

**SENATE CS FOR CS FOR HOUSE BILL NO. 15(FIN)**  
**IN THE LEGISLATURE OF THE STATE OF ALASKA**  
**TWENTY-FOURTH LEGISLATURE - FIRST SESSION**

**BY THE SENATE FINANCE COMMITTEE**

**Offered: 5/3/05**  
**Referred: Rules**

**Sponsor(s): REPRESENTATIVES MEYER, Foster, Olson**

**A BILL**

**FOR AN ACT ENTITLED**

1 **"An Act relating to brewpub licenses; relating to outdoor recreation lodge alcoholic**  
2 **beverage licenses; relating to transfer of certain beverage dispensary licenses issued**  
3 **before June 6, 1985; and providing for an effective date."**

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

5 **\* Section 1.** AS 04.11.080 is amended by adding a new paragraph to read:

6 (21) outdoor recreation lodge license.

7 **\* Sec. 2.** AS 04.11.135(a) is amended to read:

8 (a) A brewpub license authorizes the holder of a beverage dispensary license  
9 to

10 (1) manufacture on premises licensed under the beverage dispensary  
11 license not more than 150,000 gallons of beer in a calendar year;

12 (2) sell beer manufactured on premises licensed under the beverage  
13 dispensary license for consumption on the licensed premises or other licensed  
14 premises of the beverage dispensary licensee that are also licensed as a beverage

1 dispensary;

2 (3) sell beer manufactured on the premises licensed under the beverage  
3 dispensary license in quantities of not more than five gallons per day to an individual  
4 who is present on the licensed premises;

5 (4) provide a small sample of the brewpub's beer manufactured on the  
6 premises free of charge unless prohibited by AS 04.16.030; and

7 (5) sell beer manufactured on the premises licensed under the beverage  
8 dispensary license to a person licensed as a wholesaler under AS 04.11.160 [; SALES  
9 UNDER THIS PARAGRAPH MAY NOT EXCEED 15,000 GALLONS OR THE  
10 AMOUNT SOLD UNDER THIS PARAGRAPH IN CALENDAR YEAR 2001,  
11 PLUS 10 PERCENT, WHICHEVER AMOUNT IS GREATER].

12 \* **Sec. 3.** AS 04.11.135(a) is amended to read:

13 (a) A brewpub license authorizes the holder of a beverage dispensary license  
14 to

15 (1) manufacture on premises licensed under the beverage dispensary  
16 license not more than 150,000 gallons of beer in a calendar year;

17 (2) sell beer manufactured on premises licensed under the beverage  
18 dispensary license for consumption on the licensed premises or other licensed  
19 premises of the beverage dispensary licensee that are also licensed as a beverage  
20 dispensary;

21 (3) sell beer manufactured on the premises licensed under the beverage  
22 dispensary license in quantities of not more than five gallons per day to an individual  
23 who is present on the licensed premises;

24 (4) provide a small sample of the brewpub's beer manufactured on the  
25 premises free of charge unless prohibited by AS 04.16.030; and

26 (5) sell beer manufactured on the premises licensed under the beverage  
27 dispensary license to a person licensed as a wholesaler under AS 04.11.160; **sales**  
28 **under this paragraph may not exceed 15,000 gallons or the amount sold under**  
29 **this paragraph in calendar year 2001, plus 10 percent, whichever amount is**  
30 **greater.**

31 \* **Sec. 4.** AS 04.11.135(d) is amended to read:

1 (d) Notwithstanding (a) of this section, the holder of a brewpub license who,  
 2 under the provisions of AS 04.11.450(b), formerly held a brewery license and a  
 3 restaurant or eating place license and who, under the former brewery license,  
 4 manufactured beer at a location other than the premises licensed under the former  
 5 restaurant or eating place license may

6 (1) manufacture not more than 150,000 gallons of beer in a calendar  
 7 year on premises other than the premises licensed under the beverage dispensary  
 8 license;

9 (2) provide a small sample of the manufactured beer free of charge at  
 10 the location the beer is manufactured unless prohibited by AS 04.16.030; and

11 (3) sell the beer authorized to be manufactured under this subsection

12 (A) on the premises licensed under the beverage dispensary  
 13 license or other licensed premises of the beverage dispensary licensee that are  
 14 also licensed as a beverage dispensary;

15 (B) to a wholesaler licensed under AS 04.11.160; [SALES  
 16 UNDER THIS SUBPARAGRAPH MAY NOT EXCEED 15,000 GALLONS  
 17 OR THE AMOUNT SOLD UNDER THIS SUBPARAGRAPH IN  
 18 CALENDAR YEAR 2001, PLUS 10 PERCENT, WHICHEVER AMOUNT  
 19 IS GREATER;] or

20 (C) to an individual who is present on the premises described  
 21 under (A) of this paragraph, or where the beer is manufactured, in quantities of  
 22 not more than five gallons per day.

23 \* **Sec. 5.** AS 04.11.135(d) is amended to read:

24 (d) Notwithstanding (a) of this section, the holder of a brewpub license who,  
 25 under the provisions of AS 04.11.450(b), formerly held a brewery license and a  
 26 restaurant or eating place license and who, under the former brewery license,  
 27 manufactured beer at a location other than the premises licensed under the former  
 28 restaurant or eating place license may

29 (1) manufacture not more than 150,000 gallons of beer in a calendar  
 30 year on premises other than the premises licensed under the beverage dispensary  
 31 license;

1 (2) provide a small sample of the manufactured beer free of charge at  
2 the location the beer is manufactured unless prohibited by AS 04.16.030; and

3 (3) sell the beer authorized to be manufactured under this subsection

4 (A) on the premises licensed under the beverage dispensary  
5 license or other licensed premises of the beverage dispensary licensee that are  
6 also licensed as a beverage dispensary;

7 (B) to a wholesaler licensed under AS 04.11.160; **sales under**  
8 **this subparagraph may not exceed 15,000 gallons or the amount sold**  
9 **under this subparagraph in calendar year 2001, plus 10 percent,**  
10 **whichever amount is greater;** or

11 (C) to an individual who is present on the premises described  
12 under (A) of this paragraph, or where the beer is manufactured, in quantities of  
13 not more than five gallons per day.

14 \* **Sec. 6.** AS 04.11 is amended by adding a new section to read:

15 **Sec. 04.11.225. Outdoor recreation lodge license.** (a) An outdoor recreation  
16 lodge license authorizes the holder to sell alcoholic beverages to a registered overnight  
17 guest or off-duty staff of the lodge for consumption on the licensed premises or in  
18 conjunction with purchased outdoor recreation activities provided by the licensee. An  
19 outdoor recreation lodge license may not be transferred.

20 (b) The biennial fee for an outdoor recreation lodge license is \$1,250.

21 (c) In this section, "outdoor recreation lodge" means a licensed business that  
22 provides overnight accommodations and meals, is primarily involved in offering  
23 opportunities for persons to engage in outdoor recreation activities, and has a  
24 minimum of two guest rooms.

25 \* **Sec. 7.** AS 04.11.360 is amended to read:

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

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

31 (2) the application has not been completed in accordance with

1 AS 04.11.280;

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

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

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

7 (B) the transfer is **under** [PURSUANT TO] a promise given as  
8 collateral by the transferor to the transferee in the course of an earlier transfer  
9 of the license under which promise the transferor is obliged to transfer the  
10 license back to the transferee in the event of default in payment for property  
11 conveyed as part of the earlier transfer of the license;

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

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

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

18 (8) the prospective transferee does not have the qualifications required  
19 under this title of an original applicant;

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

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

27 \* **Sec. 8.** AS 04.11.400(a) is amended to read:

28 (a) Except as provided in (d) - (h), [AND] (k), **and (m)** of this section, a new  
29 license may not be issued and the board may prohibit relocation of an existing license

30 (1) outside an established village, incorporated city, unified  
31 municipality, or organized borough if after the issuance or relocation there would be

1 (A) more than one restaurant or eating place license for each 1,500 population or  
 2 fraction of that population, or (B) more than one license of each other type, including  
 3 licenses that have been issued under (d) or (e) of this section, for each 3,000  
 4 population or fraction of that population, in a radius of five miles of the licensed  
 5 premises, excluding the populations of established villages, incorporated cities, unified  
 6 municipalities, and organized boroughs that are wholly or partly included within the  
 7 radius;

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

11 (A) more than one restaurant or eating place license for each  
 12 1,500 population or fraction of that population; or

13 (B) more than one license of each other type, including licenses  
 14 that have been issued under (d) or (e) of this section, for each 3,000 population  
 15 or fraction of that population;

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

20 (A) more than one restaurant or eating place license for each  
 21 1,500 population or fraction of that population; or

22 (B) more than one license of each other type, including licenses  
 23 that have been issued under (d) or (e) of this section, for each 3,000 population  
 24 or fraction of that population excluding the population of those established  
 25 villages that have adopted a local option under AS 04.11.491(b)(1), (3), or (4),  
 26 and excluding the population of incorporated cities located within the  
 27 organized borough.

28 \* **Sec. 9.** AS 04.11.400 is amended by adding a new subsection to read:

29 (m) The board may approve the issuance of a outdoor recreation lodge license  
 30 without regard to (a) of this section if it appears that the issuance will encourage the  
 31 tourist trade by encouraging the construction or improvement of a business relating to

1           the tourist trade and the business meets the requirements for issuance of the license  
2           under AS 04.11.225.

3       \* **Sec. 10.** Sections 1 and 6 - 9 of this Act take effect immediately under AS 01.10.070(c).

4       \* **Sec. 11.** Sections 2 and 4 of this Act take effect July 1, 2005.

5       \* **Sec. 12.** Sections 3 and 5 of this Act take effect December 31, 2005.