



MEMORANDUM

TO: Alcohol Beverage Control Board

DATE: October 20, 2020

FROM: Glen Klinkhart, Interim Director

RE: Online Wine Auction Permits

BACKGROUND:

Back in the early stages of the COVID19 pandemic, AMCO responded to several requests by organizations whose ability to meet and raise monies using traditional Wine Auction Permits for various charities who were now unable to meet in person due to social distancing. Months ago, in order to keep the public safe and to still help of these charities I agreed to allow some wine auction permits under certain strict online guidelines, including limited locations (with a single geographic local), a very limited timeframe to hold the auction (less than 48 hours), and in-person pickup with valid over 21 identification. Since then only a few permits have been requested. However, as the fall holiday event season has come and with little change to the concerns of risky in-person charity events, more requests have come into the office for wine auction considerations. At AMCO we are seeing expanded Wine Auction Permit requests which include requests for “online raffles” and “online wine pulls”. The concern from AMCO is such requests, if allowed to take place online, even in the most controlled manner, are entering into the arena of “online games of chance,” which is not something that I, nor this office, is comfortable with entertaining without further guidance. We sincerely wish to help charities and groups who are trying to be creative during these times however helping them by placing AMCO and the individual charities into areas where they are positioned to be considered supporting “online gambling” is, in my opinion, ill advised.

APPLICABLE REGULATION:

3 AAC 304.699. Wine auction permit

(a) A wine auction permit authorizes the holder to sell wine for consumption off the designated premises by outcry or silent auction, by wine pull, or, with a permit issued under AS 05.15, by raffle, at designated premises for a specific occasion and limited period of time. Only organizations that would be eligible for a special events permit under AS 04.11.240(a) are eligible for a wine auction permit, and only if all profits derived from the auction, wine pull, or raffle of wine are paid to the organization and not to an individual.

(b) An application for a wine auction permit must be signed by both the president and secretary of the organization applying for the permit. A sworn affidavit showing the length of time the organization has been in existence must accompany the application, together with a certified copy of the resolution of the board of directors authorizing the application. The written approval of the law enforcement agency having jurisdiction over the designated premises of the occasion for which the permit is sought must also be obtained and accompany the application.

(c) No more than five wine auction permits may be granted to an organization, including its auxiliary, in any one calendar year.

(d) A wine auction permit may be operated in conjunction with a special events permit, caterer's permit, restaurant caterer's permit, or club license caterer's permit or on the licensed premises of a beverage dispensary, club, or restaurant or eating place. A wine auction permit may be operated on premises where no other liquor license or permit has been issued.

(e) A wine auction permit may not be transferred or renewed.

(f) The fee for a wine auction permit is \$50 a day.

(g) In this section, "wine pull" means the offering of individual unidentified bottles of wine for a fixed price per bottle, where some bottles are valued at less than the fixed price and other bottles are valued at more than the fixed price. (Eff. 6/13/2003, Register 166; am 2/21/2019, Register 229)

REQUEST OF THE BOARD:

I am requesting the board to consider giving the staff and myself your direction on Wine Permit activities during COVID19 with the following options:

1. Ceasing all online wine permit allowances
2. Allowing limited online wine auction permits under the current regulation
3. Allowing or disallowing Wine Raffles under Wine Permit Rules
4. Allowing or disallowing Wine Pulls under Wine Permit Rules
5. Develop a regulatory project to address the online concerns under 3 AAC 304.699 Wine auction permits

Glen Klinkhart
Interim Director
Alcohol & Marijuana Control Board
550 W 7th Ave #1600, Anchorage, AK 99501
Office (907) 269-0350