

**SB**

**128**

<TARGET><BILL>SB 128</BILL><SUBJECT>SB  
128</SUBJECT><COMM>SJUD27</COMM></TARGET>

# Alaska State Legislature



Session:  
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Senator Lesil McGuire

## MEMORANDUM

To: Senator Hollis French, Chairman  
Senate Judiciary Committee

Cc: Cindy Smith, Aide  
Senate Judiciary Committee

From: Senator Lesil McGuire 

Date: April 10, 2012

Re: Hearing request for SB 128 "An Act relating to brewery licenses."

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Please schedule Senate Bill 128, relating to brewery licenses, at your earliest convenience.

Attached to this memo please find:

- SB 128, the original bill, Version M
- Sponsor statement
- CS for SB128, Version B
- Letters of Support

The contact for SB 128 is Genevieve Wojtusik, 465-3579

Thank you.

27-LS0647\D  
Gardner  
4/2/12

**CS FOR SENATE BILL NO. 128( )**  
**IN THE LEGISLATURE OF THE STATE OF ALASKA**  
**TWENTY-SEVENTH LEGISLATURE - SECOND SESSION**

**BY**

**Offered:**  
**Referred:**

**Sponsor(s): SENATOR MCGUIRE**

**A BILL**  
**FOR AN ACT ENTITLED**

1 **"An Act relating to brewery licenses and brewery special events permits."**

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

3 \* **Section 1.** AS 04.11.080 is amended by adding a new paragraph to read:

4 (22) brewery special events permit.

5 \* **Sec. 2.** AS 04.11.130(e) is amended to read:

6 (e) Except as provided in (f) of this section and unless [UNLESS]

7 prohibited by AS 04.16.030, a holder of a brewery license may sell not more than 36  
8 ounces a day of the brewery's product to a person for consumption on the premises if

9 (1) the brewery does not allow live entertainment, televisions, pool  
10 tables, dart games, dancing, electronic or other games, game tables, or other  
11 recreational or gaming opportunities on the premises where the consumption occurs;

12 (2) the brewery does not provide seats at the counter or bar where the  
13 product is served; and

14 (3) the room where the consumption occurs is not open before 9:00  
15 a.m. and serving of the product ends not later than 10:00 [8:00] p.m.

1 \* **Sec. 3.** AS 04.11.130 is amended by adding a new subsection to read:

2 (f) A brewery licensed under this section is eligible for a brewery special  
3 events permit that authorizes the holder to sell or dispense beer manufactured on the  
4 brewery premises for consumption on the premises for a specific occasion and for a  
5 limited period of time. The board may issue a brewery special events permit if an  
6 application for the permit is received in the main office of the board at least 10 days  
7 before the date of the event for which the permit is requested. The application must be  
8 signed by the holder of the brewery license or the holder's authorized agent, must  
9 include the written approval of the law enforcement agency having jurisdiction over  
10 the brewery premises, and must be submitted with a fee of \$50. The board may not  
11 issue to a holder of a brewery license more than five brewery special events permits in  
12 a calendar year. AS 04.11.130(e)(1) and (2) do not apply to a brewery special events  
13 permit issued under this subsection.

14 \* **Sec. 4.** AS 04.21.025(a) is amended to read:

15 (a) As a condition of issuance or renewal of a license and selling alcoholic  
16 beverages under a license, the board shall require a licensee who sells or serves  
17 alcoholic beverages and a licensee's agents and employees who sell or serve alcoholic  
18 beverages or check the identification of a patron to complete an alcohol server  
19 education course approved by the board, if the license is for a

20 (1) beverage dispensary;

21 (2) restaurant or eating place;

22 (3) club;

23 (4) package store;

24 (5) recreational site;

25 (6) pub;

26 (7) conditional contractor;

27 **(8) a brewery conducting activities under AS 04.11.130(e) and (f).**

28 \* **Sec. 5.** AS 04.21.065(a) is amended to read:

29 (a) A holder of one of the following types of licenses or permits shall post on  
30 the licensed or designated premises three separate warning signs as described in (b) of  
31 this section:

- 1 (1) beverage dispensary license;  
2 (2) restaurant or eating place license;  
3 (3) club license;  
4 (4) brewery license or brewery special events permit; this paragraph  
5 applies only to a brewery that permits a person to sample portions of the brewery's  
6 product;  
7 (5) package store license;  
8 (6) common carrier dispensary license;  
9 (7) recreational site license;  
10 (8) pub license;  
11 (9) winery license; this paragraph applies only to a winery that permits  
12 a person to sample portions of the winery's product;  
13 (10) caterer's permit;  
14 (11) special events permit;  
15 (12) conditional contractor's permit;  
16 (13) another license or permit issued by the board authorizing  
17 consumption of alcoholic beverages.

## Senate Bill 128 | Denali Brewing| Craft Beer made in Alaska

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Respectfully addressed Board Chair and Senate Committee Members,

We write to express our support for Senate Bill 128. Denali Brewing is located in Talkeetna, Alaska and has been making honest beers using only the finest ingredients since July of 2009. Our sleepy little town transitions from December solitude to July bustle. As a small business operator in Alaska for 16 years our ability to manager business is what will enable us to operate successfully. Our tasting room is closed by 6 pm for seven months of the year but in the remaining months it is critical to our operation to be able to serve small quantities of our product to interested folk. By providing a quality experience to our guest we bring attention to what a great state Alaska is to visit. Without exception there is not a single evening during our summer season that we do not turn guest away. Many of these folks are local hard working Alaskans that take advantage of the longer days to work past 8pm and would prefer to support their local brewery. Some of these folk have driven two hours from Anchorage to enjoy their favorite beer only to be told no. The nuances of the difference between a brew pub and a brewery escape many of these folks leaving them frustrated at us. Equally important are the visitors to our state that are here to experience genuine Alaskan hospitality. People from all over the world come to Talkeetna to experience the mountains, rivers, and creative flavor that can only be found here. Sadly, after a day of fishing or exploring our back yard we are forced to hastily usher these folks out of our establishment. This is no way to gain support for a local industry that has a long tradition of bringing visitors to our state and employing many. Manufacturing in Alaska is not easy; S.B. 128 will give small business owners further freedom to manage their business responsibly. Thank you for the opportunity to be heard.

**Sassan Mossanen, General Manager**

**Denali Brewing Company**

**P.O. Box 1021, Talkeetna Ak. 99676**

**Work (907) 733-2535**



*Brewing quality craft ales*

47160 Spruce Haven Street  
Kenai, AK 99611  
907-776-4055

[kenaibrewstop.com/alaska.html](http://kenaibrewstop.com/alaska.html)  
[www.kassikskenaidrewstop.com](http://www.kassikskenaidrewstop.com)

Dear Board Members:

Kassik's Kenai Brew Stop dba Kassik's Brewery is a small, family-owned brewery located in Nikiski, Alaska. We have been in business for over five years and have been gratified with the continuing growth in consumer acceptance of our product. As we continue to grow we find that while our small size and limited budget can work to our advantage by making us focus on providing quality products in an efficient manner, we are also limited in our ability to expand by those same factors.

In bringing our product to the attention of potential consumers, as a small Alaska brewery we can't hope to compete with the national print and television advertising campaigns of the large national brands. Instead, we rely primarily on providing a quality product and letting our customers tell their friend and neighbors. We make personal visits to the local bars and restaurants to place our product and work with our distributor. We also support our community by donating beer to many non-profit events.

We believe that another effective marketing tool for local breweries would be to allow them to showcase their Alaska Made product by bringing potential consumers to the brewery on special occasions such as on the brewery's anniversary, or the announcement of a new product line. At the present time we are constrained in our ability to host such a special event by AS 04.11.130(e) which limits the allowable individual consumption and activities on the premises of a brewery to such an extent that a large special event on the brewery premises would be impractical.

The purpose of this letter is to request the support of the board for legislation that would allow a brewery to obtain a "special events permit" modeled after the non-profit special events permit currently provided under AS 04.11.240. We believe that such a permitting system would satisfy the public interest in controlling the sale of alcoholic beverages to individuals by a brewery, while at the same time providing Alaska businesses with a marketing tool allowing them to better compete with the national brands in informing consumers about their product. For that reason we request the board to consider recommending to the legislature an amendment to AS 04.11 that would create a Brewery Special Events Permit. We have taken the liberty of drafting suggested language for such an amendment and it is attached for your consideration.

We appreciate the support and assistance the staff of the ABC Board has provided our business. We hope that you view the foregoing request in the spirit in which it is intended: to provide a way for the small Alaska breweries to inform consumers about their products. Thank you for your attention to this request.

Very truly yours,

Debara Kassik



March 29, 2012

Dear State of Alaska Senators,

King Street Brewing Company is a new small brewery located in Anchorage, Alaska founded by Shane Kingry and Dana Walukiewicz. We opened to the public in the fall of 2011, and have had great reception by local establishments and the general public. This community support has allowed us to grow and hire our first employee. To ultimately succeed, we must continue this growth, but as a small business our marketing dollars pale in comparison to the established national and international marketing organizations, with unlimited product promotion budgets, that we're competing against.

To compete in this environment, we have focused our efforts on a grass-roots marketing strategy that emphasizes our high quality, locally produced product. These marketing efforts, which include Facebook and generating email lists, are centered at our brewery and adjoining tap room. From there we introduce our product directly to consumers and educate the public on where they can enjoy our beers around Anchorage.

We would like to expand these promotional efforts to also include special events at the brewery such as an anniversary party or showcase a new product offering. At the present time we are constrained by AS 04.11.130(e) which limits the allowable individual consumption and activities on the premises of a brewery to such an extent that a special event on the brewery premises would be impractical.

The purpose of this letter is to request your support for the passage of Senate Bill 128, which would allow a brewery to obtain a special events permit modeled after the non-profit special events permit currently provided under AS 04.11.240. We believe that such a permit would satisfy the public interest in controlling the sale of alcoholic beverages to individuals by a brewery, while at the same time providing Alaskan businesses with marketing tools to better compete with the national brands in informing consumers about their product. For that reason, we request the Members of the Alaska State Senate to consider the passage of Senate Bill 128.

Thank you for your attention to this bill.

Sincerely,

A handwritten signature in black ink, appearing to read "Dana Walukiewicz", written over a printed name.

Dana Walukiewicz

*Member / Co-Owner*

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King Street Brewing Company  
7924 King Street  
Anchorage, Alaska 99518