

SB

312

Alaska State Legislature

Chairman,
Judiciary Committee

Vice Chairman,
Transportation Committee

Member,
Resources Committee
Western Legislative Forestry Task Force



State Capital
Juneau, Alaska 99801-1152
1907) 465-3873
Fax: 1907) 465-3922

352 Front Street
Ketchikan, Alaska 99901
1907) 225-8088
Fax: 1907) 225-0713

Senator Robin L. Taylor

Sponsor Statement

Senate Bill 312

Senate Bill 312 was introduced to correct an error made in the drafting of last year's SB 87, an omnibus bill dealing with the Alcoholic Beverage Control Board and local option elections.

One provision in SB 87 was intended to stop so-called "gray market" goods from entering Alaska without paying the state excise tax. This language, known as the "primary source" provision, appeared as section 11 of last year's legislation.

While the language passed last year does address the gray market issue, it also has the unintended effect of banning a practice common among retailers. Bars and restaurants often purchase alcohol from businesses such as Costco because of better pricing or from a package store when wholesaler delivery is not on a daily basis. The language adopted last year prohibits that practice and has the effect of requiring that bars and restaurants purchase only from a wholesaler.

SB 312 amends last year's bill to allow a person holding a dispensary, restaurant, club or package store license to purchase from a package store, as long as the package store obtained its product from a wholesaler.

SB 312 retains the protections against gray market goods while restoring the ability of bars and restaurants to purchase from package stores and discount outlets.

District A:

Hyder • Ketchikan • Kupreanof • Meyers Chuck • Petersburg • Saxman • Sitka • Wrangell

SENATE BILL NO. 312

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINETEENTH LEGISLATURE - SECOND SESSION

BY THE SENATE JUDICIARY COMMITTEE

Introduced:

Referred:

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to purchase of an alcoholic beverage from a package store."

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

3 * Section 1. AS 04.16.172 is amended to read:

4 Sec. 04.16.172. RESTRICTIONS ON PURCHASE AND SALE OF
5 ALCOHOLIC BEVERAGES. A person licensed under AS 04.11.090, 04.11.100,
6 ^{Club} 04.11.110, or 04.11.150 may not purchase, sell, or offer for sale an alcoholic beverage
7 unless the alcoholic beverage being purchased, sold, or offered for sale was obtained
8 from a person licensed under

9 (1) AS 04.11.160 as a primary source of supply for the alcoholic
10 beverage being purchased, sold, or offered for sale; [OR]

11 (2) ^{PACKAGE} AS 04.11.150 and the alcoholic beverage being purchased, sold,
12 or offered for sale was obtained from a person licensed under AS 04.11.160 as a
13 primary source of supply; or

14 (3) AS 04.11.130, 04.11.140, or 04.11.170.
^{brewing winery distillery}

Revision Date: _____
 Title: License Buying Liquor From Package Store
 Sponsor: Senate Judiciary
 Requestor: Senate Judiciary

Dept. Affected: Revenue (S)
 BRU: Alcoholic Beverage Control Board
 Component: Alcoholic Beverage Control Board
 COMPONENT SERIAL NO. 100

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING EXPENDITURES	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY96) cost \$ _____

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS:

This is a housekeeping measure which will have no fiscal impact on the Alcoholic Beverage Control operating budget.

Prepared by: Douglas B. Griffin
 Division: Alcoholic Beverage Control Board
 Approved by Commissioner: Ross C. Kenney
 Agency: Department of Revenue

Phone: 907-277-8638
 Date: 3/22/96
 Date: 3/22/96

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