

HB

69

- 1 persons and by minors;
- 2 (13) required reports from corporations licensed under this title,
- 3 including reports of stock ownership and transfers and changes of officers and
- 4 directors;
- 5 (14) creation of classifications of licenses or permits not provided for
- 6 in this title;
- 7 (15) establishment and collection of fees to be paid on application for
- 8 a license or permit;
- 9 (16) required reports from partnerships and limited partnerships licensed
- 10 under this title, including reports of transferred interests of 10 percent or more;
- 11 (17) required reports from limited liability organizations licensed
- 12 under this title, including reports of the transfer of a member's interest if the
- 13 transfer equals 10 percent or more of the ownership of the limited liability
- 14 organization and any change of managers.

* Sec. 2. AS 04.06.110 is amended to read:

Sec. 04.06.110. Peace officer powers. The director and the persons employed for the administration and enforcement of this title may, with the concurrence of the commissioner of public safety, exercise the powers of peace officers when those powers are specifically granted by the board. Powers granted by the board under this section may be exercised only when necessary for the enforcement of the criminally punishable provisions of this title, regulations of the board, and other criminally punishable laws and regulations, including investigation of violations of laws against prostitution and promoting prostitution described in AS 11.66.100 - 11.66.130 and laws against gambling, promoting gambling, and related offenses described in AS 11.66.200 - 11.66.280, [GOVERNING THE MANUFACTURE, BARTER, SALE, CONSUMPTION, AND POSSESSION OF ALCOHOLIC BEVERAGES IN THE STATE].

* Sec. 3. AS 04.11.040(c) is amended to read:

(c) A person may not receive or transfer controlling interest in a liquor license issued to a partnership, including a limited partnership, a limited liability organization, or a corporation under this title, except with the written consent of the

Sunset Audit
 Amend. #1
 w/D

1 board.

2 * Sec. 4. AS 04.11 is amended by adding a new section to read:

3 **Sec. 04.11.045. Reports required of limited liability organizations.** (a) A
4 limited liability organization licensed under this title shall report to the board when a
5 member of the limited liability organization transfers 10 percent or more of the
6 ownership of the organization and shall report a change of managers.

7 (b) The report to the board shall be made in writing in duplicate and shall be
8 sent within 10 days after the change in member interest or manager.

9 * Sec. 5. AS 04.11.135(a) is amended to read:

10 (a) A brewpub license authorizes the holder of a beverage dispensary license
11 to

12 (1) manufacture on premises licensed under the beverage dispensary
13 license not more than 75,000 gallons of beer in a calendar year;

14 (2) sell beer manufactured on premises licensed under the beverage
15 dispensary license for consumption [ONLY] on the licensed premises or other
16 licensed premises of the beverage dispensary licensee;

17 (3) sell beer manufactured on the premises licensed under the beverage
18 dispensary license in quantities of not more than five gallons per day to an individual
19 who is present on the licensed premises; [AND]

20 (4) provide a small sample of the brewpub's beer manufactured on the
21 premises free of charge unless prohibited by AS 04.16.030; and

22 (5) sell beer manufactured on the premises licensed under the
23 beverage dispensary license to a person licensed as a wholesaler under
24 AS 04.11.160.

25 * Sec. 6. AS 04.11.135 is amended by adding a new subsection to read:

26 (d) Notwithstanding (a) of this section, the holder of a brewpub license who
27 under the provisions of AS 04.11.450(b) formerly held a brewery license and a
28 restaurant or eating place license and who, under the former brewery license,
29 manufactured beer at a location other than the premises licensed under the former
30 restaurant or eating place license may

31 (1) manufacture not more than 75,000 gallons of beer in a calendar year

ALASKA STATE LEGISLATURE

House of Representatives

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Representative Norman Rokeberg

MEMORANDUM

TO: The Honorable Robin Taylor, Chairman
Senate Judiciary

FROM: Rep. Norman Rokeberg

DATE: April 27, 1999

RE: CSHB 69 (FIN) am
Alcoholic Beverage Control

A handwritten signature in black ink, appearing to read "Norman Rokeberg".

I would request that CSHB 69 (FIN) am be brought before the Senate Judiciary Committee for a hearing. This legislation is time sensitive and needs to be addressed this year. Your cooperation in bring this to the Committee would be appreciated.

Attached are:

1. CSHB 69 (Fin) am
2. Fiscal Note
3. Sponsor Statement
4. Sectional Analysis
5. Historical Information Regarding Certain ABC License Changes
6. CHARR letter dated 26 March 1999
Fax from Larry Hackenmiller, President, CHARR, dated 29 March 1999
7. Letter from Moose's Tooth Brewing Co.
8. Letter from Gordon Schmidt

This legislation was adopted by a vote of 37-0 on the House floor on Friday, April 23, 1999.

If you have any questions, please do not hesitate to contact me. Thank you for your consideration of this request.

ALASKA STATE LEGISLATURE

House of Representatives

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LABOR & COMMERCE COMMITTEE, CHAIRMAN
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Representative Norman Rokeberg

SPONSOR STATEMENT

CSHB 69 (FIN) am

RELATING TO THE ALCOHOLIC BEVERAGE CONTROL BOARD

CSHB 69 (FIN) am would extend the termination date of the Alcoholic Beverage Control Board (ABC) until June 30, 2003. During the last Legislature, the termination date was extended to June 30, 1999, and if legislation does not pass extending the termination date this year, the board will be in its wind down year.

The Board consists of five members and is responsible for control, manufacture, barter, possession, and sale of alcoholic beverages in the state. The Legislative Audit, dated September 8, 1997, indicated that the Board was fulfilling its responsibility by licensing establishments to manufacture, distribute or sell alcoholic beverages to the public and enforcing the alcohol control laws in Title 4. At the time the Audit was issued, the Auditor recommended extending the Board to June 30, 2002. Since the Legislature did not extend the Board last year, this bill would add an extra year to the extension date recommended by the audit.

This bill permits a local governing body to recommend that a liquor license be issued, renewed, relocated, or transferred with conditions. The Board shall impose these conditions unless the Board finds them arbitrary, capricious, or unreasonable. The local governing body is to assume responsibility for monitoring compliance with the conditions, except as otherwise provided by the Board.

The bill also permits a "corkage" policy to be adopted by a licensee. This would allow a customer, with the permission of the licensee, to bring fine wine onto a restaurant location, turn the wine over to the licensee for serving and control, and permit the licensee to charge a fee for serving the wine. This is a common practice in many locations across the world.

Another provision of the bill would permit a licensee to make arrangements to deliver a hospitality basket to a cruise ship or a hotel room and to deliver, between 8:00 a.m. and 5:00 p.m., alcohol to a responsible adult for a social event.

At the request of the ABC Board, the bill also includes language adding limited liability organizations (limited liability companies and limited liability partnerships) to be brought under the licensing authority of the Board. The bill sets forth what requirements these organizations would have to meet in order to receive a license from the Board.

The House Finance Committee added two provisions to this bill: one deletes the one-year residency requirement for receipt of a license and the other amends the peace officer powers of ABC employee to include the investigation of violations of laws against prostitution, promoting prostitution, gambling, promoting gambling and related offenses.

Over the years, the Legislature has made certain policy decisions concerning the licensing of brewpubs and breweries. This bill addresses some concerns that have been raised because of the history of these licenses. In 1980, brewery licenses were authorized and 04.11.450 (prohibited financial interests) was put in place to state that certain combination of licenses could not be held. In 1988, the Legislature authorized brewpub licenses, which were not transferable, and which had to be held in conjunction with a beverage dispensary license.

In 1995, by passage of HCS CSSB 87 (JUD), the Legislature placed a category of exempted licensees in the restaurant or eating place license section and thus created a "tavern" situation. In 1996, with an effective date of October 1, 1996, the Legislature went back and grandfathered in certain exempt licenses and then prohibited the future combination of a brewery license and a restaurant or eating place license. Five licensees were covered by the 1996 exemption and currently hold the grandfathered brewery/restaurant licenses. Because of this legislation and the addition of "restaurant or eating place" in the prohibited financial interest section, it is no longer possible to obtain a brewery license or a beverage dispensary license (which is necessary for a brewpub license) in combination with a restaurant or eating place license. This has placed the current businesses in a situation where their expansion opportunities are limited.

Currently a grandfathered restaurant/brewery combination licensee can sell beer at its own restaurant or other licensed premises, has no beer production cap, must use a distributor or self-distribute, and may never open a second location. If CSHB 69 (FIN) is adopted, a grandfathered brewery/restaurant licensee can continue to operate under the grandfather provisions or elect to purchase a beverage dispensary license and become a brewpub. If the desire is to become a brewpub, then the licensee must: relinquish the brewery license, accept a 75,000 gallon per year production cap, can purchase other restaurant licenses and open additional locations, can self-distribute to other locations owned by the same licensee, must use a distributor to distribute product to any location not owned by the licensee, and could sell its license as a package. All of this will permit expansion where the licensee wants expansion.

Your support would be appreciated.

ED:4:04/26/99

ALASKA STATE LEGISLATURE

House of Representatives

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Representative Norman Rokeberg

SECTIONAL ANALYSIS CSHB 69 (FIN) am RELATING TO THE ALCOHOLIC BEVERAGE CONTROL BOARD

Prepared by Rep. Norman Rokeberg from March 16, 1999 Sectional on CSHB 69 (L&C)
prepared by Mike Ford of Legislative Legal Services

Section 1: Allows the ABC board to adopt regulations regarding reports from limited liability organizations licensed under Title 4.

Section 2: Expands peace officer powers granted by the Commissioner of Department of Public Safety to certain ABC employees to include investigation of violations of laws against prostitution and promoting prostitution, gambling, promoting gambling, and related offenses.

Section 3: Provides that a person cannot receive or transfer controlling interest in a license issued to a limited liability organization, except with the approval of the ABC Board.

Section 4: Requires a limited liability organization to report to the board when 10 percent or more of the ownership of the organization is transferred.

Section 5: Makes changes to the authority of a holder of a brewpub license, regarding sale of manufactured beer.

Section 6: Allows certain brewpub licensees to manufacture beer on premises other than the premises licensed under the beverage dispensary license.

Section 7: Technical amendment.

Section 8: Authorizes a package store licensee to deliver wine or champagne to a cruise ship or hotel guest. Allows a florist or gift basket establishment to purchase wine or champagne for delivery to a cruise ship passenger or hotel guest. Imposes certain record keeping, delivery, and permit requirements. Allows a package store licensee to deliver alcoholic beverages to a responsible adult at a wedding or wedding reception or other social event defined by regulation of the board.

Section 9: Deletes reference to residency requirements when filing an application with the ABC Board.

Section 10: Requires a limited liability organization to report certain ownership information to the ABC Board.

Section 11: Deletes reference to residency requirements.

Section 12: Imposes requirements when issuing a liquor license to a limited liability organization.

Section 13: Prohibits leasing a liquor license to a limited liability organizations.

Section 14: Provides that a local governing body may recommend that a license be issued, renewed, relocated, or transferred with conditions. The Board shall impose those conditions unless it finds them arbitrary, capricious, or unreasonable. The local governing body is responsible for monitoring compliance with the conditions except as otherwise provided by the Board.

Provides that a local governing body may notify the Board that it has determined a licensee has violated a provision of law or condition imposed on the license. Unless the Board finds the local governing body to be acting in an arbitrary, capricious, or unreasonable manner, the Board shall prepare the determination as an accusation against the licensee and proceed in the manner described in law.

Section 15: Allows a person to bring their own wine to a restaurant, with the permission of the licensee. Allows the licensee to charge a corkage fee.

Section 16: Provides that a license held by a limited liability organization does not relieve the licensee of obligations or liability imposed under Title 4, solely because the license is held by a limited liability organization.

Section 17: Definitions.

Section 18: Extends the sunset date of the ABC Board to June 30, 2003.

Section 19: Repeals AS 04.11.390 (residency requirements).

Section 20: Effective date for Section 18.

Section 21: Effective date for all sections but sec. 18.

ALASKA STATE LEGISLATURE

House of Representatives

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Representative Norman Rokeberg

HISTORICAL INFORMATION REGARDING CERTAIN ABC LICENSE CHANGES:

By: Rep. Norman Rokeberg

03/16/99

04.11.130 = Brewery License. First put in statute in 1980.

04.11.135 = Brewpub License. First put in statute in 1988. This license is not transferable. Requires licensee to also hold a beverage dispensary license.

04.11.450 = Prohibited Financial Interest. First put in statute in 1980.

CSSB 276 (FIN), Chapter 111, SLA 1988, "An Act relating to brewpub, brewery, and beverage dispensary liquor licenses; and to prohibited financial interests in a licensed liquor business; and providing for an effective date."

Added AS 04.11.135 adds new section (brewpub license).

HCS CSSB 87 (JUD), Chapter 101, SLA 1995, "Relating to the membership of the Alcoholic Beverage Control Board; relating to community local options for control of alcoholic beverages; relating to the control of alcoholic beverages; prohibiting persons from being on premises involving alcoholic beverages under certain circumstances; relating to the definition of 'alcoholic beverage'; relating to purchase and sale of alcoholic beverages; relating to alcohol server education courses; and providing for an effective date."

Changed AS 04.11.100: Added new subsection: Exempt license provision reduced the menu and percentage of sales restriction in this category of license thereby creating a "tavern" license.

Changed 04.11.135(a) concerning a brewpub license to authorize the holder of a beverage dispensary license to manufacture 75,000 gallons of beer in a calendar year (previous amount was 16,000 gallons). (Section 6)

SCS CSHB 372 (JUD) am S, Chapter 136, SLA 1996, effective October 1, 1996.

Changed 04.11.100(f) to grandfather in exempt licenses (Moose's Tooth Letter). (Section 1)

Changed AS 04.11.135(a) to add two new subsections (3) and (4) concerning sale of licensee's manufactured beer in quantities of not more than 5 gallons per day to individual present on premises; and provide small sample free of charge. (Section 3).

Changed 04.11.450(b) [prohibited financial interest]. Inserted "a restaurant or eating place license" in this subsection which then prevented anyone who was a representative or owner of a wholesale business, brewery, winery, bottling works or distillery for getting a beverage dispensary license, package store license, or a restaurant or eating place license. Grandfathered in those who already had a combination of licenses. (Section 4).

CSHB 69 (L&C) - "An Act requiring certain reports or information from alcoholic beverage licensees that are also limited liability organizations; relating to regulation of alcoholic beverage licenses issued to limited liability organizations; relating to brewpub licenses; relating to package store licenses; relating to consumption of alcoholic beverage on licensed premises; relating to the liability of a member of a limited liability organization who also holds an alcoholic beverage license; extending the termination date of the Alcoholic Beverage Control Board to June 30, 2003; and providing for an effective date."

Section 4, page 3, line 23: Amends AS 04.11.135(a): Allows sale of licensee's manufactured beer on *other licensed premises* of licensee.

Section 4, page 3, line 29: Amends AS 04.11.135 (a): Allows sale of licensee's manufactured beer to wholesale.

Section 5, page 4, lines 1-16: Adds new subsection to AS 04.11.135(d) to exempt from (a) the holder of a brewpub license who under (b) formerly held a brewery license and a restaurant or eating place "exempt" license and who, under the former brewery license, manufactured beer at a location other than the premises licensed under the former restaurant or eating place license may (1) manufacture up to 75,000 gallons of beer in calendar year on *premises other than premises licensed under beverage dispensary license*; provide small sample free of charge; sell beer on premises licensed or other licensed premises, to wholesaler, or to individual present on premises in amount of not more than five gallons per day.

*Alaska Cabaret, Hotel,
Restaurant & Retailers Association*



3400 Spennard Road, Suite 7 • Anchorage, Alaska 99503
(907) 272-8133 • Fax: (907) 272-8620
Toll Free In Alaska: (800) 478-2427

26 March 1999

MAR 31 1999

Representative Norman Rokeberg
Chairman, House Labor & Commerce Committee
Alaska State Legislature
State Capitol
Juneau, Alaska 99801-1182

REF: CSHB No. 69

Honorable Representative Rokeberg,

The Board of Directors of the Cabaret, Hotel, Restaurant and Retailers Association, Inc. CHARR, supports all the provisions in CSHB No. 69.

Along with your support and concern CHARR will be following this bill through the legislative process until it becomes law.

Thank you, again, for your time and effort in providing a good piece of legislation.

I remain at your service,

A handwritten signature in cursive script, appearing to read "L. Hackenmiller".

Larry J. "Hack" Hackenmiller
President, CHARR

FAX

COVER SHEET

MAR 29 1999

DATE: 29 March 1999

TO: Representative Norman Rokcherg
FAX 465.2040

COVER SHEET PLUS _____ PAGES

From: Larry J. "Hack" Hackenmiller FAX # 907-457-1328
PRESIDENT, CHARR PHONE: 907-457-1327

Please find enclosed my letter dated 26 March regarding our support for CSNM No. 69. This letter was written BEFORE the proposed amendment by Rep. Croft.

On first review I am not happy about the Croft amendment. I believe this circumvents the authority of the ABC Board and allows witch hunting by local governing bodies.

Unless I missed something I believe this amendment should include a fiscal note for the additional time the ABC Board and Attorney Generals office will be using on litigation AND we should throw in a few bucks for cord wood for those local communities to burn their witches.

I will consult with the Board of Directors and our legislative personnel regarding the Croft amendment. There is plenty of legal options available to local communities in existing Title IV law to maintain the local control the Croft amendment seems to imply is necessary.

L. J. Hackenmiller, President.

L.J. "HACK" HACKENMILLER, 518 FARMERS LOOP ROAD, FAIRBANKS, ALASKA 99712

MAR 12 1999

Moose's Tooth Brewing Co

Phone: 278-4999

Fax: 258-4999

Email: mtbrcwco@aol.com

Plant address:
2021 Spar Ave.
Anchorage, AK 99501

Mailing address:
PO Box 202549
Anchorage, AK 99520

March 12, 1999

To Whom It May Concern:

In 1995, we began planning to open a brewpub in Anchorage and applied for a brewery license and a restaurant and eating place license. We were granted these licenses in June and July of 1996 and on October 1, 1996 AS 04.11.450(b) was amended to prohibit the ownership of both a restaurant and eating place license and a brewery license. Although our licenses are currently protected by grandfather rights we are interested in opening a second location but cannot.

Recently Chris Anderson of the Glacier Brewhouse proposed amendments to AS 04.11.135(a) that would allow the original five restaurant/brewery licensees to convert their restaurant and brewery licenses into a brewpub license by purchasing a beverage dispensary license. Although it can be financially difficult for brewpubs that serve only beer and wine to afford a beverage dispensary license we understand the need to address the concerns of CHARR/ARBA, alcohol wholesalers and other beverage dispensary license owners.

Additionally, Section 5 was added to the proposed amendment to insure that all of the five original restaurant/brewery licensees were given equal opportunity to become brewpubs. Unlike the other four restaurant/brewery combinations, the Moose's Tooth Pub and Pizzeria and the Moose's Tooth Brewing Company are not co-located in the same building. The existing language of AS 04.11.135(a) only allows a brewpub to manufacture beer on the premises licensed under the beverage dispensary license. In other words the brewing and dining areas of the brewpub must be adjacent to one another. Section 5 treats all brewery/restaurant combinations licenses before October 1, 1996 alike, whether or not they are co-located and gives all five of the brewery/restaurant licensees the option to become a brewpub.

At present, a grandfathered brewery restaurant license (G.B.R.) can:

- 1) produce an unlimited amount of beer
- 2) sell this beer at the licensee's own restaurant or to other license holders
- 3) never open a second location
- 4) never sell its license because of its grandfathered status

If House Bill 69 passes, a G.B.R. can:

- 1) elect to remain as a G.B.R. and continue to abide by #s 1-4 above, OR
- 2) elect to purchase a beverage dispensary license (market price is currently \$125-150K) and with the purchase of a brewpub license to become a brewpub (which requires the G.B.R. holder to permanently relinquish their brewery license)

If House Bill 69 passes and a G.B.R. elects to become a brewpub, the brewpub licensee can

- 1) produce a limited quantity of beer per year (4838.7 kegs per year)
- 2) purchase other restaurant and eating place licenses in order to open additional locations
- 3) distribute its own beer to other licenses owned by the licensee
- 4) (must) use a wholesaler (a.k.a. a distributor) to sell any beer beyond that consumed at its own locations
- 5) sell its license

Although this bill is not a perfect solution to this problem, we believe that it is the most realistic solution. House Bill 69 allows a G.B.R. to elect to expand (or to remain a G.B.R.) while addressing the concerns of CHARR/ARBA, local wholesalers and existing beverage dispensary licensees.

Sincerely,



- Matt Jones

SUMMARY:

A grandfathered restaurant/brewery (G.B.R.) combination can:

Present

- no beer production cap
- sell beer at own restaurant
- sell beer to other licenses other than its own
- use distributor or self-distribute
- never open a second location
- never sell license as package b/c of grandfather status

After House Bill 69

- G.B.R. can continue & operate as at present OR
- elect to purchase beverage dispensary license & become brewpub

If after House Bill 69, G.B.R. elects to become brewpub

- must relinquish brewery license
- accept 4838.7 keg/year production cap
- can purchase other restaurant licenses & open subsequent locations
- can self-distribute to other license owned by beverage dispensary owner
- must use a distributor to distribute product to any license not owned by bev dispensary owner
- can sell its license as package

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April 16, 1999

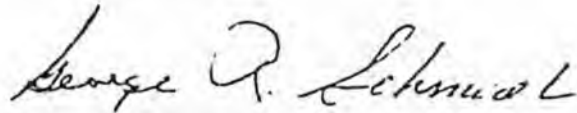
Representative Norman Rokeberg
Alaska State Legislature
State Capitol (MS 3100)
Juneau, Alaska 99801-1182

Dear Representative Rokeberg:

I am writing to request expedited action on CSHB69 (L&C). I am particularly interested in the proposal amendments to AS 04.11.135(a), and AS 04.16.120(b). The former proposal would allow a brew pub owner to own more than one establishment, and would allow him to sell to a wholesaler. The latter would let him allow a customer to take wine of his choice to a restaurant at which he is eating. Both of those amendments would make dining more enjoyable for the public, and would bring Alaska's laws more in line with what the generally American public is used to and expects.

I have no interest in any brew pub or other alcohol dispensing establishment, and, except as a customer, never have. Thank you.

Sincerely yours,


George R. Schmidt

APR 19 1999



Silver Gulch Brewing and Bottling, Inc.
PO Box 82125
Fairbanks, Alaska 99708

Tel (907) 452-2739 Fax (907) 452-2774

e-mail : gbrady@polarnet.com

May 7, 1999

Alaska State Legislature

Attention: Sen. Robin Taylor

Reference: House Bill 69

Dear Senator Taylor :

I am writing you to voice my concern over a portion of the wording in House Bill 69 that is currently in the Senate Judiciary Committee. The section in question is as follows:

Section 5. AS 04.11.135 (a)(5) "...sell beer manufactured on the premises licensed under the beverage dispensary license to a person licensed as a wholesaler under AS 04.11.160."

While this wording may seem insignificant, it could have a significant, adverse effect on our business operations. Specifically, under the current Alcoholic Beverage Control Board regulations, a Brewery License (Title 4, Sec. 04.11.130) is not allowed to sell beer for consumption on the licensed premises (brewery), but may sell to to "... a person licensed under this title, or in another state or country.". What this means is that as a Brewery License holder, the only channel for sales of our product in volume larger than 5 gallons is to the holder of a dispensary license or a licensed wholesaler.

State law currently also allows for the operation of "Brewpub licenses" (AS 04.11.135), where the holder of a beverage dispensary license who is also the holder of a brewpub license to sell their beer on premises.

The revised Section 5 (see above) would allow the holder of a Brewpub License to operate their business in direct competition with the holder of a Brewery License, while prohibiting the holder of a Brewery License from exercising the same opportunity. If this passage is not deleted from HB 69, it will create an unfair advantage to a very small group of Brewpub license holders by affording them privileges that are not available to Breweries.

In the interest of maintaining the currently "level playing field", I would strongly recommend that the aforementioned passage be removed from HB 69.

Thank you again for your time and consideration. I would be glad to talk to you on this or any other related matter. I would also be glad to give you a personal tour of our facilities the next time you are in Fairbanks.

Sincerely,

Glenn Brady
President, Silver Gulch Brewing and Bottling, Inc.

AMERICA'S MOST NORTHERN BREWERY

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Brewhouse & Office (907) 344-1179 • Fax (907) 344-6656



Alaska State Legislature
Senator Robin Taylor
State Capitol
Juneau, AK 99801-1182

May 7, 1999

Dear Senator Taylor,

I am in charge of beer sales at Midnight Sun Brewing Company. On behalf of myself and my company I would like to voice my opposition to a piece of legislation that would have a negative impact on my brewery license. This legislation would also have a negative impact on other breweries throughout the state of Alaska.

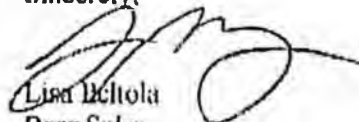
The Micro-breweries and Brewpubs in Alaska are currently working on forming a Brewer's Guild for the State of Alaska. The Guild's purpose is to meet regularly and try to bring logic and fairness to our laws. This bill is neither logical or fair. House Bill 69 (Senate Judiciary Committee) has a section in it that will allow a hard liquor license holder to act like a brewery. If brewery license holders can not sell hard liquor, then why should a liquor license holder be able to wholesale beer? The section that should be deleted from the bill is:

Section 5. AS 04.11.135(a)(5) "sell beer manufactured on the premises licensed under the beverage dispensary license to a person licensed as a wholesaler under AS 04.11.160."

The Guild attempted to compromise with the special interests groups that would like to see this bill pass, but there was no desire to budge in the interest of fairness or logic. Please do not let this bill pass through this committee or the Senate without removal of this section.

Thank you for your time and please feel free to contact me or Mark Staples (President) regarding this bill.

Sincerely,


Lisa Bellola
Beer Sales

Find these Wild Alaska Ales and Lagers on draft and in 22-oz bottles...
Fireweed Honey Wheat Beer • Wolf Spirit Sparkling Ale
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FAX TRANSMISSION: May 7, 1999

Alaska State Legislature
Senator Robin Taylor
State Capitol
Juneau, Alaska 99801-1182

Dear Senator Taylor,

I am President and majority owner of The Borealis Brewery in Anchorage. There is a piece of legislation that affects the environment in which I do business that I would like to see amended. The goals of any legislation governing a new industry such as ours should require responsible behavior, encourage economic development and growth, and create a level playing field for all businesses to compete. House Bill 69, now in the Senate Judiciary Committee, fails to accomplish any of these three goals.

The section of house bill 69 which governs brew pub licensing includes amendments which would allow two specific businesses to expand. There is no doubt that both businesses would benefit from a change in the law, however the way House Bill 69 now reads it would allow their growth in a way that gives them an unfair advantage over other breweries in Alaska.

Specifically, section 5, which reads:

"Section 5. AS 04.11.135(a)(5) "sell beer manufactured on the premises licensed under the beverage dispensary license to a person licensed as a wholesaler under AS 04.11.160."
creates a class of beverage dispensary license holders that can wholesale beer, while beer wholesalers are prohibited from selling liquor.

This seems a minor point, however it has the potential to be devastating to a business like mine. I compete with the other producers of beer in Alaska every day, and to grant one or two businesses a right that the rest of us are denied is using legislation to advance the competitive interests of an individual instead of the collective interests of an industry or the State.

Brewery legislation has been a highly contentious issue, and this is not the last you will be hearing from me on the subject. We have newly formed a Brewers' Guild and intend to tackle brewery legislation in a way that creates a fair playing field for all businesses in our industry.

Again, please Delete the portion of House Bill 69 referenced above. It will help bring fairness to an extremely competitive fledgling industry.

Sincerely,

S.J. Klein, President

Good Beer.

Brewed by Alaskans, for Alaskans.

The Borealis Brewery, 349 E. Ship Creek Avenue, Anchorage, Alaska 99501,
(907) 278-5480. Fax: 278-4195.



Finance Office
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Gary J. Klopfer,
Member Manager/Owner
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Fax: (907) 563-9354

May 7, 1999

Alaska State Legislature
Senator Robin L. Taylor
State Capitol
Juneau, AK 99801-1182

Dear Senator Taylor:

I own the Snow Goose Restaurant and the Sleeping Lady Brewing Company. I would like to bring your attention to a piece of legislation that impacts my brewery license in a negative way. It also impacts all the other brewery license holders in the State in a negative way. We are in the middle of forming a Brewers Guild for the State of Alaska to try and bring logic and fairness to our laws. This bill does not do that. House Bill 69 (Senate Judiciary Committee) has a section in it that will allow a hard liquor license holder to act like a brewery. If brewery license holders can not sell hard liquor, then why should a liquor license holder be able to wholesale beer? The section that should be deleted from this bill is:

Section 5. AS 04.11.135(a)(5) "sell beer manufactured on the premises licensed under the beverage dispensary license to a person licensed as a wholesaler under AS 04.11.160."

We tried to compromise with the *special interests* that want this bill and section passed, but they had no interest in fairness or logic for the industry or for the State. Their only interest is in what they could get for themselves!

Please do not let this bill pass through this committee or the Senate without having this section removed for the betterment of the industry. I firmly believe in fairness and a level playing field for all industry in this Great State of Alaska.

Thank you for your time and I would be glad to talk to you about this subject at any time.

Sincerely;

A handwritten signature in cursive script that reads "Gary J. Klopfer".

Gary J. Klopfer

SLEEPING LADY BREWING COMPANY
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