

SB

312

SENATE COMMITTEE REPORT
First Committee of Referral

DATE: 3/18/96

FURTHER: *has no further*

Date of 5-Day Notice: 3-21-96
 (in accordance with Uniform Rule 23)

DATE TURNED INTO OFFICE: 3-25-96

The Judiciary Committee considered SB 312

Relating to purchase of an alcoholic beverage from a package store.

and recommends:

- be replaced with _____ CS _____
- adopt previous _____ CS _____
- attached amendment(s)
- adopt Letter of Intent by _____ Committee
- further referral to the _____ Committee

- Senate Bill:**
 same title
 new title
House Bill:
 same title
 technical title
 new: SCR# _____

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
		<i>H. Miller</i>	<input checked="" type="checkbox"/>		
		<i>Lyle Green</i>	<input checked="" type="checkbox"/>		
		<i>Mark Hiller</i>	<input checked="" type="checkbox"/>		
		<i>W. Adams</i>	<input checked="" type="checkbox"/>		
CHAIR: <i>Adrian Taylor</i>	<input checked="" type="checkbox"/>	CHAIR:			

NEW FISCAL NOTE(S):

Department	Date	Zero	Fiscal
<i>Revenue</i>	<i>3/26</i>	<input checked="" type="checkbox"/>	

PREVIOUS FISCAL NOTE(S):*

Department	Date	Zero	Fiscal
<i>Revenue</i>	<i>3/27</i>		

APPROPRIATION -- no fiscal note

*Include fiscal notes accompanying Governor's bill

STATE OF ALASKA
1996 LEGISLATIVE SESSION

FISCAL NOTE

BILL NO: SB 312

Revision Date: 3/21/96 Dept. Affected: Revenue
 Title: "An act relating to purchase of an alcoholic beverage
from a package store" BRU: Alcoholic Beverage Control Board
 Component: Alcoholic Beverage Control Board
 Sponsor: Senate Judiciary
 Requestor: Senate Judiciary COMPONENT SERIAL NO. _____

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						
CHANGE IN REVENUES ()						

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 OF Match						
1004 UF						
1006 OF/Program Receipts						
1007 O/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 *Douglas B. Griffin* Phone: 907-277-8638
 Division: Alcoholic Beverage Control Board Date: 3/22/96
 Approved by Commissioner: _____ Date: _____
 Agency: Department of Revenue

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STATE OF ALASKA
OFFICE OF THE GOVERNOR
BILL ANALYSIS

DEPARTMENT Revenue	DIVISION Alcoholic Beverage Control	BILL NUMBER 08 012	SPONSOR Senate Judiciary
SHORT TITLE OF BILL An act relating to purchase of an alcoholic beverage from a package store.			
DEPARTMENT POSITION Support			
PREPARED BY Douglas B. Griffin	DATE 3/22/96	COMMITTEE SIGNATURE	DATE

SUMMARY

OTHER AGENCIES AFFECTED BY BILL None known	CONSTITUENT GROUP(S) AFFECTED BY BILL Alcohol Wholesalers Beverage Dispensary Licenses Package Store Licenses	Restaurant or eating place Licenses
ORGANIZATIONAL SUPPORT FOR BILL Caberet, Hotel, Restaurant and Retailers (CHIARR) Anchorage Restaurant and Beverage Association (ARBA)	ORGANIZATIONAL OPPOSITION TO BILL NONE KNOWN	

FISCAL IMPACT: NONE FISCAL NOTE ATTACHED

BACKGROUND/LEGISLATIVE INTENT
Changes in law enacted last year (Ch. 101, SLA 1995) inadvertently prohibited owners of bars (AS 04.11.090), restaurants (AS 04.11.00), clubs (AS 04.11.110), or package stores (AS 04.11.150) from purchasing alcoholic beverages from package stores. This went beyond the intent of the legislature to discourage "gray market sales" by requiring most alcoholic beverages to pass through wholesalers where there can be accountability for payment of taxes, fees, and purity. This housekeeping provision will allow retail licenses to purchase product from package stores; this is much more workable without sacrificing accountability.

ANALYSIS OF BILL/PROGRAM EFFECTS
This bill will allow retailers to purchase product from package stores and not just wholesalers. Retail licenses need this flexibility to better serve their customers. There are no known or anticipated negative implications for fixing this problem. No one, including alcoholic beverage wholesalers, oppose this bill.

AMENDMENTS PROPOSED
None

PLEASE ATTACH A SEPARATE SHEET FOR ADDITIONAL COMMENTS OR ANALYSIS

Alaska State Legislature

Chairman,
Judiciary Committee

Vice Chairman,
Transportation Committee

Member,
Resources Committee
Western Legislative Forestry Task Force



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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.

SPONSOR STATEMENT

District A

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