

ALASKA STATE LEGISLATURE



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Representative Gabrielle LeDoux

Sponsor Statement for CSHB 431

“An Act relating to sales of wine by a winery licensee.”

Wine production in Alaska has only begun to develop. Most wineries in the state are “mom and pop” businesses. Under current state law, none of these wineries can sell or ship a bottle or two of wine to customers within the state unless they are on the premises. This bill evens the playing field for small wineries to participate in direct sales to a niche market and allows wine connoisseurs to “Buy Alaskan.”

This bill will allow the holder of a winery license to ship less than five gallons of wine to an individual provided that the area has not prohibited or limited the importation or possession of alcoholic beverages. As a licensee, wineries are required to be in compliance with AS 04.21.050. According to the Alaska Department of Revenue, in FY 2005 there were six wineries that produced approximately 1,900 gallons of wine and contributed approximately \$4,750 in taxes.

The intent is for small, local winery operations to take advantage of a very specialized market. Alaskan wine is a value added premium product, which is suited to small scale, direct sales. Mr. Douglas Griffin, Director of the State of Alaska Department of Public Safety Alcoholic Beverage Control Board has stated that in his opinion, “this bill simply places Alaskan wineries on a more equal footing...with wineries in other states.”