

S B

1 5 5

HOUSE COMMITTEE REPORT

(7)

Date Referred: April 27, 1989

FURTHER REFERRALS: FINANCE

Date of Committee Action: 4/24/90

The LABOR & COMMERCE Committee considered:

SB 155

SENATE BILL NO. 155 [TRANSFER OF CERTAIN LIQUOR LICENSES]
 "An Act relating to the transfer of certain alcoholic beverage licenses;
 and providing for an effective date."

RECOMMENDATIONS:

- be replaced with HCS CS SB 155 (L+C) the same title
- have attached amendment(s) a new title
- do pass
- do not pass
- no recommendation
- individual recommendations
- additional referral to the _____ Committee

ADOPTS: _____ letter of intent

ATTACHES NEW FISCAL NOTE(s):
 (Dept)

APPROVES PREVIOUS: (Date/Dept)

- fiscal impact _____
- zero fiscal note Dept. Rev.
- zero with analysis _____
- fiscal note(s) _____
- zero fiscal note(s) _____
- zero fn/analysis _____

SIGNING DO PASS:

SIGNING:

(Check approx. column)

Do Not Pass No Rec Amend

Donley Donley
Mark Bayer Bayer
Aaron A. Leman Leman

SIGNING:		Do Not Pass	No Rec	Amend
<u>[Signature]</u>	Finkelstein			
<u>[Signature]</u>	Collins			
<u>[Signature]</u>	Mr. [Signature]			
Do not pass if SB297 passes.				
HCS SB 155 ²⁹⁷ (L+C) includes this bill.				

[Signature]
 Chairman's signature
Donley

FISCAL NOTE

REQUEST:

Revision Date: _____
 Title: Transfer of certain alcoholic beverage licenses
 Sponsor: Sen. Rules by Governor request
 Requestor: House Finance Committee

Agency Affected: Department of Revenue
 BRU: Alcoholic Beverage Control Board
 Components: _____

EXPENDITURES/REVENUES: (Thousands or Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES	-0-	-0-	-0-	-0-	-0-	-0-
TRAVEL	-0-	-0-	-0-	-0-	-0-	-0-
CONTRACTUAL	-0-	-0-	-0-	-0-	-0-	-0-
SUPPLIES	-0-	-0-	-0-	-0-	-0-	-0-
EQUIPMENT	-0-	-0-	-0-	-0-	-0-	-0-
LAND & STRUCTURES	-0-	-0-	-0-	-0-	-0-	-0-
GRANTS, CLAIMS	-0-	-0-	-0-	-0-	-0-	-0-
MISCELLANEOUS	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
---------	-----	-----	-----	-----	-----	-----

REVENUE	-0-	-0-	-0-	-0-	-0-	-0-
---------	-----	-----	-----	-----	-----	-----

FUNDING: (Thousands of Dollars)

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS	-0-	-0-	-0-	-0-	-0-	-0-
OTHER	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

FULL-TIME	-0-	-0-	-0-	-0-	-0-	-0-
PART-TIME	-0-	-0-	-0-	-0-	-0-	-0-
TEMPORARY	-0-	-0-	-0-	-0-	-0-	-0-

ANALYSIS : (Attach a separate page if necessary)

This legislation does not impact the ABC Board's FY 90 budget

Prepared by: Patrick L. Sharrock, Director
 Division: Alcoholic Beverage Control Board

Phone: 277-8638
 Date: 4/25/90

Approved by Commissioner: [Signature]
 Agency: Department of Revenue

Date: 4/25/90

Distribution (by preparer):
 Legislative Finance
 Legislative Sponsor
 Requestor
 Office of Management and Budget
 Impacted Agency(ies)

go0489sE
Ford
4/18/90

Original sponsor(s): Rules/Governor

1 IN THE SENATE BY THE LABOR & COMMERCE COMMITTEE

2 HOUSE CS FOR SENATE BILL NO. 155 (L&C)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the transfer of certain alcoholic
7 beverage licenses; and providing for an effective
8 date."

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

0 * Section 1. AS 04.11 is amended by adding a new section to read:

1 Sec. 04.11.395. BOARD IMPOSED RESTRICTIONS. The board may
2 impose conditions or restrictions applicable to the transfer of a
3 beverage dispensary, restaurant or eating place, or package store
4 license.

5 * Sec. 2. AS 04.11.400(j) is amended to read:

6 (j) The board may approve the issuance [OR TRANSFER OF OWNER-
7 SHIP] of a restaurant or eating place license in a municipality with-
8 out regard to (a) of this section if the board finds that issuance [OR
9 TRANSFER] of the license is necessary for the public convenience.

10 * Sec. 3. This Act takes effect immediately under AS 01.10.070(c).

STATE OF ALASKA

DEPARTMENT OF REVENUE

ALCOHOLIC BEVERAGE CONTROL BOARD

5B155

STEVE COWPER, GOVERNOR

550 W. 7TH AVE
ANCHORAGE, ALASKA 99501-6698

January 19, 1990

The Honorable Dave Donley, Chairman
House Labor & Commerce Committee
Alaska State House of Representatives
P. O. Box V
Juneau, AK 99811

RE: SB 155

Dear Representative Donley:

This letter is a request for your committee to consider the above bill.

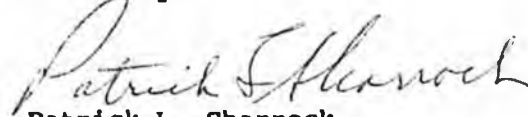
The bill contains a minor technical amendment to AS 04.11.400(j). The amendment intends to prevent confusion from a conflicting section in current law.

Current law under AS 04.11.400(j) allows the board to approve issuance "or transfer of ownership" of a restaurant or eating place license without regard to population limitations, if the license is necessary for the public convenience.

AS 04.11.360(11) demands that, if the board receives an application from a licensee for transfer of ownership of a license issued under AS 04.11.400(j), the board shall deny the application. Language deleted in the bill eliminates the conflict between the two sections.

If you have any questions, please do not hesitate to call.

Sincerely,



Patrick L. Sharrock
Director, ABC Board

PS/cl

90-07

RECEIVED
JAN 22 1990

STEVE COWPER
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

February 3, 1989

The Honorable Tim Kelly
President of the Senate
Alaska State Legislature
P.O. Box V
Juneau, AK 99811

Dear Mr. President:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill that makes changes in existing law to eliminate an inconsistency, and resultant confusion, regarding transfer of certain alcoholic beverage licenses.

AS 04.11.360(11) and AS 04.11.400(j) relate to "restaurant or eating place licenses," which are the licenses permitting restaurants to dispense beer or wine. These exception licenses are issued without regard to the population of a given locality if the Alcoholic Beverage Control (ABC) Board determines that new licenses are necessary for the public convenience.

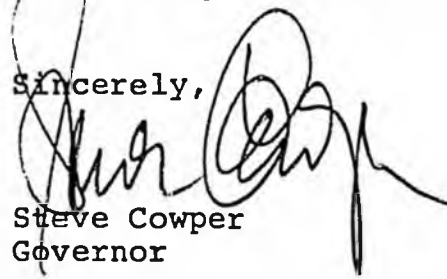
Because restaurant or eating place licenses issued under AS 04.11.400(j) are not subject to population limitations, there is no "quota" that limits the number that may be issued in a given locality. Accordingly, the licenses do not have an inherent "market value"; and as many restaurant or eating place licenses may be issued in a locality as the board finds are necessary for the public convenience. There is, therefore, no recognizable interest of a licensee in being able to market a license in conjunction with the sale of a restaurant or eating place. A person purchasing or starting a restaurant can, under strict board regulation, apply for a new beer and wine license without regard to the population levels at the time of the application. There is, therefore, no reason to permit the transfer of these licenses. Additionally, under AS 04.11.330(9), the board is required to deny renewal of a license issued under AS 04.11.400(j) if the public convenience does not require renewal.

Currently, AS 04.11.360(11) prohibits the transfer of such licenses. AS 04.11.400(j), however, creates confusion by permitting the board to approve the issuance or transfer of ownership of a restaurant or eating place license when it

155

is necessary for the public convenience. This inconsistency would be resolved by deleting the provision in AS 04.11.400(j) which permits the board to approve transfer of ownership of such a license. This amendment will eliminate confusion and conflicting direction in present law.

Sincerely,

A handwritten signature in black ink, appearing to read "Steve Cowper", written over the word "Sincerely,".

Steve Cowper
Governor

FISCAL NOTE

REQUEST:

Revision Date: _____
 Title: Transfer of alcoholic beverage licenses
 Sponsor: Sen. rules by Governor request
 Requestor: Sen. C & RA Committee

Agency Affected: Department of Revenue
 BRU: Alcoholic Beverage Control Board
 Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS : (Attach a separate page if necessary)

Prepared by: Patrick L. Sharrock, Director Phone: 277-8638
 Division: Alcoholic Beverage Control Board Date: March 1, 1989
 Approved by Commissioner: Hugh Malone Date: 3/6/89
 Agency: Revenue

Distribution (by preparer):
 Legislative Finance
 Legislative Sponsor
 Requestor
 Office of Management and Budget
 Impacted Agency(ies)

STEVE COWPER
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

February 3, 1989

The Honorable Tim Kelly
President of the Senate
Alaska State Legislature
P.O. Box V
Juneau, AK 99811

Dear Mr. President:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill that makes changes in existing law to eliminate an inconsistency, and resultant confusion, regarding transfer of certain alcoholic beverage licenses.

AS 04.11.360(11) and AS 04.11.400(j) relate to "restaurant or eating place licenses," which are the licenses permitting restaurants to dispense beer or wine. These exception licenses are issued without regard to the population of a given locality if the Alcoholic Beverage Control (ABC) Board determines that new licenses are necessary for the public convenience.

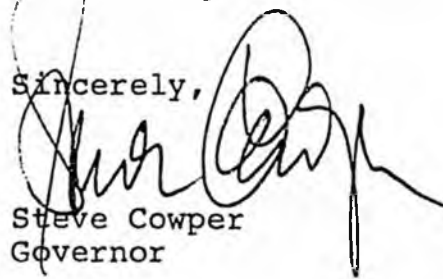
Because restaurant or eating place licenses issued under AS 04.11.400(j) are not subject to population limitations, there is no "quota" that limits the number that may be issued in a given locality. Accordingly, the licenses do not have an inherent "market value"; and as many restaurant or eating place licenses may be issued in a locality as the board finds are necessary for the public convenience. There is, therefore, no recognizable interest of a licensee in being able to market a license in conjunction with the sale of a restaurant or eating place. A person purchasing or starting a restaurant can, under strict board regulation, apply for a new beer and wine license without regard to the population levels at the time of the application. There is, therefore, no reason to permit the transfer of these licenses. Additionally, under AS 04.11.330(9), the board is required to deny renewal of a license issued under AS 04.11.400(j) if the public convenience does not require renewal.

Currently, AS 04.11.360(11) prohibits the transfer of such licenses. AS 04.11.400(j), however, creates confusion by permitting the board to approve the issuance or transfer of ownership of a restaurant or eating place license when it

155

is necessary for the public convenience. This inconsistency would be resolved by deleting the provision in AS 04.11.400(j) which permits the board to approve transfer of ownership of such a license. This amendment will eliminate confusion and conflicting direction in present law.

Sincerely,

A handwritten signature in black ink, appearing to read "Steve Cowper", written over the typed name below.

Steve Cowper
Governor