

**SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 265**

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTIETH LEGISLATURE - SECOND SESSION

BY REPRESENTATIVE RAUSCHER

Introduced: 1/24/18

Referred: Labor and Commerce, Finance

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act relating to the renewal of a license involving alcoholic beverages; and relating  
2 to the issuance, renewal, or transfer of ownership of a beverage dispensary license or a  
3 restaurant or eating place license."

4 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

5 \* **Section 1.** AS 04.11.330(a) is amended to read:

6 (a) An application requesting renewal of a license shall be denied if

7 (1) the board finds, after review of all relevant information, that  
8 renewal of the license would not be in the best interests of the public;

9 (2) the license has been revoked for any cause;

10 (3) the applicant has not operated the licensed premises for at least **240**  
11 **hours** [30 EIGHT-HOUR DAYS] during each of the two preceding calendar years,  
12 unless the board determines that the licensed premises are under construction or  
13 cannot be operated through no fault of the applicant;

14 (4) the board finds that issuance of an existing license under

AS 04.11.400(d) has not encouraged tourist trade;

(5) the requirements of AS 04.11.420 - 04.11.450 relating to zoning, ownership of the license, and financing of the licensee have not been met;

(6) renewal of the license would violate the restrictions pertaining to the particular license under this title or the license has been operated in violation of a condition or restriction imposed by the board;

(7) renewal of the license is prohibited under this title as a result of an election conducted under AS 04.11.507;

(8) the application has not been completed in accordance with AS 04.11.270; or

(9) the license was issued under AS 04.11.400(g), and the board finds that the public convenience does not require renewal.

\* **Sec. 2.** AS 04.11.400(a) is amended to read:

(a) Except as provided in (d) - (k) of this section, a new license may not be issued and the board may prohibit relocation of an existing license

(1) outside an established village, incorporated city, unified municipality, or organized borough if, after the issuance or relocation, there would be (A) more than one restaurant or eating place license for each 1,500 population or fraction of that population, or (B) more than one license of each other type, including licenses that have been issued under (d), [OR] (e), or (o) of this section, for each 3,000 population or fraction of that population, in a radius of five miles of the licensed premises, excluding the populations of established villages, incorporated cities, unified municipalities, and organized boroughs that are wholly or partly included within the radius;

(2) inside an established village, incorporated city, or unified municipality if, after the issuance or relocation, there would be inside the established village, incorporated city, or unified municipality

(A) more than one restaurant or eating place license for each 1,500 population or fraction of that population; or

(B) more than one license of each other type, including licenses that have been issued under (d), [OR] (e), or (o) of this section, for each 3,000

1 population or fraction of that population;

2 (3) inside an organized borough but outside an established village or  
3 incorporated city located within the borough if, after the issuance or relocation, there  
4 would be inside the borough, but outside the established villages and incorporated  
5 cities located within the borough,

6 (A) more than one restaurant or eating place license for each  
7 1,500 population or fraction of that population; or

8 (B) more than one license of each other type, including licenses  
9 that have been issued under (d), [OR] (e), or (o) of this section, for each 3,000  
10 population or fraction of that population excluding the population of those  
11 established villages that have adopted a local option under AS 04.11.491(b)(1),  
12 (3), or (4), and excluding the population of incorporated cities located within  
13 the organized borough.

14 \* **Sec. 3.** AS 04.11.400(d) is amended to read:

15 (d) The board may approve the issuance [OR TRANSFER OF OWNERSHIP]  
16 of a new beverage dispensary or restaurant or eating place license without regard to  
17 (a) of this section if it appears that the issuance [OR TRANSFER] will encourage the  
18 tourist trade by encouraging the construction or improvement of

19 (1) a hotel, motel, resort, or similar business relating to the tourist trade  
20 with a dining facility on the licensed premises or [HAVING] kitchen facilities in a  
21 majority of its rental rooms and at least a minimum number of rental rooms required  
22 according to the population of the [ESTABLISHED VILLAGE,] incorporated city,  
23 unified municipality, or population area established under (a) of this section in which  
24 the facility will be located, as follows:

25 (A) 10 rental rooms if the population is less than 1,501;

26 (B) 20 rental rooms if the population is 1,501 - 2,500;

27 (C) 25 rental rooms if the population is 2,501 - 5,000;

28 (D) 30 rental rooms if the population is 5,001 - 15,000;

29 (E) 35 rental rooms if the population is 15,001 - 25,000;

30 (F) 40 rental rooms if the population is 25,001 - 50,000; and

31 (G) 50 rental rooms if the population is greater than 50,000;

[OR]

(2) an airport terminal; or

(3) a roadhouse, lodge, inn, or similar business that

(A) has 10 rental rooms or fewer;

(B) serves food or drink to tourists and the traveling public;

(C) is located on a road designated under 23 U.S.C. 162

(National Scenic Byways Program); and

(D) is located more than 25 miles outside the boundary

limits of an incorporated city or unified municipality.

\* **Sec. 4.** AS 04.11.400 is amended by adding a new subsection to read:

(o) The board may approve the renewal or transfer of ownership of a beverage dispensary or restaurant or eating place license issued under (d) of this section. If the holder of a beverage dispensary or restaurant or eating place license issued under (d)(1) of this section operates, on the licensed premises, a hotel, motel, resort, or similar business relating to the tourist trade, the board may approve the renewal or transfer of ownership of the license only if the hotel, motel, resort, or similar business

(1) has a dining facility on the licensed premises or kitchen facilities in a majority of its rental rooms; and

(2) maintains at least the minimum number of rental rooms that were required at the time of initial licensure.