

SB

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76</SUBJECT><COMM>SJUD30</COMM></TARGET>

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SB76 Explanation of Changes

Version T to Senate Labor and Commerce CS

Page 22, AS 04.09.310: Delete subsections (g) and (h). Remove reference to these in subsection (i).

Pages 23 and 24, AS 04.09.320: Delete subsections (g) and (h). Remove reference to these in subsection (i).

Page 25, AS 04.09.330: Delete subsections (g) and (h). Remove reference to these in subsection (i).

Removal of subsections (g) eliminates the requirement of manufacturer retail licensees to sell not more than 20 percent of their total volume to the public after four license renewal periods. Removal of subsections (h) eliminates the grandfathering provisions for current manufacturer retail licensees from subsection (g).

Pages 99 and 100, AS 04.21.025: Restructures section for clarity. Adds existing section (e) to the penalty provision.

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Existing in Statute
Existing in Regulations
Penalty or Fee Change
New Concept

SB 76 Senate Labor & Commerce CS

Sectional Analysis

Chapter 06. Alcoholic Beverage Control Board

Pages 1-5

Section 1 - Authority of the director

AS 04.06.075 new subsection provides that the director of the ABC Board shall prepare the budgets for admin, enforcement, education, training, and prevention activities under Title 4.

Section 2 - Delegation of authority

AS 04.06.080 adds endorsements to delegated powers, also edits cross reference.

Section 3 - Powers and duties

AS 04.06.090(b) relocation of language from existing AS 04.11.070 and addition of endorsements.

Section 4

AS 04.06.090(e) adds endorsements.

Section 5

AS 04.06.090 adds new subsection that directs the board to prepare Title 4 education plan for public safety, industry, youth, municipalities, and the public with annual revision.

Adds new subsections which direct the board to review fees every 10 years, allow opinions on legislation amending this title, requires the board to provide notice of violations to licensees and to post FASD information online for package store and winery licensees to include with shipped orders.

Section 6 - Statewide database

AS 04.06.095 allows for certain information from the statewide database to be retained up to 10 years, only identifying information will be purged annually. Adds reference to endorsement.

Section 7

AS 04.06.095(c) adds new subsection which directs the board to produce a report of aggregate regional sales of alcohol in local option areas, based on information retained in database and not including identifying data about an individual purchaser or seller.

Section 8 - Regulations

AS 04.06.100(b) adds endorsements, removes the board's power to create additional licenses and permits in regulation, and adds the power to restrict manufacturing, packaging, sale, and distribution of products containing alcohol for consumption.

Section 9 - Proposed new chapter AS 04.09 to replace sections defining license types and permit types currently in AS 04.11.

Chapter 09. Licenses, Endorsements, and Permits.

Pages 5-49

Article 1. License Types.

AS 04.09.010. **Types of licenses.** Gives the definition of license, three tiers, and limits license types to those listed in this chapter.

Article 2. Manufacturer Licenses.

AS 04.09.020. **Brewery manufacturer license.** Relocates the brewery license from 04.11.130, moves other provisions from current brewery manufacturer's license to endorsements and new license types, sets the biennial fee at \$1,500 and requires that at least 80% of the final product of brewed beverages sold be manufactured on licensed premises in Alaska.

AS 04.09.030. **Winery manufacturer license.** Relocates the winery license from 04.11.140, moves other provisions from current winery license to endorsements and new license types, sets the biennial fee at \$1,500 and requires that at least 80% of the final product of wine sold be manufactured on licensed premises in Alaska.

AS 04.09.040. **Distillery manufacturer license.** Relocates the distillery license from 04.11.160, moves other provisions from current winery license to endorsements and new license types, sets the biennial fee at \$1,500 and requires that at least 80% of the final product of distilled spirits sold be manufactured on licensed premises in Alaska.

AS 04.09.050. Authorized sales. Allows smaller manufacturers to self-distribute to retail, wholesale, permitted and out of state or country licensees. Requires large manufacturers to go through wholesale distributors.

AS 04.09.060. Unlicensed manufacturing. Relocates the existing penalty for unlicensed manufacture from 04.11.010.

AS 04.09.070. Unlicensed manufacturing in a local option area. Relocates the existing penalty for unlicensed manufacture in a local option area from 04.11.010.

AS 04.09.080. Unauthorized manufacturer sale. Defines unauthorized manufacturer sale as violating 04.09.050 and sets the penalty.

AS 04.09.090. Definition. Defines "packaging" which is the process of containing alcoholic beverages in bottles or other containers for sale.

Article 3. Wholesale Licenses.

AS 04.09.100. General wholesale license. Relocates the general wholesale license from 04.11.160, moves other existing components to other places in the chapter, maintains \$2,000 biennial fee, maintains \$10,000 maximum fee, and reduces annual transaction fees for smaller businesses.

AS 04.09.110. Limited wholesale brewed beverage and wine license. Relocates limited wholesale license from previous wholesale license section (AS 04.11.160(b)) in a separate section, maintains \$400 biennial fee, maintains maximum \$10,000 fee, and reduces annual transaction fees for smaller businesses.

AS 04.09.120. Annual fee and affidavit. Relocates existing affidavit requirement from previous wholesale licenses section (AS 04.11.160(c)-(d)), requires a wholesale licensee to submit an affidavit to the board stating total value of annual sales, including tax.

AS 04.09.130. Wholesaler supplier declaration. Relocates the wholesale supplier declaration from previous wholesale licenses section (AS 04.11.160(e)), maintains current fee structure, and simplifies the required reporting process.

AS 04.09.140. Unlicensed wholesale. Relocates unlicensed wholesale provision from 04.11.010 and maintains penalty.

AS 04.09.145. Unlicensed wholesale in a local option area. Relocates existing penalty for unlicensed wholesale in a local option area from 04.11.010.

AS 04.09.150. Failure to pay annual fee or file affidavit. States that failure to pay an annual wholesale fee or file an affidavit is a violation and sets the penalty.

AS 04.09.160. Failure to pay biennial fee or file declaration. States that failure to pay a biennial fee and failure to file a declaration are violations and sets the penalty.

Article 4. Retail Licenses.

AS 04.09.200. Beverage dispensary license. Relocates and simplifies the BDL license language from, maintains the \$2,500 biennial fee, references the multiple fixed counter endorsement, and sets the penalty for unauthorized beverage dispensary activity. Sections in current BDL (AS 04.11.090) for bowling alley and hotel licensees relocated to become separate endorsements.

AS 04.09.210. Restaurant and eating place license. Relocates license from 04.11.100, sets biennial fee at \$1250, maintains 1:1 food to alcohol ratio, strikes 1996 exemption, limits the number of annual allowed after-hours entertainment events to six, and sets penalty for failure to comply with license terms.

AS 04.09.220. Club license. Relocates license from 04.11.110, sets biennial fee at \$2,500, and sets the penalty for failure to comply with license terms.

AS 04.09.230. Package store license. Relocates license from 04.11.150, maintains biennial fee of \$1,500, and sets penalty for failure to comply with licenses terms. Sections in current AS 04.11.150 for delivery, shipping and other activities relocated to become separate endorsements.

AS 04.09.240. Pub license. Relocates license from 04.11.220, sets biennial fee at \$1,250, and sets penalty for failure to comply with license terms. Adds provision allowing designation of alternating premises, which allows a second location on a university campus that must be operated during mutually exclusive hours from existing license.

AS 04.09.250. Theatre license. Relocates license from regulation (3 AAC 304.695), sets biennial fee at \$1,250, and sets the penalty for failure to comply with license terms.

AS 04.09.260. Common carrier dispensary license. Relocates license from 04.11.180, maintains current fee schedule, removes "vehicle" as a qualifying premises, and sets penalties for unauthorized common carrier dispensary activity and common carrier dispensary noncompliance.

AS 04.09.270. Sporting event license. Relocates and renames recreational site license, sets biennial fee at \$1,250, sets penalty for unauthorized sporting event activity, and establishes 8-year sunset dates for licenses issued under former AS 04.11.210.

AS 04.09.280. Outdoor recreation lodge license. Relocates license from 04.11.225, sets biennial fee at \$2,500, and sets penalty for unauthorized outdoor recreation lodge activity.

AS 04.09.290. Golf course license. Relocates license from 04.11.115, sets biennial fee at \$1,250, and sets penalty for failure to comply with license terms.

AS 04.09.300. Destination resort license. Relocates license from 04.11.255, sets biennial fee at \$2,500, and sets penalty for failure to comply with license terms.

AS 04.09.310. Brewery retail license. Creates new license type based on existing language in AS 04.11.130 for brewery retail activities, sets biennial fee at \$1,250, and sets penalty for failure to comply with license terms.

AS 04.09.320. Winery retail license. Creates new license type based on existing language in AS 04.11.140 for winery retail activities, sets biennial fee at \$1,250, and sets penalty for failure to comply with license terms.

AS 04.09.330. Distillery retail license. Creates new license type based on existing language in AS 04.11.170 for distillery retail activities, sets biennial fee at \$1,250, and sets penalty for failure to comply with license terms.

AS 04.09.340. Beverage dispensary tourism license. Relocates license from AS 04.11.400(d), maintains biennial fee at \$2,500, and sets penalty for unauthorized beverage dispensary activity. Other language in AS 04.11.400(d) relocated to Hotel or Motel Endorsement.

AS 04.09.350. Seasonal restaurant or eating place license. Creates new license type, sets biennial license fee at \$1,250, defines which communities can qualify for having this license type, sets out formula for determining number of allowed licenses per community, and sets penalty for failure to comply with license terms.

AS 04.09.360. Winery direct shipment license. Creates new license type authorizing direct to consumer (including online) sales of wine for in-state or out-of-state winery, sets biennial license fee at \$200, directs the board to develop an application form specifically for this license, and sets penalty for failure to comply with license terms.

AS 04.09.370. Unlicensed retail sale. Relocates existing unlicensed retail sale from 04.11.010 and maintains penalty.

AS 04.09.380. Unlicensed retail sale in a local option area. Relocates existing unlicensed retail sale in a local option area from 04.11.010 and maintains penalty.

Article 5. Endorsements.

AS 04.09.400. Types of endorsements. Defines endorsements, clarifies that endorsements must be exercised with a license.

AS 04.09.410. Manufacturer sampling endorsement. Creates new endorsement for onsite sampling based on existing language from manufacturing licenses, defines per person per day volume limits by product type, sets biennial fee at \$200, sets penalties for unendorsed sampling and endorsement noncompliance.

AS 04.09.420. Multiple fixed counter endorsement. Creates new endorsement for multiple fixed counters with language relocated from duplicate license section in AS 04.11.090, sets biennial fee at \$200, sets initial application fee per counter, sets penalties for endorsement noncompliance and unendorsed service.

AS 04.09.430. Hotel or motel endorsement. Creates new endorsement using some language relocated from AS 04.11.090, sets biennial fee at \$200, sets penalties for unendorsed hotel or motel service and endorsement noncompliance.

AS 04.09.440. Large resort endorsement. Creates new endorsement using some language relocated from AS 04.11.090, defines a large resort, sets biennial fee at \$200, sets penalties for unendorsed large resort service and endorsement noncompliance.

AS 04.09.450. Restaurant endorsement. Creates new endorsement using language from the Restaurant Designation Permit currently in regulation, sets biennial fee at \$200, sets penalties for unendorsed restaurant service and endorsement noncompliance.

AS 04.09.460. Package store shipping endorsement. Creates new endorsement by relocating language from AS 04.11.150, allows licensees to accept online orders, sets biennial fee at \$200, sets penalties for unendorsed package store shipping and endorsement noncompliance.

AS 04.09.470. Package store delivery endorsement. Creates new endorsement by relocating language from AS 04.11.150, sets biennial fee at \$200, sets penalties for unendorsed package store delivery and endorsement noncompliance.

AS 04.09.480. Package store repackaging endorsement. Creates new endorsement by relocating language from regulation, sets biennial fee at \$200, sets penalties for unendorsed package store repackaging and endorsement noncompliance.

AS 04.09.490. Package store sampling endorsement. Creates new endorsement, defines per person per day volume limits by product type, sets biennial fee at \$200, sets penalties for unendorsed package store sampling and endorsement noncompliance.

AS 04.09.500. Bowling alley endorsement. Creates new endorsement using language from AS 04.11.090, sets biennial fee at \$200, sets penalties for unendorsed bowling alley service and endorsement noncompliance.

AS 04.09.510. Golf course endorsement. Creates new endorsement using language from AS 04.11.115, sets biennial fee at \$200, sets penalties for unendorsed golf course service and endorsement noncompliance.

AS 04.09.520. Brewery repackaging endorsement. Creates new endorsement by relocating language from AS 04.11.135, limits availability to licensees currently operating brewpubs, sets biennial fee at \$200, sets penalties for unendorsed brewery repackaging and endorsement noncompliance.

Article 6. Permits.

AS 04.09.600. Types of permits. Defines permits, establishes application process, requires servers to have an alcohol server education card, and sets daily fee for all permit types at least \$50 per event day.

AS 04.09.610. Beverage dispensary caterer's permit. Relocates caterer's permit from 04.11.230 and renames.

AS 04.09.620. Restaurant caterer's dining permit. Relocates permit from regulations, renames to allow service of meals other than dinner, and requires meal services as part of food to alcohol ratio sales requirement.

AS 04.09.630. Club caterer's permit. Relocates permit from regulations and simplifies existing language for application process.

AS 04.09.640. Art exhibit permit. Relocates permit from regulations, removes option for annual \$100 fee, and simplifies existing language.

AS 04.09.650. Nonprofit organization event permit. Relocates special events permit from 04.11.240 and renames, simplifies existing language for application process.

AS 04.09.660. Alcoholic beverage auction permit. Relocates wine auction permit from regulations and renames to allow all alcoholic beverages to be auctioned.

AS 04.09.670. Tasting event permit. Creates new permit, allows a beverage dispensary license holder to partner with a manufacturer retail licensee or package store to host a tasting event on the partner's location and serving the partner's product inventory, sets a time limit and food requirement, and limits to six events per partnering license per year.

AS 04.09.680. Inventory resale permit. Relocates retail stock sale license from 04.11.200 and renames.

AS 04.09.690. Conditional contractors permit. Relocates permit from 04.11.250.

AS 04.09.700. Failure to comply with a permit requirement. Sets the penalties for failure to comply with permit requirements.

Chapter 11. Licensing.

Pages 50-79

Section 10 – License or permit required; presumption concerning possession for sale.

AS 04.11.010(a) relocates penalties for unlicensed manufacture, sale and offering for sale. Unlicensed sale is addressed in new sections in proposed AS 04.09.

Section 11

AS 04.11.010(b) adds reference to the package store shipping license.

Section 12

AS 04.11.010(c) adds references to unlicensed sale, corrects term "half-keg" and adds barter to local option violation.

Section 13 - Purchase from nonlicensee prohibited

AS 04.11.015 prohibits barter for alcoholic beverages and adds penalty with \$250 fine.

Section 14 - Board approval of transfer AS 04.11.040 adds penalty for unauthorized transfer of an alcoholic beverage license or permit with \$250 fine.

Section 15 - Reports required of limited liability organizations

AS 04.11.045 adds penalty for failure to report a change in member interest or manager with \$250 fine.

Section 16 - Reports required of corporations

AS 04.11.050 adds penalty for failure to report a stock transfer or change of officers or board members with \$250 fine.

Section 17 - Reports required of partnerships

AS 04.11.055 adds penalty for failure to report a transfer of partnership interest or change of general partner with \$250 fine.

Section 18 - Nonresident distiller, brewer, winery, or wholesaler

AS 04.11.060 amends reference to general wholesale license.

Section 19

AS 04.11.060 maintains current penalty for violating the section.

Section 20 - Application for new license, endorsement, or permit

AS 04.11.260 adds endorsement, requires phone number and e-mail of applicant, requires annotated premises drawing and adds license references with individual application requirements.

Section 21

AS 04.11.260 exempts winery direct shipment license from application process for other license types.

Section 22 – Application for renewal of license or permit

AS 04.11.270 adds endorsements, adds conditional contractor's permit, edits reference, and allows renewal applications to be sent via electronic mail.

Section 23

AS 04.11.270 exempts winery direct shipment license from renewal process.

Section 24 – Application for transfer of a license to another person

AS 04.11.280 adds endorsements as transferrable with a license.

Section 25 – Criminal justice information and records

AS 04.11.295(a) adds issuance and renewal for conditional contractor's permit.

Section 26

AS 04.11.295(b)(1) adds reference to conditional contractor's permit.

Section 27 – Notice of application

AS 04.11.310 exempts winery direct shipment license from notice requirements.

Section 28 – False statement on application.

AS 04.11.315 relocates AS 04.16.210 and defines crime of making false statements on an application to as perjury, defined in AS 11.56.200.

Section 29 – Denial of new licenses and permits

AS 04.11.320(a) adds references to endorsements.

Section 30 – Denial of license or permit renewal

AS 04.11.330(a) changes 30 eight-hour day minimum operating requirement to 240 hours and removes reference to public convenience license. [effective immediately]

Section 31

AS 04.11.330(a) duplicate section adds endorsement, adds reference to beverage dispensary tourism license, and adds reference to seasonal restaurant or eating place tourism license. [effective with other licensing changes, 1/1/2020]

Section 32

AS 04.11.330(d) exempts common carrier dispensary licenses and renames reference to recreational site license.

Section 33

AS 04.11.330 exempts winery direct shipment license.

Section 34 – Denial of request for relocation

AS 04.11.340 removes reference to public convenience license. [effective immediately]

Section 35

AS 04.11.340 duplicate section, adds reference to 04.11.400(k) and removes reference to 04.11.400(d). [effective with other licensing changes, 1/1/2020]

Section 36 – Denial of transfer of a license to another person.

AS 04.11.360 removes public convenience license reference. [effective immediately]

Section 37

AS 04.11.360 duplicate section removes reference to brewpub license. [effective with other licensing changes, 1/1/2020]

Section 38 – Licensed premises in multi-unit residential housing developments owned or financed by the Alaska Housing Finance Corporation

AS 04.11.365 adds reference to restaurant endorsement.

Section 39 – Suspension and revocation of licenses and permits

AS 04.11.370 adds endorsements.

Section 40 – Board imposed conditions or restrictions

AS 04.11.395 section title change and adds reference to endorsements.

Section 41

AS 04.11.395 allows the director to impose conditions or restrictions on any permit other than a conditional contractor's permit.

Section 42 – Population limitations.

AS 04.11.400(a) adds reference to 04.11.405. [effective immediately]

Section 43

AS 04.11.400(a) duplicate section, edits subsection reference, defines five-mile radius outside cities, adds new population limit for manufacturer retail licenses, adds licenses exempt from population limits and exempts local option populations from calculations. [effective with other licensing changes, 1/1/2020]

Section 44

AS 04.11.400(i) lists licenses exempt from population limits.

Section 45

AS 04.11.400(k) edits reference to beverage dispensary license, allows relocation of a package store, lowers borough threshold population, restricts number of licenses eligible for transfer to those exceeding population limits and defines number of allowed transfers by city, not borough.

Section 46 - Petition for additional restaurant or eating place licenses for certain local governing bodies

AS 04.11.405 adds new section that gives certain local governing bodies the ability to petition the board for additional restaurant or eating place licenses allocated to their jurisdiction. [effective immediately]

Section 47 - 48

AS 04.11.405(a)-(b) duplicate sections amending cross-references to restaurant and eating place license. [effective with other licensing changes, 1/1/2020]

Section 49 - Person and location

AS 04.11.430 updates definition of corporation to match Title 10 and requires additional information from licensees.

Section 50 - Prohibited financial interest

AS 04.11.450(b) retains restrictions for wholesale licensees from owning a manufacturing tier license or retail tier license, removes restriction on small manufacturers owning retail tier licenses.

Section 51

AS 04.11.450(e) adds reference to limited wholesale license to restriction on acting as an employee or agent of a manufacturer tier license or retail tier license and adds the new statutory license references.

Section 52

AS 04.11.450 adds new section that restricts manufacturers above certain annual production from owning a wholesale tier license or retail tier license.

Section 53 - Prior public approval

AS 04.11.460 exempts winery direct shipment license.

Section 54 – 56

AS 04.11.470 – AS 04.11.480 adds endorsements to allowable objections and protest.

Section 58 – 60 – Local options

AS 04.11.491 renumbers statutory references to license types and adds outdoor recreation lodge as one of license types that can be exempted from restrictions on sale in local option elections

Section 61

AS 04.11.491(g) edits reference to package store license and removes the ability for local option areas to opt out of applying C felonies to furnishing or delivery of alcoholic beverages to persons under the age of 21 in a local option area because the need is eliminated in section 92.

Section 62 – Notice to local governing body

AS 04.11.520 clarifies language for notice process and adds endorsements.

Section 63 – Suspension and revocation based on acts of employees

AS 04.11.535(a) adds endorsements, reference to permittee as applicable and clarifying language.

Section 64 – 67

AS 04.11.537 – AS 04.11.570 adds endorsements or conditional contractors permit to application, renewal and expiration, appeals, refunds and forfeiture of fees procedures.

Section 68 – Surrender or destruction of a license

AS 04.11.580(b) changes language to “not later than”.

Section 69 – Disposition of money

AS 04.11.590(a) adds reference to endorsements and permits.

Section 70 – Refund to municipalities

AS 04.11.610 changes “refund” to “allocation” throughout and specifies content of reporting by municipalities for how license fee funds were used for alcohol-related education and enforcement.

Section 71 – Accessibility of license and licensed premises to inspection

AS 04.11.630(b) adds endorsements, permits and includes premises during a permitted event.

Section 72 - Duration of licenses and permits

AS 04.11.680 adds endorsements, conditional contractors permit, states that permits must be issued for a specified time, and removes fee reduction for seasonal licenses.

Chapter 16. Regulation of Sales and Distribution.

Pages 79-97

Section 73 - Hours of sale and presence on licensed premises (standard closing hours)

AS 04.16.010(c) allows a person to be on the licensed premises outside of the hours of sale to conduct business with the licensee, maintenance or improvements, common carrier licensees and adds restaurant endorsement reference.

Section 74

AS 04.16.010 adds penalty for violating the section.

Section 75 - Pricing and marketing of alcoholic beverages

AS 04.16.015(a) exempts sampling endorsements and defines week as seven days.

Section 76

AS 04.16.015 adds penalty for violating the section.

Section 77 - Trade practices

AS 04.16.017 new section specifying illegal practices by manufacturers and directs the board to adopt regulations defining exceptions to these rules and administrative penalties for violations.

Section 78 - Solicitation of alcoholic beverages; purchase on behalf of another

AS 04.16.020 sets penalty for unauthorized solicitation or purchase of alcoholic beverages.

Section 79 - Online sale and purchase of alcoholic beverages

AS 04.16.022 new section prohibiting online purchase and sale unless the licensee has a winery direct shipment license or package store shipping endorsement and sets penalties.

Section 80 - Illegal presence on premises involving alcoholic beverages

AS 04.16.025(a) adds statutory references to all penalties involving sale without a license.

Section 81 - Prohibited conduct relating to drunken persons

AS 04.16.030 changes existing penalty for prohibited conduct relating to a drunken person, adds administrative penalty to licensee if employee is convicted of a violation of this section, and adds misdemeanor penalty for licensee who knowingly allows employees to violate this section.

Section 82 - Possession of ingredients for homebrew in certain areas

AS 04.16.035 changes statutory reference to all local option areas, consistent with AS 04.21.025 restricting private manufacture of alcohol in all local option areas.

Section 83

AS 04.16.035 maintains current penalty for possession of ingredients for homebrew.

Section 84 - Access of drunken persons to licensed premises

AS 04.16.040 rewords licensed premises language.

Section 85

AS 04.16.040 relocates and changes penalty for prohibited access by a drunken person.

Section 86 - Obligation to enforce restrictions in licensed premises

AS 04.16.045 relocates and changes penalty for permitting consumption not authorized under a license.

Section 87 - Access of persons with restriction on purchasing alcohol

AS 04.16.047 adds reference to penalty for entering and remaining on licensed premises defined in AS 04.16.160.

Section 88 - Access to persons under the age of 21 to licensed premises

AS 04.16.049(a) amends reference to restaurant endorsement and club license.

Section 89

AS 04.16.049(c) adds additional license types allowed to have underage persons on premises as employees, ages 16 and 17, provided they are not serving alcohol.

Section 90

AS 04.16.049(d) adds additional license types allowed to have underage persons on premises as employees, ages 18-20, provided they are not serving alcohol.

Section 91

AS 04.16.049 adds additional license types allowed to have underage persons on premises if traveling, provided they are not served or consume alcohol.

Section 92 - Furnishing or delivery of alcoholic beverages to persons under the age of 21

AS 04.16.051(d) defines offense of furnishing or delivering to a minor.

Section 93

AS 04.16.051 changes penalties for furnishing or delivering to a minor by a person, maintains one C felony charge for situations involving serious harm but removes C felony for offense in a Local Option area, consistent with change in Section 61.

Section 94 - Furnishing of alcoholic beverages to person under the age of 21 by licensees

AS 04.16.052 changes penalties for furnishing or delivering to a minor by a licensee or employee, adds administrative penalty to licensee if employee is convicted of a violation of this section and shifts misdemeanor penalty in AS 04.16.150 to licensee who knowingly allows employees to violate this section.

Section 95 - Room rental for purposes of consuming alcoholic beverages

AS 04.16.055 changes penalty for renting a room for the purpose of providing alcoholic beverages to a person under 21 years of age.

Section 96 - Permitting minor to illegally possess liquor in a dwelling

AS 04.16.057(b) maintains current violation and adds \$500 fine.

Section 97 - Purchase by or delivery to persons under the age of 21

AS 04.16.060(e) relocates requirement for persons under the age of 16 to be accompanied by a person 21 years of age and have parental consent to remain in a restaurant that serves alcohol, now in proposed AS 04.09.450 in Section 9.

Section 98

AS 04.16.060 defines penalties for purchase by a person under 21 years of age and delivery to a person under 21 years of age. For persons under 21, adds similar penalty structure as those in AS 04.16.049 and AS 04.16.050, \$500 fine for violation with option to reduce fine to \$50 if youth completes treatment or community diversion panel.

Section 99 – Sales or consumption at school events

AS 04.16.080 edits title for the section.

Section 100

AS 04.16.080 sets penalty for consuming at a school event.

Section 101 – Prohibition of bottle clubs

AS 04.16.090(c) makes list exclusive and adds cover charge and other services or products provided on the premises.

Section 102

AS 04.16.090 defines the crime of maintaining a bottle club, relocates and maintains current penalty.

Section 103 – Sale of certain alcoholic beverages prohibited

AS 04.16.110 defines sale of a prohibited alcoholic beverage, relocates and maintains current penalty.

Section 104 – Removal or introduction of alcoholic beverages

AS 04.16.120 defines removal or introduction of alcoholic beverages, sets penalty and exemptions.

Section 105 – Alcoholic beverages transported by common carrier

AS 04.16.125 repeals and reenacts the section. Allows for delivery to a person over the age of 21 with signature from an order filled by a package store or winery direct shipment licensee only by an approved carrier, requires board to review carrier policies and publish list of approved carriers, and removes some detailed language for delivery to a local option area. Maintains penalty for unauthorized transportation of alcoholic beverages by common carrier into a local option area and makes noncompliance a violation.

Section 106 – Stock confined to licensed premises

AS 04.16.130 sets penalty for unauthorized storage of alcoholic beverages.

Section 107 - Sale or consumption of alcoholic beverages in a warehouse

AS 04.16.140 sets penalty for consumption or sale of alcoholic beverages in a warehouse.

Section 108 - Licensee responsible for violations

AS 04.16.150 changes penalty for failure to ensure compliance.

Section 109 - Restriction on purchasing alcoholic beverages

AS 04.16.160 maintains current penalty for failure to comply with a restriction on purchasing alcoholic beverages.

Section 110 - 111 - Source of alcoholic beverages

AS 04.16.170 exempts winery direct shipment license and maintains current penalty for sale of alcoholic beverages from or to an unlicensed person.

Section 112 - 113 - Restrictions on purchase and sale of alcoholic beverages

AS 04.16.172 renumbers cross-references to license types and maintains current penalty for licensee obtaining alcoholic beverages from an unlicensed seller.

Section 114 - Furnishing alcoholic beverages in aid of gambling enterprise

AS 04.16.175 maintains current penalty for the crime of furnishing an alcoholic beverage in aid of a gambling enterprise.

Section 115 - Penalties for violation

AS 04.16.180(b) adds statutory references to prohibited conduct related to drunken persons and furnishing alcoholic beverages to persons under the age of 21 by licensees.

Section 116

AS 04.16.080(e) adds definition for "conviction".

Section 117

AS 04.16.180 adds clarification that licensees are subject to administrative penalties imposed by the board for violations of AS 04.16.030 (Section 81) and AS 04.16.052 (Section 94) and adds mitigating circumstances for licensees.

Section 118 - 121 - Forfeitures and seizures

AS 04.16.220(a) renumbers cross-references.

Chapter 21. General Provisions.

Pages 97-104

Section 122 - Keg registration

AS 04.21.012 adds new section establishing a keg registration process including proof of age, registration form requirements, identification tags, and establishes the penalty for possession and sale of alcoholic beverages in an unregistered keg.

Section 123 - 124 - Civil liability of persons providing alcoholic beverages

AS 04.21.020(a) renumbers cross-references.

Section 125 - Alcohol server education course

AS 04.21.025(a) repeal and reenact section to list license types that do not require server education training: only licenses not serving the public are exempt from requirement.

Section 126

AS 04.21.025(b) adds reference to permit holders and individuals listed on an application as servers for a permitted event.

Section 127

AS 04.21.025(c) adds reference to permit holders and requires servers listed on the permit application to have a current alcohol servers card by the first event day.

Section 128

AS 04.21.025 defines the offense of failure to comply with alcohol server education requirements and sets penalty.

Section 129 - Proof of age and of not being restricted from purchasing alcoholic beverages

AS 04.21.050(a) renumbers cross-reference.

Section 130 - Warehousing of alcoholic beverages

AS 04.21.060 defines the offense of unauthorized warehousing and establishes penalty.

Section 131 - Posting of warning signs

AS 04.21.065(a) updates list of license types that require warning signs.

Section 132

AS 04.21.072. Fines and other criminal penalties. New section which sets penalties for other violations, misdemeanors, or felonies unless otherwise specified.

AS 04.21.074. Bail forfeiture schedule. Directs the supreme court to set a bail schedule for Title 4 violations.

AS 04.21.076. Suspension of fine or sentence. Prevents the court from suspending fines or sentences for minor offenses.

Section 133 – Court records of persons under 21 years of age

AS 04.21.078 adds additional statutory reference to violations of AS 04.16.060.

Section 134 – Definitions

AS 04.21.080(b)(6) adds reference to permit holders and license holders.

Section 135

AS 04.21.080(b)(15) adds endorsements.

Section 136

AS 04.21.080(b) adds definitions.

Amendments to Various Other Titles.

Pages 104-109

Section 137 – Definitions

AS 05.15.690(48) renumber beverage dispensary license reference and update “bar” definition.

Section 138 – 143

Amends references to Title 4 in Titles 9, 11, 12 and 18.

Section 144 - Unlawful practices in places of public accommodation

AS 18.80.230(b) amends reference to chapter 04.11.

Section 145 – Definitions

AS 39.50.200(b) adds the marijuana control board to list of state commissions or boards.

Section 146 – Winery direct shipment tax; statement; audit

AS 43.60.060 establishes tax collection on direct wine shipments from out of state businesses holding this license and outlines requirements for the Department of Revenue.

Section 147 - 148

AS 43.70.105(a) amends references to chapter 04.11 in Titles 43 and 45.

Repealers, Transitions, Applicability, Court Rule Amendment, and Effective Dates.

Pages 109-114

Section 149

Amends court rule 17 by adding statutory reference.

Section 150

Repealing section with effective date of January 1, 2020.

Section 151

Immediate repeal section.

Section 152

Repealing section with effective date of January 1, 2028.

Section 153

Repealing section with effective date of January 1, 2020.

Section 154 – Uncodified law

Applicability. States that changes apply to offenses committed on, or after the effective date.

Section 155 – Transition

Conversion of applications and licenses. Provides that the board shall convert all necessary licenses and applications within 90 days.

Section 156 – Transition

Seasonal restaurant or eating place license. Converts applications for restaurant or eating place licenses to seasonal restaurant or eating place license application if the establishment serves beer and wine for a period not exceeding six months.

Section 157 - Transition

Regulations. Directs the Department and the Board to adopt necessary regulations.

Section 158

Immediate effective date clause.

Section 159

January 1, 2020 effective date for the remainder of the act.

Staff Contact: Rachel Hanke 465-2828



February 12, 2018

The Honorable Senator Micciche
Alaska State Senate
State Capitol Room 417
Juneau, AK 99801

Dear Senator Micciche:

On behalf of the Alaska Peace Officers Association (APOA), I am writing to convey our support of SB76, "An Act relating to alcoholic beverages; relating to the regulation of manufacturers, wholesalers, retailers, and common carriers of alcoholic beverages; relating to licenses, endorsements, and permits involving alcoholic beverages; relating to the Alcoholic Beverage Control Board; relating to offenses involving alcoholic beverages; amending Rule 17, Alaska Rules of Minor Offense Procedure; and providing for an effective date."

Thank you for crafting a bill to revise Title 4 of the Alaska Statutes regulating alcohol beverages. This bill is the product of a six-year process initiated by the Alcoholic Beverage Control (ABC) Board to engage a diverse group of more than 100 stakeholders across the state to determine how to improve the structure, organization, specific policies and associated implementation issues in Title 4, Alaska's statutes regarding regulation and control of alcoholic beverages in the state.

Title 4 is recognized to be in many ways outdated, confusing or otherwise ineffective in carrying out the intent of the statutes. Much of the chapter has not been updated since 1980. Over time, incremental updates and changing trends have reduced the effectiveness of Title 4. This systematic redraft of Title 4 will help the ABC Board carry out its mission and will benefit organizations and individuals whose work, community or business is affected by alcoholic beverage laws and regulations.

The proposed revisions in SB 76 are a comprehensive package of inter-related proposals to improve the overall system of alcohol regulation in Alaska. They will:

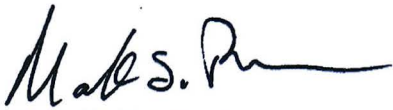
- Make Title 4 a clear and consistent framework used by licensees, the ABC Board and law enforcement
- Increasing effectiveness of Title 4 enforcement by improving the swiftness, proportionality and consistency of penalties
- Increasing licensee accountability before the ABC Board for Title 4 violations.

This package ensures that the Alcoholic Beverage Control Board fairly represents the interests of all Alaskans and will be a leader in alcohol education, policy and regulation. It will promote a fair business climate and protect public health and safety by:

- Creating a rational regulatory structure for Alaska's alcohol licensing system
- Limiting youth access to alcohol
- Promoting responsible alcohol use and reduce the harms of overconsumption.

I urge you to support the significant multi-year effort of this statewide stakeholder group by voting in support of SB 76 and continued improvement of Title 4. Please contact the APOA office in Anchorage at 277-0515 if there is anything our organization can do to help with the passage of this bill. Thank you for your commitment and dedication to our state.

Sincerely,



Mark S. Pearson
State President
Alaska Peace Officers Association

PO Box 240106
Anchorage, AK 99524
apoa@gci.net
(907) 277-0515

Cc: Senators Coghill, Costello, Kelly, Wielechowski, Meyer, Stevens, Gardner

About APOA

The Alaska Peace Officers Association (APOA) is a dynamic, professional and non-partisan organization. Our membership consists of law enforcement, corrections, prosecutors, security professionals and others at the local, state and federal levels. APOA has served as a voice for peace officers and issues impacting the law enforcement profession for over half a century. We are one of the oldest and largest 501c(3) charitable, nonprofit organizations in Alaska. www.apoaonline.org



April 9, 2018

Senator Peter Micciche
State Capitol Room 508
Juneau AK, 99801

Senator Micciche,

Thank you for the considerable time and effort you have put into the creation of SB76 and working closely with our members to develop a bill that all stakeholders can support.

The Brewers Guild of Alaska (BGA) is a non-profit trade association founded in 2000 by craft brewers in Alaska to promote the craft beer and brewing industry through consumer education, community events and legislative advocacy. BGA also provides a strong networking base for our brewers and their suppliers, retailers and others interested in understanding its members' contribution to our state.

The guild is the unified voice of the 34 member breweries, brewpubs and breweries in-planning in the vast expanse of Alaska. We also count a cidery and meadery as members.

I am writing you today to show our industry's support of Senate Bill 76, introduced on March 3, 2017, which would revise Title 4 of the Alaska Statutes regulating alcohol beverages. This bill is the product of a five-year process initiated by the Alcoholic Beverage Control (ABC) Board to engage a diverse group of more than 100 stakeholders across the state to determine how to improve the structure, organization, specific policies and associated implementation issues in Title 4, Alaska's statutes regarding regulation and control of alcoholic beverages in the state.

Title 4 is recognized to be in many ways outdated, confusing or otherwise ineffective in carrying out the intent of the statutes. Much of the chapter has not been updated since 1980. Over time, incremental updates and changing trends have reduced the effectiveness of Title 4. This systematic redraft of Title 4 will help the ABC Board carry out its mission and will benefit organizations and individuals whose work, community or business is affected by alcoholic beverage laws and regulations.

The proposed revisions in SB 76 are a comprehensive package of inter-related proposals to improve the overall system of alcohol regulation in Alaska. They will:

- Make Title 4 a clear and consistent framework used by licensees, the ABC Board and law enforcement
- Increasing effectiveness of Title 4 enforcement by improving the swiftness, proportionality and consistency of penalties
- Increasing licensee accountability before the ABC Board for Title 4 violations.

This package ensures that the Alcoholic Beverage Control Board fairly represents the interests of all Alaskans and will be a leader in alcohol education, policy and regulation. It will promote a fair business climate and protect public health and safety by:

- Creating a rational regulatory structure for Alaska's alcohol licensing system
- Limiting youth access to alcohol
- Promoting responsible alcohol use and reduce the harms of overconsumption.

With the removal of the 80/20 distribution provision, we as an industry can give our full support to this bill and thank you for your work bringing the stakeholders together.



C. Ryan Makinster
Executive Director



SKAGWAY BREWING CO.
7TH & BROADWAY
PO BOX 946
SKAGWAY, AK 99840
WWW.SKAGWAYBREWING.COM
907.983.2739 BAR
907.983.2759 OFFICE
907.983.2759 FAX

4/9/18

Dear Senator Micciche,

I would like to show my support for SB76. My business currently has a brewpub license, which does not allow for self-distribution of our beer in any quantity. The extra costs associated with having to go through a distributor have prohibited us from reaching an agreement with our local liquor store to sell our product, despite it being only a few blocks away. We are a small batch brewery that cannot compete with Anheuser Busch, and other out of state breweries on price point, so any additional costs beyond production hinder our development and distribution. SB76 will fix this problem and help Alaskan made beer to thrive.

I would also like to thank you for removing the 80/20 provision. That provision would have greatly limited the abilities of new breweries, wineries and distilleries to compete in today's market. Please feel free to reach out to me with any questions.

Sincerely,

Mike Healy
Skagway Brewing Company
(907) 973-2337 (mobile)

April 9, 2018

Senator Peter Micciche
Alaska Legislature
State Capital Room 508
Juneau, AK 99801

RE: SB 76 – Alcoholic Beverage Control; Alcohol Reg.

Dear Senator Micciche:

I am writing this letter to express my gratitude to you for amending SB 76 to remove the 80/20 provision regarding brewery taprooms, as I feel strongly that this provision would effectively prevent any new craft breweries from being able to open in Alaska.

With the 80/20 provision removed, I believe SB 76 will be an excellent piece of legislation, and one each of us with a stake in Alaska would be proud to support.

Thank you for all your hard work in drafting SB 76 and bringing it before the legislature.

Sincerely,

W. Howell

William Howell
Sterling, Alaska



ALASKA MENTAL HEALTH BOARD
ADVISORY BOARD ON ALCOHOLISM AND DRUG ABUSE
431 NORTH FRANKLIN STREET, SUITE 203
JUNEAU, AK 99801
907-465-8920

March 13, 2018

The Honorable Senator Peter Micciche
State Capitol Room 508
Juneau AK, 99801

RE: Senate Bill 76- An Act Relating to Alcoholic Beverage Control

Dear Senator Micciche;

The Alaska Mental Health Board (AMHB) and the Advisory Board on Alcoholism and Drug Abuse (ABADA) are the state agencies statutorily-charged with advising the Governor, the Legislature and related Departments in the planning and coordinating of behavioral health services funded by the State of Alaska. The joint mission of AMHB and ABADA is to advocate for programs and services that promote healthy, independent, and productive Alaskans.

The Boards are in full support Senate Bill 76, which would revise Title 4 of the Alaska Statutes regulating alcoholic beverages. This bill is the product of a six-year process initiated by the Alcoholic Beverage Control (ABC) Board to engage a diverse group of more than 100 stakeholders across the state to determine how to improve the structure, organization, specific policies and associated implementation issues in Title 4, Alaska's statutes regarding regulation and control of alcoholic beverages in the state.

Most of the current Title 4 provisions have not been updated since the 1980s. This systematic redraft of the chapter will help the ABC Board carry out its mission by improving the public health and safety standards in a way that promotes fair business practices. Our communities will benefit from this comprehensive package to ensure licensees, the ABC Board and law enforcement are clear and consistent in their authority.

This package ensures that the Alcoholic Beverage Control Board fairly represents the interests of all Alaskans and will be a leader in alcohol education, policy and regulation. It will protect public health and safety by developing a rational regulatory structure for license types and fees to better cover enforcement. This bill further protects youth by taking several steps to limit youth access to alcohol, incentivizing youth who need it to seek alcohol education and treatment, promoting responsible alcohol use and reducing the harms of overconsumption.

Thank you for this opportunity to support and comment on SB76 and please contact me if you need additional information.

Sincerely,

Alison L. Kulas, MSPH
Executive Director



March 7, 2017

To members of the Senate Labor and Commerce Committee:

I am asking you to support Senate Bill 76, introduced on March 3, 2017, which would revise Title 4 of the Alaska Statutes regulating alcoholic beverages. This bill is the product of a five-year process initiated by the Alcoholic Beverage Control (ABC) Board to engage a diverse group of more than 100 stakeholders across the state to determine how to improve the structure, organization, specific policies and associated implementation issues in Title 4, Alaska's statutes regarding regulation and control of alcoholic beverages in the state.

Title 4 is recognized to be in many ways outdated, confusing or otherwise ineffective in carrying out the intent of the statutes. Much of the chapter has not been updated since 1980. Over time, incremental updates and changing trends have reduced the effectiveness of Title 4. This systematic redraft of Title 4 will help the ABC Board carry out its mission and will benefit organizations and individuals whose work, community or business is affected by alcoholic beverage laws and regulations.

The proposed revisions in SB 76 are a comprehensive package of inter-related proposals to improve the overall system of alcohol regulation in Alaska. They will:

- Make Title 4 a clear and consistent framework used by licensees, the ABC Board and law enforcement
- Increasing effectiveness of Title 4 enforcement by improving the swiftness, proportionality and consistency of penalties
- Increasing licensee accountability before the ABC Board for Title 4 violations.

This package ensures that the Alcoholic Beverage Control Board fairly represents the interests of all Alaskans and will be a leader in alcohol education, policy and regulation. It will promote a fair business climate and protect public health and safety by:

- Creating a rational regulatory structure for Alaska's alcohol licensing system



- Limiting youth access to alcohol
- Promoting responsible alcohol use and reduce the harms of overconsumption.

I urge you to support the significant multi-year effort of this statewide stakeholder group by voting in support of SB 76 and improving Title 4.

Sincerely,

Matt Jones
Co-founder

MOOSE'S TOOTH PUB & PIZZERIA
(907) 258-2537
MOOSESTOOTH.NET

BEAR TOOTH THEATREPUB & GRILL
(907) 276-4200
BEARTOOTHTHEATRE.NET
BEARTOOTHGRILL.NET

BROKEN TOOTH BREWING
(907) 278-4999
BROKENTOOTHBREWING.NET

2/24/2017

Senator Peter Micciche
State Capitol Room 508
Juneau, AK 99801



Dear Senator Micciche,

Alaska Children's Trust (ACT) supports the statewide effort to revise Title 4 of the Alaska Statutes regulating alcoholic beverages. ACT is the statewide lead organization focused on child abuse and neglect.

As a member of the Recover Alaska steering committee, ACT recognizes the impact of the changes being recommended to Title 4 supports Alaska's efforts to ensuring our children grow up in safe, stable, and nurturing homes. Title 4 is recognized to be in many ways outdated, confusing or otherwise ineffective in carrying out the intent of the statutes. Much of the chapter has not been updated since 1980. Over time, incremental updates and changing trends have reduced the effectiveness of Title 4, putting our children at risk. This systematic redraft of Title 4 will help the ABC Board carry out its mission and will benefit organizations and individuals whose work, community or business is affected by alcoholic beverage laws and regulations.

The proposed revisions are a comprehensive package of inter-related proposals to improve the overall system of alcohol regulation in Alaska. They will:

- Make Title 4 a clear and consistent framework used by licensees, the ABC Board and law enforcement
- Increasing effectiveness of Title 4 enforcement by improving the swiftness, proportionality and consistency of penalties
- Increasing licensee accountability before the ABC Board for Title 4 violations.

This package ensures that the Alcoholic Beverage Control Board fairly represents the interests of all Alaskans and will be a leader in alcohol education, policy and regulation. It will promote a fair business climate and protect public health and safety by:

- Creating a rational regulatory structure for Alaska's alcohol licensing system
- Limiting youth access to alcohol
- Promoting responsible alcohol use and reduce the harms of overconsumption.

We support this significant multi-year effort of the stakeholder group to improve Title 4, and look forward to a legislative package that will benefit all Alaskans. Thank you for your efforts.

Sincerely,

Trevor J. Storrs
Executive Director



February 28, 2017

Senator Peter Micciche
Alaska State Capitol
Juneau, Alaska 99801

Dear Senator Micciche,

On behalf of the Mat-Su Health Foundation and its Board of Directors, I am writing to express support for the Title 4 reform process and upcoming legislation.

The Mat-Su Health Foundation (MSHF) shares ownership in Mat-Su Regional Medical Center and invests its profits from that partnership back into the community in order to improve the health and wellness of Alaskans living in the Mat-Su. In 2013, the foundation, along with community partners, conducted a Community Health Needs Assessment, which included data analysis, public polling and 24 community forums. Alcohol and substance abuse was ranked as the number one health issue in Mat-Su. In follow up research, we asked our local police captains, what is the number one substance problem? Their response was “alcohol, alcohol, alcohol.” Perhaps that is why the number one reason Mat-Su residents visit our local hospital’s emergency department for behavioral health needs is alcohol-related disorders.

Revisions to Alaska’s alcohol laws can help correct some of these problems. Title 4 is recognized to be in many ways outdated, confusing or otherwise ineffective in carrying out the intent of the statutes. Much of the chapter has not been updated since 1980. Over time, incremental updates and changing trends have reduced the effectiveness of Title 4. This systematic redraft of Title 4 will help the ABC Board carry out its mission and will benefit organizations and individuals whose work, community or business is affected by alcoholic beverage laws and regulations. The Mat-Su Health is particularly interested in the public health aspects of Title 4 reform. When enacted, the new law can do the following:

- Help prevent youth access to alcohol, while not criminalizing youth for one mistake.
- Preserve limits on the density of alcohol outlets, correlated with negative health and safety impacts.
- Promote responsible service and consumption of alcohol at establishments and special events.
- Hold licensees, employees and other adults more accountable for serving minors with reasonable and consistent penalties.
- Regulate alcohol purchases shipped directly to customers through online sales.
- Increase availability of data on alcohol in local option areas, and local enforcement of Title 4.
- Provide more resources for education about and enforcement of Title 4 at the state and local levels.

We support the significant multi-year effort of the stakeholder group to improve Title 4, and look forward to a legislative package that will benefit all Alaskans. Thank you for your efforts!

Sincerely,

Chief Executive Officer



Resolution of Support for Revisions to Title 4 of the Alaska Statutes

Whereas, Title 4 of the Alaska Statutes is the law regulating alcoholic beverages in the State of Alaska; and

Whereas, the Alaska Statutes, §04.06.090 states that the Alcoholic Beverage Control Board "shall control the manufacture, barter, possession, and sale of alcoholic beverages in the state" and that the Board "is vested with the powers, duties and responsibilities necessary for the control of alcoholic beverages"; and

Whereas, Title 4 of the Alaska Statutes has not been substantially updated since 1980; and

Whereas, over 100 stakeholders and staff representing the alcohol industry, public health and public safety spent over 11,000 hours of dedicated time during a period of more than three years to craft proposed revisions to Title 4; and

Whereas, over 100 stakeholders and staff representing the alcohol industry, public health, local governments, and public safety spent over 11,000 hours of dedicated time during a period of more than three years to craft proposed revisions to Title 4; and

Whereas, the comprehensive package of recommendations will, *as a whole*, promote a fair business climate and protect public health and safety, create rational regulation for all tiers of the state's alcohol industry, limit youth access to alcohol, and promote responsible alcohol use and reduce the harms of overconsumption; and

Whereas, the proposed revisions will, *as a whole*, benefit communities, businesses, and public health, safety and welfare; and

Whereas, the proposed revisions will benefit youth by ensuring that the penalty for underage drinking does not jeopardize a young person's future, providing an incentive to seek needed alcohol education or treatment, and holding adults who supply alcohol to youth more accountable; and

Whereas, the proposed revisions will benefit businesses by making Title 4 easier to understand and comply with, protecting existing business investments, providing more flexibility for innovative business models, and restructuring penalties to be proportional to the seriousness of each violation; and

Whereas, the proposed revisions will benefit local governments by providing resources for education about Title 4 and new options for supporting economic development with tourism and hospitality; and

Whereas, the proposed revisions will benefit public health by preventing youth access to alcohol, preserving population limits on alcohol licenses and managing density of alcohol outlets, promoting responsible and moderate consumption at alcohol establishments and events, and regulating purchases of alcohol shipped directly to customers; and

Whereas, the proposed revisions will benefit public safety by providing resources for local education and enforcement, improving law enforcement's ability to address violations of Title 4, and increasing availability of data about alcohol entering local option communities; and

Whereas, the proposed revisions will improve the ABC Board's and agency staff's ability to effectively administer and enforce Title 4 and its associated regulations; and

Whereas, the Title 4 Review stakeholder group achieved success in enacting some recommendations through passage of SB 165 in 2016, but intends to bring a comprehensive package forward in 2017;

THEREFORE, BE IT RESOLVED THAT we, the undersigned on this date of February 28, 2017 support the work of the Title 4 Review stakeholder group and their set of proposed revisions to Title 4.

Organization	Mat-Su Health Foundation
Community	Matanuska-Susitna Borough
Signature	<i>Elizabeth Ripley</i>
Name	Elizabeth Ripley
Title	Chief Executive Officer

3760 Piper Street
P.O. Box 196604
Anchorage, AK 99508
t: (907) 562.2211
www.providence.org/alaska



2/24/2017

Senator Peter Micciche
State Capitol Room 508
Juneau, AK 99801

Dear Senator Micciche,

Providence Health & Services Alaska supports the statewide effort to revise Title 4 of the Alaska Statutes regulating alcoholic beverages. Thank you for your role in that process. Proposed recommendations are the product of a five-year process initiated by the Alcoholic Beverage Control (ABC) Board to engage a diverse group of more than 100 stakeholders to determine how to improve the structure, organization, specific policies and associated implementation issues in Title 4, Alaska's statutes regarding regulation and control of alcoholic beverages in the state.

As you know, Title 4 is recognized to be in many ways outdated, confusing or otherwise ineffective in carrying out the intent of the statutes. Much of the chapter has not been updated since 1980. Over time, incremental updates and changing trends have reduced the effectiveness of Title 4. This systematic redraft of Title 4 will help the ABC Board carry out its mission and will benefit organizations and individuals whose work, community or business is affected by alcoholic beverage laws and regulations.

The proposed revisions are a comprehensive package of inter-related proposals to improve the overall system of alcohol regulation in Alaska. They will:

- Make Title 4 a clear and consistent framework used by licensees, the ABC Board and law enforcement;
- Increasing effectiveness of Title 4 enforcement by improving the swiftness, proportionality and consistency of penalties; and,
- Increasing licensee accountability before the ABC Board for Title 4 violations.

This package ensures that the Alcoholic Beverage Control Board fairly represents the interests of all Alaskans and will be a leader in alcohol education, policy and regulation. It will promote a fair business climate and protect public health and safety by:

- Creating a rational regulatory structure for Alaska's alcohol licensing system;
- Limiting youth access to alcohol; and,
- Promoting responsible alcohol use and reduce the harms of overconsumption.

We support this significant multi-year effort of the stakeholder group to improve Title 4, and look forward to a legislative package that will benefit all Alaskans. Thank you for your efforts.

Sincerely,

A handwritten signature in blue ink that reads "Bruce Lamoureux".

Bruce Lamoureux
Chief executive officer

Resolution of Support for Senate Bill 76 (2017), Revisions to Title 4 of the Alaska Statutes

Whereas, Title 4 of the Alaska Statutes is the law regulating alcoholic beverages in the State of Alaska; and

Whereas, the AS 04.06.090 states that the Alcoholic Beverage Control Board "shall control the manufacture, barter, possession, and sale of alcoholic beverages in the state" and that the Board "is vested with the powers, duties and responsibilities necessary for the control of alcoholic beverages"; and

Whereas, Title 4 of the Alaska Statutes has not been substantially updated since 1980; and

Whereas, over 100 stakeholders and staff representing the alcohol industry, public health, local governments, and public safety spent over 11,000 hours of dedicated time during a period of more than three years to craft proposed revisions to Title 4; and

Whereas, on March 3, 2017, Senate Bill 76 was introduced by Senator Peter Micciche for consideration in the 30th Session of the Alaska Legislature;

Whereas, the recommendations in SB 76 will, *as a whole*, promote a fair business climate and protect public health and safety, create rational regulation for all tiers of the state's alcohol industry, limit youth access to alcohol, and promote responsible alcohol use and reduce the harms of overconsumption; and

Whereas, SB 76 will, *as a whole*, benefit communities, businesses, and public health, safety and welfare; and

Whereas, SB 76 will benefit youth by ensuring that the penalty for underage drinking does not jeopardize a young person's future, providing an incentive to seek needed alcohol education or treatment, and holding adults who supply alcohol to youth more accountable; and

Whereas, SB 76 will benefit businesses by making Title 4 easier to understand and comply with, protecting existing business investments, providing more flexibility for innovative business models, and restructuring penalties to be proportional to the seriousness of each violation; and

Whereas, SB 76 will benefit local governments by providing resources for education about Title 4 and new options for supporting economic development with tourism and hospitality; and

Whereas, SB 76 will benefit public health by preventing youth access to alcohol, preserving population limits on alcohol licenses and managing density of alcohol outlets, promoting responsible and moderate consumption at alcohol establishments and events, and regulating purchases of alcohol shipped directly to customers; and

Whereas, SB 76 will benefit public safety by providing resources for local education and enforcement, improving law enforcement's ability to address violations of Title 4, and increasing availability of data about alcohol entering local option communities; and

Whereas, SB 76 will improve the ABC Board's and agency staff's ability to effectively administer and enforce Title 4 and its associated regulations; and

THEREFORE, BE IT RESOLVED THAT we, the undersigned on this date of Oct 5, 2017 support the recommendations of the Title 4 Review stakeholders and urge the Legislature to pass Senate Bill 76.

Organization

Alaska CHARR

Community

State wide

Signature

Dale Fox

Name

Dale Fox

Title

President

Resolution of Support for Revisions to Title 4 of the Alaska Statutes

Whereas, Title 4 of the Alaska Statutes is the law regulating alcoholic beverages in the State of Alaska; and

Whereas, the Alaska Statutes, §04.06.090 states that the Alcoholic Beverage Control Board "shall control the manufacture, barter, possession, and sale of alcoholic beverages in the state" and that the Board "is vested with the powers, duties and responsibilities necessary for the control of alcoholic beverages"; and

Whereas, Title 4 of the Alaska Statutes has not been substantially updated since 1980; and

Whereas, over 100 stakeholders and staff representing the alcohol industry, public health, local governments, and public safety spent over 11,000 hours of dedicated time during a period of more than three years to craft proposed revisions to Title 4; and

Whereas, the comprehensive package of recommendations will, *as a whole*, promote a fair business climate and protect public health and safety, create rational regulation for all tiers of the state's alcohol industry, limit youth access to alcohol, and promote responsible alcohol use and reduce the harms of overconsumption; and

Whereas, the proposed revisions will, *as a whole*, benefit communities, businesses, and public health, safety and welfare; and

Whereas, the proposed revisions will benefit youth by ensuring that the penalty for underage drinking does not jeopardize a young person's future, providing an incentive to seek needed alcohol education or treatment, and holding adults who supply alcohol to youth more accountable; and

Whereas, the proposed revisions will benefit businesses by making Title 4 easier to understand and comply with, protecting existing business investments, providing more flexibility for innovative business models, and restructuring penalties to be proportional to the seriousness of each violation; and

Whereas, the proposed revisions will benefit local governments by providing resources for education about Title 4 and new options for supporting economic development with tourism and hospitality; and

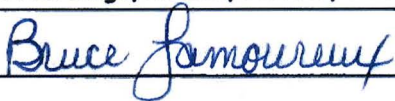
Whereas, the proposed revisions will benefit public health by preventing youth access to alcohol, preserving population limits on alcohol licenses and managing density of alcohol outlets, promoting responsible and moderate consumption at alcohol establishments and events, and regulating purchases of alcohol shipped directly to customers; and

Whereas, the proposed revisions will benefit public safety by providing resources for local education and enforcement, improving law enforcement's ability to address violations of Title 4, and increasing availability of data about alcohol entering local option communities; and

Whereas, the proposed revisions will improve the ABC Board's and agency staff's ability to effectively administer and enforce Title 4 and its associated regulations; and

Whereas, the Title 4 Review stakeholder group achieved success in enacting some recommendations through passage of SB 165 in 2016, but intends to bring a comprehensive package forward in 2017;

THEREFORE, BE IT RESOLVED THAT we, the undersigned on this date of February 24, 2017 support the work of the Title 4 Review stakeholder group and their set of proposed revisions to Title 4.

Organization	Providence Health & Services Alaska
Community	Anchorage, Kodiak, Seward, Valdez
Signature	
Name	Bruce Lamoureux
Title	Chief Executive Officer

Resolution of Support for Revisions to Title 4 of the Alaska Statutes

Whereas, Title 4 of the Alaska Statutes is the law regulating alcoholic beverages in the State of Alaska; and

Whereas, the Alaska Statutes, §04.06.090 states that the Alcoholic Beverage Control Board "shall control the manufacture, barter, possession, and sale of alcoholic beverages in the state" and that the Board "is vested with the powers, duties and responsibilities necessary for the control of alcoholic beverages"; and

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Whereas, the proposed revisions will, *as a whole*, benefit communities, businesses, and public health, safety and welfare; and

Whereas, the proposed revisions will benefit youth by ensuring that the penalty for underage drinking does not jeopardize a young person's future, providing an incentive to seek needed alcohol education or treatment, and holding adults who supply alcohol to youth more accountable; and

Whereas, the proposed revisions will benefit businesses by making Title 4 easier to understand and comply with, protecting existing business investments, providing more flexibility for innovative business models, and restructuring penalties to be proportional to the seriousness of each violation; and

Whereas, the proposed revisions will benefit local governments by providing resources for education about Title 4 and new options for supporting economic development with tourism and hospitality; and


Whereas, the proposed revisions will benefit public health by preventing youth access to alcohol, preserving population limits on alcohol licenses and managing density of alcohol outlets, promoting responsible and moderate consumption at alcohol establishments and events, and regulating purchases of alcohol shipped directly to customers; and

Whereas, the proposed revisions will benefit public safety by providing resources for local education and enforcement, improving law enforcement's ability to address violations of Title 4, and increasing availability of data about alcohol entering local option communities; and

Whereas, the proposed revisions will improve the ABC Board's and agency staff's ability to effectively administer and enforce Title 4 and its associated regulations; and

Whereas, the Title 4 Review stakeholder group achieved success in enacting some recommendations through passage of SB 165 in 2016, but intends to bring a comprehensive package forward in 2017;

THEREFORE, BE IT RESOLVED THAT we, the undersigned on this date of _____, 2017 support the work of the Title 4 Review stakeholder group and their set of proposed revisions to Title 4.

Organization	Recover Alaska
Community	Anchorage; statewide
Signature	
Name	Tiffany Hall
Title	Executive Director



RECOVER ALASKA

2/23/2017

Senator Peter Micciche
State Capitol Room 508
Juneau, AK 99801

Dear Senator Micciche,

Our organization supports the statewide effort to revise Title 4 of the Alaska Statutes regulating alcoholic beverages. Thank you for your role in that process. The recommendations brought through this process are the product of a five-year process initiated by the Alcoholic Beverage Control (ABC) Board to engage a diverse group of more than 100 stakeholders to determine how to improve the structure, organization, specific policies and associated implementation issues in Title 4, Alaska's statutes regarding regulation and control of alcoholic beverages in the state.

As you know, Title 4 is recognized to be in many ways outdated, confusing or otherwise ineffective in carrying out the intent of the statutes. Much of the chapter has not been updated since 1980. Over time, incremental updates and changing trends have reduced the effectiveness of Title 4. This systematic redraft of Title 4 will help the ABC Board carry out its mission and will benefit organizations and individuals whose work, community or business is affected by alcoholic beverage laws and regulations.

The proposed revisions are a comprehensive package of inter-related proposals to improve the overall system of alcohol regulation in Alaska. They will:

- Make Title 4 a clear and consistent framework used by licensees, the ABC Board and law enforcement
- Increasing effectiveness of Title 4 enforcement by improving the swiftness, proportionality and consistency of penalties
- Increasing licensee accountability before the ABC Board for Title 4 violations.

This package ensures that the Alcoholic Beverage Control Board fairly represents the interests of all Alaskans and will be a leader in alcohol education, policy and regulation. It will promote a fair business climate and protect public health and safety by:

- Creating a rational regulatory structure for Alaska's alcohol licensing system
- Limiting youth access to alcohol
- Promoting responsible alcohol use and reduce the harms of overconsumption.

We support this significant multi-year effort of the stakeholder group to improve Title 4, and look forward to a legislative package that will benefit all Alaskans. Thank you for your efforts.

Sincerely,

Tiffany Hall
Recover Alaska



2/24/2017

Senator Peter Micciche
State Capitol Room 508
Juneau, AK 99801

Dear Senator Micciche,

I am writing to express Set Free Alaska's support of the statewide effort to revise Title 4 of the Alaska Statutes regulating alcoholic beverages. Thank you for your role in that process. The recommendations brought through this process are the product of a five-year process initiated by the Alcoholic Beverage Control (ABC) Board to engage a diverse group of more than 100 stakeholders to determine how to improve the structure, organization, specific policies and associated implementation issues in Title 4, Alaska's statutes regarding regulation and control of alcoholic beverages in the state.

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- Creating a rational regulatory structure for Alaska's alcohol licensing system
- Limiting youth access to alcohol
- Promoting responsible alcohol use and reduce the harms of overconsumption.

We support this significant multi-year effort of the stakeholder group to improve Title 4, and look forward to a legislative package that will benefit all Alaskans. Thank you for your efforts.

Sincerely,

A handwritten signature in blue ink, appearing to read "Philip Licht".

Philip Licht
Set Free Alaska

Trust

Alaska Mental Health
Trust Authority

3745 Community Park Loop, Suite 200
Anchorage, AK 99508
Tel 907.269.7960
www.mhtrust.org

2/24/2017

Senator Peter Micciche
State Capitol Room 508
Juneau, AK 99801

Dear Senator Micciche,

The Alaska Mental Health Trust Authority supports the statewide effort to revise Title 4 of the Alaska Statutes regulating alcoholic beverages. Thank you for your leadership in guiding that process. The recommendations brought through this process are the product of a five-year process initiated by the Alcoholic Beverage Control (ABC) Board with multiple partners to engage a diverse group of more than 100 stakeholders to determine how to improve the structure, organization, specific policies and associated implementation issues in Title 4, Alaska's statutes regarding regulation and control of alcoholic beverages in the state.

As you know, Title 4 is recognized to be in many ways outdated, confusing or otherwise ineffective in carrying out the intent of the statutes. Much of the chapter has not been updated since 1980. Over time, incremental updates and changing trends have reduced the effectiveness of Title 4. This systematic redraft of Title 4 will help the ABC Board carry out its mission and will benefit organizations and individuals whose work, community or business is affected by alcoholic beverage laws and regulations.

The proposed revisions are a comprehensive package of inter-related proposals to improve the overall system of alcohol regulation in Alaska. They will:

- Make Title 4 a clear and consistent framework used by licensees, the ABC Board and law enforcement
- Increasing effectiveness of Title 4 enforcement by improving the swiftness, proportionality and consistency of penalties
- Increasing licensee accountability before the ABC Board for Title 4 violations.

This package ensures that the Alcoholic Beverage Control Board fairly represents the interests of all Alaskans and will be a leader in alcohol education, policy and regulation. It will promote a fair business climate and protect public health and safety by:

- Creating a rational regulatory structure for Alaska's alcohol licensing system
- Limiting youth access to alcohol
- Promoting responsible alcohol use and reduce the harms of overconsumption.

The Trust supports this significant multi-year effort of the stakeholder group to improve Title 4, and look forward to a legislative package that will benefit all Alaskans. Thank you sincerely for your efforts.

Sincerely,



Greg Jones
Interim CEO
The Alaska Mental Health Trust Authority



Alaska
Beer, Wine & Spirits
Wholesalers Association



January 8, 2018

Senator Peter Micciche
State Capitol Room 508
Juneau AK, 99801

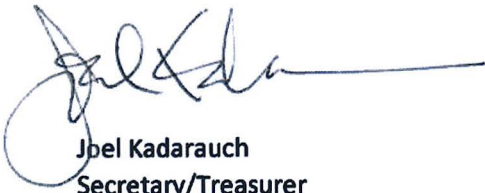
Dear Senator Micciche,

Thank you for your leadership in modernizing Alaska's alcohol statutes. The *Alaska Beer, Wine & Spirits Wholesalers Association* fully supported this process, and supports SB 76 as currently written. We recognize and respect that a broad representation of stakeholders has spent countless hours over a 5-year period toward *compromise and consensus* on this project. The result, while perhaps not perfect in any one stakeholder's eyes, clearly represents significant improvement to the overall system of alcohol regulation in Alaska.

The landscape of businesses and regulation is constantly changing. There will be ample future opportunities to refine our statutes and regulations as this evolution continues. Please don't allow the pursuit of one party's idea of perfection through further changes or amendments to jeopardize or sacrifice the enormous overall benefit which SB 76 will bring about today.

Sincerely,

The Alaska Beer, Wine & Spirits Wholesalers Association



Joel Kadarauch
Secretary/Treasurer



P.O. Box 249
1000 Arlberg Avenue
Girdwood, Alaska 99587

March 17, 2017

VIA-EMAIL: sen.peter.micciche@akleg.gov; Rachel.hanke@akleg.gov

To: Members of the Senate Labor and Commerce Committee:

Alyeska Resort asks for your support of Senate Bill 76 (the "Bill"), introduced on March 3, 2017, which Bill would revise Title 4 of the Alaska Statutes regulating alcohol beverages. This Bill is the product of a five-year process initiated by the Alcoholic Beverage Control Board ("ABC") to engage a diverse group of more than 100 stakeholders across the State to determine how to improve the structure, organization, specific policies and associated implementation issues in Title 4; Alaska's statutes regarding regulation and control of alcoholic beverages in the State.

Title 4 is generally recognized to be in many ways outdated, confusing or otherwise ineffective in carrying out the intent of the current State statutes. Much of Title 4 has not been updated since 1980. Over time, incremental updates and changing trends have reduced the effectiveness of Title 4. This systematic redraft of Title 4 will help the ABC carry out its mission and will benefit organizations and individuals whose work, community or business is affected by alcoholic beverage laws and regulations.


The proposed revisions in the Bill form a comprehensive package of inter-related proposals to improve the overall system of alcohol regulation in Alaska. The Bill's proposed revisions will:

- Make Title 4 a clear and consistent framework used by licensees, the ABC and law enforcement;
- Increase the effectiveness of Title 4 enforcement by improving the swiftness, proportionality and consistency of penalties; and
- Increase licensee accountability before the ABC for Title 4 violations.

This Bill ensures that the ABC will fairly represent the interests of all Alaskans and will be a leader in alcohol education, policy and regulation. The Bill will also promote a fair business climate and protect public health and safety by:

- Creating a rational regulatory structure for Alaska's alcohol licensing system;
- Limiting youth access to alcohol; and
- Promoting responsible alcohol use and reduce the harms of over-consumption.

Alyeska Resort urges you to support this significant, multi-year effort by voting in support of Senate Bill 76.

Sincerely,

J. Randall Call
Vice President & General Counsel

Senator Peter Micciche

Alaska Legislature

State Capital Room 508

Juneau, Alaska 99801

RE: SB76 Alcoholic Beverage Control: Alcohol Regulations.

Dear Senator Peter Micciche,

I would like to personally thank you for drafting an amendment to strip the 80/20 provision from SB76. If this passes, which I'm hoping it will, it will be a huge step in getting the craft breweries around the state to continue their businesses and to grow to help out their local and state economy.

I'm hoping that more people will realize what this will do for the economy and will back you getting it removed.

Once again, thank you for all your hard work on trying to get this 80/20 stripped and for everything else you have done in the senate.

Sincerely,

Jerilee Musgrove

Local resident in Soldotna Alaska wishing the best for the Kenai River Brewery.

BEARPAW RIVER BREWING COMPANY

Email: info@bearpawriverbrewing.com
Website: www.bearpawriverbrewing.com
Phone: 907-232-2718



Senator Peter Micciche
Alaska Legislature
State Capitol Room 508
Juneau AK, 99801

April 2, 2018

RE: SB 76 - ALCOHOLIC BEVERAGE CONTROL; ALCOHOL REG

Dear Senator Micciche,

Bearpaw River Brewing Company has been open in Wasilla for just over two years. We are a locally owned and operated small business that prides itself in being rooted in our community, and in bringing benefits to our area and our State that are not solely economic. So in addition to providing jobs, creating tax revenue, and partnering with other Alaskan businesses, we also collaborate in several charitable endeavors and community activities. For instance, we helped the City of Wasilla promote its Centennial year in 2017; we have donated beer to fundraise for causes such as "Shoot for the Cure," which benefits those with Cystic Fibrosis; and we have partnered with the Valley Fine Arts Association to provide a much-needed exhibition space to showcase local art. In addition to all of this, we have built our taproom to be a family friendly space where people in our community can get together.

We know that there are many other small, locally owned, and independent craft breweries across the State that are also impacting their communities in positive ways, and we would like to see the continued flourishing of community-focused breweries and taprooms across the State.

For this reason, among several others already outlined by the Brewer's Guild, we cannot support the 80/20 distribution provision in SB76. It is clear that this provision is an attempt by CHARR to legislate away competitive enterprise, and no doubt it would be effectively impossible for future small breweries to open and operate if this provision went through. Breweries in Alaska already operate under severely stifling restrictions compared with breweries in most other States, including a required closing time of 8pm (before most bars see their peak hours), a limit on serving amount (no more than 36oz of beer per person), and a "no fun" rule that prohibits taprooms from providing entertainment or offering engaging activities for their patrons. Moreover, SB76 already contains even further population-based limitations in order to appease CHARR and recognize the differences in manufacturing versus BDL licenses (and their associated fees). We are of the opinion that these limitations are already hugely restrictive to our industry, especially small,

locally focused breweries, and so we are strongly opposed to the 80/20 provision and the deleterious impact it would have on the brewing industry, on State and local economies, and on the communities future breweries would serve.

We encourage you to oppose the 80/20 provision and help keep SB76 a bill that everyone in the sector can work with.

Sincerely,

Jake Wade
Owner/Brewer
On behalf of Bearpaw River Brewing Company



5429 Shaune Dr. Juneau, Alaska 99801 99801-9540 • Ph: 907.780.5866 • Fx: 907.780.4514 • Web: alaskanbeer.com • Email: info@alaskanbeer.com

Senator Peter Micciche
Alaska Legislature
State Capitol Room 508
Juneau, AK 99801

April 2, 2018

RE: SB 76 – ALCOHOLIC BEVERAGE CONTROL; ALCOHOL REG

Dear Senator Micciche:

As we discussed in previous meetings, it is my feeling that SB 76 cannot (and should not) pass without the support of the full industry. I am currently the Secretary of the BGA and have spoken often with many of my fellow brewers during the last few years of this process. At this point, the BGA (Brewers Guild of Alaska) has worked with our membership to find a consensus for moving forward. We are comprised of many small brewers, who have just started their businesses and are struggling to understand the myriad of regulations we operate under in the State of Alaska. A clear sticking point for a majority of our members, is the 80/20 provision of the newly defined Brewery Retail Licenses.

One of the purposes of SB 76 is to modify the current system for clarity, and to allow the Alcoholic Beverage Control Board to function more efficiently. The removal of the proposed 80/20 provision (Sec. 04.09.310 (g)) would be a very positive step forward in bringing unity to the BGA, in regards to SB76. It also would help meet the purpose stated above. The enforcement of the 80/20 is an additional unnecessary burden to AMCO. The 80/20 provision is also difficult to explain to the public, and does not create the clarity and visibility to the public we are trying to achieve in the Title 4 rewrite.

I urge you to eliminate Sec. 04.09.310 (g) from SB 76 and appreciate all the efforts of the many individuals who have worked diligently to upgrade our current Title 4 regulations. It is not an easy task, particularly in a state with limited licenses that can be bought and sold. Proof that the state of Alaska is unique, once again!

Sincerely,

A handwritten signature in cursive script that reads "Marcy Larson".

Marcy Larson
Co-Founder
Office: 907-780-5914

Rachel Hanke

From: Jeanne Kitayama & Paul Wheeler <hainesbrew@gmail.com>
Sent: Saturday, March 31, 2018 9:04 PM
To: Sen. Peter Micciche
Subject: No on SB76

Dear Senator Micciche,

I am writing to urge you not to pass HB76 through your committee, especially as it is written with the 80/20 (wholesale/retail) provision.

Craft breweries have become integral parts of each of their communities. Not only does our industry contribute to economic well-being, but it also draws in tourism and new residents. The 80/20 provision would strangle small breweries like ours, and stifle economic development in Alaska. Our tasting room and retail sales make up more than half of our total income.

Alaska's restrictions on brewery tasting rooms – limited serving quantities, hours, and activities – make us unique. In our personal experience these restrictions have added a healthy social venue for our community. People who do not frequent the traditional bars, are comfortable at the brewery where the evenings are early and without rowdy incidents. In the dark days of Alaskan winters this type of community socializing brings people out of isolation and into a better frame of mental health.

Thank you for considering the detrimental economic and social impacts SB76 would have on Alaskans.

Sincerely,

Jeanne Kitayama & Paul Wheeler Owners,

Haines Brewing Company

--

Paul Wheeler & Jeanne Kitayama
Haines Brewing Company, Inc.
PO Box 911, Haines, AK 99827
www.hainesbrewing.com

Senator Peter A. Micciche

Alaska State Legislature

Session Address:

Alaska State Capitol, Rm. 508
Juneau, Alaska 99801-1182
Phone: (907) 465-2828
Toll Free: (800) 964-5733



Interim Address:

145 Main Street Loop, Ste. 226
Kenai, Alaska 99611-7771
Phone: (907) 283-7996
Fax: (907) 283-8127

SB 76: Title 4 Rewrite

SB 76 modernizes the over 35-year-old Title 4 statutes governing the Alcoholic Beverage Control Board (Board). The bill allows the Board to function more efficiently as they regulate the alcohol industry in a manner that promotes public safety and health, while supporting the alcohol industry's continued growth and viability in today's current climate.

This bill is the product of a five-year, unprecedented collaboration of over 100 stakeholders from a diverse group of alcohol industry representatives, public health and safety entities, local governments and advocates for youth.

Stakeholders established shared goals as the foundation for developing recommendations:

- Promoting a fair business climate and protect public health and safety.
- Creating rational regulation for all tiers of the state's alcohol industry.
- Limiting youth access to alcohol.
- Promoting responsible alcohol use and reduce the harms of overconsumption.
- Implementing without negative impacts on businesses and responsible operators.

The result is a reorganization that clearly defines the rights and obligations of licensees, restructures penalties for offenses in Title 4, and organizes the statutes in a logical, common-sense manner for all users of Title 4 statutes.

The bill requires that the director prepare an annual enforcement, education, training, and prevention budget and requires the Board to review fees every 10 years. Penalty sections are amended to ensure consistent enforcement and just outcomes.

New statutory provisions retain the three-tier licensing system, but create more flexibility for small manufacturers; create a new endorsement system to expand the boundaries of licensed businesses and accommodate special events; and modify the permitting system for clarity. The bill also creates a new license for internet sales of alcohol, creates local control in community population limits, adds mechanisms to prevent underage access to alcohol, regulates common carriers who deliver alcohol and provides for a smooth transitional implementation period.

Through this comprehensive licensing structure, current license holders and prospective businesses will understand activities allowed for each license type. Passage of SB 76 will provide clarity for licensees, local governments, law enforcement and the public, and will result in safer, more consistent and modernized regulation of Alaska's alcoholic beverage industry.

Local Governing Body	CED-(1)	Mil(2)	Stu(2)	Inm(2)	Net	AUTHORIZED		ACTUAL*							
						3,000	1,500	Non-Restaurant / Eating							
						Non-R/E	R/E	BD	Pkg	Club	Brew	Wine	Distil	Rec	R/E
Aleutians East Borough	3					1	1								
Akutan	1,000					1	1	1							
Cold Bay	59					1	1	1	1						
False Pass	73					1	1								
King Cove	923					1	1	1	1						
Sand Point	943					1	1	1	1						1
TOTAL	3,001														
Bristol Bay Borough	874					1	1	5	4						1
Denali Borough	1,810					1	2	5	6						1
Anderson	238					1	1	2	1						
TOTAL	2,048														
Fairbanks North Star Borough	64,855	2,647	1,367		60,841	21	41	25	26	2			2	1	14
Fairbanks	31,957	5,108	229	281	26,339	9	18	41	15	5	1		2	2	14
North Pole	2,145					1	2	2	3	1					3
TOTAL	98,957														
Kenai Peninsula Borough	37,986			381	37,605	13	26	19	29	4	2	1		1	16
Homer	5,252					2	4	9	8	2	2				4
Kachemak	479					1	1	1				1			
Kenai	7,098					3	5	5	5	3				1	2
Seldovia	206					1	1	1	2						
Seward	2,663			518	2,145	1	2	7	4	1					2
Soldotna	4,376					2	3	4	3	1	1			1	3
TOTAL	58,060														
Ketchikan Gateway Borough	5,567					2	4	3	4		1				
Ketchikan	8,191			49	8,142	3	6	15	12	5	1				5
TOTAL	13,758														

R/E = Restaurant Eating Place
 BD = Beverage Dispensary
 Pkg = Package Store

Club = Club License
 Brew = Brewery License
 Distil = Distillery License

Rec = Recreation Site
 Wine = Winery
 Includes delegated applications

Local Governing Body	CED-(1)	Mil(2)	Stu(2)	Inm(2)	Net	AUTHORIZED		ACTUAL*							
						3,000	1,500	Non-Restaurant / Eating							
						Non-R/E	R/E	BD	Pkg	Club	Brew	Wine	Distil	Rec	R/E
Kodiak Island Borough	7,439					3	5	2	2	1					
Kodiak	6,124					3	5	11	4	2	1				3
TOTAL	13,563														
Lake & Peninsula Borough	1,544					1	2	3	2						
Egegik	85					1	1		1						
TOTAL	1,629														
Matanuska-Susitna Borough	85,463			1,656	83,807	28	56	27	33	3	4	1	1	3	28
Houston	2,163					1	2	1	1						1
Palmer	6,268			104	6,164	3	5	5	3	1	3			2	3
Wasilla	8,704					3	6	6	7	2	1			3	4
TOTAL	102,598														
Northwest Arctic Borough	1,242					1	1								
Ambler	260					1	1								
Buckland	507					1	1								
Kiana	421					1	1		1						
Kivalina	429					1	1								
Kotzebue	3,295			69	3,226	2	3		1						
Noorvik	644					1	1								
Selawik	847					1	1								
Shungnak	299					1	1								
TOTAL	7,944														
Adak	309					1	1	1	1						1
Aleknagik	217					1	1								
Anchorage	299,037	14,798	1,696	1,175	281,368	94	188	117	92	20	9	2	2	9	149
Bethel	6244			172	6,072	3	5		3						1
Bettles	10					1	1	1	1						
Coffman Cove	204					1	1	1	1						
Cordova	2,386					1	2	4	4	1					1
Craig	1,102					1	1	2	3	1					1

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Local Governing Body	CED-(1)	Mil(2)	Stu(2)	Inm(2)	Net	AUTHORIZED		ACTUAL*							
						3,000	1,500	Non-Restaurant / Eating							
						Non-R/E	R/E	BD	Pkg	Club	Brew	Wine	Distil	Rec	R/E
Delta Junction	1,130					1	1	2	2	1					1
Dillingham	2,316					1	2	2	2						2
Fort Yukon	558					1	1		1						
Galena	488					1	1	1	1						
Gustavus	558					1	1	1	1						1
Haines	2,466					1	2	3	4	1	1		1		2
Hoonah	793					1	1	1	1		1				1
Juneau	32,739	300	275	208	31,956	11	22	20	16	3	3		1	4	22
Kake	557					1	1		1						
Klawock	814					1	1		1						
McGrath	302					1	1	2	3						
Nenana	381					1	1	2	3						1
Nome	3,777			114	3,663	2	3	6	5	2					1
Nulato	246					1	1		1						
Pelican	78					1	1	1	1						1
Petersburg	3,179					2	3	3	3	2					2
Ruby	178					1	1		1						
Saint George	72					1	1		1						
Saint Paul	397					1	1	1	1						
Sitka	8,920			56	8,864	3	6	8	5	2	1				6
Skagway	1,065					1	1	2	2	2	1		1	1	1
Tanana	224					1	1		1						
Tenakee Springs	140					1	1		1						1
Thorne Bay	532					1	1	1	1						
Unalaska	4,448					2	3	2	2						1
Valdez	4,011					2	3	2	2	2	2				2
Whittier	248					1	1	1	1						1
Wrangell	2,458					1	2	3	5	1					
Yakutat	594					1	1	2	2						

R/E = Restaurant Eating Place
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Local Governing Body	CED-(1)	Mil(2)	Stu(2)	Inm(2)	Net	AUTHORIZED		ACTUAL*						
						3,000	1,500	Non-Restaurant / Eating						
						Non-R/E	R/E	BD	Pkg	Club	Brew	Wine	Distil	Rec

Erika McConnell

Erika McConnell
 Director, Alcohol & Marijuana Control Office

03/10/2018

Date

R/E = Restaurant Eating Place
 BD = Beverage Dispensary
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Club = Club License
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 Wine = Winery
 Includes delegated applications

Title 4 Review: Senate Bill 76

Population Limits: *Current Title 4*

(AS 04.11.400)

Population limits determine how many of each license type may be issued in each community.



Restaurants have a 1 : 1,500 limit.

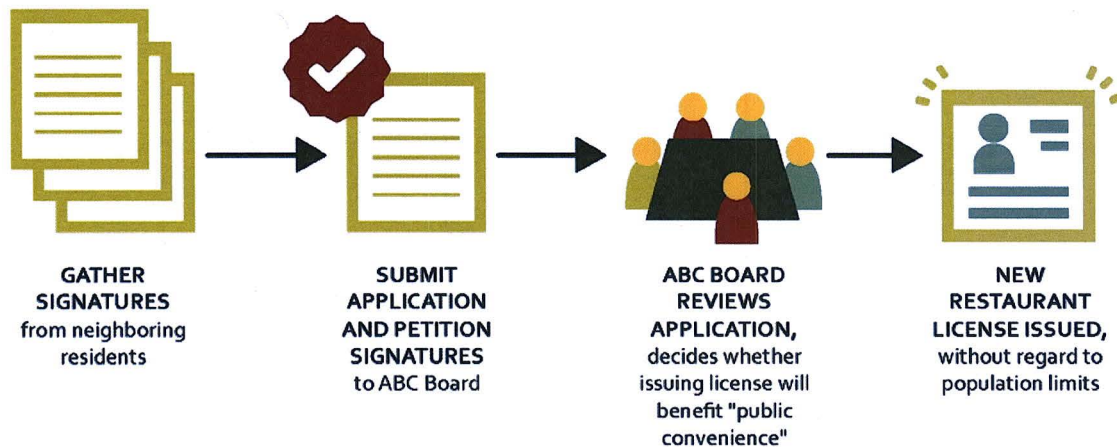
All other license types (bars, package stores, golf courses, breweries) have a 1 : 3,000 limit.

Some licenses are exempt from population limits: bars located in hotels or airports, restaurants issued for public convenience, and licenses that serve tourists.

Public Convenience Petition Process: *Current Title 4*

(AS 04.11.400)

Title 4 allows a license applicant to seek a restaurant license through a local petition process, even if there are no licenses available in the community because the population limit has been reached.



About Senate Bill 76:

Office of Senator Peter Micciche

(907) 465-2828 | rachel.hanke@akleg.gov

About the Title 4 Review project:

Alcoholic Beverage Control Board

(907) 269-0350 | AMCO.regs@alaska.gov

Title 4 Review: Senate Bill 76

Proposed in SB 76: Convert Public Convenience Licenses and Applications

Existing Public Convenience licenses would be converted to regular Restaurant or Eating Place Licenses (REPLs).

Public Convenience



Not transferrable



REPL



Transferrable to new owner or location

Applications that have been completed as of the bill's signing date would be converted to applications for regular REPLs, and could be approved by the ABC Board outside the existing population limits.

Public Convenience



Application



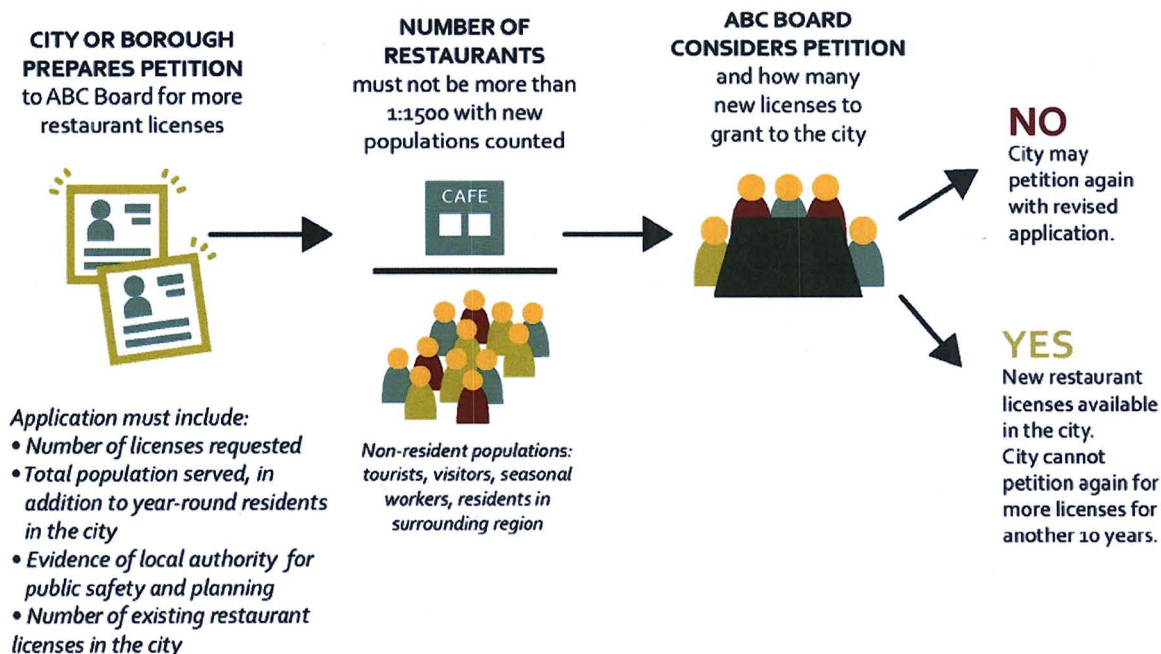
REPL



Can be approved outside of population limits

Proposed in SB 76: Local Government Petition for Additional Restaurant Licenses

(Proposed AS 04.11.405)



About Senate Bill 76:

Office of Senator Peter Micciche

(907) 465-2828 | rachel.hanke@akleg.gov

About the Title 4 Review project:

Alcoholic Beverage Control Board

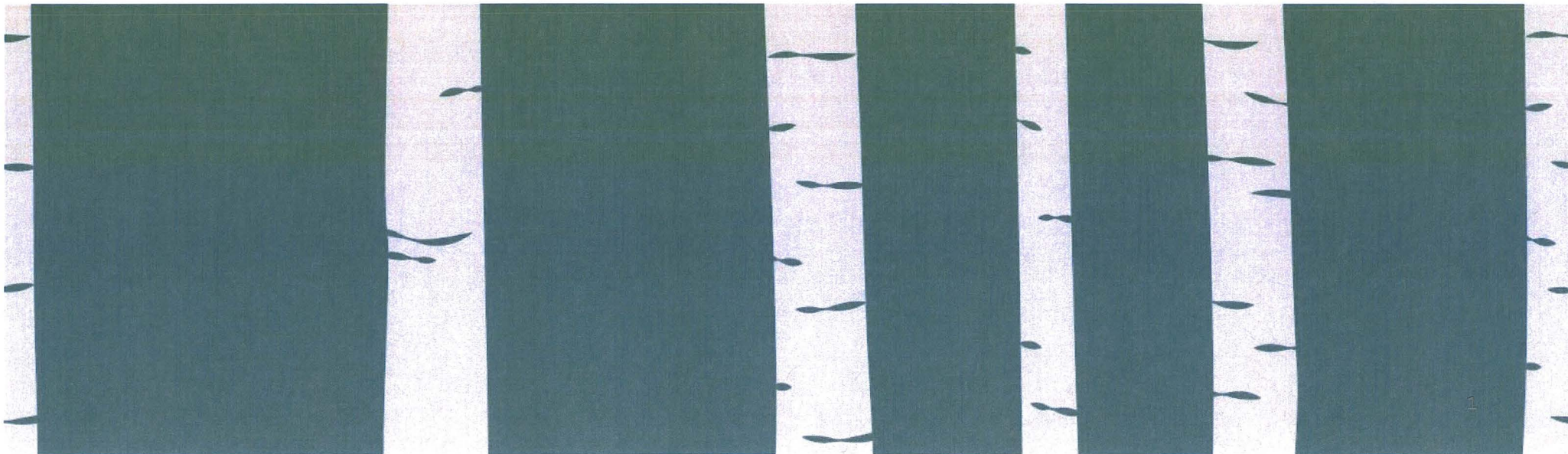
(907) 269-0350 | AMCO.regs@alaska.gov

Alcoholic Beverage Control (ABC) Board
Title 4 Review Project

Senate Bill 76

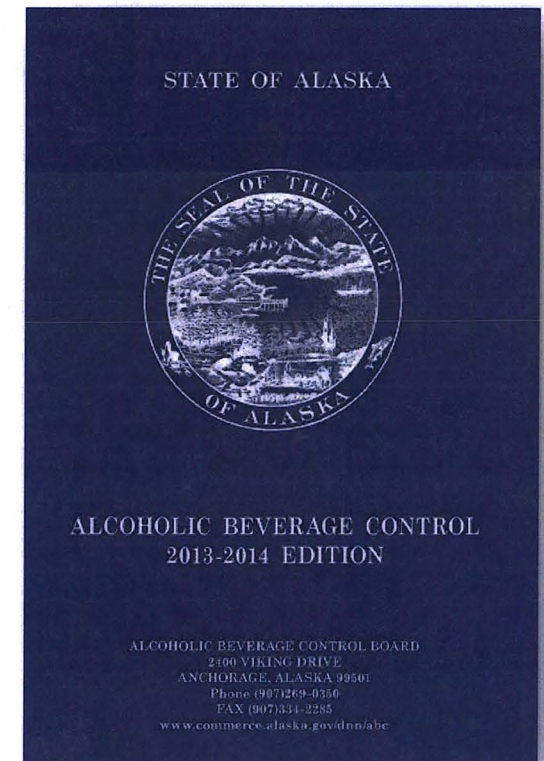
Senate Judiciary Committee

Wednesday, April 11, 2018



Why review Title 4?

- Most of Title 4 has not been updated since 1980. The laws are outdated and confusing.
- Many existing laws do not reflect current trends or values.
- A systematic review of Title 4 helps the Board carry out its mission and will benefit communities and businesses.



Six Years of Work

MAY 2012

2018



More than 100 stakeholders and staff spent over 12,000 hours (and counting) to craft Title 4 recommendations for proposed legislation.

Sectional Overview of SB 76

- **AS 04. Chapter 6:** sections 1 - 8, pp. 1 - 5
- **AS 04. (proposed) Chapter 9:** section 9, pp. 5 - 49
- **AS 04. Chapter 11:** sections 10 - 72, pp. 50 – 79
- **AS 04. Chapter 16:** sections 73 - 121, pp. 79 - 97
- **AS 04. Chapter 21:** sections 122 - 136, pp. 97 - 104
- **Other Titles' Changes:** sections 137 – 148, pp. 104 – 109
- **Transition:** sections 149 – 159, pp. 109 – 114

Note: please refer to the Title 4 Review Stakeholder Recommendations Report (January 2018) for more detailed information about the project and individual recommendations. The report is available as part of the SB 76 hearing packet, and on the AMCO website: www.commerce.alaska.gov/web/amco

Categories of Title 4 Review Recommendations

1. Alcohol Licenses, Permits and Trade Practices
2. Role and Functions of the ABC Board and Staff
3. Underage Drinking and Youth Access to Alcohol
4. Regulation of Internet Sales of Alcohol
5. Technical or Administrative Law Changes
6. Local Option Communities*

* Note: Local Option recommendations are documented in the report, but not included in SB 76. More comprehensive review and discussion of Local Option laws is needed in the future.

Key Concepts in Title 4

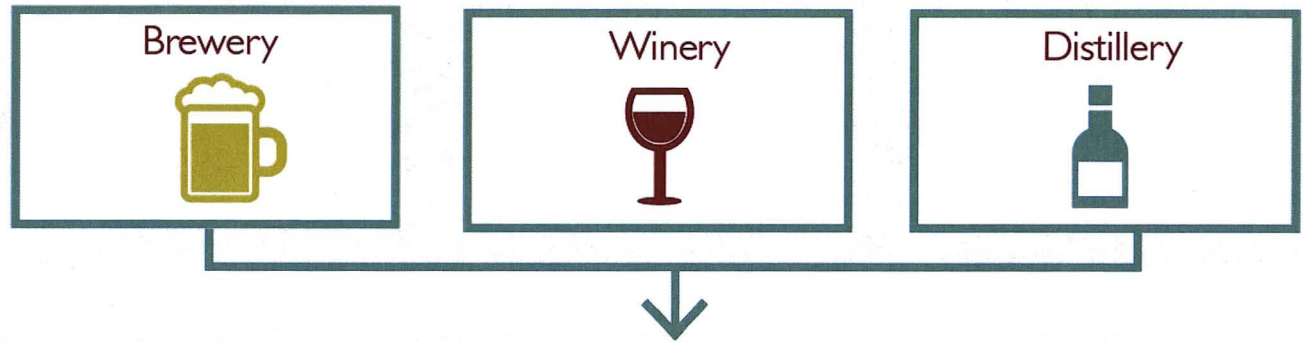
- **Licenses and permits:**
 - **License:** allows a business to sell, serve, distribute and/or manufacture alcohol for term of license (2 years).
 - **Permit:** time-limited alcohol sales or service, by a licensee or non-licensed organization.
- **The 3 tier system:** separation of manufacturers, wholesalers and retailers to prevent monopolies
- **Population limits:** regulates number of licenses available in each community by type
- ***Proposed new concept:* Endorsements** on licenses to expand premises or allowed activities

The 3-Tier System

Alcohol must be manufactured, distributed and sold to the public by different businesses.

This is designed to prevent monopolies.

Manufacturing Tier



Wholesale Tier



Retail Tier



Population Limits: *Current Title 4*

(AS 04.11.400)

Population limits determine how many of each license type may be issued in each community.

Package Stores



1



3,000

Restaurants



1



1,500

Restaurants have a 1 : 1,500 limit.

All other license types (bars, package stores, golf courses, breweries) have a 1 : 3,000 limit.

Some licenses are exempt from population limits: bars located in hotels or airports, restaurants issued for public convenience, and licenses that serve tourists.

Population Limits Apply Per License Type

Density = Net Population ÷ Number of Licenses

	Net Population (2015)	÷	Number of Retail Licenses	=	Density	+	Exempt Retail Licenses	=	Resulting Overall Density
Juneau (city + borough)	32,000		64		1 : 500		7		1 : 450
Nome	3,600		17		1 : 210		3		1 : 180
Fairbanks (city)	23,000		78		1 : 290		5		1 : 280

Net Population = total population minus prisoners and out-of-state residents in military or college

P-1. Population Limits Apply to Retail Licenses Only

- Apply population limitations on the number of licenses only to retail-tier licenses (excluding tourism-focused licenses and Winery Direct Shipment License).
- Wholesale licenses, manufacturer licenses who do not directly serve the public, and some licenses designed to serve tourists would be exempt from limits.

F-1. Adjust License Fees to Reflect Current ABC Budgetary Needs

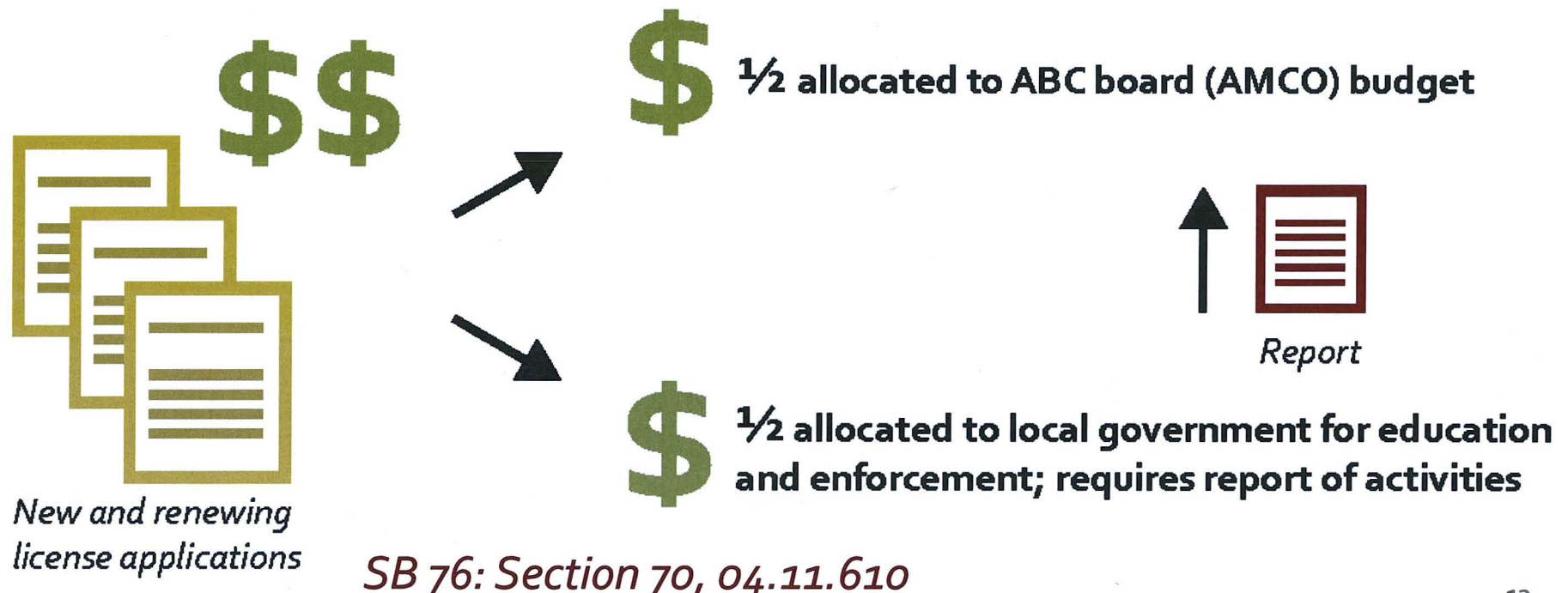
- Update license fees according to privileges and administrative costs of each, and collect sufficient revenue to cover the ABC Board's required activities:
 - Administration of licenses & permits
 - Education about Title 4 and related regulations
 - Enforcement of Title 4 and related regulations
- ABC Board required to review license fees at least every 10 years.
- (see also RB-3: Revise ABC Board Budget to Adequately Fund Necessary Activities).
- See Appendix, Table 2 on page 66 of the report.

RB-1. Strengthen Reporting Requirements for Municipal Enforcement

- Include in statutory requirements (AS 04.11.610) that municipalities submit quarterly reports on Title 4 enforcement and education activities to the ABC Board: violations, educational presentations, other activities related to alcohol control.
- Municipalities with local law enforcement receive a matching allocation (“refund”) of license fees collected within their jurisdiction. Funds intended to be used for Title 4 enforcement.

Proposed in SB 76: Accountability for License Fees Allocated to Local Governments

- Current Title 4 allows for local governments to receive half of the license fees collected in their area, intended for enforcement of Title 4 and related ordinances.
- Reporting on these activities is required, but not well defined in statute. Some jurisdictions report regularly, while others do not.
- SB76 proposes better reporting and prevention about use of these funds, and requiring reports about education activities as well as enforcement.



Proposed Changes to Licenses, Endorsements and Permits

SB 76, Section 9: *proposed new Chapter 9 in Title 4*

04.09.010: Types of Licenses

04.09.020 - .040: Manufacturing Tier Licenses

04.09.100 - .110: Wholesale Tier Licenses

04.09.200 – .360: Retail Tier Licenses

04.09.400: Definition of Endorsements

04.09.410 - .520: Types of Endorsements

04.09.600: Definition of Permits

04.09.610 - .690: Types of Permits

License Types by Tier

- Manufacturing Tier
 - Brewery, Winery, Distillery
- Wholesale Tier
 - General Wholesale, Beer & Wine Wholesale
- Retail Tier
 - *Subject to population limits:* Beverage Dispensary, Restaurant or Eating Place, Club, Package Store, Pub, Theater, Common Carrier Dispensary, Sporting Event, Golf Course, Brewery Retail, Winery Retail, Distillery Retail
 - *Exempt from population limits:* Outdoor Recreation Lodge, Destination Resort, Beverage Dispensary Tourism, Seasonal Restaurant or Eating Place Tourism, Winery Direct Shipment License






SB 76: Section 9, defined in 04.09.020 – 040; 04.09.100 – 110; 04.09.200 - 360

M-2&3. Manufacturer Retail Operations + Sampling

- Allow small manufacturers to obtain a retail license (restaurant, package store, etc.)
- Add-on retail licenses specifically for manufacturers to allow limited onsite consumption and offsite sales.
 - Existing licensees converted
 - New retail licenses have 1:9,000 population limit
- A separate endorsement for free samples.

Proposed in SB 76: Volume Limits for Free Samples from Manufacturers

- Small free samples can be provided to the public, with a Manufacturer Sampling Endorsement
- Ounce limits are defined by product type, and roughly correspond to alcohol by volume (ABV)
- A Retail license is not required for sampling, but is required for any product sales to the public

Brewery	Winery	Distillery
<p>12 oz. Beer</p> 	<p>6 oz. Wine or Mead</p> 	<p>1.5 oz. Spirits</p> 
<p>6 oz. Sake</p> 	<p>12 oz. Cider</p> 	

Proposed in SB 76: Multiple Retail License Options for Manufacturers



The Brewery license used as an example. The same system applies for wineries and distilleries.

SB 76: Section 9, 04.09.310, .320, .330; Sections 50 – 52, 04.11.450

Proposed in SB76: Onsite Consumption Limits for Manufacturers, in Standard Product Units

	Brewery Retail	Winery Retail	Distillery Retail
On-site Consumption	<p>36 oz. Beer <i>Equivalent: 3 cans</i></p>  <p>18 oz. Sake</p> 	<p>18 oz. Wine or Mead <i>Equivalent: 3 glasses</i></p>  <p>36 oz. Cider</p> 	<p>3 oz. Spirits <i>Equivalent: 3 pours (1 oz. each)</i></p> 
Off-site Consumption	<p>5.167 Gallons Beer <i>Equivalent of 1/6 barrel "pony keg," or 10 growlers</i></p>  <p>9 Liters Sake</p> 	<p>9 Liters Wine or Mead <i>Equivalent: 12 bottles (1 case)</i></p>  <p>5.167 Gallons Cider</p> 	<p>3.75 Liters Spirits <i>Equivalent: 5 standard bottles</i></p> 

SB 76: Section 9, 04.09.310, .320, .330

Proposed in SB 76: Endorsements

Add endorsements to existing licenses, giving businesses more flexibility without creating more situation-specific license types.



BASE LICENSE

ENDORSEMENTS

Expanded activities and/or premises to fit business model

Endorsements allow sampling on premises, service on a golf course, deliveries by package stores, etc.

SB 76: Section 9, 04.09.400; endorsements defined in 04.09.410 - .520

R-7 Create Endorsements




- Create endorsements as add-ons to licenses in Title 4
- Endorsements must be issued with a license, renewed biannually with the license, and cannot be transferred to a new location
- Endorsements are not population limited
- Convert some existing sections or activities into endorsements; create new endorsements

Proposed Endorsements

- R-7A | Bowling Alley Endorsement
- R-7B | Package Store Shipping Endorsement
- R-7C | Package Store Delivery Endorsement
- R-7D | Package Store Re-Packaging Endorsement
- [M-2] Manufacturer Sampling Endorsement
- [R-1] Multiple Fixed Counter Endorsement
- [R-1] Hotel/Motel Endorsement
- [R-1] Large Resort Endorsement
- [R-3] **Package Store Sampling Endorsement (new)**
- [M-1] Brewery Repackaging Endorsement

Proposed in SB 76: Package Store Sample Limits

- In current Title 4, Package Stores cannot allow any consumption on premises
- SB 76 would allow small free samples, with a Package Store Sampling Endorsement
- Ounce limits defined as: "Any combination of products, not to exceed the alcohol equivalent of any single product type"
- Ex: Customer A chooses 12 oz. beer. Customer B chooses 6 oz. cider and 3 oz. wine. Customer C chooses 2 oz. wine, 2 oz. sake, and 4 oz. beer.

12 oz.	6 oz.	1.5 oz.
Beer 	Wine, Mead 	Spirits 
Cider 	Sake 	

SB 76: Section 9, 04.09.490

R-7 Standardize Permits

- Define all permit types in statute, not only in regulation
- Fee for all permits is \$50 per event day
- Most permits listed are already in statute or regulation
- New permit: Tasting Event Permit, allowing a Package Store or Manufacturer to host an event on premises, in partnership with a BDL

Proposed Permits

- R-7F | Beverage Dispensary Caterer's Permit (AS 04.11.230; 3 AAC 304.685)
- R-7G | Restaurant Caterer's Dining Permit (3 AAC 304.680)
- R-7H | Club Caterer's Permit (3 AAC 304.690)
- R-7I | Nonprofit Event Permit (AS 04.11.240)
- R-7J | Art Exhibit Permit (3 AAC 304.697)
- R-7K | Alcoholic Beverage Auction Permit (3 AAC 304.699)
- R-7L | Inventory Resale Permit (Retail Stock Sale License, AS 04.11.200)
- R-7M | Tasting Event Permit (proposed in SB 76)

SB 76: Section 9, 04.09.600; permits defined in 04.09.610 - .690

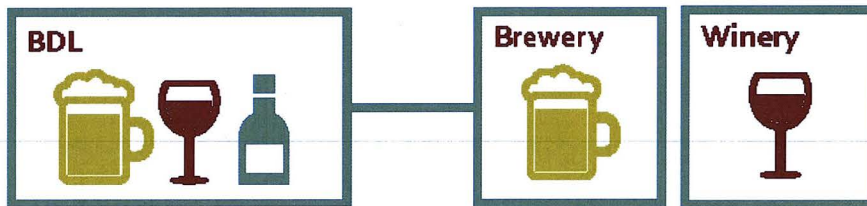
W-2. Align State Statute with Federal Law Regarding Trade Practices

- Add provisions in Title 4 to match current federal law regarding trade practices and agreements between retailers and wholesalers or manufacturers.
- Alaska is the only state without any laws regarding trade practices, and federal enforcement of existing laws is limited.

Proposed in SB 76: Regulate Trade Practices

Some activities, known as trade practices, are illegal in federal law: practices of alcohol manufacturers and wholesalers to exert power over retailers' buying decisions, or stopping them from buying competitors' products.

Tied house



Partial ownership of retail license by a manufacturer, to control what products are sold or exclude competitors. Does not apply to 100% manufacturer-owned licenses.

Exclusive outlet



Agreement between supplier and retailer to exclude other retailers or suppliers.

Commercial bribery



Supplier pays bonus or provides merchandise in exchange for exclusive arrangement or agreement not to purchase other products.

Consignment sales



Supplier and retailer make deals to take back unsold products or other

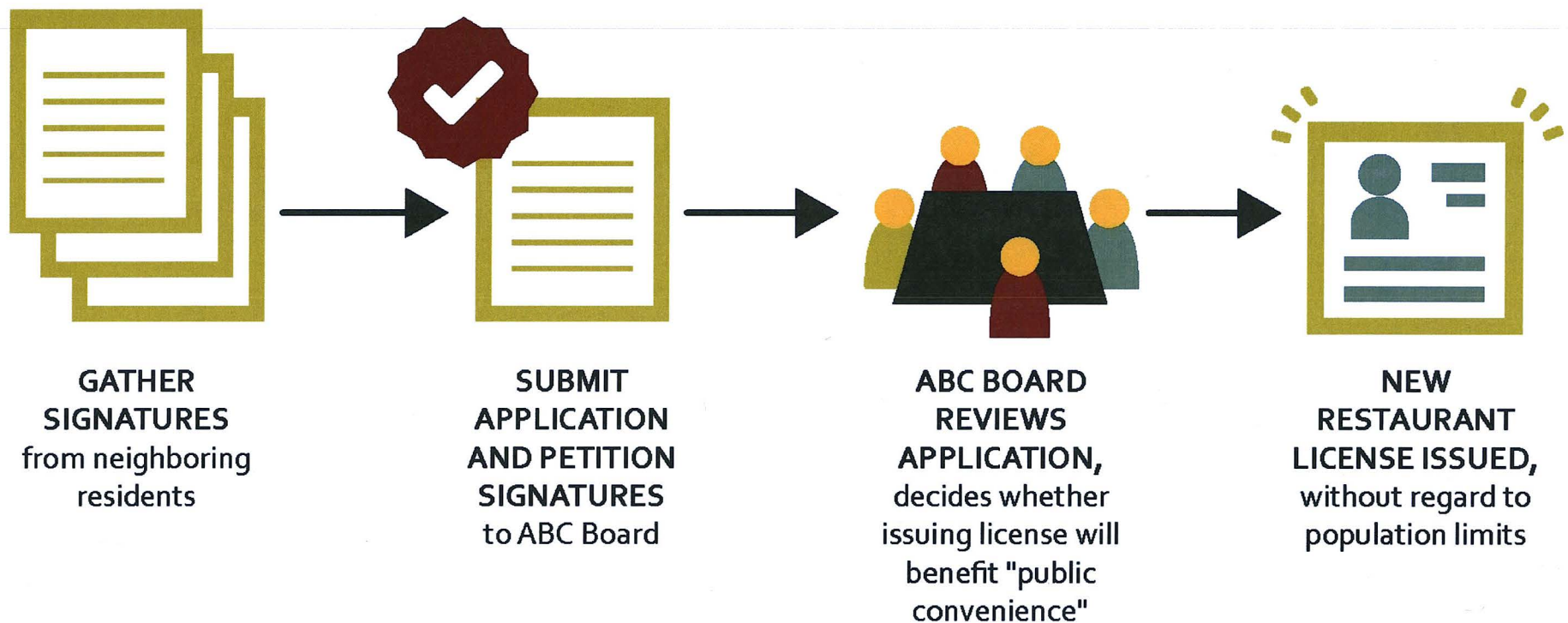
P-3. Retire Public Convenience Process; New Options for REPLs

- Repeal Public Convenience statute.
- Convert all existing Public Convenience license holders to standard, fully transferrable REPLs.
- Create a Seasonal Restaurant Tourism License.
- Allow qualifying municipalities to petition the ABC Board to increase the number of REPLs available in their community.

Public Convenience Petition Process: *Current Title 4*

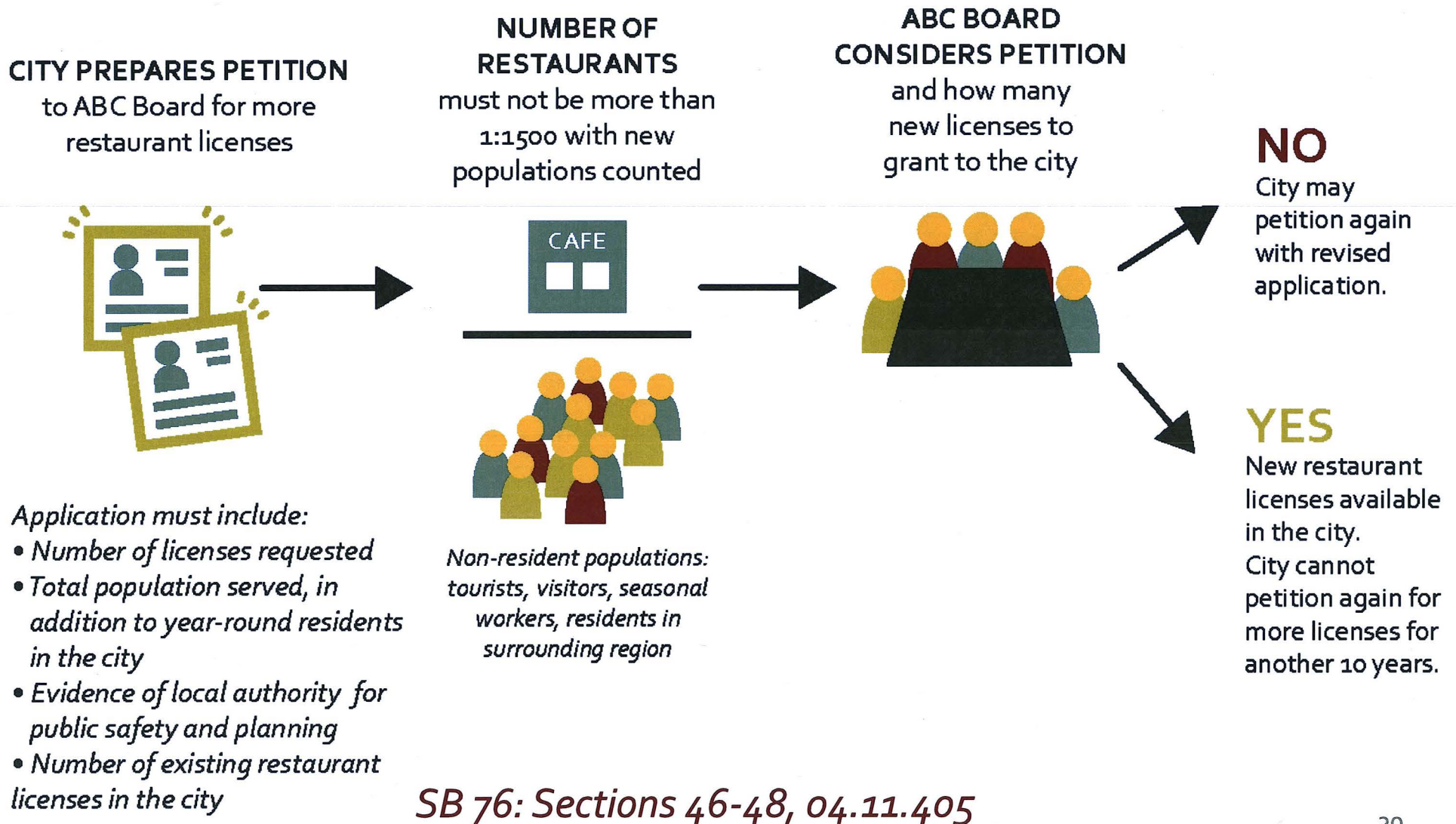
(AS 04.11.400)

Title 4 allows a license applicant to seek a restaurant license through a local petition process, even if there are no licenses available in the community because the population limit has been reached.



Proposed in SB 76: Local Government Petition for Additional Restaurant Licenses

(Proposed AS 04.11.405)



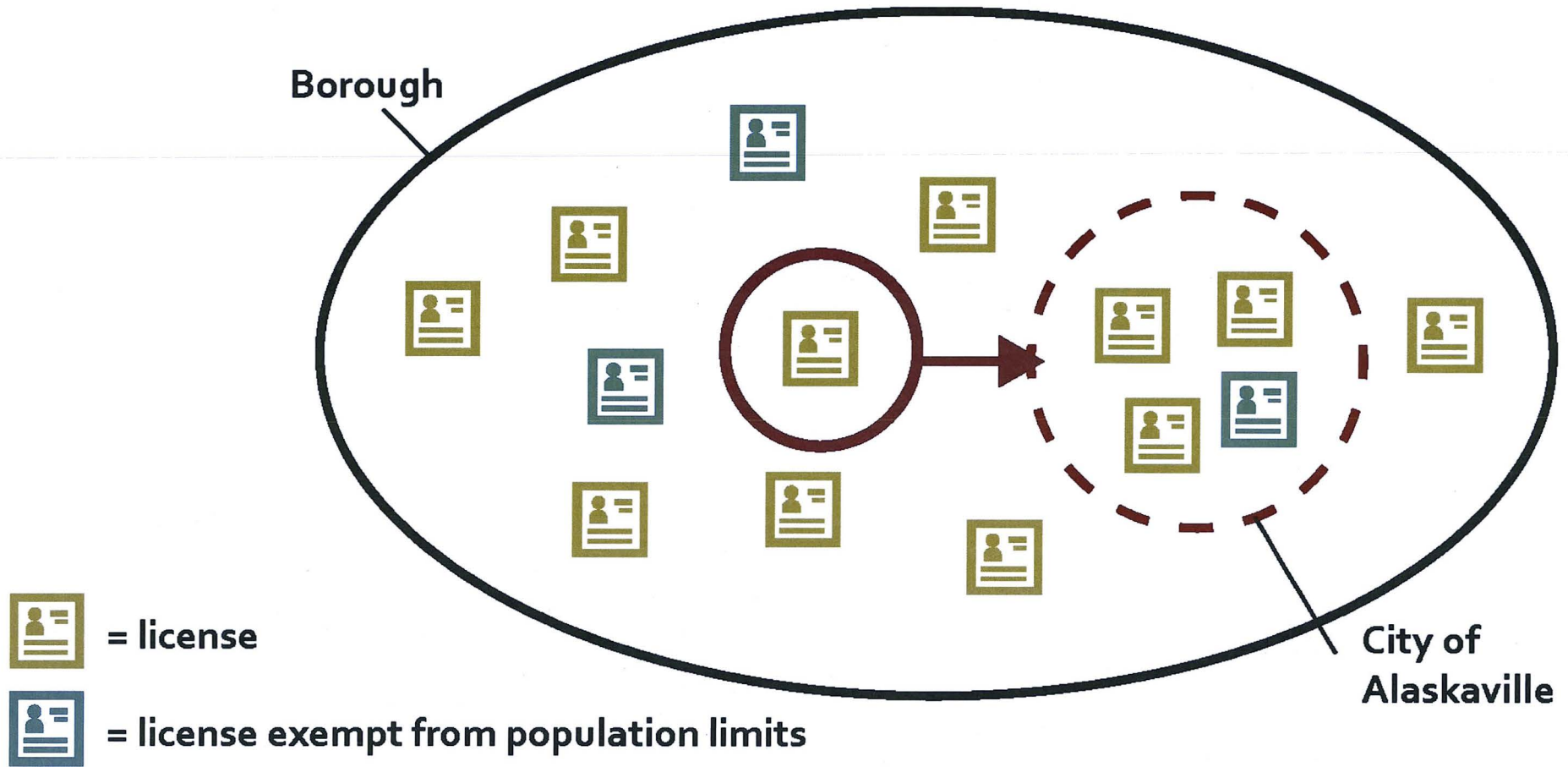
N-7. Allow Relocation of a Package Store from Borough to City

- Amend AS 04.11.400(k) to allow transfers of both BDL and Package Store licenses from a borough to a city within the borough.
- Currently, BDL relocations are allowed in boroughs with at least 60,000 population.
- SB 76 would make relocation available in boroughs with at least 50,000 population and currently-operating licenses that exceed population limits.

Proposed in SB 76: Option to Relocate Some Licenses from a Borough to a City

(AS 04.11.400)

- Current Title 4 allows relocation of a bar (BDL) from a borough to a city within that borough.
- SB 76 proposes also allowing relocation of package stores.



SB 76: Section 45, 04.11.400(k)

Proposed in SB 76: Option to Relocate Some Licenses from a Borough to a City

(AS 04.11.400)

- All eligible boroughs have more licenses issued than population limits allow.
- Only the borough's licenses in excess of population limits would be eligible for relocation into a city.

Licenses Within Population Limit



Not eligible for relocation

Additional Licenses in the Borough



Eligible for relocation

Borough (excluding population of incorporated cities)	Allowed Lic. (1:3000)	Beverage Dispensary (BDL)		Package Store (<i>Proposed</i>)	
		Currently Issued	Qualify for Relocation	Currently Issued	Qualify for Relocation
Fairbanks North Star	21	27	6	26	5
Kenai Peninsula	13	25	12	29	16
Matanuska-Susitna	28	31	3	33	5

RB-4. ABC Board as Key Partner for Alcohol Education Efforts

- Designate the ABC Board and AMCO as the agency to develop a multi-department, public-private sector education plan about responsible alcohol use and applicable laws.
- Coordinate with Department of Health and Social Services and other agencies tasked with alcohol-related education.

RB-2. Community Analysis of Written Order Database

- Allow data about direct shipment orders of alcohol in local option communities to be made publicly available, aggregated at the region or community level, for analysis and community planning.
- Written order database can only be accessed by AMCO enforcement staff, other law enforcement, and package store licensees who fill written orders.
- Personal information would be kept confidential.

Proposed in SB 76: Publish Community-Level Data in Local Option Order Database

- In current Title 4, *all* data in the Local Option order database is private, and deleted after 1 year.
- SB 76 would keep individual order information private, but retain aggregate data for 10 years and allow the ABC Board to publish annual total sales volume by region or community.
- This valuable information would be available to communities and law enforcement to understand the flow of alcohol into Local Option communities via legal sales.

Keep community
level data

10
years

Protect individual
order data



ABC Board publishes
annual data reports



RB-6. Revise Title 4 Penalties

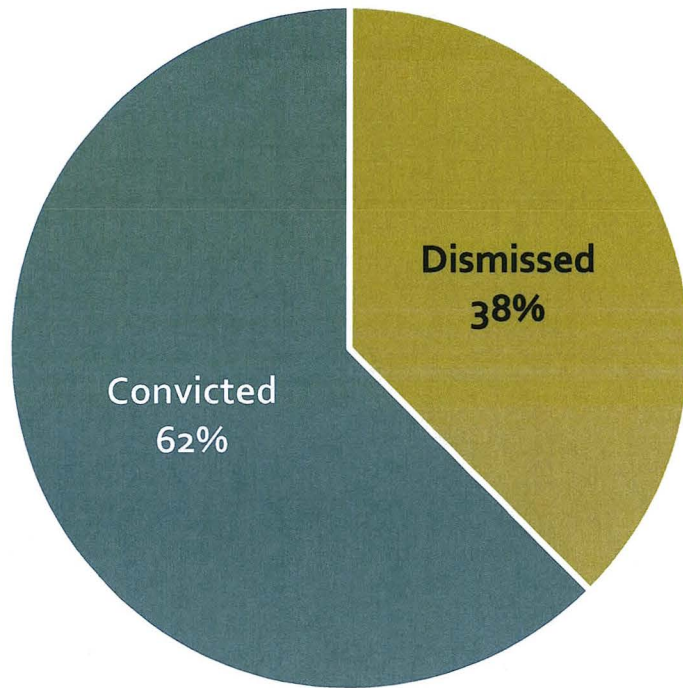
- Review penalties for all Title 4 sections, and revise as needed to make penalties proportionate to the offense, and more consistently enforced.
- Reduce most current Class A Misdemeanors to Minor Offenses.
- Retain existing Misdemeanor and Felony charges for serious offenses, particularly those causing harm to children.
- Ensure that the ABC Board, and licensee if applicable, is informed about Title 4 convictions by requiring the court to send records to AMCO, and AMCO to send to the licensee.
- ABC Board retains its authority to impose conditions or additional penalties, including suspending or revoking license.
- See Appendix, Table 3, pp. 67-72 in Report for table of all current penalties and proposed changes.

SB 76: defined throughout; most prohibited acts are defined in chapter 16

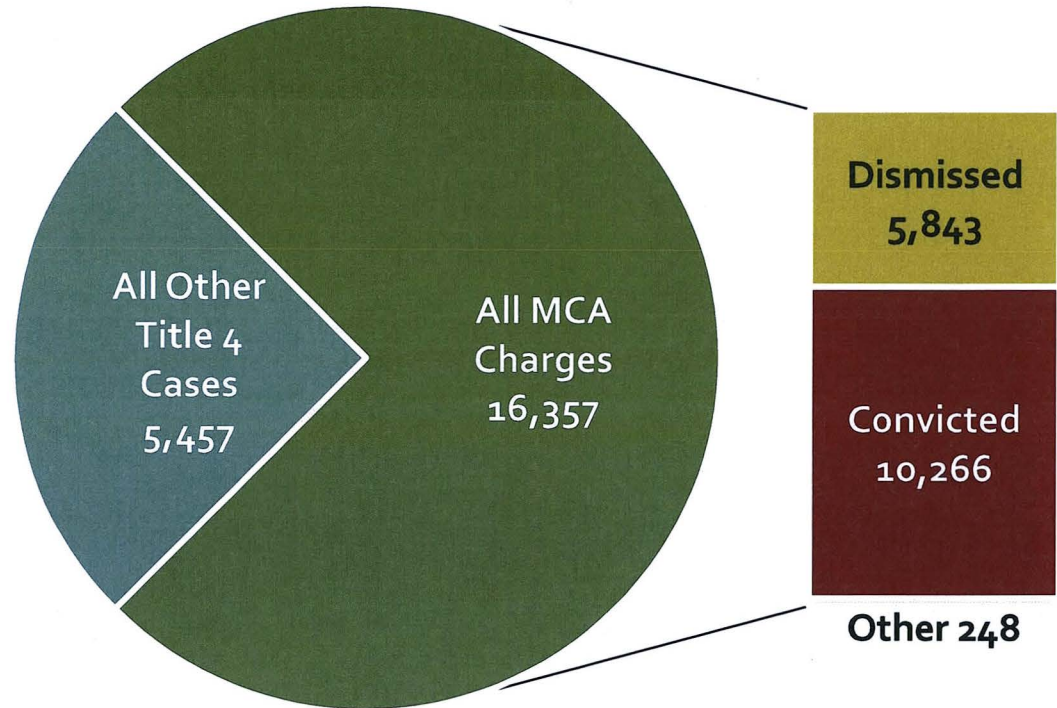
Why reduce penalties in Title 4?

Prosecutors were dismissing MCA charges; penalties were seen as too high for the offense, or not worth the resources. Much fewer Minor on Premises cases; 47% were dismissed.

All Title 4 Charges, 2009-2013



Minor Consuming Alcohol, 2009-2013



Source Data: Alaska Court System Data, 2009-2013

Proposed in SB 76: Revise Title 4 Penalties

- In current law, almost all violations of Title 4 are Class A misdemeanors.
- When penalties are set high across the board and perceived to be too strict for most offenses, law enforcement is less likely to issue citations and courts are less likely to pursue those cases.
- In SB76, many penalties would become minor offenses. Serious violations, such as selling alcohol without a license, allowing gambling on the premises, or perjury on a license application would remain misdemeanors or felonies.

Minor Offense (Violation)

- Up to \$500 fine (most are \$250)
- Community work service
- Does not require court appearance



Example: Failure to post required warning signs, noncompliance with a permit requirement

Class A Misdemeanor

- Up to \$10,000 fine
- Up to 1 year in prison
- 10 years probation
- Requires court appearance



Example: Selling alcohol without a license, knowingly allowing underage sales by employees

Class C Felony

- Up to \$50,000 fine
- Up to 5 years in prison
- 10 years probation
- Requires court appearance



Example: Perjury on state license application (Class B), importing large amount of alcohol into local option area

SB 76: defined throughout; most prohibited acts are defined in chapter 16

UAD-1. Employee Penalty for Selling Alcohol to a Minor

- Reduce the penalty for a licensee, agent or employee selling alcohol to a minor (AS 04.16.052) from a Class A Misdemeanor to a Minor Offense with \$500 fine.

UAD-2. Licensee Liability for Employee Sales to Minors

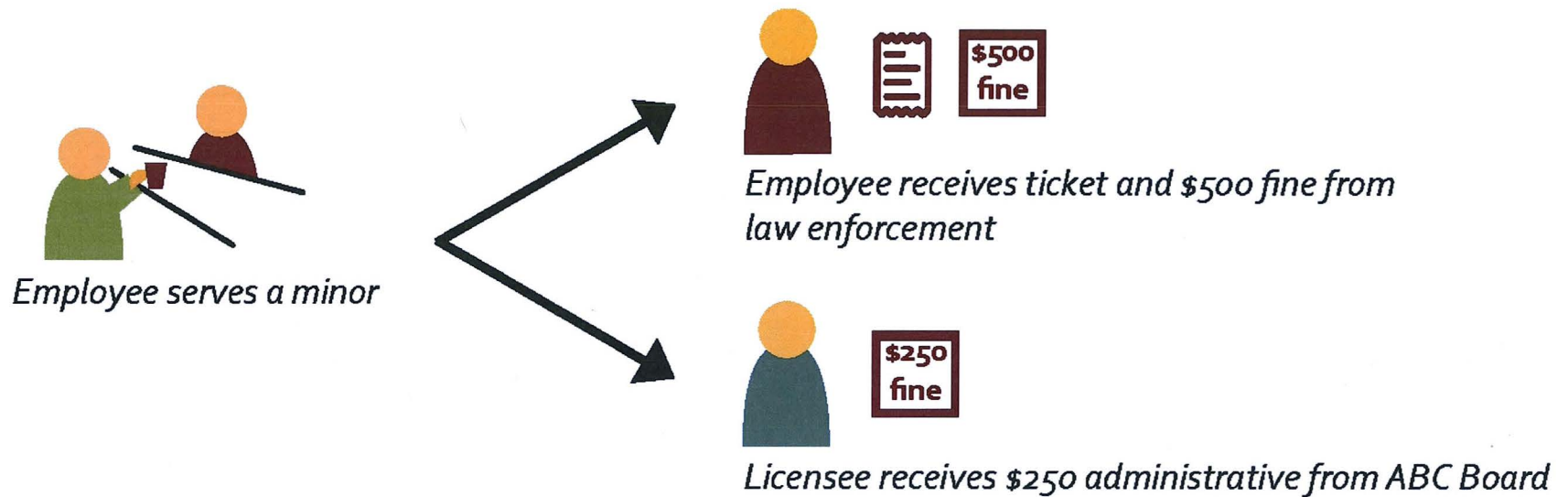
N-9. Licensee Liability for Overservice by Employees

- Increase the consistency and certainty of sanctions to licensees for violations of AS 04.16.030 and -052.
- A licensee whose employee incurs either violation receives an administrative penalty of \$250.

Proposed in SB 76: Licensee Penalties for Overserving an Adult or Serving a Minor

(AS 04.16.030 and AS 04.16.052)

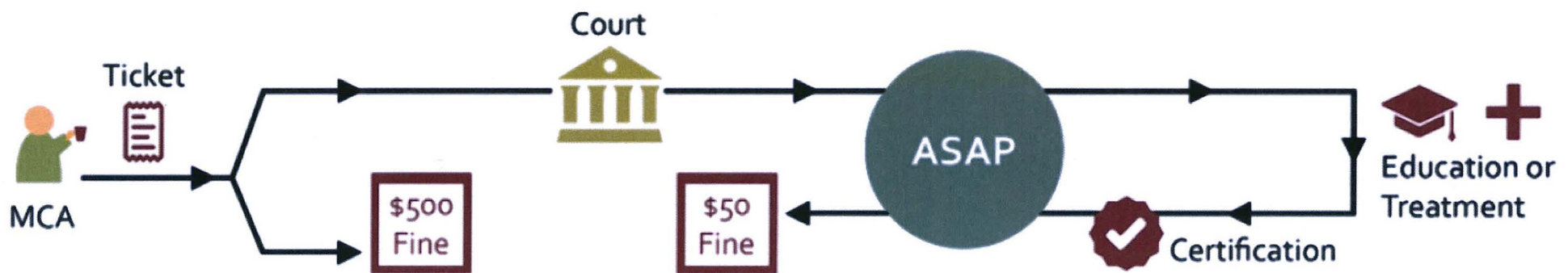
- In current Title 4, a licensee or employee who knowingly overserves an intoxicated adult or who serves alcohol to a minor is guilty of a Class A Misdemeanor.
- SB 76 would change the penalty for both statutes to a Minor Offense, with a \$500 fine.
- In addition to the penalty to the person who commits the violation, the owner of the license would receive an administrative (non-criminal) penalty of \$250. This alerts the owner right away, and encourages licensees to make sure employees are properly trained.



SB 76: section 81, 04.16.030; section 94, 04.16.052; section 117, 04.16.180

UAD-5. Alcohol Related Violations For Minors

- *Enacted in 2016:* Restore Minor Consuming Alcohol (AS 04.16.050) to a true violation; same changes to to Minor on Premises (AS 04.16.049), previously Misdemeanor A.
- Proposed in SB 76: similar changes to penalties for Minor Purchasing or Attempting to Purchase (04.16.060).
- Similar to already enacted changes above, youth charged with 04.16.060 would not appear in Courtview.



SB 76: section 98, 04.16.060

Require Server Education Card for All Retail Sales & Service of Alcohol

- Server education includes training in verifying age and identification, responsible alcohol service, overserving, and applicable penalties for violations.
- Some, but not all, license types are required that servers (employees) have alcohol server education cards. Also not required for servers at permitted events.
- Proposed in SB76: Require all license types who serve the public, including sampling activities, to maintain server education cards.
- Require servers for permitted events to be certified prior to the actual event.

Proposed in SB 76: Keg Registration

- Reduces adults' incentive to legally purchase alcohol and supply an underage drinking party.
- Kegs tagged with the purchaser's contact information can be tracked if confiscated at an underage party or other situation where minors are given access to alcohol.
- A person, not a licensee, possessing an untagged keg containing alcohol could be fined.
- Modeled on existing Anchorage and Juneau ordinances.



SB 76: section 122, 04.21.012

Internet Sales in Alaska: Few Rules

- **Alaska is one of the only states with no rules about Internet sales of alcohol.**
- Alaska Package Stores cannot sell alcohol online, only via written order to “known” customers with ID on file.
- Alaska Wineries and Package Stores can ship wine to customers in some circumstances.
- Without state laws restricting online sales, there are currently no limits on purchases of alcohol online from out-of-state sellers.

INT-1. Winery Direct Shipment License

- Create a license available to U.S. wineries to ship orders of wine to Alaska customers.
- Prohibit online sales through this license in Local Option areas.
- Prohibit other online sales of alcohol not under this license or the Package Store Shipping endorsement.
- Modeled on similar licenses or permits for wineries that exist in 44 other states.
- Requires age verification and delivering to the customer in person, including a signature to acknowledge receipt.
- Exempt from Alaska population limits.

Proposed in SB 76: Regulate Internet Alcohol Sales

- Alaska does not limit online sales of alcohol. Orders from out of state businesses are not subject to Alaska's alcohol excise tax, and the state cannot track how much alcohol is ordered each year.
- SB 76 would create a Winery Direct Shipment License and allow online alcohol sales only from U.S. wineries and Alaska package stores.



Alaska customer orders wine online from winery



Wine only: no beer or spirits

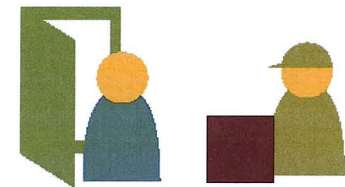


Winery Direct Shipment Licensee verifies:

- Is customer 21 or older?
- Is customer in a non-Local Option area?
- Is order within limit for personal use?
6 cases per sale
12 cases per year



Common carrier receives, transports and delivers order



Carrier verifies customer is 21+, delivers package in person

INT-2. Collect Alaska Excise Tax for Internet Sales

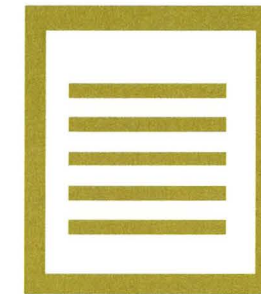
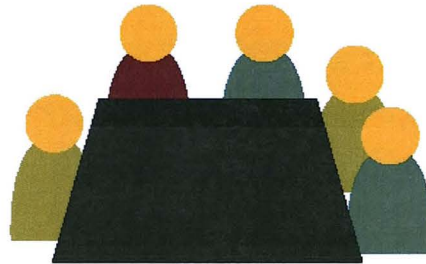
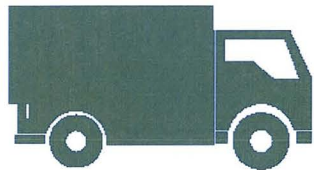
- In addition to maintaining current collection of excise tax on sales from in-state wineries, require all out-of-state holders of a Winery Direct Shipment license to pay the same excise tax on Alaska orders.
- Currently, no tax is collected from online sales of alcohol to Alaska customers.
- Legal precedent for collecting state alcohol tax from out-of-state alcohol manufacturers:
Granholm v. Heald (2005)

N-3. Expand Package Store Shipping Order Options

- Allow orders under a Package Store Shipping endorsement to be received in formats other than a written order from a known customer.
- This allows online ordering from in-state package stores, including customers in Local Option areas.
- Existing requirements in AS 04.11.150(a) for ID, shipping and delivery still apply. Package stores would still be required to report all orders to Local Option areas in Written Order Database.

Proposed in SB 76: Regulate Internet Alcohol Sales

- Common carriers would need to be approved by the ABC board to transport and deliver alcohol to consumers throughout the state.
- Carriers must demonstrate that they have policies and train employees to properly handle shipments of alcohol.



Carrier maintains policies:

- Safe alcohol handling
- Delivery to adult, age 21+
- Delivery in-person only

**ABC board reviews
and approves carrier
for alcohol transport
and delivery**

**ABC board
publishes list of
approved carriers**

For more information

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About the Title 4 Review Process:

Alcohol and Marijuana Control Office

<https://www.commerce.alaska.gov/web/amco/>

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SB76 Explanation of Changes

Ver. M to Ver. Y

1. Page 13, line 14: Lower \$2,500 biennial club license fee to \$1,500.
2. Page 18, line 24: Amends the sporting event license by inserting "at multiple noncontiguous locations" after "wine".
3. Page 20, line 22: Amends the destination resort license by inserting "at multiple noncontiguous locations" after "beverages".
4. Page 27, line 27: Insert "with a zip code" following "address".
5. Page 28, lines 21-22: Insert "zip codes that are located within" following "public inspection of".
6. Page 48, lines 26-31 through page 50, line 3: Creates new Article 7. Common Carrier Approval in section 9 using subsections AS 04.16.125(a)-(f) and (i)-(l) from section 105. This makes an important distinction between administrative violations against a common carrier licensee and the crime of unauthorized transportation of alcoholic beverages by a common carrier into a local option area by a person.
7. Page 70, line 1: Lower the waiting period between board petitions from 10 years to 5 years.
8. Page 86: Deletes previous sections 92 and 93 which amended the charges for furnishing or delivering to a minor. Statute will remain unchanged.
9. Page 87, lines 12-18: Renumbers previous section 95 as section 93 and renumbers the following accordingly. Removes violation penalty for renting a room for the

purpose of providing alcoholic beverages to a person under 21 years of age and makes the crime a class A misdemeanor.

10. Page 88, lines 19, 22: Amends sections by specifying that a person 21 years of age or older is subject to the \$100 fine for consumption at a school event.
11. Page 89, lines 26-31 through page 90, lines 1-21: Adds reference to new approved common carriers section [see change 6]. Simplifies existing AS 04.16.125 and relocates existing class A misdemeanor into new subsections (d) and (e) for clarity.