

ALASKA STATE LEGISLATURE
SENATE LABOR AND COMMERCE STANDING COMMITTEE

January 24, 2025

1:34 p.m.

MEMBERS PRESENT

Senator Jesse Bjorkman, Chair
Senator Kelly Merrick, Vice Chair
Senator Elvi Gray-Jackson
Senator Forrest Dunbar
Senator Robert Yundt

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

SENATE BILL NO. 15

"An Act relating to the sale of alcohol; relating to the posting of warning signs for alcoholic beverages; and providing for an effective date."

- HEARD AND HELD--

PREVIOUS COMMITTEE ACTION

BILL: SB 15

SHORT TITLE: ALCOHOL: SALE, WARNING SIGNS

SPONSOR(S): SENATOR(S) MERRICK

01/10/25	(S)	PREFILE RELEASED 1/10/25
01/22/25	(S)	READ THE FIRST TIME - REFERRALS
01/22/25	(S)	L&C
01/24/25	(S)	L&C AT 1:30 PM BELTZ 105 (TSBldg)

WITNESS REGISTER

KERRY CROCKER, Staff
Senator Kelly Merrick
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Presented Sectional Analysis for SB 15.

CODIE COSTELLO, President

Alaska Center for the Performing Arts
Anchorage, Alaska

POSITION STATEMENT: Testified in support of SB 15.

SARAH OATS HARLOW, President
Alaska Cabarets, Hotels, Restaurants, Retailers (CHARR)
Anchorage, Alaska

POSITION STATEMENT: Testified in support of SB 15.

TIFFANY HALL, CEO
Recover Alaska
Anchorage, Alaska

POSITION STATEMENT: Testified in opposition to SB 15.

ACTION NARRATIVE

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CHAIR BJORKMAN called the Senate Labor and Commerce Standing Committee meeting to order at 1:34 p.m. Present at the call to order were Senators Merrick, Dunbar, Gray-Jackson, Yundt and Chair Bjorkman.

SB 15-ALCOHOL: SALE, WARNING SIGNS

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CHAIR BJORKMAN announced the consideration of SENATE BILL NO. 15 "An Act relating to the sale of alcohol; relating to the posting of warning signs for alcoholic beverages; and providing for an effective date."

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SENATOR KELLY MERRICK speaking as the sponsor of SB 15, provided the following statement:

[Original punctuation provided.]

Senate Bill 15, version A Sponsor Statement

"An Act relating to the sale of alcohol; relating to the posting of warning signs for alcoholic beverages; and providing for an effective date."

Senate Bill 15 amends existing statutes surrounding the sale and consumption of alcoholic beverages in our state. The bill not only streamlines our current laws but aims to promote responsible alcohol service, enhance employment opportunities for our youth, and

ensure that individuals under 21 are adequately protected. Through the changes proposed in this bill, we clarify and improve the operational guidelines for restaurants, theaters, and seasonal establishments holding alcohol licenses.

Key provisions include:

- Allowing a person aged 18- 20 to be employed and alcohol in establishments such as restaurants, breweries, wineries, distilleries, hotels, motels, large resorts
- Ensuring establishments that choose to employ those under 21 years of age adequately supervise those employees to prevent underage consumption.
- Expanding the ability of individuals aged 16 and older to enter restaurants and other licensed premises for dining, with protections to ensure minors are not inappropriately exposed to alcohol.
- Adjusting the service hours for alcohol in theater establishments, recognizing the evolving nature of entertainment venues and providing greater flexibility while maintaining public safety.
- Updating warning signs in alcohol-serving establishments to emphasize risks.

These common-sense reforms balance public safety with desires of the business community, reflecting our commitment to ensuring that alcohol consumption is managed responsibly in our communities while also providing protections, and increased job opportunities, for young Alaskans.

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KERRY CROCKER, Staff, Senator Kelly Merrick, Alaska State Legislature, Juneau, Alaska, presented the following Sectional Analysis for SB 15:

[Original punctuation provided.]

Senate Bill 15, version A

Sectional Analysis

"An Act relating to the sale of alcohol; relating to the posting of warning signs for alcoholic beverages; and providing for an effective date."

Section 1. Amends AS 04.09.210(c) - Restaurant or eating place license Incorporates supervision of minor employees as a criteria of consideration when the board issues or renews a license.

Section 2. Amends AS 04.09.210(d) - Restaurant or eating place license Authorizes the license holder to employ those aged 16 to 21 years but requires adequate supervision of employees who are 16 or 17 years of age, so they do not obtain alcoholic beverages.

Section 3. Amends AS 04.09.250(c) - Theater license Expands the time period in which a theater license holder may sell or serve alcohol. Removes intermission language.

Section 4. Amends AS 04.09.360(c) - Seasonal restaurant or eating place tourism license Repeat of Section 1 for the seasonal tourism license, incorporating supervision of minor employees as a criteria to be considered by the board during issuance or renewal of a license.

Section 5. Amends AS 04.09.360(f) - Seasonal restaurant or eating place tourism license Repeat of Section 2 for the seasonal tourism license, authorizing 16-21-year-old employees, provided there is adequate supervision.

Section 6. Amends AS 04.09.450(d) - Restaurant endorsement Repeat of Section 1 for the restaurant endorsement, incorporating supervision of minor employees as a criteria to be considered by the board during issuance or renewal of a license.

Section 7. Amends AS 04.09.450(e) - Restaurant endorsement Repeat of Section 2 for the restaurant endorsement, authorizing 16-21-year-old employees, provided there is adequate supervision.

Section 8. Amends AS 04.16.049(d) - Access of persons under the age of 21 to licensed premises Allows those who are aged 18, 19, or 20 employed by a licensee to serve, sell, deliver, and dispense alcoholic beverages. Adds language to ensure that adult entertainment establishments are excluded.

Section 9. Amends AS 04.16.049(h) - Access of underage persons to licensed premises Allows those aged 16 and over to be present unattended on the premises of a theater license holder or a large resort endorsement; those under 16 must be accompanied by a person who is at least 21 years of age, with the consent of their parent or legal guardian.

Section 10. Amends AS 04.16.049 - Access of persons under the age of 21 to licensed premises Defines adult entertainment. These establishments may not take advantage of expanded employee allowances in Section 8.

Section 11. Amends AS 04.16.052(a) - Furnishing of alcoholic beverages to underage persons by licensees Allows licensees or an agent or employee of the license to allow another person to sell, barter, or give an alcoholic beverage to a person under the age of 21 years only under the provisions in AS 04.16.049(d).

Section 12. Amends 04.21.065(b) - Posting of warning signs Replaces the signs currently on display at alcohol vendors with one that reads "WARNING: Alcohol use during pregnancy can cause birth defects. Alcohol use can cause cancer, including breast and colon cancers."

Section 13. Repeals AS 04.09.250(d) - Theatre license This is the portion of the theater license statute regarding where alcohol can be sold, served, and consumed within the theatre. With updates in Section 9, this line is no longer necessary.

Section 14. Effective date of July 1, 2025

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SENATOR DUNBAR stated a similar bill was heard in the previous legislature. He asked how SB 15 differs from last year's bill and what similarities remain.

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MR. CROCKER answered there are zero changes that have been made to SB 15 from House Bill 189.

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CHAIR BJORKMAN announced invited testimony on SB 15.

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CODIE COSTELLO, President, Alaska Center for the Performing Arts, Anchorage, Alaska, testified in support of SB 15. She stated she is the Chief Operating Officer of the Alaska Center for the Performing Arts and General Manager of Broadway Alaska. She offered the following statement:

[Original punctuation provided]

Thank you for the opportunity to discuss the benefits of SB 15 today. Alaska Center for the Performing Arts (ACPA) has been in operation for over 35 years. We partner with presenters and producers from Alaska and around the world to provide world-class Arts experiences to our community, including 8 resident companies.

We are in our second season of Broadway Alaska - a multi-year partnership with The Nederlander Organization. Last year we presented 4 shows, generating over \$30 million in economic impact for downtown Anchorage and the state of Alaska. That is from our Broadway program alone, not to mention all of the other events hosted at the PAC! We understand the importance of our role as an economic engine for Downtown, Anchorage and Alaska. We've seen patrons from all over the country and cities across Alaska for our new Broadway program, and we are just getting started! Next week, we will welcome BEETLEJUICE.

SB 15 allows us to continue this work, expanding our local business operations and revenue while enhancing the theatre experience for our patrons.

Under our current alcohol license, patrons may only consume alcohol in our upper-level lobbies and within

limited timeframes, and there is no alcohol allowed in theatres and the workforce is limited.

SB 15 provides an updated framework for the rules of our license. ACPA requests this licensing change to increase our service flexibility to accommodate our clients and patrons and ensure their experience at the theatre is relaxed and responsible, and our venue and services reflect the type of experience our patrons seek and that we can support and promote. Currently, if a patron purchases a drink during an intermission, they need to procure, drink and be back in their seats within minutes. This system is rushed, unnecessary and leads to a harried atmosphere and product waste.

We have a robust operations plan for the PAC with well-trained event, security and concessionaire staff. We are poised to scale up and adjust our operations to ensure continued successful, safe and responsible operations with the passage of SB 15.

SB 15 increases ACPA's economic impact for downtown Anchorage; drives increased operating revenue to help us reinvest in the facility and personnel; keeps our theatre license in line with the national standards and increases the quality of our patrons' experience. It is a win for local businesses by expanding workforce and for the Arts industry and the lively downtown experience we all help to curate in Anchorage.

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SARAH OATS HARLOW, President, Alaska Cabarets, Hotels, Restaurants, Retailers (CHARR), Anchorage, Alaska, testified in support of SB 15. She offered the following testimony:

[Original punctuation provided]

I have served as President & CEO of the Alaska Cabaret, Hotel, Restaurant, and Retailers Association (commonly known as Alaska CHARR) since 2018. Alaska CHARR has over 700 members and represents over 2000 hospitality establishments that employ over 36,000 workers across Alaska communities.

Alaska's hospitality industry continues to face significant ongoing challenges to business operations,

the greatest of which being ongoing and increasing labor shortages.

Currently, Alaska is one of only three states (along with Utah and Nevada) that requires a person to be 21 years of age or older to serve alcohol. Employers struggle to promote or retain quality employees who are 18-20 years of age because they are prohibited from serving alcohol or supervising other employees who serve or sell alcohol. Alaska is not competitive in this space, and our industry is experiencing an outmigration of young workers.

When I was in my late teens and early twenties, I attended college while serving and bartending in the Pacific Northwest. During summer breaks, I stayed in the Pacific Northwest rather than returning home to Alaska because I could make significantly more money as a server or manager - positions that I was prohibited by law from working in in my home state. In multiple years, I earned six figures by serving and bartending as a young adult outside of Alaska; if I had returned to Alaska, I would have been limited under current statute to positions that paid 25-30% what I was able to make outside. Many young people are making the same choice in today's labor market which is having a significant impact on Alaska hospitality businesses.

Senate Bill 15 will help hundreds of Alaskan-owned establishments around the state that collectively represent Alaska's largest private employer and second largest industry.

As the voice of Alaska's hospitality industry, I respectfully request that you support thousands of workers and businesses around the state by voting in support of Senate Bill 15.

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CHAIR BJORKMAN [concluded invited testimony on SB 15.]

[1:51:30 PM](#)

CHAIR BJORKMAN opened public testimony on SB 15.

[1:52:11 PM](#)

TIFFANY HALL, CEO, Recover Alaska, Anchorage, Alaska, testified in opposition to SB 15. She said SB 15 poses a significant threat to the safety, health, and future of Alaska's youth. The risks outweigh the potential benefits. She added that exposing minors to alcohol serving environments undermines public health objectives and could normalize underage drinking. She stated there is no evidence suggesting that lowering server age would alleviate labor shortages. She said instead of risking youth safety, the hospitality industry should focus on higher wages, better working conditions and automation to attract workers. She stated that posting cancer risk warning signs is the only portion of SB 15 she favors.

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CHAIR BJORKMAN left public testimony open on SB 15.

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CHAIR BJORKMAN [held SB 15 in committee.]

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There being no further business to come before the committee, Chair Bjorkman adjourned the Senate Labor and Commerce Standing Committee meeting at 1:57 p.m.