



MEMORANDUM

TO: Bob Klein, Chair, and Members of the
Alcoholic Beverage Control Board

DATE: January 23, 2018

FROM: Erika McConnell, Director

RE: Pricing and Marketing of
Alcoholic Beverages

Requested Action: Provide staff with an interpretation of AS 04.16.015(a)(6) and (b)

Statutory Authority: AS 04.06.090(a) states, "The board shall control the manufacture, barter, possession, and sale of alcoholic beverages in the state. The board is vested with the powers, duties, and responsibilities necessary for the control of alcoholic beverages,..."

Staff Recommendation: Advertisements or promotions of games or contests that suggest they are using alcoholic beverages, even with a disclaimer stating they are not, are not permitted under AS 04.16.015(b).

Background: AS 04.16.015(a)(6) states, "On premises where alcoholic beverages are sold by the drink, a licensee or a licensee's agent or employee may not... encourage or permit an organized game or contest on the licensed premises that involves drinking alcoholic beverages or the awarding of alcoholic beverages as prizes."

AS 04.16.015(b) states, "A licensee or a licensee's agent or employee may not advertise or promote in any way, either on or off the premises, a practice prohibited under (a) of this section."

Staff has had inquiries, generally around the holidays and Fur Rondy, from licensees wanting to advertise a "Beer Drinking Contest" with a disclaimer that the contest uses non-alcoholic beer. We have received similar inquiries for "beer pong" and "party pong" where the licensee intends to use non-alcoholic beer or water. Note that the events are not proposed to be advertised as "Non-Alcoholic Beer Drinking Contest" or "Non-Alcoholic Beer Pong."

Staff is seeking the board's guidance on whether or not these activities are compliant with AS 04.16.015.