SB 232

SENATE STATE AFFAIRS COMMITTEE

BILL NUMBER SB 232

SPONSOR Int'l. Trade Committee / Szymanski

BILL TITLE Beverage dispensary licensees. (alcohol boxes in hotels)

DATE REFERRED 3-20-89

HEARING SCHEDULED 3 postponed 31-89, 4-5-89

FISCAL NOTE PREPARED ✓ Sharrock 3/23

SPONSOR CONTACTED ~~[illegible]~~ Szymanski 4978 Mary

INTERESTED PARTIES CONTACTED

✓ Jim Lottsfeldt, Jim Kubitz 277-7633 FAX 272-6552
Hotel / Motel Assoc.

✓ Pat Sharrock, ABC Bd 277-8638
Cliff Groh, DOR FAX 278-5026

Mike Ford 2-45

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CHMPK
Alaska Visitors Assoc.

~~[illegible]~~

463-4935
live 4 Mark Hanley when in Juneau

lobby Hotel/Motel Assoc
Jim Lottsfeldt

P.O. BOX [illegible] ANCHORAGE, ALASKA [illegible]
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→ Teleconference to Anch

ALASKA STATE LEGISLATURE

SENATE STATE AFFAIRS, CHAIR

ETHICS COMMITTEE, CHAIR

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P.O. BOX 104836
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JUNEAU, AK 99811
(907) 465-3712

Senator Pat Pourchot

MEMORANDUM

TO: Senate State Affairs Committee Members

FROM: Senator Pat Pourchot, Chairman

RE: Draft Committee Substitute for SB 232

DATE: April 10, 1989

Please find attached a draft committee substitute for SB 232, An Act relating to certain beverage dispensary licensees. This bill will be back before the committee at 1:30 p.m. today.

also adopted title change

The CS addresses the following concerns raised at last week's hearing on the bill:

page 1, line 15
Deletes "notwithstanding any other provision of law". There was concern that inclusion of this wording might negate local option laws. Neither the legislative drafter nor the ABC Board's counsel object to its deletion.

page 1, line 18
Specifies that alcohol sold under SB 232 is for consumption in the guest room only.

Requires authorization by the ABC Board to install mini-bars. This would likely be through a designation on the existing license.

page 1, lines 18-21
Limits the use of mini-bars to hotels and motels that meet the room requirements in existing law (see attached AS 04.11.400(g)(1). This is patterned after Washington state law which limits the mini-bar privilege to large hotels that would be putting a lot at risk if they were to abuse the mini-bar privilege, and that are the most likely to cater to international travelers.

page 1, line 23
Specifies that alcoholic beverages stocked in hotel rooms must be stored in a refrigerated unit.

The ABC Board is currently authorized to adopt regulations and to suspend and revoke licenses. Attached are existing regulations regarding revocation of a license designation that could be made to apply to the mini-bar designation.

IN THE SENATE BY THE STATE AFFAIRS COMMITTEE

CS FOR SENATE BILL NO. 232 (State Affairs) Changes in CS marked.

IN THE LEGISLATURE OF THE STATE OF ALASKA

SIXTEENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to certain beverage dispensary licensees."

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

* Section 1. FINDING AND PURPOSE. The legislature finds that international and domestic travelers are accustomed to receiving hospitality services in their rooms for business entertainment and personal enjoyment. The purpose of this Act is to enhance the accommodations and services available to travelers visiting Alaska.

* Sec. 2. AS 04.11.090 is amended by adding a new subsection to read:

(g) [Notwithstanding any other provision of law] A holder of a beverage dispensary license issued to a hotel, motel, resort, or similar business that caters to the traveling public may stock alcoholic beverages in guest rooms, for sale and consumption [on the premises] in the guest room only, if authorized by the board. The board may not authorize the stocking of alcoholic beverages in guest rooms unless the holder of the beverage dispensary license also has a minimum number of rental rooms as required under AS 04.11.400(g)(1). Alcoholic beverages stocked under this subsection must be stored in a refrigerated unit using a key or combination lock system within the guest room. Except for the licensee, or an agent or employee of the licensee, a key or combination enabling a person to obtain alcoholic beverages stocked in a guest room may only be provided to a guest who occupies the room and who is 21 years of age or older.

Introduced: 3/20/89
Referred: State Affairs and Finance

BY THE SENATE SPECIAL COMMITTEE ON INTERNATIONAL TRADE AND TOURISM

1 IN THE SENATE

2 SENATE BILL NO. 232

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to certain beverage dispensary
7 licensees."

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

9 * Section 1. FINDING AND PURPOSE. The legislature finds that interna-
10 tional and domestic travelers are accustomed to receiving hospitality
11 services in their rooms for business entertainment and personal enjoyment.
12 The purpose of this Act is to enhance the accommodations and services
13 available to travelers visiting Alaska.

14 * Sec. 2. AS 04.11.090 is amended by adding a new subsection to read:

15 (g) Notwithstanding any other provision of law, a holder of a
16 beverage dispensary license issued to a hotel, motel, resort, or
17 similar business that caters to the traveling public may stock alco-
18 holic beverages in guest rooms, for sale and consumption on the prem-
19 ises only. Alcoholic beverages stocked under this subsection must be
20 stored using a key or combination lock system within the guest room.
21 The licensee may provide a key or combination enabling a person to
22 obtain alcoholic beverages stocked in a guest room only to guests who
23 occupy the room and who are 21 years of age or older.

(1) a hotel, motel, resort, or similar business relating to the tourist trade with a dining facility or having kitchen facilities in a majority of its rental rooms and at least a minimum number of rental rooms required according to the population of the established village, incorporated city, unified municipality or population area established under AS 04.11.400(a) in which the facility will be located, as follows:

(A) 10 rental rooms if the population is less than 1,501;

(B) 20 rental rooms if the population is between 1,501 and 2,500;

(C) 25 rental rooms if the population is between 2,501 and 5,000;

(D) 30 rental rooms if the population is between 5,001 and 15,000;

(E) 35 rental rooms if the population is between 15,001 and 25,000;

(F) 40 rental rooms if the population is between 25,001 and 50,000; and

(G) 50 rental rooms if the population is greater than 50,000; or

(2) an airport terminal.

(h) The board may approve the issuance or transfer of ownership of a restaurant or eating place license without regard to (a) of this section if

(1) the premises of the restaurant or eating place are more than 18 miles from the corporate limits of a city or unified municipality;

(2) the premises will serve food to the traveling public; and

(3) the board finds that the public convenience will be served by the issuance or transfer.

(i) An application requesting a transfer of location of licensed premises limited under (a) or (b) of this section shall be granted without regard to (a) of this section if the new location is less than one mile from the original location and

(1) no ground for denial exists under AS 04.11.340(1) or (3); and

(2) relocation of the licensed premises is necessary due to

(A) termination of a lease or rental agreement;

(B) condemnation of the premises;

(C) the substantial destruction of the premises by any cause.

(j) The board may approve the issuance or transfer of ownership of a restaurant or eating place license in a municipality without regard to (a) of this section if the board finds that issuance or transfer of the license is necessary for the public convenience. (§ 2 ch 131 SLA 1980; am § 88 ch 74 SLA 1985; am §§ 9—16 ch 93 SLA 1985)

Effect of amendments. — The first 1985 amendment repealed subsection (c), which defined "unified municipality."

The second 1985 amendment rewrote subsections (a), (b), (e), (f), (g), the introductory language of subsection (h), and subsection (j), and in subsection (i) inserted "limited under (a) or (b) of this section" and substituted "without regard to" for "notwithstanding."

15 AAC 104.765. LIMITATION OF DESIGNATION. (a) The board will, in its discretion, designate only a portion of a licensed premises under 15 AAC 104.725 and 15 AAC 104.745, and will, in its discretion, limit the hours when persons under the age of 21 may be present on the designated premises.

(b) A licensee may make changes to the designated premises only with the prior approval of the board. (Eff. 10/24/87, Register 104)

Authority: AS 04.06.100
AS 04.16.049

15 AAC 104.775. CERTIFICATE OF DESIGNATION. Upon approval by the board of a designation application, the director will issue a certificate of designation of premises, which will state whether the designation is under AS 04.16.049(a)(2), AS 04.16.049(a)(3), AS 04.16.049(c), or a combination of those statutes. The certificate must be prominently displayed in the license premises. (Eff. 10/24/87, Register 104)

Authority: AS 04.06.100
AS 04.16.049

15 AAC 104.785. TERMINATION OF DESIGNATION. A designation issued under 15 AAC 104.715 — 15 AAC 104.795 terminates upon expiration, revocation, transfer, or relocation of the holder's alcoholic beverage license. A local governing body may protest continuation of a designation in the same manner it protests other license actions under AS 04.11.480. (Eff. 10/24/87, Register 104)

Authority: AS 04.06.100
AS 04.16.049

15 AAC 104.795. SUSPENSION OR REVOCATION OF DESIGNATION. A designation under 15 AAC 104.715 — 15 AAC 104.795 is a privilege over and above that of a license, and is issued with the understanding that the board will, in its discretion, suspend or revoke the designation for good cause without a hearing under AS 04.11.510 or the Administrative Procedure Act, AS 44.62. The director will notify a licensee in writing not less than 10 days before board consideration of suspension or revocation of a licensee's designation. The board will afford the licensee an opportunity to be heard. (Eff. 10/24/87, Register 104)

Authority: AS 04.06.100
AS 04.16.049

Example

STATE OF ALASKA
1989 LEGISLATIVE SESSION

BILL VERSION: SB 232
PUBLISH DATE: March 20, 1989

FISCAL NOTE

REQUEST:

Revision Date:
Title: Relating to certain beverage dispensary licensees
Sponsor: Sen. Comm. on Int'l Trade & Tourism
Requestor: Sen. State Affairs Comm.

Agency Affected: 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)

Patrick L. Sharrock

Prepared by: Patrick L. Sharrock, Director
Phone: (907) 277-8638
Division: Alcoholic Beverage Control Board
Date: March 23, 1989

Approved by Commissioner: Hugh Malone Kay Walk for
Date: 3/24/89
Agency: Department of Revenue

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

SENATE COMMITTEE REPORT

FIRST COMMITTEE OF REFERRAL

Date of 5-DAY NOTICE 2/30/89
IN ACCORDANCE WITH UNIFORM RULE 23

FURTHER FIN

**FISCAL NOTE(S) MUST BE ATTACHED
IN ACCORDANCE WITH AS 24.08.035

DATE TURNED INTO OFFICE 4-11-89

3/20/89

Mr. President:

STATE AFFAIRS Committee considered SB 232

certain beverage dispensary licenses

and recommended:

[X] replace with CS SB 232(St Aff) [] same title [X] new title

[ ] attached amendment(s) and

[ ] _____ letter of intent adopted

[ ] do pass

[ ] do not pass

[ ] no recommendation

[X] individual recommendations

[ ] further referral to _____

FISCAL NOTE(S) attached [X] zero [ ] fiscal impact
[ ] appropriation no FN attached [ ] Gov. FN introduced w/ bill

MEMBERS SIGNING DO PASS

Ed Adams
Jan Faith

OTHER RECOMMENDATIONS

Tim Kelly - No Rec

Pat Fairchild do pass
Chairman signature and recommendation

[ ] Committee backup attached

(17) caterer's permit;

(18) special events permit;

(19) conditional contractor's permit. (§ 2 ch 131 SLA 1980)

Cross references. — For statute providing that a license is a personal privilege, see AS 04.11.660.

Collateral references. — 45 Am. Jur. 2d, Intoxicating Liquors, §§ 124-133.

48 C.J.S., Intoxicating Liquors §§ 99-101.

Sec. 04.11.090. Beverage dispensary license. (a) A beverage dispensary license authorizes the holder to sell or serve on the licensed premises alcoholic beverages for consumption on the licensed premises only.

(b) The annual beverage dispensary license fee is $1,250.

(c) An applicant for a beverage dispensary license must file with the application a cash bond or a surety bond executed by a surety company approved by the board. The bond must be in the sum of $2,500. Upon revocation of the license under AS 04.11.370(4), the bond shall be forfeited and the amount deposited in the general fund of the state.

(d) The area designated as the licensed premises under a beverage dispensary license issued to a hotel, motel, resort or similar business that caters to the traveling public as a substantial part of its business may include the dining room, banquet room, guests' rooms, and other public areas approved by the board.

(e) A holder of a beverage dispensary license may not maintain upon the licensed premises more than one room in which there is regularly maintained a fixed counter or service bar at which alcoholic beverages are sold or served to members of the public for consumption unless the licensee is issued by the board, after investigation, a duplicate of the original license for each of the rooms. The holder of the beverage dispensary license shall pay to the board with each application for a duplicate license an amount equal to the fee payable for the original beverage dispensary license under (b) of this section. If the licensed premises are located within a municipality, a duplicate beverage dispensary license may not be issued unless approved by the council or assembly, as appropriate.

(f) The area designated as the licensed premises under a beverage dispensary license issued to a bowling alley may include the concourse or lane areas of the bowling alley. Notwithstanding AS 04.16.049, the board may, upon application, authorize access by persons under 21 years of age to the concourse or lane areas designated part of the bowling alley's licensed premises during hours when no alcoholic beverages are being sold, served, or consumed. (§ 2 ch 131 SLA 1980; am § 1 ch 109 SLA 1983)

ALASKA VISITORS ASSOCIATION

501 West Northern Lights, Suite 201 • Anchorage, Alaska 99503
Tel: (907) 276-6663 • Fax: (907) 258-4036

#89-1

A Resolution of the Board of Directors of the Alaska Visitors Association regarding:

The presence of mini-bars in hotel and motel rooms.

WHEREAS, the Hotel/Motel Association of Alaska and CHARR are seeking passage of a statute by the Alaska legislature amending Alaska State liquor laws to permit the placement of mini-bars in hotel and motel rooms;

THEREFORE BE IT NOW RESOLVED, that the Board of Directors of the Alaska Visitors Association supports this legislation and encourages the Alaska State Legislature to amend the necessary laws to permit the use of hotel room mini-bars.

ADOPTED BY THE AVA BOARD OF DIRECTORS ON FEBRUARY 7, 1989.

Westmark
HOTELS
ALASKA YUKON

March 20, 1989

The Honorable Mike Szymanski
The State Senate
P.O. Box V
Juneau, AK 99811

Dear Senator Szymanski:

It was brought to my attention that the mini-bar legislation is now in the Tourism Committee for consideration and that possibly a bill will be put forth by the Committee.

I'm writing to encourage you and the committee members to seriously consider the legalization of mini-bars in Alaska hotels. Many legislators I've spoken with are surprised mini-bars are currently not legal in Alaska.

I'm certain you heard a lot of the facts that basically point out the lack of problems in states where they are legal. Over 60 percent of sales are non-alcoholic. Many wholesale tour operators I've talked with feel many foreign visitors expect this type of service in their rooms; they're accustomed to it.

I know you and the Tourism Committee are extremely busy and this is not major legislation considering the economy and many other pressing issues. Reviewing other state legislation and the lack of problems encountered in other states, I hope you can find the time to assist our industry to be able to better serve the traveling public.

Sincerely,

WESTMARK HOTELS, INC.

Bill Dugdale

Bill Dugdale
Vice President, Operations

vs

cc: Max Lowe
Rose Marie Citti

580 H Street Suite 101
Anchorage, Alaska 99501
(907) 272-9403

THE ANCHORAGE HILTON

RECEIVED MAR 2 3 1989

March 20, 1989

Senator Mike Szymanski
107 Capitol
P.O. Box V
Juneau, AK 99811

Dear Senator Szymanski:

I am writing to encourage your assistance in passing the Honor Bar Bill for guest rooms.

Having worked in many different states I have had quite a bit of experience with the Honor Bars. These Bars even though they contain liquor are furnished for the convenience of our guests who mostly use the soft drinks and snacks. Many people often are tired and rather than call room service would prefer to use the Honor Bars.

Our guests from the Pacific Rim countries are surprised we do not have the Bars in our rooms. We call ourselves World Class Hotels but do not match the rest of the world in this normal amenity.

Thank you for your assistance in this matter.

Sincerely,

THE ANCHORAGE HILTON

RALPH C. NOGAL

/sw

cc: Rosemarie Citti, Alaska Hotel Motel Association

Five Hundred West Third Avenue PO Box [illegible] Anchorage, Alaska 99510 907 272-7411
Reservations 1-800 HILTONS

motel/hotel INSIDER newsletter

Published Bi-Weekly by Atcom Inc., 2315 Broadway, New York, NY 10024, (212) 873-5900

Vol. 19, No. 13 February 29, 1988

In-Room Mini-Bars Will Be "A Way Of Life" Within Five Years

Although in-room mini-bars—self-service refrigerators or absorption coolers from which guests can purchase an assortment of beverages and snacks—have been an amenity in European hotels for many years, their popularity has only recently started to grow on this continent.

"It took off in the last four or five years," Peter Kleiser, Senior Vice President of Food and Beverage for Hilton Hotels, told the INSIDER. "As we go along we experience an increase in usage. I think in another four or five years it will be a way of life that if you have a guest room you will be able to go to an in-room mini-bar and help yourself."

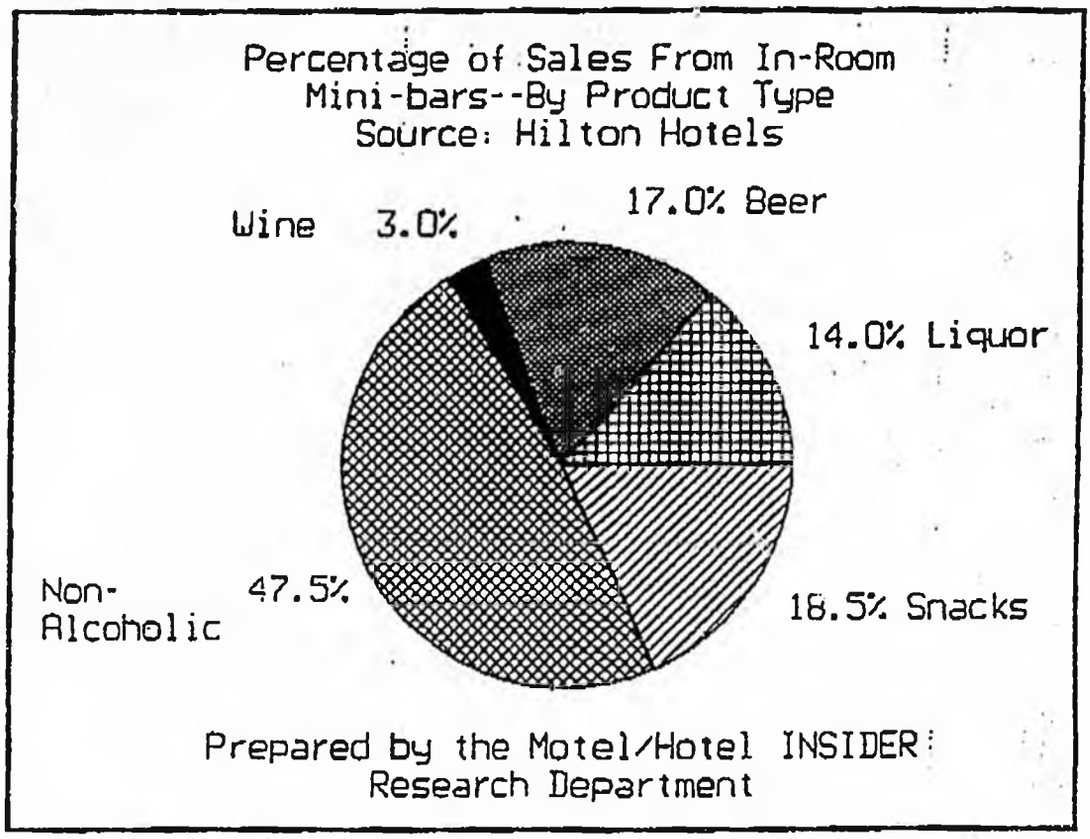
Kleiser noted that Hilton is in the process of installing in-room mini-bars in more than 30,000 rooms. Although some hoteliers have told the INSIDER that they remove their soda and ice machines when they install self-service, in-room mini-bars, Kleiser noted that they will continue to have ice machines in those hotels which currently offer them. He noted as well that the mini-bars "take very little away from room service. It is a convenience for the guest who wants to have a drink—he or she doesn't have to go down to the bar or wait for room service. It is almost like a home away from home...you go to your refrigerator and get yourself a Coke."

"We'd Rather Keep The Prices Moderate And Sell Something"

In discussing in-room mini-bars with several American hotel guests recently, the INSIDER heard the same complaint from each person: the prices are lower at soda and candy machines.

"Well, the prices are a little bit higher," said Kleiser when we mentioned this concern to him, "but we don't want to out-price ourselves. If you don't sell anything, high prices mean nothing. We'd rather keep the prices moderate and sell something."

Another concern mentioned by the hotel guests with whom the INSIDER spoke was that they could not change their minds about an item and would be charged for it even if they only remove it from the mini-bar and then return it to its slot. While some systems *do* work this way, Kleiser told the INSIDER that Hilton intentionally chose one that *doesn't*. "When we experimented with both types of systems, the feedback we got was that the American clientele wants to be able to put an item back and not have it so that if you touch it you bought it," he explained.



According to Kleiser, another reason Hilton chose in-room mini-bars which operate on the honor system is because "some of those electronic systems are very expensive; they cost three times as much. You want to have a return on investment, besides providing a service, and the pay-back is much slower on the more expensive units."

September 18, 1987

Use of controlled access liquor cabinets is authorized by state statute in:

Arizona (Section 4-205.06)
District of Columbia (Section 402.8)
California (Sections 23355 and 233552)
Georgia (Sections 3-9-12 and 3-9-13)
Missouri (Section 311.099)
Oklahoma (Laws of 1987)
Rhode Island (Sections 3-5-12 and 3-7-7-1)
Washington (Section 66.24.400)

Colorado
Ohio

Use of controlled access liquor cabinets are authorized by state alcohol beverage control agency <u>regulation</u> in:

Florida (Reg. 7A-3.41)
Hawaii
(Honolulu, Reg. 7-18)
(Maui, Reg. .34)
Minnesota (Reg. 7515.0560)

Use of controlled access liquor cabinets are authorized by state alcohol beverage control agency <u>policy or opinion in:</u>

Delaware
Maryland
Michigan
Nebraska
Pennsylvania
Virginia

Controlled access liquor cabinets may be used in states that do not specifically prohibit in-room service, including:

Connecticut
Illinois
Louisiana
Maine
Nevada
New Mexico
North Dakota
~~Ohio~~

593 Herndon Parkway • Herndon, Virginia 22070 • (703) 478-0075 • (800) 742-8100

Alaska State Legislature

Sen. Pat Pourchot, Chairman

Sen. Jan Faiks, Vice Chairman
Sen. Al Adams
Sen. Tim Kelly
Sen. Rick Uehling

P.O. Box V
State Capitol
Juneau, Alaska 99811

907-465-3712

Senate State Affairs Committee

MEMORANDUM

TO: Senate State Affairs Committee Members

FROM: Senator Pat Pourchot, Chairman

RE: April 5 Committee Meeting

DATE: April 4, 1989

On Wednesday, April 5 at 1:30 p.m. in the Beltz Room the Senate State Affairs Committee will hear the following bills:

SB 201, An Act making a special appropriation to the Department of Transportation and Public Facilities for an environmental impact statement concerning Seward and Kodiak as homeports for navy ships

SB 201 would appropriate $750,000 to the Department of Transportation for preparation of an environmental impact statement on the establishment of homeports in Seward and Kodiak. At the sponsor's request, a draft committee substitute has been prepared that clarifies funds would also be used for work associated with feasibility assessments, the negotiation of agreements with the Navy, and any necessary legal activity. Unused funds would lapse to the general fund June 30, 1990.

In 1988 the legislature approved a resolution (SJR 55) supporting a homeport, and indicating the state's willingness to consider investment of as much as $100 million for capital improvements. The resolution specified that the commitment of funds was contingent upon the completion of a cost-benefit analysis demonstrating that the state would derive net benefits from its investment.

The Navy's January 1989 letter to DOT, which announced Kodiak and Seward as the preferred Alaskan sites, indicated that "due to the constrained budget climate in Washington, the entire capital cost of a new homeport facility in Alaska would be an Alaskan investment". The letter also indicated that the next step would be joint preparation of an EIS.

SB 232, An Act relating to certain beverage dispensary licensees

SB 232 would authorize the holder of a beverage dispensary license issued to a hotel, motel, resort or similar business to stock alcoholic beverages in guest rooms. The beverages could be consumed only on the premises. Access would be restricted to guests age 21 and older, and would be controlled through a lock system.

The bill is intended to address the expectations of travelers accustomed to receiving hospitality services in their rooms.

HB 73, An Act making technical amendments to public employee benefits statutes

HB 73 would correct changes to statute inadvertently made last year. Section 1 reinstates the policy of income and interest earned on the Teachers Retirement Fund being returned to the fund.

Section 2 clarifies the procedure under which judges who have had contributions to the retirement account involuntarily refunded can repay the contributions, conforming the procedure to that currently followed under TRS and PERS.

Section 3 clarifies that, because municipal as well as state employees can be members of PERS, the "employer" of a supplemental benefits system member -- not the Department of Administration -- is required to make payments to the member's account.

In addition, HB 74, An Act relating to the financing of the Seward Student Service Center by ASBA, will be back before the committee. The Department of Revenue is preparing additional information on the current and proposed financing agreements.

Alaska State Legislature

Sen. Pat Pourchot, Chairman

Sen. Jan Faiks, Vice Chairman
Sen. Al Adams
Sen. Tim Kelly
Sen. Rick Uehling

P.O. Box V
State Capitol
Juneau, Alaska 99811

907-465-3712

Senate State Affairs Committee

MEMORANDUM

TO: Senate State Affairs Committee Members

FROM: Senator Pat Pourchot, Chairman

RE: March 31 Committee Hearing

DATE: March 30, 1989

On Friday, March 31 at 1:30 p.m. in the Beltz Room the Senate State Affairs Committee will hear the following bills:

SR 8, Requesting a hiring freeze for state employees

SR 8 would request that the Governor institute an immediate hiring freeze. The resolution is intended to address the projected FY 90 budget deficit.

SB 232, An Act relating to certain beverage dispensary licensees

SB 232 would authorize the holder of a beverage dispensary license issued to a hotel, motel, resort or similar business to stock alcoholic beverages in guest rooms. The beverages could be consumed only on the premises. Access would be restricted to guests age 21 and older, and would be controlled through a lock system.

The bill is intended to address the expectations of travelers accustomed to receiving hospitality services in their rooms.

HB 74, An Act relating to the acquisition and financing of the Seward Student Service Center by the Alaska State Building Authority, and relating to the use of a lease-financing agreement for the project

HB 74 gives the approval required under AS 18.55.100(d) for ASBA to provide lease financing for the Seward Student Service Center. The proposal is essentially the refinancing of an existing State

lease-financed project. The refinancing is estimated to result in present value savings in state rental payments of $1,203,001 over the ten year repayment term. Savings in FY 90 would be $433,229, and from $68,000 to $87,000 in subsequent years.

Under AS 18.55.100(d), ASBA may not proceed with any public building project until it is approved by law. HB 74 would also serve as the legislative approval required under AS 36.30.080(c) for any lease financing agreement that has annual rent in excess of $1 million.

The Seward Student Service Center is a student lounge and recreation complex for the Alaska Vocational-Technical Center (AVTEC) at Seward. AVTEC is the only state-operated adult vocational training facility in Alaska. The Center was completed and occupied by the state in April 1985.

6-1051E
Ford
4/7/89

Original sponsor: Senate Special Committee on International Trade and Tourism

adopted w/ title change

IN THE SENATE BY THE STATE AFFAIRS COMMITTEE

CS FOR SENATE BILL NO. 232 (State Affairs)

IN THE LEGISLATURE OF THE STATE OF ALASKA

SIXTEENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to certain beverage dispensary licensees to stock alcoholic beverages in guest rooms."

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

* Section 1. FINDING AND PURPOSE. The legislature finds that international and domestic travelers are accustomed to receiving hospitality services in their rooms for business entertainment and personal enjoyment. The purpose of this Act is to enhance the accommodations and services available to travelers visiting Alaska.

* Sec. 2. AS 04.11.090 is amended by adding a new subsection to read:

(g) A holder of a beverage dispensary license issued to a hotel, motel, resort, or similar business that caters to the traveling public may stock alcoholic beverages in guest rooms, for sale and consumption in the guest room only, if authorized by the board. The board may not authorize the stocking of alcoholic beverages in guest rooms unless the holder of the beverage dispensary license also has a minimum number of rental rooms as required under AS 04.11.400(g)(1). Alcoholic beverages stocked under this subsection must be stored in a refrigerated unit using a key or combination lock system within the guest room. Except for the licensee, or an agent or employee of the licensee, a key or combination enabling a person to obtain alcoholic beverages stocked in a guest room may only be provided to a guest who occupies the room and who is 21 years of age or older.

established villages, incorporated cities, unified municipalities, and organized boroughs that are wholly or partly included within the radius;

(2) inside an established village, incorporated city, or unified municipality if after the issuance or relocation there would be inside the established village, incorporated city, or unified municipality more than one restaurant or eating place license for each 1,500 population or fraction of 1,500 population or more than one license of each other type, including licenses that have been issued under (g) or (h) of this section, for each 3,000 population or fraction of 3,000 population inside the established village, incorporated city, or unified municipality;

(3) inside an organized borough but outside an established village or incorporated city located within the borough, if after the issuance or relocation there would be inside the borough, but outside the established villages and incorporated cities located within the borough, more than one restaurant or eating place license for each 1,500 population or fraction of 1,500 population or more than one license of each other type, including licenses that have been issued under (g) or (h) of this section, for each 3,000 population or fraction of 3,000 population inside the borough, excluding the population of those established villages that have conducted an election on a question set out in AS 04.11.490, 04.11.496, or 04.11.500, and excluding the population of incorporated cities located within the organized borough.

(b) If the radius described in (a)(1) of this section encompasses all of an established village, incorporated city, or unified municipality and the population resident inside and outside the established village, incorporated city, or unified municipality but inside the radius described in (a)(1) of the section is less than 3,000, the board may deny the issuance or relocation of the license.

(c) *[Repealed, § 88 ch 74 SLA 1985.]*

(d) In this section "radius" means the circular area or distance limited by the sweep of a straight line originating at the proposed licensed premises and extending outward.

(e) In (a)(1) of this section, "population" includes only those persons residing inside the radius not later than the date the application is received by the board and not earlier than 60 days before the application is received by the board.

(f) In (a)(2) and (3) of this section, "population" includes only those persons residing inside the established village, incorporated city, unified municipality, or organized borough as of December 31 of the year preceding the date of application.

(g) The board may approve the issuance or transfer of ownership of a beverage dispensary or restaurant or eating place license without regard to (a) of this section if it appears that the issuance or transfer will encourage the tourist trade by encouraging the construction or improvement of

(1) a hotel, motel, resort, or similar business relating to the tourist trade with a dining facility or having kitchen facilities in a majority of its rental rooms and at least a minimum number of rental rooms required according to the population of the established village, incorporated city, unified municipality or population area established under AS 04.11.400(a) in which the facility will be located, as follows:

(A) 10 rental rooms if the population is less than 1,501;

(B) 20 rental rooms if the population is between 1,501 and 2,500;

(C) 25 rental rooms if the population is between 2,501 and 5,000;

(D) 30 rental rooms if the population is between 5,001 and 15,000;

(E) 35 rental rooms if the population is between 15,001 and 25,000;

(F) 40 rental rooms if the population is between 25,001 and 50,000; and

(G) 50 rental rooms if the population is greater than 50,000; or

(2) an airport terminal.

(h) The board may approve the issuance or transfer of ownership of a restaurant or eating place license without regard to (a) of this section if

(1) the premises of the restaurant or eating place are more than 18 miles from the corporate limits of a city or unified municipality;

(2) the premises will serve food to the traveling public; and

(3) the board finds that the public convenience will be served by the issuance or transfer.

(i) An application requesting a transfer of location of licensed premises limited under (a) or (b) of this section shall be granted without regard to (a) of this section if the new location is less than one mile from the original location and

(1) no ground for denial exists under AS 04.11.340(1) or (3); and

(2) relocation of the licensed premises is necessary due to

(A) termination of a lease or rental agreement;

(B) condemnation of the premises;

(C) the substantial destruction of the premises by any cause.

(j) The board may approve the issuance or transfer of ownership of a restaurant or eating place license in a municipality without regard to (a) of this section if the board finds that issuance or transfer of the license is necessary for the public convenience. (§ 2 ch 131 SLA 1980; am § 88 ch 74 SLA 1985; am §§ 9—16 ch 93 SLA 1985)

Effect of amendments. — The first 1985 amendment repealed subsection (c), which defined "unified municipality."

The second 1985 amendment rewrote subsections (a), (b), (e), (f), (g), the introductory language of subsection (h), and subsection (j), and in subsection (i) inserted "limited under (a) or (b) of this section" and substituted "without regard to" for "notwithstanding."

Bills

ABC Board - SB 232

Mike Murphy, Washington ABC
(206) 753-6262
L.H. Petterson, Washington Bd. Chair

Carter Mitchell WASH

Got lawin World's Fair - Vancouver 1986
Need to compete! → Wash = strict control state. State owned liquor stores.
Cal = license state. Wide open.

Big hotels have monetary investment in cocktail lounges + restaurants.
If they abuse the privilege + lose their license, have a lot to lose!

This is trying to get in anything more than 3 rooms
$200 license fee
makes liquor available in places hasn't been available before
real benefit to minors - 21-yr. old rent room. Then party!

police + MADD opposed - killed 3 yrs in a row

Now only if already have:
restaurant
cocktail
room service
} ie a big investment

California Alcohol Beverage Control Board (916) 445-6811
[illegible] Deputy Director
Ken Byers, Counsel
long, complicated provision
no minors
"Controlled Access Alcoholic Beverage Cabinet" -
refrigerated, locking - key magnetic card

CALIF.

- no limitation as to number of rooms
- keep records to show not given to minor
- can't be restocked by minor
- limit hours of sale - 2am - 6am (can't use, sell)
- can sell miniatures - not allowed elsewhere
- define hotel/motel:

  guest rooms - predominant relationship = innkeeper to guest

since Jan. 1, 1956

no significant problems - big hotels have too large of an investment risk

<u>MAILING</u> COPY OF LAW.

THE FOLLOWING DOCUMENT MAY NOT FILM
LEGIBLY BECAUSE OF THE POOR QUALITY OF THE
ORIGINAL

not adopted –
in WA

specify size of bottles

LIQUOR CONTROL BOARD
INTER-OFFICE
COMMUNICATION

rough, rough draft

from Sharrock 4-6-89

[Notwith ...]

SENATE BILL NO. 232

over

~~NO~~ ? [ ]

Because unenforceable — licensee

limit licensee's liability

21.020

every liquor license or transfer goes before city council, etc. — have ability to protest. Essentially veto power same as other license in effect.

04.11.480

already have

ex: restaurant designations

04.11.560

may

like ABC's regs. — for authorizations rather than licenses

added

15 APC 104 .195

Bd could ~~withdraw~~ suspend/revoke auth. under existing authority. We'll add notice requirement.

if applicant going to improve or construct:

Must have: dining facility
& so many rooms depending
on population

Introduced: 3/20/89
Referred: State Affairs and Finance

6-1051A

can't find a conflict

BY THE SENATE SPECIAL COMMITTEE ON INTERNATIONAL TRADE AND TOURISM

1 IN THE SENATE

2 SENATE BILL NO. 232

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to certain beverage dispensary
7 licensees."

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

9 * Section 1. FINDING AND PURPOSE. The legislature finds that interna-
10 tional and domestic travelers are accustomed to receiving hospitality
11 services in their rooms for business entertainment and personal enjoyment.
12 The purpose of this Act is to enhance the accommodations and services
13 available to travelers visiting Alaska.

are other provisions dealing with what is a licensed premises

14 * Sec. 2. AS 04.11.090 is amended by adding a new subsection to read:

upon approval of the board (endorse current license, allow board to revoke)

15 (g) [Notwithstanding any other provision of law] a holder of a
16 beverage dispensary license issued to a hotel, motel, resort, or
17 similar business that caters to the traveling public may stock alco-
18 holic beverages in guest rooms, for sale and consumption on the prem-
19 ises only. Alcoholic beverages stocked under this subsection must be
20 stored using a key or combination lock system within the guest room.
21 The licensee may provide a key or combination enabling a person to
22 obtain alcoholic beverages stocked in a guest room only to guests who
23 occupy the room and who are 21 years of age or older.

??

in a refrigerated unit

?? Board's issuance of regs.
?? Restocking after-hours. — can't enforce anyway, says Shamrock

+ allow hotel to provide to guest upon request without locked box
Ford's legal opinion says room service — with opened bottles — is OK.

Introduced: 3/20/89
Referred: State Affairs and Finance

6-1051A

Pat Sharrock - will testify from Anch.

Sandra

BY THE SENATE SPECIAL COMMITTEE ON INTERNATIONAL TRADE AND TOURISM

IN THE SENATE

SENATE BILL NO. 232

IN THE LEGISLATURE OF THE STATE OF ALASKA

SIXTEENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to certain beverage dispensary licensees."

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

* Section 1. FINDING AND PURPOSE. The legislature finds that international and domestic travelers are accustomed to receiving hospitality services in their rooms for business entertainment and personal enjoyment. The purpose of this Act is to enhance the accommodations and services available to travelers visiting Alaska.

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(g) Notwithstanding any other provision of law, a holder of a beverage dispensary license issued to a hotel, motel, resort, or similar business that caters to the traveling public may stock alcoholic beverages in guest rooms, for sale and consumption on the premises only. Alcoholic beverages stocked under this subsection must be stored using a key or combination lock system within the guest room. The licensee may provide a key or combination enabling a person to obtain alcoholic beverages stocked in a guest room only to guests who occupy the room and who are 21 years of age or older.

regularly

same lang as existing law

no duplicate license if sell at more than one location on the premises

premises does include guest rooms

Szymanski - may amend to allow rack of miniatures to be provided to hotel guest upon request (no actual locked box)

S232POOP.TXT
3/31/89

SB 232 MINI-BARS IN HOTEL ROOMS

TO TESTIFY

SEN. SZYMANSKI, SPONSOR (COMMITTEE ON INTERNATIONAL TRADE)

TELECONFERENCE FROM ANCHORAGE:

PAT SHARROCK, A.B.C. BOARD

~~JIM HUBBLE, ALASKA HOTEL/MOTEL ASSOCIATION BOARD~~

BILL ELANDER, ALASKA CONVENTION AND VISITORS BUREAU

MAX LOWE, CLARION HOTEL

(MAY BE OTHERS)

F.Y.I.

IN PAST, A.B.C. BOARD HAS OPPOSED. LICENSE LAWS ARE INTENDED TO CONTROL DRUNKS AND MINORS -- BOARD FEELS LICENSEE WOULD BE STICKING NECK OUT LIABILITY-WISE BY ALLOWING CONSUMPTION OUT OF THEIR SIGHT.

CURRENT LAW ON BEVERAGE DISPENSARY LICENSES REFERENCES ALCOHOL IN GUEST ROOMS. APPARENTLY THIS DOES NOT ALLOW FOR MINI-BARS.

SZYMANSKI IS CONSIDERING AMENDING TO ALLOW HOTELS TO PROVIDE A RACK OF MINIATURES TO GUESTS UPON REQUEST, RATHER THAN INSTALLING LOCKING BOXES IN EACH ROOM. IT IS APPARENTLY UNCLEAR WHETHER OR NOT THIS IS CURRENTLY ALLOWED.

WAITING FOR A REVIEW DONE OF OTHER STATES' LAWS. I'M TOLD THERE HAVE BEEN VERY FEW PROBLEMS, AND THAT MOST OF THE SALES FROM THE LOCKED BOXES ARE OF NON-ALCOHOLIC BEVERAGES.

rec 4-10-89 pm
SB 232

DEPARTMENT OF ALCOHOLIC BEVERAGE CONTROL

1986 LEGISLATION

The following are the sections of law which were enacted by the 1986 Session of the Legislature which directly affect the Department. They include both new statutes and amendments to the Alcoholic Beverage Control Act. Unless otherwise indicated they will become effective January 1, 1987.

* * *

Section 23355.2 was amended to delete the requirement that the hotel or motel have an off-sale general license and would specifically authorize a hotel or motel having an on-sale general license, upon issuance of a permit from the Department of Alcoholic Beverage Control, to sell distilled spirits from its controlled access alcoholic beverage cabinets provided the distilled spirits are sold in containers of 50 milliliters or less or in containers of comparable size. The Department would be required to charge an annual fee for the permit equal to the annual fee of an off-sale general license. If the hotel or motel has both an on-sale general license and an off-sale general license it would not be required to obtain a permit from the Department. The Department is currently in the process of establishing a procedure for the implementation of the permit process. Section 23355.2 will read as follows:

23355.2. (a) For purposes of this section, "controlled access alcoholic beverage cabinet" means a closed container, either refrigerated, in whole or in part, or nonrefrigerated, and access to the interior of which is (1) restricted by means of a locking device which requires the use of a key, magnetic card, or similar device, or (2) controlled at all times by the licensee.

(b) Notwithstanding any other provision of this division, a hotel or motel having an on-sale license may sell alcoholic beverages to its registered guests by means of a controlled access alcoholic beverage cabinet located in the guestrooms of those registered guests, provided that each of the following conditions is met:

(1) Access to a controlled access alcoholic beverage cabinet in a particular guestroom is provided, whether by furnishing a key, magnetic card, or similar device, or otherwise, only to the adult registered guest, if any, registered to stay in the guestroom.

(2) Prior to providing a key, magnetic card, or other similar device required to attain access to the controlled access alcoholic beverage cabinet in a particular guestroom to the registered guest thereof, or prior to otherwise providing access thereto to the registered guest, the licensee shall verify, in accordance with Article 3 (commencing with Section 25657), of Chapter 16 of this division, that

each registered guest to whom a key, magnetic card, or similar device is provided, or to whom access is otherwise provided, is not a minor.

(3) All employees handling the alcoholic beverages to be placed in the controlled access alcoholic beverage cabinet in any guestroom, including, but not limited to, any employee who inventories or restocks and replenishes the alcoholic beverages in the controlled access alcoholic beverage cabinet, shall be at least 21 years of age.

(4) There is no replenishing or restocking of the alcoholic beverages in any controlled access alcoholic beverage cabinet between the hours of 2 a.m. and 6 a.m. of the same day.

(c) Notwithstanding any other provision of this division, a hotel or motel having an on-sale general license may, upon issuance of a permit from the department, sell from its controlled access alcoholic beverage cabinets distilled spirits in containers of 50 milliliters or less, or in containers of comparable size. The department shall charge an annual fee for a permit issued pursuant to this subdivision equal to the annual renewal fee applicable to an off-sale general license pursuant to Section 23320.

(d) Notwithstanding any other provision of this division, a hotel or motel having an on-sale general license and an off-sale general license may sell from its controlled access alcoholic beverage cabinets distilled spirits in containers of 50 milliliters or less, or in containers of comparable size, without having to obtain the permit specified in subdivision (c).

(e) A controlled access alcoholic beverage cabinet may be part of another cabinet or similar device, whether refrigerated, in whole or in part, or nonrefrigerated, from which nonalcoholic beverages or food may be purchased by the guests in hotel or motel guestrooms. However, in that event, the portion of the cabinet or similar device in which alcoholic beverages are stored shall be a controlled access alcoholic beverage cabinet, as defined in this section.

(f) For purposes of this section, "hotel" or "motel" shall mean an establishment which is licensed to sell alcoholic beverages and which contains guestroom accommodations with respect to which the predominant relationship existing between the occupants thereof and the owner or operator of the establishment is that of innkeeper and guest. For purposes of this subdivision, the existence of other legal relationships as between some occupants and the owner or operator thereof shall be immaterial.

* * *

Section 23399.3 was amended to define a rest home as including an apartment building, whether licensed or unlicensed, which rents exclusively to persons age 62 and older, and provides 1 to 3 meals daily to tenants. Section 23399.3 will read as follows:

232mail.txt

ALASKA STATE LEGISLATURE

Sen. Pat Pourchot, Chairman

Sen. Jan Faiks, Vice Chairman
Sen. Al Adams
Sen. Tim Kelly
Sen. Rick Uehling

P.O. Box V
Juneau, AK 99811

907-465-3712

Senate State Affairs Committee

May 11, 1989

Deanna Murray-Wieskamp
Mush-Inn Motel
333 Concrete Street
Anchorage, Alaska 99501

Dear Deanna:

Per your request, please find enclosed a copy of SB 232, which would authorize the use of mini-bars in hotel rooms.

SB 232 received the approval of the Senate State Affairs Committee in early April, but got stalled in the Senate Finance Committee where it will stay until the beginning of the next legislative session in January. I am convinced that mini-bars would enhance the tourism industry and, if properly controlled, would not encourage the inappropriate consumption of alcohol. Therefore, I supported the bill when it was in committee, and intend to vote for it if it makes it to the Senate floor.

Thanks again for sharing your views with me, Deanna. Please don't hesitate to contact me if you should have additional questions or comments.

Sincerely,

Senator Pat Pourchot
Chairman

Enclosure
PP/ss

232mail.txt

333 CONCRETE STREET • ANCHORAGE, AK 99501 • (907) 277-4554

May 1, 1989

Sen Fin
end of 1989 session

Mr. Pat Pourchot
Alaska Senate
P.O. Box V
Juneau, Alaska 99811

Dear Mr. Pourchot,

I am very interested in the status of the bill that would allow mini-Bars in hotel-motel rooms. These are small refrigerators that would have snacks and beverages including wine and liquor, conveniently located in-room under lock and key. The key would be given only to the adult guest.

This concept interested me because I would like to offer our adult guest this option, without having the expense of a bar open to the public. The Mush Inn has more than enough rooms for a motel liquor license, but I do not know if we would comply with this bill. Please send a copy of the bill.

Sincerely yours,

Deanna Murray-Wieskamp

Deanna Murray-Wieskamp
333 Concrete St.
Anchorage, Alaska 99501
Fax 277-5721