

Register ____,____2018 COMMERCE, COMMUNITY, AND EC. DEV.

(Words in **boldface and underlined** indicate language being added; words [CAPITALIZED AND BRACKETED] indicate language being deleted.)

3 AAC 304.375(c) is amended to read:

(c) Flavoring ethanol or alcohol that was not **distilled** [MANUFACTURED] in the distillery does not qualify as operating a distillery for purposes of obtaining a license under AS 04.11.170.

3 AAC 304.375 is amended by adding new subsections to read:

(d) For the purposes of AS 04.11.170(d) and (e), a licensee, agent, or employee of a licensee may not combine the distillery's product with any other manufactured product, but may serve separately non-alcoholic ingredients, including fruit juices, spiced and flavored mixers, garnishes, and carbonated beverages.

(e) In AS 04.11.170 and this section, "distillery's product" means a distilled spirit made or distilled on the premises of the licensed facility for

(1) bottling or barreling, and

(2) sale. (Eff. 12/16/2016, Register 220; am __/__/____, Register____)

Authority: AS 04.06.090 AS 04.06.100 AS 04.11.170