

SENATE BILL NO. 16

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-FIRST LEGISLATURE - FIRST SESSION

**BY SENATORS MICCICHE, Hughes, Wilson, Shower, Kiehl, Birch, Bishop, Reinbold, Stevens, Costello,
Gray-Jackson, Stedman**

Introduced: 1/16/19

Referred: Labor and Commerce, Finance

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to certain alcoholic beverage licenses and permits; and relating to the**
2 **bond requirement for certain alcoholic beverage license holders."**

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

4 *** Section 1.** AS 04.11.080 is amended to read:

5 **Sec. 04.11.080. Types of licenses and permits.** Licenses and permits issued
6 under this title are as follows:

- 7 (1) beverage dispensary license;
8 (2) duplicate beverage dispensary license for additional rooms;
9 (3) restaurant or eating place license;
10 (4) club license;
11 (5) bottling works license;
12 (6) brewery license;
13 (7) package store license;
14 (8) general wholesale license;

- 1 (9) wholesale malt beverage and wine license;
 2 (10) distillery license;
 3 (11) common carrier dispensary license;
 4 (12) retail stock sale license;
 5 (13) recreational site license;
 6 (14) pub license;
 7 (15) winery license;
 8 (16) caterer's permit;
 9 (17) special events permit;
 10 (18) conditional contractor's permit;
 11 (19) brewpub license;
 12 (20) golf course license;
 13 (21) outdoor recreation lodge license;
 14 (22) destination resort license;
 15 **(23) performing arts theater license;**
 16 **(24) fair license;**
 17 **(25) concert permit.**

18 * **Sec. 2.** AS 04.11 is amended by adding a new section to read:

19 **Sec. 04.11.205. Performing arts theater license.** (a) A performing arts theater
 20 license authorizes the holder of a beverage dispensary license to sell alcoholic
 21 beverages and the holder of a restaurant or eating place license to sell beer and wine
 22 at multiple noncontiguous locations at a specified performing arts theater site for
 23 consumption on the licensed premises.

24 (b) The biennial performing arts theater license fee is \$1,250.

25 (c) The holder of a performing arts theater license may not sell or serve
 26 alcoholic beverages as provided under the license during an event that is expected to
 27 attract an audience with attendees under 21 years of age.

28 (d) The holder of a performing arts theater license may sell or serve alcoholic
 29 beverages as provided under the license only

30 (1) in designated areas on the licensed premises; and

31 (2) for a period beginning two hours before the event until one hour

1 after the event.

2 (e) The holder of a performing arts theater license shall post the license
3 conspicuously in the performing arts theater during times when alcoholic beverages
4 are sold.

5 (f) The board may not approve an application for the transfer of a performing
6 arts theater license to another person or location.

7 (g) An application for a performing arts theater license must clearly identify
8 designated areas for the sale and consumption of alcoholic beverages, which may
9 include the audience viewing area at the performing arts theater site. The board may
10 approve an application for a performing arts theater license only if the application is
11 approved by the local governing body of the municipality in which the performing arts
12 theater site is located or, for a performing arts theater site outside a municipality,
13 approved by the law enforcement agency that has jurisdiction over the performing arts
14 theater site.

15 (h) The board may deny an application for renewal of a performing arts
16 theater license if the license was not used for at least one event during each calendar
17 year of the license period.

18 (i) In this section, "performing arts theater" means a location where events are
19 presented by live performers on a stage, such as plays, operas, orchestra concerts,
20 readings, and similar activities as determined by the board.

21 * **Sec. 3.** AS 04.11 is amended by adding a new section to read:

22 **Sec. 04.11.215. Fair license.** (a) A fair license authorizes the holder to sell
23 beer and wine at multiple noncontiguous locations at regional fairs and other events
24 held on a fairgrounds for consumption at designated areas of the licensed premises.

25 (b) The biennial fair license fee is \$800.

26 (c) The board may issue a fair license only to a nonprofit organization that is
27 incorporated under AS 10.20 and has been active for a period of at least 10 years
28 before filing an application for a fair license.

29 (d) In this section, "regional fair" means an annual gathering of residents of all
30 or a portion of the state that offers competitive exhibitions of livestock and agricultural
31 crops, carnival amusement rides and games, displays of arts and crafts, or outdoor

1 entertainment.

2 * **Sec. 4.** AS 04.11 is amended by adding a new section to read:

3 **Sec. 04.11.235. Concert permit.** (a) A concert permit authorizes the holder of
4 a recreational site license to sell or dispense beer and wine for consumption on the
5 licensed premises of the recreational site during a period beginning one hour before
6 and concluding at the end of a concert or similar entertainment event with a performer
7 and an audience.

8 (b) A concert permit may not be transferred or renewed.

9 (c) The fee for a concert permit is \$50 and must accompany the application for
10 the concert permit.

11 * **Sec. 5.** AS 04.11.400(a) is amended to read:

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

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

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

26 (A) more than one restaurant or eating place license for each
27 1,500 population or fraction of that population; or

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

31 (3) inside an organized borough but outside an established village or

1 incorporated city located within the borough if, after the issuance or relocation, there
 2 would be inside the borough, but outside the established villages and incorporated
 3 cities located within the borough,

4 (A) more than one restaurant or eating place license for each
 5 1,500 population or fraction of that population; or

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

12 * **Sec. 6.** AS 04.11.400 is amended by adding a new subsection to read:

13 (o) The board may approve the issuance and renewal of only one fair license
 14 under AS 04.11.215 in each borough.

15 * **Sec. 7.** AS 04.21.065(a) is amended to read:

16 (a) A holder of one of the following types of licenses or permits shall post on
 17 the licensed or designated premises three separate warning signs as described in (b) of
 18 this section:

19 (1) beverage dispensary license;

20 (2) restaurant or eating place license;

21 (3) club license;

22 (4) brewery license; this paragraph applies only to a brewery that
 23 permits a person to sample portions of the brewery's product;

24 (5) package store license;

25 (6) common carrier dispensary license;

26 (7) recreational site license;

27 (8) pub license;

28 (9) winery license; this paragraph applies only to a winery that permits
 29 a person to sample portions of the winery's product;

30 (10) distillery license; this paragraph applies only to a distillery that
 31 permits a person to sample portions of the distillery's product;

1 (11) caterer's permit;

2 (12) special events permit;

3 (13) conditional contractor's permit;

4 (14) **performing arts theater license;**

5 **(15) fair license;**

6 **(16) concert permit;**

7 **(17)** another license or permit issued by the board authorizing
8 consumption of alcoholic beverages.

9 * **Sec. 8.** AS 43.60.040(a) is amended to read:

10 (a) Each brewer, distiller, bottler, jobber, wholesaler, or manufacturer is
11 primarily liable for the payment of the excise taxes on alcoholic beverages sold, and,
12 **except as provided under (i) of this section,** shall furnish a good and sufficient
13 surety bond of \$25,000 payable to the department and approved by the Department of
14 Law. If a wholesaler fails to pay the tax to the state, the wholesaler forfeits the bond
15 and the wholesaler's license shall be revoked. The department, in its discretion, may
16 issue permits in place of bonds to resident holders of wholesale, malt beverage, and
17 wine licenses doing business wholly in the state who pay the tax before shipment.

18 * **Sec. 9.** AS 43.60.040(b) is amended to read:

19 (b) Upon receipt of the bond and its subsequent approval, the department shall
20 issue a license certificate authorizing the brewer, distiller, bottler, jobber, wholesaler,
21 or manufacturer, liable for the payment of the tax, to sell alcoholic beverages in the
22 state or to consign shipments of alcoholic beverages to the state. **Except as provided**
23 **under (i) of this section, it** [IT] is unlawful for a brewer, distiller, bottler, jobber,
24 wholesaler, or manufacturer to sell alcoholic beverages in the state or to consign
25 shipments of alcoholic beverages into the state without first furnishing the required
26 bond and obtaining the license certificate or permit from the department. The license
27 certificate does not constitute permission to sell alcoholic beverages in the state or to
28 consign them to the state without having complied with other requirements of state or
29 federal law.

30 * **Sec. 10.** AS 43.60.040 is amended by adding a new subsection to read:

31 (i) The department may not require a brewer, distiller, bottler, jobber,

1 wholesaler, or manufacturer who has timely filed monthly tax returns and paid
2 monthly taxes to the department over the most recent three consecutive calendar years
3 to maintain a bond if the brewer, distiller, bottler, jobber, wholesaler, or manufacturer
4 remains in compliance with AS 43.60. The department shall notify the brewer,
5 distiller, bottler, jobber, wholesaler, or manufacturer of any noncompliance that
6 requires the brewer, distiller, bottler, jobber, wholesaler, or manufacturer to file a bond
7 under (a) of this section after three years. The brewer, distiller, bottler, jobber,
8 wholesaler, or manufacturer shall, within 30 days after receiving a notice of
9 noncompliance, file with the department a bond under (a) of this section.