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Bruce
2/12/18

CS FOR HOUSE BILL NO. 301(L&C)

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTIETH LEGISLATURE - SECOND SESSION

BY THE HOUSE LABOR AND COMMERCE COMMITTEE

Offered:
Referred:

Sponsor(s): REPRESENTATIVES WOOL, Sullivan-Leonard, Knopp

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the renewal of a license involving alcoholic beverages; relating to the
2 renewal and transfer of ownership of a beverage dispensary license or restaurant or
3 eating place license; and relating to issuance of an outdoor recreation lodge license in a
4 local option area."

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

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

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

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

10 (2) the license has been revoked for any cause;

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

(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 04.11.360 is amended to read:

Sec. 04.11.360. Denial of transfer of a license to another person. An application requesting approval of a transfer of a license to another person under this title shall be denied if

(1) the board finds, after review of all relevant information, that transfer of a license to another person would not be in the best interests of the public;

(2) the application has not been completed in accordance with AS 04.11.280;

(3) the application contains false statements of material fact;

(4) the transferor has not paid all debts or taxes arising from the conduct of the business licensed under this title unless

(A) the transferor gives security for the payment of the debts or taxes satisfactory to the creditor or taxing authority; or

(B) the transfer is under a promise given as collateral by the transferor to the transferee in the course of an earlier transfer of the license under which promise the transferor is obliged to transfer the license back to the transferee in the event of default in payment for property conveyed as part of the earlier transfer of the license;

(5) transfer of the license to another person would result in violation of the provisions of this title relating to identity of licensees and financing of licensees;

(6) transfer of the license to another person would violate the restrictions pertaining to the particular license under this title;

(7) transfer of the license to another person is prohibited under the provisions of this title as a result of an election conducted under AS 04.11.507;

(8) the prospective transferee does not have the qualifications required under this title of an original applicant; **however, an application may not be denied because a prospective transferee under AS 04.11.400(d)(2) does not have the qualifications required under AS 04.11.400(d)(1);**

(9) the license was issued under AS 04.11.100(f) or 04.11.400(g); however, this paragraph does not apply to a beverage dispensary license issued before June 6, 1985, under former AS 04.11.400(j) if the transfer does not involve a change in location; or

(10) the license was issued under AS 04.11.135, unless the transferor is also applying to transfer the beverage dispensary license required under AS 04.11.135 to the same transferee.

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

(d) The board may approve

(1) the issuance [OR TRANSFER OF OWNERSHIP] of a **new** beverage dispensary or restaurant or eating place license without regard to (a) of this section if it appears that the issuance [OR TRANSFER] will encourage the tourist trade by encouraging the construction or improvement of

(A) [(1)] a hotel, motel, resort, or similar business relating to the tourist trade with a dining facility or having kitchen facilities in a majority of its rental rooms and at least a minimum number of rental rooms required according to the population of the established village, incorporated city, unified municipality, or population area established under (a) of this section in which the facility will be located, as follows:

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

- (ii) [(B)] 20 rental rooms if the population is 1,501 -
2,500;
- (iii) [(C)] 25 rental rooms if the population is 2,501 -
5,000;
- (iv) [(D)] 30 rental rooms if the population is 5,001 -
15,000;
- (v) [(E)] 35 rental rooms if the population is 15,001 -
25,000;
- (vi) [(F)] 40 rental rooms if the population is 25,001 -
50,000; and
- (vii) [(G)] 50 rental rooms if the population is greater
than 50,000; or
- (B) [(2)] an airport terminal; and
- (2) the renewal or transfer of ownership of a beverage dispensary
or restaurant or eating place license issued under (1) of this subsection if the
- (A) holder of the license operates, on the licensed premises,
a hotel, motel, resort, or similar business relating to the tourist trade that
- (i) has a dining facility on the licensed premises or
kitchen facilities in a majority of its rental rooms; and
- (ii) maintains at least the minimum number of rental
rooms that the hotel, motel, resort, or similar business had at the
time of initial licensure or that were required at the time of initial
licensure; or
- (B) licensed premises are located inside an airport terminal.

* Sec. 4. AS 04.11.491(a) is amended to read:

- (a) If a majority of the persons voting on the question vote to approve the
option, a municipality shall adopt a local option to prohibit
- (1) the sale of alcoholic beverages;
- (2) the sale of alcoholic beverages except by one or more of the
following listed on the ballot:
- (A) a restaurant or eating place licensee;

(B) a beverage dispensary licensee;

(C) a package store licensee;

(D) a caterer holding a permit under AS 04.11.230 to sell alcoholic beverages at a site within the municipality who is also licensed under a beverage dispensary license for premises outside of the municipality;

(E) a winery licensee; [OR]

(F) a winery licensee, except that sales may occur only to a person licensed under this title or in another state or country; or

(G) an outdoor recreation lodge licensee;

(3) the sale of alcoholic beverages except on premises operated by the municipality and under a type of licensed premises listed on the ballot, that may include one or more of the following:

(A) a restaurant or eating place license;

(B) a beverage dispensary license; or

(C) a package store license;

(4) the sale and importation of alcoholic beverages; or

(5) the sale, importation, and possession of alcoholic beverages.

* **Sec. 5.** AS 04.11.491(b) is amended to read:

(b) If a majority of the persons voting on the question vote to approve the option, an established village shall exercise a local option to prohibit

(1) the sale of alcoholic beverages;

(2) the sale of alcoholic beverages except by one or more of the following listed on the ballot:

(A) a restaurant or eating place licensee;

(B) a beverage dispensary licensee;

(C) a package store licensee;

(D) a caterer holding a permit under AS 04.11.230 to sell alcoholic beverages at a site within the established village who is also licensed under a beverage dispensary license for premises outside of the established village;

(E) a winery licensee; [OR]

(F) a winery licensee, except that sales may occur only to a person licensed under this title or in another state or country; **or**

(G) an outdoor recreation lodge licensee;

(3) the sale and importation of alcoholic beverages; or

(4) the sale, importation, and possession of alcoholic beverages.

* **Sec. 6.** The uncodified law of the State of Alaska is amended by adding a new section to read:

APPLICABILITY. AS 04.11.491(a)(2), as amended by sec. 4 of this Act, and AS 04.11.491(b)(2), as amended by sec. 5 of this Act, apply to outdoor recreation lodge licenses issued before, on, or after the effective date of this Act.