

**TITLE 4: ECONOMIC RESOURCES**  
**DIVISION 5: BUSINESS REGULATION**

**§ 5553. Unauthorized Alcoholic Beverages: Possession and Offer for Sale Forbidden.**

A licensee shall not keep or offer for sale upon the premises any alcoholic beverages and/or untaxed items other than those in which he or she may deal by his/her license. This includes but is not limited to the following:

(a) A licensee, his/her agent or employee shall not sell or display for the purposes of selling or promoting any alcoholic beverage, non-alcoholic beverage, tobacco product or other merchandise purchased or otherwise obtained from the Army and Air Force Exchange Service.

(b) No person shall resale any alcoholic beverage, non-alcoholic beverage, tobacco product, or other merchandise purchased or otherwise obtained, from the Army and Air Force Exchange Service.

(c) A licensee, his agent or employee who violates subsection (a) or (b) of this section—in addition to any civil or criminal penalties shall be fined \$2,000 for each violation of this section.

(1) The Secretary of the Department of Commerce shall immediately revoke any and all licenses previously issued by the ABTC Division to the licensee if, within a 2 year period following a conviction for violating [4 CMC § 5553 \(a\) or \(b\)](#), the licensee, his/her agent, or employee is convicted of a subsequent violation.

(2) Any person or licensee who has been convicted 2 or more times within a 2 year period of violating [4 CMC § 5553 \(a\) or \(b\)](#) shall be deemed unfit to hold any class of license under Title 4, Division 5, Chapter 5 for a period of 5 years from the date of the most recent conviction.

(d) Any person, not listed in subsection (c) of this section, who violates subsection (b) of this section shall be fined \$2,000 for each violation of this section.

(e) One hundred percent of the total fines collected shall hereby, be appropriated to the Department of Commerce.

**Source:** MIDC § 11.12.030; [PL 19-15, § 3](#) (Oct. 28, 2015) modified.

**Commission Comment:** In addition to severability and savings clauses, [PL 19-15](#) included the following short title and findings and purpose sections:

Section1. Short Title. This Act may be cited as the “Army and Air Force Exchange Service (AAFES) Fraud and Abuse Prevention Act of 2015”.

Section 2. Findings and Purpose. The Legislature finds that some businesses licensed to sell alcoholic beverages, tobacco products and other merchandise are engaged in the improper selling and/or reselling of products obtained from the Army and Air Force Exchange Service (“AAFES”) and that AAFES products contain a unique Bar Code that is distinct from the Bar Codes on products sold by local distributors and wholesalers. The Legislature also finds that AAFES exists solely for the

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use and benefit of its authorized patrons identified as (1) Active Duty Military, (2) Retirees, (3) Reservists, (4) National Guard Personnel, (5) U.S. Department of Defense Employees (when stationed outside of the continental U.S.), (6) Department of State Officials serving in foreign countries, or (7) any dependents of the above who have been issued ID cards.

Furthermore, AAFES prohibits its patrons from the following: (1) making (or purchasing for the purpose of making) a sale, exchange, transfer, or other disposition of exchange products or services to unauthorized patrons (customary gifts of a personal nature are permissible); (2) using exchange merchandise or services to produce income; (3) making purchases for the purpose of resale by, or on behalf of, an installation private organization or other non-government entity or private individual. The Legislature further finds that those engaging in the sale and/or resale of AAFES products do so to the detriment of the distributors, wholesalers and retailers engaging in legitimate transactions who are forced to compete with the below market price of the AAFES merchandise. There are no current provisions that would serve as both a deterrent and punishment for these activities that are harmful to both the business community and the general welfare of the Commonwealth.

The purpose of this Act is to punish and deter the sale and/or resale of products — alcoholic and non-alcoholic beverages, tobacco products and other items—obtained from AAFES, and to provide authority to the Commonwealth Department of Commerce, Alcoholic Beverage and Tobacco Control Division, to enforce this Act.

[PL 19-15](#) was entitled “To amend Title 4, Division 5, Chapter 5, by amending [Section 5553](#) and [5602](#) to deter the sale and/or resale of products purchased or obtained from the Army and Air Force Exchange Service (“AAFES”) and to authorize the Commonwealth Department of Commerce, Division of Alcohol Beverage and Tobacco Control, to enforce this Act; and for other purposes.” but no provision of [PL 19-15](#) purported to amend [4 CMC § 5602](#). Therefore, the Commission made no amendment to [4 CMC § 5602](#).

The Commission inserted a space to change “\$2,000for” to “\$2,000 for” pursuant to [1 CMC § 3806\(g\)](#). The Commission substituted “this chapter” in subsection (c)(2) with “Title 4, Division 5, Chapter 5” pursuant to [1 CMC § 3806\(d\)](#). The Commission struck the figure “(100%)” pursuant to [1 CMC § 3806\(e\)](#). The Commission de-capitalized the words “Hundred Percent” pursuant to [1 CMC § 3806\(f\)](#).