

SB

372

SENATE COMMITTEE REPORT
FIRST COMMITTEE OF REFERRAL

DATE: 3/30/94

FURTHER: JUDICIARY
FINANCE

Date of 5-Day Notice: 4/7/94
(in accordance with Uniform Rule 23)

DATE TURNED INTO OFFICE: _____

The Community and Regional Affairs Committee considered SENATE BILL NO. 372

"An Act relating to community local options for control of alcoholic beverages; relating to the control of alcoholic beverages; relating to the definition of 'alcoholic beverage'; and providing for an effective date."

and recommends:

replace with _____ CS _____ ()

same title
 new title
 technical title change
(HB only)

attaches amendment(s)

adopts _____ Letter of intent

further referral to the _____

do pass

do not pass

no recommendation

individual recommendations

FISCAL NOTE INFORMATION

Department	Date	Zero	Fiscal
DOR	3/31/94	φ	
DIV of Elections	4/7/94		#1.06

Department	Date	Zero	Fiscal

Appropriation No Fiscal Note

Governor's Bill with Previous Fiscal Notes (enter information above)

DO PASS?

Ed Adams

T. J. Zharoff

John L. Steiner

John A. Hines

OTHER RECOMMENDATIONS:

Ed Adams No Rec

Chair: Signature and Recommendation

FISCAL NOTE

STATE OF ALASKA
1994 LEGISLATIVE SESSION

BILL NO. SB 372

Revision Date: _____ Department Affected: Office of the Governor

Title: AN ACT RELATING TO COMMUNITY LOCAL

OPTIONS FOR CONTROL OF ALCOHOLIC BEVERAGES. BRU: Division of Elections

Component: Elections

Sponsor: Judiciary by Request

Requestor: _____

COMPONENT SERIAL NO. 21

EXPENDITURES/REVENUES:

OPERATING	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00
PERSONAL	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	1.06	1.06	1.06	1.06	1.06	1.06
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND &	0	0	0	0	0	0
GRANTS,	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL	1.06	1.06	1.06	1.06	1.06	1.06

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

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

FUNDING:

1002 Federal	0	0	0	0	0	0
1003 GF Match	0	0	0	0	0	0
1004 GF	1.06	1.06	1.06	1.06	1.06	1.06
1005 GF/Program	0	0	0	0	0	0
1006 GF/MHTIA	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	1.06	1.06	1.06	1.06	1.06	1.06

POSITIONS:

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

Estimate of current year (FY94) impact: 0

ANALYSIS: (Attach a separate page if necessary.) PLEASE SEE ATTACHED FOR FISCAL DOCUMENTATION:

Prepared by: Joseph L. Swanson, Director
Division: Division of Elections

Phone: 465-4611
Date: APRIL 7, 1994

Approved by Commissioner: John B. Coghill, Lieutenant Governor

Agency: Office of the Governor Date: APRIL 7, 1994

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE
For further distribution information call the Governor's Legislative Office

COST FOR BY-MAIL ELECTIONS FOR SB372

The following is a cost estimate for a by-mail local option election in unincorporated areas. Cost estimates are based on 100 voters, as we order ballots in pads of 25 and allowing for additional registration.

Personnel:	Estimated Cost:
Absentee Voting Official available in the city 15 days before the election. (Flat fee of \$50.00 for each city)	Total \$50.00
1 hour for person to post 40/10 Posters (Total \$8.00 Per Hour)	Total \$40.00
District Absentee Review Board... 1 City	Total \$40.00
State Review Board (four board members) \$12.50 Per Hour	Total \$50.00
Total Cost for Personnel:	<u>Total \$180.00</u>
Outreach/Advertising:	Estimated Cost:
2 - 40/10 Posters per city (Approx. \$2.00 per poster)	Total \$ 4.00
Printing Advance Flyer (approx. 100 voters) (.15 a copy x 100)	Total \$15.00
Newspaper, radio or RATNET advertisement (Newspaper Display Ad is 4" x 4" at \$112.00 ea.)	Total \$560.00
General Instructions to voters to be included with the ballot. (Based on 100 card at \$1.00 ea.)	Total \$100.00
Total Cost for Advertising:	<u>Total \$679.00</u>

Cost for by-mail elections

Ballots:

Ballots for all registered voters (Ballots ordered in pad of 25, 100 at \$.74 ea)	Total \$74.00
Ballots for each regional offices to act as absentee voting officials. 25 ballots for each election, which can be distributed, 5 to each area. (\$.74 x 25)	Total \$18.50
Sample ballots for all elections (Approx. 25 at \$1.00 ea)	Total- \$25.00
Total cost for ballots:	<u>Total \$117.50</u>

Postage:

Postage for mailing Advance Flyer (mail first class, \$.29 x 100) or to number of registered voters at time sent	Total \$29.00
Mailing ballots to all registered voters, (based on 500 x \$.29) Mailed first class	Total \$29.00
Shipping charged for sending ballots and materia's to the city. (Alaska Airlines Goldstreak) \$25.00 a box	Total \$ 25.00
Total Cost for Postage/shipping	<u>Total \$83.00</u>
Grand Total	\$1059.50 or \$1.06

OFFICE OF THE GOVERNOR

DIVISION OF ELECTIONS
P.O. BOX AF
JUNEAU, ALASKA 99811-0105
PHONE (907) 465-4611

Position Statement
SB 372

The division of elections supports this bill. The bill consolidates and clarifies language relating to liquor option elections conducted by this division. We believe it makes the language more understandable both to those who are conducting the election and to the voters. The bill also places some reasonable limitations, discussed below, on the number of elections that may be conducted in each place on the same question.

Section 16 contains a description of the question and other information which would be placed on a ballot, depending on the option being voted upon. This language combines the various liquor options into one section of Title 4 compared to the current four sections. The division of elections believes this makes the election process more understandable to everyone.

Further, subsection (d) requires some clarifying language to include on the ballot which, we believe, will make the question more understandable to the voter. The division of elections likely would ask the Alcohol Beverage Control Board to supply the appropriate explanations of the authority of specified licensees to sell alcoholic beverages. This language should be readable and understandable to lay persons.

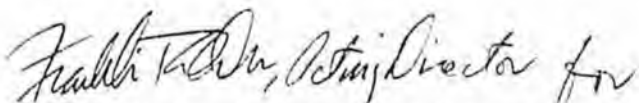
Section 17 contains a descriptions of the question, which would be placed on the ballot, if the issue is the change or removal of current local liquor options. This language should help make it clear to the voters what the issue is before them. The division supports this language.

Section 23 provides that the lieutenant governor shall conduct


Mr. Joseph L. Swanson, Director
April 11, 1994
Page 2

elections under Title 15 if a petition is signed by 35% or more of the registered voters in an established village. The division of elections particularly supports the language in subsection (f) which clarifies that elections cannot be held more than once in a 12-month period either to remove or reduce an existing option. Also, an election will not be held until an option has been in force for 12 months. This language will prevent numerous elections in one place where the voters are relatively evenly divided on the issue.

The bill also contains language requiring the lieutenant governor to notify the Alcoholic Beverage Control Board of the results of an election in which the voters vote to prohibit, change, or remove a local option. This language makes a lot of sense, since the Board must take licensing actions to enforce the voter's decisions.



Joseph L. Swanson, Director



Date

FISCAL NOTE

STATE OF ALASKA
1994 LEGISLATIVE SESSION

BILL NO. SB 372

Revision Date: _____ Dept. Affected: Revenue
 Title: Alcoholic Beverages: Local Option and Miscellaneous BRU: Alcoholic Beverage Control Board
 Component: _____
 Sponsor: Senate Judiciary by Request
 Requestor: Senate Community & Regional Affairs Committee COMPONENT SERIAL NO. 0100

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY95	FY96	FY97	FY98	FY99	FY00
PERSONAL SERVICES	0.0	0.0	0.0	0.0	0.0	0.0
TRAVEL	0.0	0.0	0.0	0.0	0.0	0.0
CONTRACTUAL	0.0	0.0	0.0	0.0	0.0	0.0
SUPPLIES	0.0	0.0	0.0	0.0	0.0	0.0
EQUIPMENT	0.0	0.0	0.0	0.0	0.0	0.0
LAND & STRUCTURES	0.0	0.0	0.0	0.0	0.0	0.0
GRANTS, CLAIMS	0.0	0.0	0.0	0.0	0.0	0.0
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL	0.0	0.0	0.0	0.0	0.0	0.0
----------------	------------	------------	------------	------------	------------	------------

REVENUE FUND SOURCE: *1005	0.0	0.0	0.0	0.0	0.0	0.0
-----------------------------------	------------	------------	------------	------------	------------	------------

FUNDING: (Thousands of Dollars)

1002 Federal Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1003 GF Match						
1004 GF						
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1006 GF/MHTIA						
Other						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

FULL-TIME	0.0	0.0	0.0	0.0	0.0	0.0
PART-TIME	0.0	0.0	0.0	0.0	0.0	0.0
TEMPORARY	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of current year (FY94) impact: \$ 0.0

ANALYSIS: (Attach a separate page if necessary.)

*Possible revenue increase from penalties under AS 04.11.270(b)(2) for late filing of renewal applications.

Prepared by: Director, Patrick L. Sharrock *[Signature]* Phone: (907) 277-8638
 Division: Alcoholic Beverage Control Board Date: March 31, 1994
 Approved by Commissioner: Darrel J. Rexwinkel *[Signature]* Date: _____
 Agency: Department of Revenue

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE
 For further distribution information call the Governor's Legislative Office



Alaska State Legislature

SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

Senator Randy Phillips, Chair
Senator Robin Taylor, Vice Chair
Senator Loren Leman
Senator Al Adams
Senator Fred Zurloff

SESSION:
State Capitol
Juneau, Ak 99801-1182
(907) 465-4989

INTERIM:
P. O. Box 142
Eagle River, Ak 99577
(907) 694-4949

AGENDA

April 12, 1994
9:00 AM

Butrovich Room
Room 205

1. Call to Order (time and members present)
2. SB 372 - Alcoholic Beverages: Local Option & Misc.
 - (a) Sponsor - Senate Judiciary Committee By Request
 - (b) Teresa Williams - Dept of Law - On Teleconference from Anchorage LIO needs to testify first due to court appearance.
 - (c) Patrick L. Sharrock - Director, Alcohol Beverage Control Board
3. Adjourn

A M E N D M E N T

OFFERED IN THE SENATE

TO: SB 372

Page 11, after line 30:

Insert new bill sections to read:

"* Sec. 15. AS 04.11.400(g) is amended to read:

(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 (a) of this section 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.

* Sec. 16. AS 04.11.400(j) is amended to read:

(j) The board shall [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 unless [IF] the board finds that issuance or transfer of the license is not in the public interest [NECESSARY FOR THE PUBLIC CONVENIENCE]."

Renumber the following bill sections accordingly.

Page 28, line 31, after "AS 04.11.190":

Insert "04.11.4 (h),"



ALASKA STATE LEGISLATURE
 HOUSE OF REPRESENTATIVES
 RESEARCH AGENCY

Pouch Y. State Capitol
 Juneau, Alaska 99811
 (907) 465-1991

February 27, 1985

MEMORANDUM

TO: Representative Roger Jenkins
 ATTN: Snirley Armstrong
 FROM: Rob Waldman, Legislative Analyst
 RE: Liquor Licensing Requirements in Five Western States
 Legislative Request 85-193

You requested that this agency provide you with the following information for California, Idaho, Montana, Oregon, and Washington:

- the state population requirements for granting alcoholic beverage licenses;
- the number of liquor licenses per capita (ratio of population to number of licenses); and
- classes of licenses in these states.

A discussion of the licensing requirements and procedures of each state follows the summary table below. Data on Alaska has been included for comparison purposes.

State	Full Service		Beer/Wine		TOTAL NUMBER OF LICENSES	Actual Population Per License
	Number of Licenses	Population to License	Number of Licenses	Population to License		
Alaska	1,314	1,500:1	285	1,500:1	1,599	313
California		2,000:1		no limit	70,000	314
Idaho	808	1,500:1	4,400	no limit	5,208	192
Oregon	1,350	2,000:1	4,400	no limit	5,350	495
Montana	1,426	variable	518	variable	1,944	414
Washington	2,580	1,500:1	6,000	no limit	8,580	504

7206 0110

Representative Jenkins
February 27, 1985
Page Two

CALIFORNIA

Jay Stroh, Director of the Alcoholic Beverage Control Department (ABC) provided the following data:

In California, retail licensing of alcoholic beverages is dependent upon two factors: the type of beverage sold, and the location of consumption. Beverages are defined as beer, wine and hard liquor (spirits). Full service is the term used to refer to the combined sale of hard liquor, beer and wine. Consumption of an alcoholic beverage can be: on-premises, termed on-sale; off-premises, termed off-sale; and a combination of both, termed on and off-sale. The seven classes of retail licenses are:

- off-sale full service
- on-sale full service
- on-sale club
- on-sale beer
- on-sale beer and wine
- off-sale beer
- off-sale wine

On-Sale Full Service

On-sale full service is offered at bonafide restaurants, bars and night-clubs.¹ The state maintains a population quota system which regulates the number of licenses available by county. The population to license ratio for on-sale full service establishments is 2,000:1.²

New Licenses are purchased through a county lottery system in which each applicant deposits \$6,000. If an applicant wins, the \$6,000 is used as the license fee. All other applicants are charged a \$50 lottery fee and \$5,950 is returned. A new license holder cannot sell a license for two years, and then, for no more than \$6,000. After 5 years, the owner can sell the license for the market value.

¹Bonafide restaurants must serve full hot meals, not limited to hamburgers, sandwiches, soups or salads.

²The population to license ratio was set at 1,000:1 in 1955. Due to pressure from church groups and the liquor industry, the ratio was raised. Church groups intended to limit consumption, and the liquor industry wanted to limit competition. Existing licenses were grandfathered, but no new licenses were issued until the population showed a sufficient increase.

Representative Jenkins
February 27, 1985
Page Three

The club license is the one exception to the on-sale full service population quota. Full service licenses are issued to all private fraternal clubs which meet California requirements for eligibility. Sale and consumption is strictly limited to members of the organization. Organizations receiving club licenses are subject to the license sale restrictions affecting other full service establishments.

On-Sale Beer and Wine

California has no limit on the number of licenses issued to establishments selling beer and wine for consumption on the premises. Annual license fees are \$200 for beer and \$300 for beer and wine. At the request of municipalities, the ABC will restrict issuance of licenses in areas in which crime levels are 20 percent above normal or in which specific ordinances restricting sale and consumption are in effect, such as within the proximity of a church or school.

Off-Sale Full Service

Off-sale full service may be offered at liquor stores, supermarkets, and small businesses such as gas stations which have minimum food inventories of \$5,000. A population quota system is in effect; the population to license ratio is 2,500:1. The number of on-sale licenses within a county has no effect upon the number of off-sale licenses issued. Retail outlets in business prior to 1955 received licenses through the grandfather clause. New licenses are sold through a lottery system and cannot be issued until the number of old licenses balance with the population (as with on-sale licensing). Restrictions on the sale of licenses are the same as for on-sale.

Off-Sale Beer and Wine

Off-sale beer and wine license numbers are not limited by population quotas and are sold to all retailers who apply. The only restrictions are those which apply to on-sale beer and wine licenses. Annual license fees are \$100 for each class.

Statistics

The ABC was able to provide the total number of liquor licenses in California, 70,000. This figure includes wholesale distributors, wineries, distilleries, breweries, and retail sales. However, they consider the number of wholesale licenses to be only a small fraction and insignificant with respect to the number of retail licenses. Based on a population of 22,000,000, the actual population to license ratio is 314:1.

IDAHO

Barbara Gwartney, Administrator of the Alcohol Beverage Control, Department of Law Enforcement (ABC), provided the following:

For the purpose of liquor licensing, Idaho distinguishes between the type of alcoholic beverage sold (hard liquor, beer and wine), but not the location of consumption. In other words, all classes of licenses allow sales of alcoholic beverages for both on and off-premises consumption.

Full Service

Full service licenses are issued to bars, hotels and restaurants. Idaho issues no more than one license for each 1,500 people in each incorporated municipality.

Special full service licenses which are not subject to the 1,500:1 quota system are:

- golf courses which occupy 40 or more acres and have at least 9 holes;
- ski resorts which have overnight facilities for 100 persons, occupy at least 10 acres, are regularly operated and have a bonafide chairlift;
- lake resorts which have at least 200 feet of lake frontage and accommodate 50 persons overnight;
- equestrian facilities which seat at least 6,000 persons and are bonafide rodeo grounds;
- convention centers which have at least 120 sleeping rooms, one meeting room for 350 persons and total floor space of 3,000 square feet. In addition, there must not be any other convention centers in the community with a liquor license supplied under this class; and
- fraternal clubs which are operated in at least 36 states, have been in existence for 20 years, have 50 or more members, are non-profit, have permanent club quarters, and members pay annual dues of at least \$6.

To purchase a license (full service or special), an applicant must submit the license fee as a deposit. As licenses become available, the state sells them according to the order of application. When a full service license is sold, the state must receive 10 percent of the purchase price.

Beer and Wine

These classes of licenses are not subject to population quotas. They are provided to all businesses that apply. When a license is sold, the state must receive a \$20 fee for transferring the title.

Statistics

The following table presents license fee, number of licenses issued, and population to license ratio for all license classes. Ratios are based upon a current state population of 1,000,000.

<u>Class of License</u>	<u>Population Requirement</u>	<u>Annual Fee</u>	<u>Number of Licenses</u>	<u>Population/License Ratio</u>
Full Service	<1,000	\$750		
(includes special licenses)	1,000-3,000	500	808	1,238:1
	>3,000	300		
Beer	N/A	50	3,500	286:1
Wine	N/A	100	<u>900</u>	<u>1,111:1</u>
Total			5,208	192:1

OREGON

Charles Kurtz, Assistant Director of Licenses-Liquor Control Commission (LCC), provided the following information:

Full Service Licenses

In Oregon, retail licensing is dependent upon the type of alcoholic beverage sold (hard liquor--full service, beer and wine), but not on the location of consumption. Seven classes of licenses are issued, and only full service licenses are regulated by population.

Full Service

Class A licenses--for full service at bars, clubs, restaurants and hotels--is regulated by a 2,000:1 population to license ratio. This ratio was adopted in 1951. Prior to that date, no sale and consumption of alcohol by the glass was permitted in Oregon. According to LCC, the 2,000:1 ratio may be too low because currently, many establishments are going out of business due to competition.

Representative Jenkins
February 27, 1985
Page Six

Licenses are not considered to be personal property and cannot be sold. They are transferred with the establishment, and the LCC reviews all sales to determine if the selling prices exceed the fair market values of the businesses involved. At the present time, the LCC is not issuing any new licenses; licenses have been returned during the past year.

Special full service licenses which are not subject to the 2,000:1 ratio are:

- Class B--full service at restaurants without lounges; and
- Class C--private clubs, full service for members only.

Beer and Wine Licenses

A population quota system is not utilized for licensing the sale of beer and wine in Oregon. Licenses can be purchased by all applicants. Three classes of licenses are issued:

- Restaurants--must serve full meals, and can offer for sale fortified wines;
- Taverns--must serve hamburgers, sandwiches, soups or salads; and
- Public carriers--can sell beer and wine only for on-premises consumption.

Statistics

The following table presents annual fees, number of licenses, and population to license ratio for each license class. The ratios are based upon a current state population of 2,650,000.

<u>Class of Licenses</u>	<u>Annual Fee</u>	<u>Number of Licenses</u>	<u>Population/ License Ratio</u>
A	\$400		
B	100-300	1,350	1,963:1
C	300		
Restaurant (beer/wine)	200		
Tavern (beer/wine)	200	4,000	663:1
Public Carrier (beer/wine)	200		
Total		5,350	495:1

MONTANA

Erma Paul, Assistant Director of the Liquor Division, Department of Revenue, provided the following information:

A population quota system based on a variable ratio (500:1 to 2,000:1) for municipalities is utilized for both full service and for beer and wine sales. Five classes of service are regulated:

- full service on-premises consumption;
- beer on-premises consumption;
- beer and wine on-premises consumption;
- full service off-premises consumption; and
- beer and wine off-premises consumption.

Full Service On Premise

The following table presents the number of full service licenses which are issued by community size. Community population refers to all persons living within five miles of a municipality.

<u>City Population</u>	<u>Number</u>
500 or less	2 retail
500 - 3,000	3 retail for first 1,000 population 1 retail for each additional 1,000
more than 3,000	5 retail for first 3,000 population 1 retail for each additional 1,500
Outside cities-- (beyond 5 miles)	1 retail for every 750 population

Special exceptions to the variable quota system are:

- Resorts which must meet code, be bonafide resorts, have value in excess of \$500,000 and be owned by only one individual or corporation.
- Airports operated by the municipality.
- Golf courses operated by the municipality.

Beer and Wine On Premise

The following table presents the number of licenses issued by community size.

<u>City Population</u>	<u>Number</u>
500 or less	1 retail
500 - 2,000	1 retail for each 500 population
more than 2,000	4 retail for first 2,000 population

Full Service Off-Premises

All liquor sold for off-premises consumption is distributed through state liquor stores.

Beer and Wine Off-Premises

Beer and wine can be sold at grocery stores providing there is a minimum food inventory of \$3,000.

Statistics

The following table presents fees, numbers of licenses and actual population to license ratio for each class. Ratios are based on a current population of 304,000.

<u>Class</u>	<u>Fee</u>	<u>Number</u>	<u>Ratio</u>
Full Service on Premises	\$20,000	1,416	569:1
Special Service Full Service	20,000	10	
Beer on and off Premises	400	280	2,871:1
Beer and Wine on and off Premises	400	<u>238</u>	3,378:1
Total		1,944	414:1

WASHINGTON

Chuck Dalrymple, Assistant Supervisor of Licensing-Liquor Control Board (LCB), provided the following information.

In Washington, the LCB distinguishes between alcoholic beverage types, and the place of consumption. A population quota system is utilized only for licensing full service on premises retailers. Prior to 1948, it was not possible to get a drink by the glass. The population to license ratio adopted represents a compromise between factions composed of conservative church groups and the liquor industry, and liberal elements in western Washington, particularly in the Seattle and Tacoma area. The concept of the population to license ratio was originally borrowed from the Canadian provincial governments.

Full Service On Premises

Class H licenses allow the holder to provide full service at restaurants, hotels, clubs and convention centers in which the sale of food amounts to 40 percent of all sales, and where food is considered to be other than hamburgers, sandwiches, soups and salads. It is based upon a county population to license ratio of 1,500:1

Special full service licenses which are not subject to the quota system are Class H club licenses, which provide full service at bonafide fraternal clubs.

Full Service Off Premises

All full service sales for off premises consumption are through state liquor stores.

Beer and Wine on Premise

No quota system is utilized for licensing the sale of beer and wine for on or off-premise consumption. There are five classes of licenses issued:

- Class B for sale of beer on-premises
- Class C for sale of wine on-premises
- Class E for sale of beer off-premises
- Class F for sale of wine off-premises
- Combination of E and F for sale of both beer and wine off-premises

Representative Jenkins
February 27, 1985
Page Ten

Statistics

The following table presents annual fees, number of licenses, and actual population to license ratio for each class. Ratios are based on a current population of 4,328,000.

<u>Class</u>	<u>Annual Fees</u>	<u>Population Limits</u>	<u>Number of Licenses</u>	<u>Population/ License Ratio</u>
H	\$2,000 \$1,200	>20,000 <20,000	2,200	1,967:1
H-Club	Same as H		380	11,389:1
B	\$600 \$300	>20,000 <20,000	1,000	4,328:1
C	Same as B			
B and C	\$1,200 \$600	>20,000 <20,000	1,700	2,546:1
E	\$ 75			
F	\$ 75		3,300	1,312:1
E and F	\$150			
Total			8,580	504:1

I hope you find this information useful. If you need additional information, please call.

RW

Alaska State Legislature

Senator Al Adams



Official Business

WHILE IN SESSION
State Capitol
Juneau, Alaska 99801-1182
(907) 465-3707
Fax 463-4867

OUT OF SESSION
P.O. Box 353
Kotzebue, Alaska 99752
(907) 442-3245

August 6, 1993

Charles E. Cole
Attorney General
Box 110300
Juneau, Alaska 99811-0300

Dear Charlie:

I am writing to generate your interest in a problem dealing with local option statutes. My awareness of the problem stems from complications the City of St. Mary's has encountered during the past 6 months with applying existing statutes to local option election procedures. Although several departments need to be involved, I am hoping that your department will take the lead on developing legislation to correct the problem.

The City of St. Mary's made concerted efforts to correctly respond to local option petitions. The city's administrator worked with the Department of Community and Regional Affairs, the Alcohol Beverage Control Board, and members of your staff. Despite these efforts, and in large part due to clumsily written statutes, the city has repeatedly run into legal challenges that it might well lose.

In order to prevent reoccurrence of this dilemma for other cities who are certainly going to encounter the same problem, a group of people need to sit down and figure out exactly what the problems are and how to solve them. It appears these discussions should include the departments that the City of St. Mary's already tried to work with as well as the Division of Elections.

Please let me know if you are willing to take on this responsibility. I know the Northwest Arctic Borough earlier tried to elicit your interest in this problem and apparently has not heard from you. Thank you for your time and energy on this matter.

Sincerely,

Senator Al Adams

WALTER J. HICKEL, GOVERNOR

DEPARTMENT OF REVENUE550 W. 7TH AVE
ANCHORAGE, ALASKA 99501-6698

ALCOHOLIC BEVERAGE CONTROL BOARD

March 24, 1994

The Honorable Robin Taylor
Alaska State Legislature
State Capitol, Room 30
Juneau AK 99801-1182

Re: Legislation proposed by the Alcoholic Beverage Control Board

Dear Senator Taylor:

During my phone discussion last Tuesday with Joe Ambrose, I told him I would send the enclosed sectional analysis of the local option legislation proposed by the ABC Board. Primarily, the bill does two things:

- 1 - rewrites the alcohol local option law. Current law providing for local option questions has been confusing for several villages and small communities. The bill is supported by the Division of Elections and the Department of Community and Regional Affairs. There is also a letter attached from Senator Al Adams who expressed concern about problems with current law.
- 2 - makes some long-needed technical and corrective amendments that appear in Sections 1-4, 6, 12, 25, 26, 42, 43 and 44.

A similar attempt to change the law was contained in legislation (SB 297) introduced by former Senator John Binkley in the Sixteenth Legislature.

Thank you very much for your consideration of this legislation. I will be happy to provide testimony or information at any time.

Sincerely,



Patrick L. Sharrock
Director
(907) 277-8638

PLS/akj
94-062
enclosures

SC&RA 9am 4/12
TESTIMONY

Analysis of SB 372

Teresa Williams - 269-5203 1031 W 4TH #200 99501
Department of Law

This bill repeals the current local option provisions, AS 04.11.490 - 04.11.506 and replaces them with provisions which have been reorganized and simplified. Section 14 outlines all of the local options available. Section 15 allows the community to change from one local option to another; section 16 allows the community to remove the local option. Implementation of the particular prohibitions and restrictions allowed as local options is set out in sections 17 - 21. In sections 22 - 23, procedures for local option elections and notice provisions are established. A section-by-section analysis of the bill follows:

Sec. 1. AS 04.11.010(b) has been conformed to the new local option provisions and the language has been simplified. Additionally, package store licensees who ship alcohol into local option areas are specifically prohibited from soliciting in the area or receiving orders through an agent or employee in the area.

Sec. 2. AS 04.11.010(c) has been conformed to the new local option provisions. Because malt beverages are still sold in the United States Customary System of measurement, the quantity measurement has been converted to that system for ease of use.

Sec. 3. The requirement that military personnel be in uniform in order to be served on special occasions as nonmembers in certain clubs has been deleted from AS 04.11.110(d) in recognition of current military dress practice.

Sec. 4. AS 04.11.150(a) has been repealed and reenacted to simplify the language. The quantity limits have been conformed to those in AS 04.11.010(c) and AS 04.16.200(e). A licensee will be required to provide advance and biennial notice if engaged in shipping alcoholic beverages in response to a written order. Licensees are precluded from shipping alcoholic beverages to persons other than the purchaser.

Sec. 5. AS 04.11.150(h) has been repealed and reenacted to reorganize it. It has been conformed to the new local option provisions. Also, package stores are prohibited from shipping alcoholic beverages containing more than 75 percent (150 proof) alcohol by volume.

Sec. 6. The penalty for late filing of the renewal application has been raised to \$500. This section should be read in conjunction with sec. 24, that allows continued operation of the license until February 28 after the biennial period.

Secs. 7 - 10. Language governing board denials of applications has been conformed to the new local option provisions. References to community liquor licenses are deleted. Municipal liquor licenses are addressed in secs. 21 and 51.

Sec. 11. A new provision is added that states the inherent authority of the board, in the best interests of the public, to impose conditions or restrictions on a license or permit.

Sec. 12. AS 04.11.400(a) has been conformed to the new local option provisions. Additionally, the subsection has been broken down into subparagraphs for clarity and nonessential language has been removed.

Sec. 13. Inconsistency in terminology between AS 04.11.480(a) and AS 04.11.340 has been corrected. Also, AS 04.11.480(a) has been amended to retain a local governing body's power to annually review and protest the operation of a liquor license. This power was altered from annual to biennial under the biennial renewal bill passed last session.

Sec. 14. AS 04.11.491 provides a "shopping list" of all the options which are available within a municipality and within an established village. The only material changes to existing options are 1) to allow for a municipal restaurant or eating place license (beer and wine only); 2) to limit the types of licenses that could be available if a community opts to restrict licenses; and 3) to allow communities to opt for sales under a permit issued under AS 04.11.230 by a beverage dispensary licensee who operates a premises outside of the area. Additionally, if the community has placed restrictions on sale, but allows importation, it may designate a delivery site under this section.

The local community is given more flexibility in drafting the wording of the ballot question. When a local option is proposed that will restrict but not prohibit the sale of alcohol, an explanation is required of the authority to sell alcoholic beverages under the allowed types of licenses. Local options adopted by a municipality will continue in effect in the area after the dissolution of the municipality under AS 29.06.450(a) or (b).

Sec. 15. AS 04.11.493 is a new provision that makes it much easier for a community to change from one local option to another.

Sec. 16. AS 04.11.495 is a simplified version of existing AS 04.11.504, establishing procedures for the removal of a local option.

Sec. 17. AS 04.11.497 addresses the prohibition on sale contained in several of the local options; it is a simplified version of AS 04.11.490.

Sec. 18. AS 04.11.499 addresses the prohibition on importation contained in several of the local options; it is a simplified version of existing AS 04.11.496. AS 04.11.499 will be applied in conjunction with the prohibition on sale addressed in sec. 17.

Sec. 19. AS 04.11.501 addresses the prohibition on possession; it is a simplified version of existing AS 04.11.498. AS 04.11.501 will be applied in conjunction with the prohibition on sale addressed in sec. 17 and the prohibition on importation addressed in sec. 18.

Sec. 20. AS 04.11.503 addresses a restriction to certain types of licensees and permit holders; it is a simplified version of existing AS 04.11.500.

Sec. 21. AS 04.11.505 addresses a restriction to certain types of licenses operated by a municipality; it is a simplified version of existing AS 04.11.190 and 04.11.492(b).

Sec. 22. AS 04.11.507 establishes the procedures for local option elections; it is taken from existing AS 04.11.502.

Sec. 23. AS 04.11.509 establishes notice requirements for election results; it is taken from existing AS 04.11.504.

Sec. 24. In conjunction with sec. 6, this section allows licenses that are not renewed by December 31 of the biennial period to be operated until the following February 28. This amendment is proposed because of uneven enforcement of the present requirement that the premises close on December 31. Some law enforcement agencies are unwilling to enforce the requirement, especially due to other demands on New Year's Eve. Other changes are made to make the section consistent with sec. 25 and biennial renewal.

Sec. 25. This section provides for biennial renewal of seasonal licenses (presently known as half-yearly licenses), to allow the renewals to be handled in the same manner as all other licenses.

Sec. 26 - 27. AS 04.16.125 has been conformed to the new local option provisions. Additionally, the invoice on the outside of a shipping container is required to show the quantity, as well as purchase value, of the alcohol to allow enforcement of AS 04.11.010 and 04.11.150(h). Transportation to a licensee in the area and transportation of not more than one gallon of malt beverages are added to the exemptions from the labeling requirements.

Secs. 28 - 32. Language governing criminal sanctions for violations of AS 04.11.010 has been conformed to the new local option provisions.

Sec. 33. The "governing body" which is to direct community work service in an established village is not presently defined. In the May 29, 1986 bill review by the Attorney General's Office of the existing language, the lack of a definition was noted and the proposed language suggested. A body traditionally performing public functions for the community could include the entity designated to receive and disburse revenue-sharing funds under AS 29.60.140 or the entity designated to administer Village Safe Water Facilities under AS 46.07.010, et seq.

Secs. 34 - 39. Language governing sanctions for violation of a ban on possession has been conformed to the new local option provisions.

Sec. 40. AS 04.21.010 addressing municipal regulation has been conformed to the new local option provisions. Additionally, municipalities are given the authority to adopt ordinances limiting the monthly amount a person can import.

Secs. 41 - 42. Language has been conformed to the new local option provisions.

Sec. 43. The perimeter of an established village had not been defined in the existing statutes, although the various local option prohibitions apply within the perimeter. This definition provides that the perimeter can be no larger than 10 miles in diameter and requires the perimeter to be clearly designated on a map.

Secs. 44 - 49. Language has been conformed to the new local option provisions.

Sec. 50. This section sets out the repealed provisions, which are all of the existing local option laws at AS 04.11.490 - 04.11.506 and 04.11.510(d) and the community license designation under AS 04.11.190.

Sec. 51. Local options adopted under existing and prior local option laws are continued in effect.

Sec. 52. Community liquor licenses are converted to their appropriate counterpart.

Sec. 53. The effective date is set for July 1, 1994 in order to provide a definite date for implementation by municipalities and established villages and enforcement by law enforcement officers.

SECTION ANALYSIS - PROPOSED LEGISLATION
ALCOHOL LOCAL OPTION & OTHER TECHNICAL AMENDMENTS

Section 1. AS 04.11.010(b) would be amended to conform to the new local option provisions of this bill, and the language has been simplified. Additionally, package store licensees who ship alcohol into local option areas are specifically prohibited from soliciting in the area or receiving orders through an agent or employee in that area.

Section 2. AS 04.11.010(c) would be amended to conform to the new local option provisions of this bill. Because malt beverages are still sold in the United States Customary System of measurement, the measurement of quantity would be converted to that system for ease of use.

Section 3. AS 04.11.110(d) would be amended to delete the requirement that military personnel be in uniform in order to be served on special occasions as nonmembers in certain clubs in recognition of current military dress practice.

Section 4. AS 04.11.150(a) would be repealed and reenacted to simplify the language. The quantity limits for alcoholic beverages would be modified to conform to those in AS 04.11.010(c) and AS 04.16.200(e). A licensee would be required to provide advance and biennial notice if engaged in shipping alcoholic beverages in response to a written order. Licensees would be precluded from shipping alcoholic beverages to persons other than the purchaser.

Section 5. AS 04.11.150(h) would be repealed and reenacted to conform to the new

local option provisions of this bill. Also, this section would prohibit package stores from shipping alcoholic beverages containing more than 75 percent (150 proof) alcohol by volume.

Section 6. AS 04.11.270(b) would be amended to raise the penalty for late filing of the renewal application to \$500. This section should be read in conjunction with sec. 25, that allows continued operation of the license until February 28 after the biennial period for licensure.

Section 7 - 10. AS 04.11.320, 04.11.330(a), 04.11.340, and 04.11.360 would be amended to conform to language governing board denials of application to the new local option provisions. These provisions also delete any references to community liquor licenses. Municipal liquor licenses are addressed in secs. 22 and 52.

Section 11. This section amends AS 04.11.370 to clarify and make necessary revisions to provisions for suspension and revocation of licenses to conform to other changes in the bill.

Section 12. This section adds a new provision that states the inherent authority of the board, in the best interests of the public, to impose conditions or restrictions on a license or permit.

has placed restrictions on sale, but allows importation, that community may designate a delivery site under this section.

Section 16. AS 04.11.493 would be a new section to make it much easier for a community to change from one local option to another.

Section 17. AS 04.11.495 is a simplified version of existing AS 04.11.504, which establishes the procedures for the removal of a local option.

Section 18. AS 04.11.497 addresses the prohibition on sale contained in several of the local options. Also, this section is a simplified version of existing AS 04.11.490.

Section 19. AS 04.11.499 addresses the prohibition on importation of alcoholic beverages contained in several of the local options. Also, this section is a simplified version of existing AS 04.11.496. AS 04.11.499 would be applied in conjunction with the prohibition on sale addressed in sec. 18.

Section 20. AS 04.11.501 addresses the prohibition on possession of an alcoholic beverage. Also, this section simplifies existing AS 04.11.498. AS 04.11.501 would be applied in conjunction with the prohibition on sale addressed in sec. 18 and the prohibition on importation addressed in sec. 19.

Section 13. AS 04.11.400(a) would be amended to conform to the new local option provisions and to simplify language.

Section 14. This section corrects an inconsistency in terminology between AS 04.11.480(a) and AS 04.11.340. Also, AS 04.11.480(a) would be amended to retain a local governing body's power to annually review and protest the operation of a liquor license. This power was altered from annual to biennial under the biennial renewal bill passed last session.

Section 15. AS 04.11.491 would be added to provide a "shopping list" of all the options which are available within a municipality and within an established village. The only material changes in the section to existing options would be 1) to allow for a municipal restaurant or eating place license (beer and wine only); 2) to limit the types of licenses that could be available if a community opts to restrict licenses; and 3) to allow communities to opt for sales under a permit issued under AS 04.11.230 by a beverage dispensary licensee who operates a premises outside of the area. This section gives the local community more flexibility in drafting the wording of the ballot question. Also, when a local option is proposed that will restrict but not prohibit the sale of alcohol, this section would require an explanation of the authority to sell alcoholic beverages under the allowed types of licenses. This section also would allow local options adopted by a municipality to continue in effect in the area after the dissolution of the municipality under AS 29.06.450(a) or (b). Finally, if the community

Section 21. AS 04.11.503 addresses a restriction to certain types of licensees and permit holders. This section is a simplified version of existing AS 04.11.500.

Section 22. AS 04.11.505 addresses a restriction to certain types of licenses operated by a municipality. This section simplifies existing AS 04.11.190 and 04.11.492(b).

Section 23. AS 04.11.507 establishes the procedures for local option elections. This section simplifies existing AS 04.11.502.

Section 24. AS 04.11.509 establishes notice requirements for election results. This section simplifies existing AS 04.11.504.

Section 25. In conjunction with sec. 6 of this bill, this section allows licenses that are not renewed by December 31 of the biennial period to be operated until the following February 28. This amendment is proposed because of uneven enforcement of the present requirement that the premises close on December 31. Some law enforcement agencies are unwilling to enforce the requirement, especially due to other demands on New Year's Eve. Other changes are made to make the section consistent with sec. 26 of this bill and biennial renewal of existing statutes.

Section 26. This section provides for biennial renewal of seasonal licenses (presently known as half-yearly licenses), to allow the renewals to be handled in the same

manner as all other licenses.

Sections 27 and 28. AS 04.16.125 would be amended to conform to the new local option provisions of this bill. Additionally, the invoice on the outside of a shipping container would be required to show the quantity, as well as purchase value, of the alcohol to allow enforcement of AS 04.11.010 and 04.11.150(h). Under this section, transportation to a licensee in the area and transportation of not more than one gallon of malt beverages would be added to the exemptions from the labeling requirements.

Sections 29 - 33. These sections conform language governing criminal sanctions for violations of AS 04.11.010 to the new local option provisions.

Section 34. The "governing body" which is to direct community work service in an established village is not defined in existing statutes. This section would recognize that a local governing body traditionally performing public functions for the community could serve in this role.

Sections 35 - 40. These sections conform language governing sanctions for violation of a ban on possession to the new local option provisions of this bill.

Section 41. AS 04.21.010 would address municipal regulation to conform to the new local option provisions. Additionally, this section would give municipalities the

authority to adopt ordinances limiting the monthly amount of alcoholic beverages that a person can import.

Sections 42 and 43. This section would amend existing AS 04.21.015 and 04.21.080 (b)(1) to conform to the new local option provisions of this bill. Additionally, this section clarifies the definition of alcoholic beverage concerning the intent required to meet that statutory definition.

Section 44. This section would modify the definition of an "established village" in Title 4. The perimeter of an established village had not been defined in the existing statutes, although the various local option prohibitions apply only within the perimeter of an established village. This section would provide that, in most instances, the perimeter can be no larger than 10 miles in diameter and requires the perimeter to be clearly designated on a map.

Sections 45 - 50. These sections would conform existing statutes to the new local option provisions of this bill.

Section 51. This section sets out the repealed provisions, which consist of all of the existing local option laws at AS 04.11.490 - 04.11.506 and 04.11.510(d) and the community license designation under AS 04.11.190.

Section 52. This section would preserve local options adopted under existing and prior local option laws before the effective date of the Act.

Section 53. This section would convert community liquor licenses to their appropriate counterpart established in this bill.

Section 54. This section would set the effective date for July 1, 1994 in order to provide a definite date for implementation by municipalities and established villages and enforcement by law enforcement officers.

**DIVISION OF LEGAL SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA**

COPY

*(907) 465-3867 or 465-2450
FAX (907) 465-2029
Mail Stop 3101*

*130 Seward Street, Suite 409
Juneau, Alaska 99801-2105*

MEMORANDUM

April 4, 1994

SUBJECT: Sectional Summary of SB 372.
TO: Senator Robin Taylor
FROM: Michael F. Ford
Legislative Counsel

You have requested a sectional summary of the above-described bill.

As a preliminary matter, note that a sectional summary of a bill should not be considered an authoritative interpretation of the bill and the bill itself is the best statement of its contents. If you would like an interpretation of the bill as it may apply to a particular set of circumstances, please advise.

Section 1. Prohibits a person from soliciting or receiving orders for delivery of an alcoholic beverage in local option areas. Allows a package store licensee who is located outside of certain option areas to receive orders for sales. Allows a package store located in certain local option areas to solicit or receive sales orders.

Section 2. Provides that possession of 12 gallons or more of malt beverages in a local option area where sale is restricted or prohibited creates a presumption that the alcohol was possessed for sale.

Section 3. Repeals a provision requiring that military personnel be in uniform in order to purchase alcohol in certain clubs.

Section 4. Technical amendment.

Section 5. Authorizes a package store licensee to sell alcoholic beverages to a person present on the premises or a person known to the licensee who makes a written solicitation. Imposes restrictions on liquor shipments, requires certain notice to the board, and requires certain health information be included in liquor shipments.

Section 6. Restricts liquor shipments to certain local option areas.

Section 7. Requires the director to give renewal notices to licensees whose licenses are expiring, requires the licensee to file a renewal application by January 1, and increases the penalty for late applications to \$500.

Section 8. Repeals provisions regarding denial of a new license in a municipality that has prohibited sale except by a municipal owned liquor store. Prohibits issuance of a new license or permit in certain cities or in an established village when certain local options are approved.

Section 9. Technical amendment.

Section 10. Repeals authority to deny relocation of a licensed premise when the relocation is to an area that has limited sales to community run licensees.

Section 11. Repeals authority to deny transfer of a licensed premise to another person when the relocation is to an area that has limited sales to community operated licensees.

Section 12. Amends the authority of the board to suspend or revoke a license or permit.

Section 13. Allows the board to impose conditions or restrictions on a license or permit.

Section 14. Amends provisions relating to population restrictions applicable to issuing or relocating a license.

Section 15. Authorizes local governments to impose restrictions on the sale, importation, or possession of alcoholic beverages through a local option election. Specifies the contents of the ballot question. Allows the municipality or established village to designate a delivery site for alcoholic beverages.

Section 16. Establishes a procedure for changing a local option.

Section 17. Establishes a procedure for removing a local option. Provides a priority for certain licensees for reissuing a license not renewed because of a local option election.

Section 18. Establishes the effect of a vote to prohibit the sale of alcoholic beverages. Provides for elimination of existing licenses.

Section 19. Establishes the effect of a vote to prohibit the importation of alcoholic beverages.

Section 20. Establishes the effect of a vote to prohibit the possession of alcoholic beverages. Provides for elimination of existing licenses.

Section 21. Establishes the effect of a vote to restrict the sale of alcoholic beverages. Provides for elimination of existing licenses that do not meet the restriction.

Section 22. Establishes the effect of a vote to prohibit the sale of alcoholic beverages, except on premises operated by the municipality. Provides for elimination of existing licenses that are not operated by the municipality.

Section 23. Establishes a procedure for adopting, changing, or removing a local option. Requires that notice of the results of the local option election be given.

Section 24. Provides for renewal and for specific expiration of a liquor license.

Section 25. Provides for issuance of a seasonal license.

Section 26. Prohibits a person from using a common carrier to transport liquor in an area with certain local option restrictions. Requires the shipping invoice to reflect the quantity and purchase value of specific beverages.

Section 27. Allows a person to transport certain quantities of liquor by common carrier and allows certain licensees to use a common carrier for transporting liquor into a local option area.

Section 28. Provides that a violation of AS 04.11.010 in an area that has adopted a local option is a class C felony.

Section 29. Technical amendment.

Section 30. Technical amendment.

Section 31. Technical amendment.

Section 32. Technical amendment.

Section 33. Allows community work to be performed at the direction of the body that has traditionally performed public functions on behalf of the entire community, when a local governing body does not exist.

Section 34. Technical amendment.

Section 35. Technical amendment.

Senator Robin Taylor

April 4, 1994

Page 4

Section 36. Provides that liquor or material and equipment used in selling liquor, in an area that has adopted a local option is subject to forfeiture.

Section 37. Technical amendment.

Section 38. Technical amendment.

Section 39. Technical amendment.

Section 40. Provides that an ordinance that limits the monthly amount of liquor that a person can import into the municipality is not inconsistent with AS 04.

Section 41. Allows a municipality that adopts a local option to make sale or importation of alcoholic beverages a misdemeanor.

Section 42. Technical amendment.

Section 43. Technical amendment.

Section 44. Provides that in a local option area, "alcoholic beverage" means certain liquids intended for human consumption by the person who possesses or attempts to possess it.

Section 45. Amends the definition of "established village".

Section 46. Technical amendment.

Section 47. Technical amendment.

Section 48. Technical amendment.

Section 49. Technical amendment.

Section 50. Technical amendment.

Section 51. Technical amendment.

Section 52. Technical amendment.

Section 53. Technical amendment.

Section 54. Repealers.

Section 55. Transition section for prior local options.

• Senator Robin Taylor
April 4, 1994
Page 5

Section 56. Transition for community liquor licenses.

Section 57. Effective date.

MFF:pl
94-278.plm

4/12/94

SB 372
Alcoholic Beverage Control Board

1. LOCAL OPTION

- | | |
|---------------|------------------------------|
| Sec 16, pg 12 | a. menu of options |
| Sec 17, pg 14 | b. change an option |
| Sec 17, pg 14 | c. remove an option |
| Sec 16, pg 14 | d. new |
| | 1 - delivery site - regs |
| | 2 - catering permit - option |

2. TECHNICAL AMENDMENTS

- | | | |
|---------------|------|---|
| Sec 1, pg 1 | New | a. package store may not solicit or receive orders through an agent in a local option area. |
| Sec 3, pg 2 | New | b. delete military uniforms in clubs - same as HB 504. |
| Sec 5, pg 2 | New | c. package store licensees can ship only to the purchaser. |
| Sec 6, pg 3 | New | d. may not ship 150 proof alcohol |
| Sec 7, pg 3 | New | e. non-renewal by 12/31 - stay open but penalty increases from \$100 to \$500 |
| Sec 24, pg 19 | | |
| Sec 13, pg 10 | New | f. board may impose restrictions on a license |
| Sec 15, pg 12 | Tech | g. local governing body may protest annually |
| Sec 25, pg 19 | Tech | h. makes half-year licenses biennial to agree with current law |
| Sec 23, pg 19 | Tech | i. notice of elections by certified, not "registered" mail |
| Sec 40, pg 25 | New | k. limit importation amount by ordinance |
| Sec 44, pg 26 | Tech | l. expands definition of alcohol to include any alcohol intended for consumption |

DIVISION OF LEGAL SERVICES

LEGISLATIVE AFFAIRS AGENCY STATE OF ALASKA

(907) 465-3867 or 465-2450
FAX (907) 465-2029
Mail Stop 3101

130 Seward Street, Suite 409
Juneau, Alaska 99801-2105

MEMORANDUM

April 8, 1994

SUBJECT: Sectional Summary of SB 372

TO: Senator Randy Phillips

FROM: Michael F. Ford *M.F.F.*
Legislative Counsel

You have requested a sectional summary of the above-described bill.

As a preliminary matter, note that a sectional summary of a bill should not be considered an authoritative interpretation of the bill and the bill itself is the best statement of its contents. If you would like an interpretation of the bill as it may apply to a particular set of circumstances, please advise.

Section 1. Prohibits a person from soliciting or receiving orders for delivery of an alcoholic beverage in local option areas. Allows a package store licensee who is located outside of certain option areas to receive orders for sales. Allows a package store located in certain local option areas to solicit or receive sales orders.

Section 2. Provides that possession of 12 gallons or more of malt beverages in a local option area where sale is restricted or prohibited creates a presumption that the alcohol was possessed for sale.

Section 3. Repeals a provision requiring that military personnel be in uniform in order to purchase alcohol in certain clubs.

Section 4. Technical amendment.

Section 5. Authorizes a package store licensee to sell alcoholic beverages to a person present on the premises or a person known to the licensee who makes a written solicitation. Imposes restrictions on liquor shipments, requires certain notice to the board, and requires certain health information be included in liquor shipments.

Section 6. Restricts liquor shipments to certain local option areas.

Section 7. Requires the director to give renewal notices to licensees whose licenses are expiring, requires the licensee to file a renewal application by January 1, and increases the penalty for late applications to \$500.

Section 8. Repeals provisions regarding denial of a new license in a municipality that has prohibited sale except by a municipal owned liquor store. Prohibits issuance of a new license or permit in certain cities or in an established village when certain local options are approved.

Section 9. Technical amendment.

Section 10. Repeals authority to deny relocation of a licensed premise when the relocation is to an area that has limited sales to community run licensees.

Section 11. Repeals authority to deny transfer of a licensed premise to another person when the relocation is to an area that has limited sales to community operated licensees.

Section 12. Amends the authority of the board to suspend or revoke a license or permit.

Section 13. Allows the board to impose conditions or restrictions on a license or permit.

Section 14. Amends provisions relating to population restrictions applicable to issuing or relocating a license.

Section 15. Authorizes local governments to impose restrictions on the sale, importation, or possession of alcoholic beverages through a local option election. Specifies the contents of the ballot question. Allows the municipality or established village to designate a delivery site for alcoholic beverages.

Section 16. Establishes a procedure for changing a local option.

Section 17. Establishes a procedure for removing a local option. Provides a priority for certain licensees for reissuing a license not renewed because of a local option election.

Section 18. Establishes the effect of a vote to prohibit the sale of alcoholic beverages. Provides for elimination of existing licenses.

Section 19. Establishes the effect of a vote to prohibit the importation of alcoholic beverages.

Section 20. Establishes the effect of a vote to prohibit the possession of alcoholic beverages. Provides for elimination of existing licenses.

Section 21. Establishes the effect of a vote to restrict the sale of alcoholic beverages. Provides for elimination of existing licenses that do not meet the restriction.

Section 22. Establishes the effect of a vote to prohibit the sale of alcoholic beverages, except on premises operated by the municipality. Provides for elimination of existing licenses that are not operated by the municipality.

Section 23. Establishes a procedure for adopting, changing, or removing a local option. Requires that notice of the results of the local option election be given.

Section 24. Provides for renewal and for specific expiration of a liquor license.

Section 25. Provides for issuance of a seasonal license.

Section 26. Prohibits a person from using a common carrier to transport liquor in an area with certain local option restrictions. Requires the shipping invoice to reflect the quantity and purchase value of specific beverages.

Section 27. Allows a person to transport certain quantities of liquor by common carrier and allows certain licensees to use a common carrier for transporting liquor into a local option area.

Section 28. Provides that a violation of AS 04.11.010 in an area that has adopted a local option is a class C felony.

Section 29. Technical amendment.

Section 30. Technical amendment.

Section 31. Technical amendment.

Section 32. Technical amendment.

Section 33. Allows community work to be performed at the direction of the body that has traditionally performed public functions on behalf of the entire community, when a local governing body does not exist.

Section 34. Technical amendment.

Section 35. Technical amendment.

Section 36. Provides that liquor or material and equipment used in selling liquor, in an area that has adopted a local option is subject to forfeiture.

Section 37. Technical amendment.

Section 38. Technical amendment.

Section 39. Technical amendment.

Section 40. Provides that an ordinance that limits the monthly amount of liquor that a person can import into the municipality is not inconsistent with AS 04.

Section 41. Allows a municipality that adopts a local option to make sale or importation of alcoholic beverages a misdemeanor.

Section 42. Technical amendment.

Section 43. Technical amendment.

Section 44. Provides that in a local option area, "alcoholic beverage" means certain liquids intended for human consumption by the person who possesses or attempts to possess it.

Section 45. Amends the definition of "established village".

Section 46. Technical amendment.

Section 47. Technical amendment.

Section 48. Technical amendment.

Section 49. Technical amendment.

Section 50. Technical amendment.

Section 51. Technical amendment.

Section 52. Technical amendment.

Section 53. Technical amendment.

Section 54. Repealers.

Section 55. Transition section for prior local options.

Senator Randy Phillips
April 8, 1994
Page 5

Section 56. Transition for community liquor licenses.

Section 57. Effective date.

MFF:mi
94-084.mai



Official Business

Alaska State Legislature

Senator Al Adams

WHILE IN SESSION
State Capitol
Juneau, Alaska 99801-1182
(907) 465-3707
Fax: 463-4867

OUT OF SESSION:
P.O. Box 333
Korzebiec, Alaska 99752
(907) 442-3245

August 6, 1993

Charles E. Cole
Attorney General
Box 110300
Juneau, Alaska 99811-0300

Dear Charlie:

I am writing to generate your interest in a problem dealing with local option statutes. My awareness of the problem stems from complications the City of St. Mary's has encountered during the past 6 months with applying existing statutes to local option election procedures. Although several departments need to be involved, I am hoping that your department will take the lead on developing legislation to correct the problem.

The City of St. Mary's made concerted efforts to correctly respond to local option petitions. The city's administrator worked with the Department of Community and Regional Affairs, the Alcohol Beverage Control Board, and members of your staff. Despite these efforts, and in large part due to clumsily written statutes, the city has repeatedly run into legal challenges that it might well lose.

In order to prevent reoccurrence of this dilemma for other cities who are certainly going to encounter the same problem, a group of people need to sit down and figure out exactly what the problems are and how to solve them. It appears these discussions should include the departments that the City of St. Mary's already tried to work with as well as the Division of Elections.

Please let me know if you are willing to take on this responsibility. I know the Northwest Arctic Borough earlier tried to elicit your interest in this problem and apparently has not heard from you. Thank you for your time and energy on this matter.

Sincerely,

A handwritten signature in cursive script that reads "Al Adams".

Senator Al Adams

WALTER J. HICKEL, GOVERNOR

DEPARTMENT OF REVENUE

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

ALCOHOLIC BEVERAGE CONTROL BOARD

March 24, 1994

The Honorable Robin Taylor
Alaska State Legislature
State Capitol, Room 30
Juneau AK 99801-1182

Re: Legislation proposed by the Alcoholic Beverage Control Board

Dear Senator Taylor:

During my phone discussion last Tuesday with Joe Ambrose, I told him I would send the enclosed sectional analysis of the local option legislation proposed by the ABC Board. Primarily, the bill does two things:

- 1 - rewrites the alcohol local option law. Current law providing for local option questions has been confusing for several villages and small communities. The bill is supported by the Division of Elections and the Department of Community and Regional Affairs. There is also a letter attached from Senator Al Adams who expressed concern about problems with current law.
- 2 - makes some long-needed technical and corrective amendments that appear in Sections 1-4, 6, 12, 25, 26, 42, 43 and 44.

A similar attempt to change the law was contained in legislation (SB 297) introduced by former Senator John Binkley in the Sixteenth Legislature.

Thank you very much for your consideration of this legislation. I will be happy to provide testimony or information at any time.

Sincerely,



Patrick L. Sharrock
Director
(907) 277-8638

PLS/akj
94-062
enclosures