

CS FOR SENATE BILL NO. 16(L&C)

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-FIRST LEGISLATURE - FIRST SESSION

BY THE SENATE LABOR AND COMMERCE COMMITTEE

Offered: 2/25/19

Referred: Finance

Sponsor(s): SENATORS MICCICHE, Hughes, Wilson, Shower, Kiehl, Birch, Bishop, Reinbold, Stevens, Costello, Gray-Jackson, Stedman

A BILL

FOR AN ACT ENTITLED

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

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

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

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

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

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

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

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

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

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

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

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

1 (2) for a period beginning two hours before the event until one hour
2 after the event.

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

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

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

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

19 * **Sec. 3.** AS 04.11.210(a) is amended to read:

20 (a) The holder of a recreational site license may sell beer and wine at a
21 recreational site during and one hour before and after a recreational **activity** [EVENT]
22 that is not a school event, for consumption on designated areas at the site.

23 * **Sec. 4.** AS 04.11.210(c) is amended to read:

24 (c) In this section, "recreational site" includes a location where **sporting**
25 **activities such as** baseball games, car races, hockey games, dog sled racing, **skiing or**
26 **snowboarding** [EVENTS], or curling matches [ARE] regularly **take place** [HELD]
27 during a season.

28 * **Sec. 5.** AS 04.11 is amended by adding a new section to read:

29 **Sec. 04.11.215. Fair license.** (a) A fair license authorizes the holder to sell
30 beer and wine at multiple noncontiguous locations at fairs and other events held on
31 fairgrounds for consumption on licensed premises.

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

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

5 (d) In this section, "fair" means an annual gathering of residents of all or a
6 portion of the state that offers competitive exhibitions of livestock and agricultural
7 crops, carnival amusement rides and games, displays of arts and crafts, or outdoor
8 entertainment.

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

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

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

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

18 * **Sec. 7.** AS 04.11.330(d) is amended to read:

19 (d) Notwithstanding (a)(3) of this section, a **performing arts theater license**
20 **issued under AS 04.11.205 and a** recreational site license issued under AS 04.11.210
21 may be renewed if the license was exercised at least once during each of the two
22 preceding calendar years.

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

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

26 (1) outside an established village, incorporated city, unified
27 municipality, or organized borough if, after the issuance or relocation, there would be
28 (A) more than one restaurant or eating place license for each 1,500 population or
29 fraction of that population, or (B) more than one license of each other type, including
30 licenses that have been issued under (d) or (e) of this section, for each 3,000
31 population or fraction of that population, in a radius of five miles of the licensed

1 premises, excluding the populations of established villages, incorporated cities, unified
 2 municipalities, and organized boroughs that are wholly or partly included within the
 3 radius;

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

7 (A) more than one restaurant or eating place license for each
 8 1,500 population or fraction of that population; or

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

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

16 (A) more than one restaurant or eating place license for each
 17 1,500 population or fraction of that population; or

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

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

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

27 * **Sec. 10.** AS 04.21.065(a) is amended to read:

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

31 (1) beverage dispensary license;

- 1 (2) restaurant or eating place license;
 2 (3) club license;
 3 (4) brewery license; this paragraph applies only to a brewery that
 4 permits a person to sample portions of the brewery's product;
 5 (5) package store license;
 6 (6) common carrier dispensary license;
 7 (7) recreational site license;
 8 (8) pub license;
 9 (9) winery license; this paragraph applies only to a winery that permits
 10 a person to sample portions of the winery's product;
 11 (10) distillery license; this paragraph applies only to a distillery that
 12 permits a person to sample portions of the distillery's product;
 13 (11) caterer's permit;
 14 (12) special events permit;
 15 (13) conditional contractor's permit;
 16 (14) **performing arts theater license;**
 17 **(15) fair license;**
 18 **(16) concert permit;**
 19 **(17)** another license or permit issued by the board authorizing
 20 consumption of alcoholic beverages.

21 * **Sec. 11.** AS 43.60.040(a) is amended to read:

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

30 * **Sec. 12.** AS 43.60.040(b) is amended to read:

31 (b) Upon receipt of the bond and its subsequent approval, the department shall

1 issue a license certificate authorizing the brewer, distiller, bottler, jobber, wholesaler,
2 or manufacturer, liable for the payment of the tax, to sell alcoholic beverages in the
3 state or to consign shipments of alcoholic beverages to the state. **Except as provided**
4 **under (i) of this section, it** [IT] is unlawful for a brewer, distiller, bottler, jobber,
5 wholesaler, or manufacturer to sell alcoholic beverages in the state or to consign
6 shipments of alcoholic beverages into the state without first furnishing the required
7 bond and obtaining the license certificate or permit from the department. The license
8 certificate does not constitute permission to sell alcoholic beverages in the state or to
9 consign them to the state without having complied with other requirements of state or
10 federal law.

11 * **Sec. 13.** AS 43.60.040 is amended by adding a new subsection to read:

12 (i) The department may not require a brewer, distiller, bottler, jobber,
13 wholesaler, or manufacturer who has timely filed monthly tax returns and paid
14 monthly taxes to the department over the most recent three consecutive calendar years
15 to maintain a bond if the brewer, distiller, bottler, jobber, wholesaler, or manufacturer
16 remains in compliance with AS 43.60. The department shall notify the brewer,
17 distiller, bottler, jobber, wholesaler, or manufacturer of any noncompliance that
18 requires the brewer, distiller, bottler, jobber, wholesaler, or manufacturer to file a bond
19 under (a) of this section after three years. The brewer, distiller, bottler, jobber,
20 wholesaler, or manufacturer shall, within 30 days after receiving a notice of
21 noncompliance, file with the department a bond under (a) of this section.

22 * **Sec. 14.** This Act takes effect immediately under AS 01.10.070(c).