved as soon as possible. Your assistance is appreciated.

Sincerely,


Jim Zawacki
Representative

JZ:pb

cc: David Yanoshek;
Rosie McDonald-Budd,
Anchorage Fur Rendezvous

From: David Yanoshek
Box 110429
Anchorage, Alaska 99511

January 5, 1989

copy

The Honorable Jim Zawacki, Representative
P.O. Box V Mail Stop 3100
Anchorage, Alaska 99811
Juror

Dear Representative Zawacki:

We are Alaskan homebrewers who are very concerned about the current interpretation of the law regarding homebrewing for home use.

AS 04.11.010 states "a person may not manufacture, sell, offer for sale, possess for sale or barter, traffic in, or barter an alcoholic beverage unless under license or permit issued under this title." We know there is no permit for this activity and the ABC Board does not intend to start issuing them.

This section was further clarified in AS 04.21.080.b.1 that states a definition of alcoholic beverage: "alcoholic beverage means spirituous, vinous, malt or other fermented or distilled liquids, whatever the origin, that are intended for human consumption as a beverage and that contain alcohol, whether produced commercially or privately."

We would like your support in clarifying the language, or introduce legislation that will enable citizens to brew beer or wine at home as long as they live in an area that allows the consumption of alcohol.

Your prompt attention to this matter will be greatly appreciated as the Fur Rendezvous competition is rapidly approaching and beer and wine competitions are in jeopardy as the law is presently written.

Sincerely,

David Yanoshek
David Yanoshek



Alaska State Legislature

SENATE

Official Business

SENATE STATE AFFAIRS COMMITTEE

P.O. Box V
State Capitol
Juneau, Alaska 99811

January 25, 1989

Randall and Pat Oldenburg
7601 East 34th Avenue
Anchorage, AK 99504

robo is attached

Dear Randall and Pat:

Just a short note to thank you for your testimony this afternoon on the "homebrew bill," SB 127. Your comments helped convey the broad support this bill has received so far.

As you know, the bill passed the Senate State Affairs Committee and will now be scheduled for a vote by the full Senate. It is possible that the Senate could vote on the bill as early as this Friday. Barring any unforeseen difficulties, the bill should go to the House early next week.

I will urge my colleagues in the House to move the bill as quickly as possible - but it's going to be close.

Thanks again for your testimony.

Sincerely,

A handwritten signature in black ink, appearing to read "Pat".

Senator Pat Pourchot, Chair
Senate State Affairs Committee

P.S. I would be most appreciative if you could send me a copy of the membership list of the Great Northern Brewers Club.

Randall and Pat Oldenburg
7601 East 34th Avenue
Anchorage, AK 99504

Mary Helms
3307 Boniface #190
Anchorage, AK 99504

Richard Helms
P.O. Box 100916
Anchorage, AK 99510

Gary Koski
1430 A Street #4
Anchorage, AK 99501

Rick Herron-Webb
3605 Arctic #531
Anchorage, AK 99503

John Craig
8757 Jade Street
Anchorage, AK 99502

Dave Yanoshek
P.O. Box 110429
Anchorage, AK 99511

Barbara Paratrovich
2208 Lincoln Avenue
Anchorage, AK 99517

Brian Looney
1901 Waldron Drive
Anchorage, AK 99507

Bill Lund
Box 98
Eagle River, AK 99577

CONSIDERATION OF THE CALENDAR

SECOND READING OF SENATE BILLS

SB 127

SENATE BILL NO. 127 (An Act relating to the private manufacture of and the definition of an alcoholic beverage; and providing for an effective date) was read the second time.

Senator Pourchot moved and asked unanimous consent for the adoption of the State Affairs Committee Substitute offered on page 209. Without objection, CS FOR SENATE BILL NO. 127 (State Affairs) (An Act relating to the private manufacture of an alcoholic beverage; and providing for an effective date) was adopted.

CS FOR SENATE BILL NO. 127 (State Affairs) was read the second time.

Senator Halford moved and asked unanimous consent that CS FOR SENATE BILL NO. 127 (State Affairs) be considered engrossed, advanced to third reading and placed on final passage. Without objection, it was so ordered.

CS FOR SENATE BILL NO. 127 (State Affairs) was read the third time.

The question being: "Shall CS FOR SENATE BILL NO. 127 (State Affairs) (An Act relating to the private manufacture of an alcoholic beverage; and providing for an effective date) pass the Senate?" The roll was taken with the following result:

CS SB 127 SA 3RD

Yeas: 19 Adams, Binkley, Coghill, Duncan,
Fahrenkamp, Faiks, Ficcher, Frank,
Halford, Jones, Kelly, Kerttula,
Pearce, Pourchot, Rodey,
Sturgulewski, Szymanski, Uehling,
Zharoff

Nays: 0

Excused: 1 Eliason

and so, CS FOR SENATE BILL NO. 127 (State Affairs) passed the Senate.

file SB 127

SB 127 cont'd

Senator Halford moved and asked unanimous consent that the vote on the passage of the bill be considered the vote on the effective date clause. Without objection, it was so ordered.

CS FOR SENATE BILL NO. 127 (State Affairs) was referred to the Secretary for engrossment.

SECOND READING OF SENATE RESOLUTIONS

SJR 6

SENATE JOINT RESOLUTION NO. 6 (Relating to the interception of Alaska salmon on the high seas) was read the second time.

Senator Fahrenkamp moved and asked unanimous consent for the adoption of the Resources Committee Substitute offered on page 208. Without objection, CS FOR SENATE JOINT RESOLUTION NO. 6 (Resources) (Relating to the interception of Alaska salmon and steelhead on the high seas) was adopted.

CS FOR SENATE JOINT RESOLUTION NO. 6 (Resources) was read the second time.

Senator Halford moved and asked unanimous consent that CS FOR SENATE JOINT RESOLUTION NO. 6 (Resources) be considered engrossed, advanced to third reading and placed on final passage. Without objection, it was so ordered.

CS FOR SENATE JOINT RESOLUTION NO. 6 (Resources) was read the third time.

The question being: "Shall CS FOR SENATE JOINT RESOLUTION NO. 6 (Resources) (Relating to the interception of Alaska salmon and steelhead on the high seas) pass the Senate?" The roll was taken with the following result:

CS SJR 6 RES 3RD

Yeas:	19	Adams, Binkley, Coghill, Duncan, Fahrenkamp, Faiks, Fischer, Frank, Halford, Jones, Kelly, Kerttula, Pearce, Pourchot, Rodey, Sturgulewski, Szymanski, Uehling, Zharoff
-------	----	--

Nays:	0	
-------	---	--

Excused:	1	Eliason
----------	---	---------

Brewpub Licenses

5-1136L

Offered: 3/28/88
Referred: Rules

Rob Waldman

PO Box 22437

JNU 99802

H 463-5898 W 465-2671

1st choice

Original sponsor: Fahrenkamp

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2

CS FOR SENATE BILL NO. 276 (Finance)

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FIFTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

microbrewery - retail sale of fresh beer on premises where beer is made

6

For an Act entitled: "An Act relating to brewpub, brewery, and beverage

7

dispensary liquor licenses; and to prohibited finan-

8

cial interests in a licensed liquor business; and

9

providing for an effective date."

10

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

11

* Section 1. AS 04.11.080 is amended by adding a new paragraph to read:

12

(20) brewpub license.

13

* Sec. 2. AS 04.11.130(b) is amended to read:

14

(b) A brewery license authorizes the holder to sell beer in

15

quantities of more than five [WINE] gallons to persons licensed to

16

sell beer under this title, or in another state or country.

17

* Sec. 3. AS 04.11 is amended by adding a new section to read:

18

* Section 1. AS ^{Sec. 04.11.139} is amended to read:

19

~~izes the holder of a beverage dispensary license to~~ ^{BREW PUB LICENSE} (a) A brewpub license author-

20

~~izes the holder of a beverage dispensary license to~~ ^(hard liquor) the licensed

21

~~izes the holder of a beverage dispensary license to~~ (1) manufacture on premises licensed under the beverage

22

~~izes the holder of a beverage dispensary license to~~ dispensary license not more than ^{94,500} ~~16,000~~ gallons of beer in a calendar

23

~~izes the holder of a beverage dispensary license to~~ year; and (2) sell beer manufactured on ^{the licensed} ~~premise~~ licensed under the

24

~~izes the holder of a beverage dispensary license to~~ ^{and wine} beverage dispensary license for consumption only on the licensed

25

~~izes the holder of a beverage dispensary license to~~ premises.

26

(b) Except as provided under AS 04.11.360(12), the brewpub

27

license is not transferable, shall remain the property of the state,

28

and is not subject to any form of alienation. REPEAL

29

(c) The annual brewpub license fee is \$250.

1 * Sec. 4. AS 04.11.360 is amended by adding a new paragraph to read:
2 (12) the license was issued under AS 04.11.135, unless the
3 transferor is also applying to transfer the beverage dispensary li-
4 cense required under AS 04.11.135 to the same transferee. REPEAL

5 * Sec. 5. AS 04.11.450(b) is amended to read:
6 (b) A person who is a representative or owner of a wholesale
7 business, brewery, winery, bottling works, or distillery may not be
8 issued, solely or together with others, a beverage dispensary license
9 or package store license. A holder of a beverage dispensary license
10 may be issued a brewpub license, subject to the provisions of AS 04.-
11 11.135.

12 * Sec. 6. AS 04.11.450(c) is amended to read:
13 (c) In this section, "direct or indirect financial interest"
14 means holding a legal or equitable interest in the operation of a
15 business licensed under this title. However, credit extended by a
16 distiller, a brewery, or a winery to a wholesaler, or credit extended
17 by a wholesaler to persons licensed under this title, or a consulting
18 fee received from a person licensed under this title, is not consid-
19 ered a financial interest in a business licensed under this title.

20 * Sec. 7. This Act takes effect immediately under AS 01.10.070(c).

2
2nd
choice

Original sponsor: Fahrenkamp

1 IN THE SENATE BY THE FINANCE COMMITTEE

2 CS FOR SENATE BILL NO. 276 (Finance)

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 brewpub, brewery, and beverage
7 dispensary liquor licenses; and to prohibited finan-
8 cial interests in a licensed liquor business; and
9 providing for an effective date."

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

11 * Section 1. AS 04.11.080 is amended by adding a new paragraph to read:
12 (20) brewpub license.

13 * Sec. 2. AS 04.11.130(b) is amended to read:

14 (b) A brewery license authorizes the holder to sell beer in
15 quantities of more than five [WINE] gallons to persons licensed to
16 sell beer under this title, or in another state or country.

17 * Sec. 3. AS 04.11 is amended by adding a new section to read:

18 * Sec. 1. AS is amended to read:

18 Sec. 04.11.135(a) BREWPUB LICENSE. (a) A brewpub license author-
19 izes the holder of a beverage dispensary or restaurant or eating place license

20 (1) manufacture on premises licensed under ^a the beverage
21 dispensary license not more than ~~16,000~~ ^{94,500} gallons of beer in a calendar
22 year; and

23 (2) sell beer manufactured on premises licensed under ^a the
24 beverage dispensary license for consumption only on the licensed
25 premises.

26 (b) Except as provided under AS 04.11.360(12) the brewpub
27 license is not transferable, shall remain the property of the state,
28 and is not subject to any form of alienation. REPEAL

29 (c) The annual brewpub license fee is \$250.

1 * Sec. 4. AS 04.11.360 is amended by adding a new paragraph to read:
2 (12) the license was issued under AS 04.11.135, unless the
3 transferor is also applying to transfer the beverage dispensary li-
4 cense required under AS 04.11.135 to the same transferee. REPEAL
5 * Sec. 5. AS 04.11.450(b) is amended to read:
6 (b) A person who is a representative or owner of a wholesale
7 business, brewery, winery, bottling works, or distillery may not be
8 issued, solely or together with others, a beverage dispensary license
9 or package store license. A holder of a beverage dispensary license
10 may be issued a brewpub license, subject to the provisions of AS 04.-
11 11.135.
12 * Sec. 6. AS 04.11.450(c) is amended to read:
13 (c) In this section, "direct or indirect financial interest"
14 means holding a legal or equitable interest in the operation of a
15 business licensed under this title. However, credit extended by a
16 distiller, a brewery, or a winery to a wholesaler, or credit extended
17 by a wholesaler to persons licensed under this title, or a consulting
18 fee received from a person licensed under this title, is not consid-
19 ered a financial interest in a business licensed under this title.
20 * Sec. 7. This Act takes effect immediately under AS 01.10.070(c).