



## MEMORANDUM

TO: Robert Klein, Chair, and Members of the ABC Board      DATE: January 27, 2017

FROM: Sarah Oates, Program Coordinator      RE: Licensing Update

1) <b>Renewal Applications Processed</b> (out of 909 up for renewal)	<b>803</b>
a. Incomplete Applications	417
2) <b>New Applications Processed</b> (since deadline for Dec. 5 meeting)	<b>19</b>
a. Incomplete Applications	19
3) <b>Transfer Applications Processed</b> (since deadline for Dec 5 meeting)	<b>23</b>
a. Incomplete Applications	22

### Agenda Closing Date

In order to be on the April 5, 2017 meeting agenda, applicants who have received incomplete letters must submit all corrections and complete documents by **March 17, 2017**. Additionally, any interested parties who wish to provide written public comment to be included in a Board packet must have it submitted to the AMCO office by this deadline. It is expected that persons who miss the deadline will bring and provide sufficient copies of written documentation at the Board meeting. This deadline is necessary in order to give AMCO staff adequate time to prepare Board packets, and to give Board members appropriate time to review documentation in order to make informed decisions at meetings.

### Understaffing and Processing Times

We will have interviews for the vacant examiner position completed on January 31 and hope to have the position filled soon. Since the December meeting, the licensing team has received and processed over 800 liquor license renewal applications, over half of which came into the office the last week of December and first week of January. As a result, our team has had to continue to postpone processing marijuana license applications on most regular work days in order to meet the statutory deadline for processing liquor license applications. Members of the licensing team have been working overtime, including most weekends.

Only applications that were completed by January 13, 2017 were able to make it onto this agenda.



### **New Forms & Resources**

Over the past year, the licensing team and I have worked hard to create new license and permit application forms that are more professional, user-friendly (including fillable PDFs), and legally supportable, as they follow the requirements set forth in Title 04 and 3 AAC. The new forms each include instructions on how to complete the form, along with legal citations and explanations of the forms' functions.

Many licensees have voiced frustration about AMCO's lack of staff time available for answering questions and guiding applicants through application questions and processes. The AMCO team has been working hard to create new resources for applicants, licensees, and the public to use, including detailed FAQs, new application forms and instructions, and designated email boxes for fielding questions. This has enabled an increase in office efficiency, as staff is now able to devote more time to processing applications and meeting statutory deadlines. Our Local Government Specialist, Jed Smith, has been absorbing information quickly and has been tasked with creating additional resources and training materials for various stakeholders. This should increase the accuracy and completion of applications that are submitted to AMCO staff for initial review.

### **Requests for the Board**

The licensing and enforcement teams have worked closely with the Interim Director on ongoing issues. The following two issues need additional clarification and/or regulation fixes by the Board:

#### **1. "Bona Fide Restaurant" Guidelines**

Although there has been much discussion over the years about what the term "bona fide restaurant" requires, staff is not aware of any formal Board-approved guidelines. Licensing and enforcement staff has been bringing restaurants in question to the Board on a case-by-case basis, occasionally after the Board has already approved an application, as many questions are raised by an investigator during the applicant's preliminary inspection. Staff is requesting that the Board agree upon a set of guidelines that a restaurant should consider when applying for a restaurant / eating place license or a restaurant designation permit. These guidelines will be made available on the website and should cover topics like minimum standards for kitchen equipment, food items, and permanent versus temporary structures (eg: food trucks).

#### **2. Officers Requiring Criminal History Reports**

This renewal season has again brought to light the issue around individuals who must submit fingerprints with license applications, as required by AS 04.11.260, AS 04.11.295, and 3 AAC 304.105. This issue was brought to the Board at the July 20, 2016 meeting. A solution was not proposed. AS 04.11.260(b) states that "*the* president, vice-president, secretary, managing officer..." must be listed on an application, which could be interpreted in regulation to mean that each of those titles in singular. However, existing regulation states that an application from a corporation must contain "written authorization for release of the conviction and arrest records of *each* officer and director". As 3 AAC 304.105(b)(2) is currently written, a large corporation could potentially have to submit fingerprint cards for dozens of individuals.

After a detailed discussion between our AAG, the Interim Director, and me, we concluded that the Board may want to consider opening a regulations project that could resolve and/or clarify the issue. Unless and until a regulation change is adopted, staff will continue to request fingerprint cards for all officers who must be listed on an application, as required under the existing statutes and regulation.