

able without fiscal year limitation for the purposes for which the fund is established and shall be administered as nonappropriated funds.”

§ 2494. Nonappropriated fund instrumentalities: furnishing utility services for morale, welfare, and recreation purposes

Appropriations for the Department of Defense may be used to provide utility services for—

- (1) buildings on military installations authorized by regulation to be used for morale, welfare, and recreation purposes; and
- (2) other morale, welfare, and recreation activities for members of the armed forces.

(Added Pub. L. 108–375, div. A, title VI, § 651(c)(4), Oct. 28, 2004, 118 Stat. 1972.)

PRIOR PROVISIONS

A prior section 2494 was renumbered section 2491 of this title.

§ 2495. Nonappropriated fund instrumentalities: purchase of alcoholic beverages

(a) The Secretary of Defense shall provide that—

- (1) covered alcoholic beverage purchases made for resale on a military installation located in the United States shall be made from the most competitive source and distributed in the most economical manner, price and other factors considered, except that

(2) in the case of malt beverages and wine, such purchases shall be made from, and delivery shall be accepted from, a source within the State in which the military installation concerned is located.

(b) If a military installation located in the contiguous States is located in more than one State, a source of supply in any State in which the installation is located shall be considered for the purposes of subsection (a)(2) to be a source within the State in which the installation is located.

(c)(1) In the case of covered alcoholic beverage purchases of distilled spirits, to determine whether a nonappropriated fund instrumentality of the Department of Defense provides the most economical method of distribution to package stores, the Secretary of Defense shall consider all components of the distribution costs incurred by the nonappropriated fund instrumentality, such as overhead costs (including costs associated with management, logistics, administration, depreciation, and utilities), the costs of carrying inventory, and handling and distribution costs.

(2) The Secretary shall use the agencies performing audit functions on behalf of the armed forces and the Inspector General of the Department of Defense to make determinations under this subsection.

(d) In this section:

(1) The term “covered alcoholic beverage purchases” means purchases of alcoholic beverages by a nonappropriated fund instrumentality of the Department of Defense with nonappropriated funds.

(2) The term “State” includes the District of Columbia.

(Added Pub. L. 99–661, div. A, title III, § 313(a), Nov. 14, 1986, 100 Stat. 3853, § 2488; amended Pub.

L. 100–180, div. A, title III, § 312(a), Dec. 4, 1987, 101 Stat. 1073; Pub. L. 104–106, div. A, title III, § 333, Feb. 10, 1996, 110 Stat. 261; Pub. L. 106–398, § 1 [[div. A], title III, § 335], Oct. 30, 2000, 114 Stat. 1654, 1654A–61; renumbered § 2495, Pub. L. 108–375, div. A, title VI, § 651(b)(2), (c)(5), Oct. 28, 2004, 118 Stat. 1971, 1972.)

AMENDMENTS

2004—Pub. L. 108–375 renumbered section 2488 of this title as this section.

2000—Subsec. (c)(2), (3). Pub. L. 106–398 redesignated par. (3) as (2) and struck out former par. (2) which read as follows: “If the use of a private distributor would subject covered alcoholic beverage purchases of distilled spirits to direct or indirect State taxation, a nonappropriated fund instrumentality shall be considered to be the most economical method of distribution regardless of the results of the determination under paragraph (1).”

1996—Subsec. (a)(1). Pub. L. 104–106, § 333(a), inserted “and distributed in the most economical manner” after “most competitive source”.

Subsecs. (c), (d). Pub. L. 104–106, § 333(b), added subsec. (c) and redesignated former subsec. (c) as (d).

1987—Subsec. (a)(2). Pub. L. 100–180 struck out “purchased for resale on a military installation located in the contiguous States” after “malt beverages and wines”.

EFFECTIVE DATE OF 1987 AMENDMENT

Pub. L. 100–180, div. A, title III, § 312(b), Dec. 4, 1987, 101 Stat. 1073, provided that: “The amendment made by subsection (a) [amending this section] shall apply with respect to purchases of malt beverages and wine after the end of the 60-day period beginning on the date of the enactment of this Act [Dec. 4, 1987].”

PROCUREMENT OF MALT BEVERAGES AND WINE BY NONAPPROPRIATED FUND ACTIVITY

Pub. L. 109–148, div. A, title VIII, § 8080, Dec. 30, 2005, 119 Stat. 2717, which provided that none of the funds appropriated by div. A of Pub. L. 109–148 were to be used for the support of any nonappropriated funds activity of the Department of Defense that procured malt beverages and wine with nonappropriated funds for resale (including such alcoholic beverages sold by the drink) on a military installation located in the United States unless such malt beverages and wine were procured within that State, or in the case of the District of Columbia, within the District of Columbia, in which the military installation was located, was from the Department of Defense Appropriations Act, 2006, and was repeated in provisions of subsequent appropriations acts which are not set out in the Code. Similar provisions were contained in the following prior appropriations acts:

Pub. L. 108–287, title VIII, § 8087, Aug. 5, 2004, 118 Stat. 991.

Pub. L. 108–87, title VIII, § 8088, Sept. 30, 2003, 117 Stat. 1093.

Pub. L. 107–248, title VIII, § 8092, Oct. 23, 2002, 116 Stat. 1558.

Pub. L. 107–117, div. A, title VIII, § 8108, Jan. 10, 2002, 115 Stat. 2271.

Pub. L. 106–259, title VIII, § 8108, Aug. 9, 2000, 114 Stat. 698.

Pub. L. 106–79, title VIII, § 8132, Oct. 25, 1999, 113 Stat. 1266.

Pub. L. 104–61, title VIII, § 8055, Dec. 1, 1995, 109 Stat. 662.

Pub. L. 103–335, title VIII, § 8058A, Sept. 30, 1994, 108 Stat. 2632.

Pub. L. 103–139, title VIII, § 8099A, Nov. 11, 1993, 107 Stat. 1462.

Pub. L. 102–396, title IX, § 9114, Oct. 6, 1992, 106 Stat. 1929.

Pub. L. 102–172, title VIII, § 8111A, Nov. 26, 1991, 105 Stat. 1200.