

**CS FOR HOUSE BILL NO. 240(RLS)**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FOURTH LEGISLATURE - SECOND SESSION

**BY THE HOUSE RULES COMMITTEE**

**Offered: 5/1/06**

**Referred: Rules**

**Sponsor(s): HOUSE JUDICIARY COMMITTEE**

**A BILL**

**FOR AN ACT ENTITLED**

1 **"An Act relating to brewery and brewpub licensing and to free samples of beer and**  
2 **wine provided by beverage dispensary licensees, wholesale licensees, and wholesale malt**  
3 **beverage and wine licensees."**

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

5 **\* Section 1.** AS 04.11.090 is amended by adding a new subsection to read:

6 (h) Unless prohibited by AS 04.16.030, a holder of a beverage dispensary  
7 license may provide a small sample of beer or wine free of charge to a customer on the  
8 licensed premises. Notwithstanding AS 04.11.015, a holder of a beverage dispensary  
9 license may advertise and promote the free samples to the public. A municipality may  
10 not prohibit or restrict a holder of a beverage dispensary license from advertising,  
11 promoting, offering, or providing free samples under this subsection.

12 **\* Sec. 2.** AS 04.11.130(b) is amended to read:

13 (b) The holder of a brewery license may sell beer in quantities of  
14 (1) **not more** [LESS] than five gallons **a day** to an individual who is

1 present on the licensed premises **for consumption off the premises**;

2 (2) more than five gallons **a day** to a person who is licensed under this  
3 title, or in another state or country.

4 \* **Sec. 3.** AS 04.11.130 is amended by adding a new subsection to read:

5 (e) Unless prohibited by AS 04.16.030, a holder of a brewery license may sell  
6 not more than 24 ounces a day of the brewery's product to a person for consumption  
7 on the premises if

8 (1) the brewery does not allow live entertainment, televisions, pool  
9 tables, dart games, dancing, electronic or other games, game tables, or other  
10 recreational or gaming opportunities on the premises where the consumption occurs;

11 (2) the brewery does not provide seats at the counter or bar where the  
12 product is served; and

13 (3) the room where the consumption occurs is not open before 9:00  
14 a.m. and serving of the product ends not later than 8:00 p.m.

15 \* **Sec. 4.** AS 04.11.135(a) is amended to read:

16 (a) A brewpub license authorizes the holder of a beverage dispensary license  
17 to

18 (1) manufacture on premises licensed under the beverage dispensary  
19 license not more than **465,000** [150,000] gallons of beer in a calendar year;

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

24 (3) sell beer manufactured on the premises licensed under the beverage  
25 dispensary license in quantities of not more than five gallons **a** [PER] day to an  
26 individual who is present on the licensed premises **for consumption off the premises**;

27 (4) provide a small sample of the brewpub's beer manufactured on the  
28 premises free of charge unless prohibited by AS 04.16.030; [AND]

29 (5) sell beer manufactured on the premises licensed under the beverage  
30 dispensary license to a person licensed as a wholesaler under AS 04.11.160; sales  
31 under this paragraph may not exceed **37,200 gallons in a calendar year, including**

1 **sales under (6) of this subsection; and**

2 **(6) sell not more than 6,200 gallons in a calendar year of beer**  
 3 **manufactured on the premises to a person who is licensed under this title, or in**  
 4 **another state or country, if the premises licensed under the beverage dispensary**  
 5 **license are located in a community with a population of 75,000 or more** [15,000  
 6 GALLONS OR THE AMOUNT SOLD UNDER THIS PARAGRAPH IN  
 7 CALENDAR YEAR 2001, PLUS 10 PERCENT, WHICHEVER AMOUNT IS  
 8 GREATER].

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

10 (d) Notwithstanding (a) of this section, the holder of a brewpub license who,  
 11 under the provisions of AS 04.11.450(b), formerly held a brewery license and a  
 12 restaurant or eating place license and who, under the former brewery license,  
 13 manufactured beer at a location other than the premises licensed under the former  
 14 restaurant or eating place license may

15 (1) manufacture not more than **465,000** [150,000] gallons of beer in a  
 16 calendar year on premises other than the premises licensed under the beverage  
 17 dispensary license;

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

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

21 (A) on the premises licensed under the beverage dispensary  
 22 license or other licensed premises of the beverage dispensary licensee that are  
 23 also licensed as a beverage dispensary;

24 (B) to a wholesaler licensed under AS 04.11.160; sales under  
 25 this subparagraph may not exceed **37,200 gallons in a calendar year,**  
 26 **including sales under (D) of this paragraph;** [15,000 GALLONS OR THE  
 27 AMOUNT SOLD UNDER THIS SUBPARAGRAPH IN CALENDAR YEAR  
 28 2001, PLUS 10 PERCENT, WHICHEVER AMOUNT IS GREATER; OR]

29 (C) to an individual who is present on the premises described  
 30 under (A) of this paragraph, or where the beer is manufactured, in quantities of  
 31 not more than five gallons **a** [PER] day **for consumption off the premises;**

1           and

2                           (D) to a person licensed under this title, or in another state  
 3           or country, if the premises where the beer is manufactured are located in  
 4           a community with a population of 75,000 or more; sales under this  
 5           subparagraph may not exceed 6,200 gallons in a calendar year.

6   \* **Sec. 6.** AS 04.11.135(e) is amended to read:

7           (e) Notwithstanding (a) of this section, a brewpub license authorizes the  
 8           holder of a restaurant or eating place license to (1) manufacture on premises licensed  
 9           under the restaurant or eating place license not more than **465,000** [150,000] gallons of  
 10          beer in a calendar year; (2) sell beer manufactured on premises licensed under the  
 11          restaurant or eating place license for consumption on the licensed premises; (3) sell  
 12          beer manufactured on the premises licensed under the restaurant or eating place  
 13          license in quantities of not more than five gallons a [PER] day **for consumption off**  
 14          **the premises** to an individual who is present on the licensed premises; and (4) provide  
 15          a small sample of the brewpub's beer manufactured on the premises free of charge  
 16          unless prohibited by AS 04.16.030. A person who holds a brewpub license under this  
 17          subsection may not hold more than one brewpub license.

18 \* **Sec. 7.** AS 04.11.160 is amended by adding a new subsection to read:

19          (h) Unless prohibited by AS 04.16.030, a holder of a wholesale license or a  
 20          wholesale malt beverage and wine license may provide a small sample of beer or wine  
 21          free of charge to a customer on the licensed premises of a beverage dispensary  
 22          licensee.

23 \* **Sec. 8.** AS 04.16.015(a) is amended to read:

24          (a) On premises where alcoholic beverages are sold by the drink, a licensee or  
 25          a licensee's agent or employee may not

26                       (1) **except as provided in AS 04.11.090(h)**, offer or deliver, as a  
 27          marketing device to the general public, free alcoholic beverages to a patron;

28                       (2) deliver an alcoholic beverage to a person already possessing two or  
 29          more;

30                       (3) sell, offer to sell, deliver alcoholic beverages to a person or group  
 31          of persons at a price less than the price regularly charged for the beverages during the

1 same calendar week, except at private functions not open to the general public;

2 (4) sell, offer to sell, or deliver an unlimited number of alcoholic  
3 beverages to a person or group of persons during a set period of time for a fixed price;

4 (5) sell, offer to sell, or deliver alcoholic beverages to a person or  
5 group of persons on any one day at prices less than those charged the general public  
6 on that day, except at private functions not open to the general public;

7 (6) encourage or permit an organized game or contest on the licensed  
8 premises that involves drinking alcoholic beverages or the awarding of alcoholic  
9 beverages as prizes.