



## MEMORANDUM

TO: Bob Klein, Chair,  
and Members of the Board

DATE: January 23, 2018

FROM: Erika McConnell, Director

RE: Proposed Regulations Change:  
Deadline for Reinstatement and Renewal

**Requested Action:** Move to open this regulations project AND  
Move to put attached draft out for public comment (amend if desired)

**Statutory Authority:** AS 04.06.100(a): "The board shall adopt regulations governing the manufacture, barter, sale, consumption, and possession of alcoholic beverages in the state that are consistent with this title and necessary to carry out the purpose of this title in a manner that will protect the public health, safety, and welfare."

**Staff Recommendation:** Open project and put draft out for public comment

**Background:** A license expires if the licensee does not submit a complete renewal application by February 28 of the year after their two-year license period. 3 AAC 304.160(e) allows a licensee to request reinstatement by the board, but does not set a deadline for such a request. At times, the request is being made over a year after the license expired, which is unreasonable.

3 AAC 304.100(2) states that licenses become available "10 days after the period for renewing licenses has expired, where the license becomes available because a license has expired and has not been renewed." This section, combined with an open-ended allowance for requesting reinstatement results in the potential for licenses to be issued over the population limits of AS 04.11.400.

If a licensee misses their renewal, their license becomes available 10 days after the expiration (on February 28 per AS 04.11.540). If that license is issued to someone else after it becomes available, but the original licensee requests reinstatement some months or a year later, what happens?

This proposal extends the time before a non-renewed license becomes available from 10 to 30 days, but then limits the period of time within which a licensee can request reinstatement to March 30, 30 days after the expiration date. It is appropriate to have a grace period for filing a renewal (above and beyond the first grace period between January 1 and February 28) to accommodate extreme circumstances, but an open-ended grace period is unreasonable and unfair to those licensees who comply with the deadlines in statute.

Note that licensees are contacted twice before their license expires and once more at the time of license expiration, so the office is doing what it can to enable licensees to renew their licenses.

(Words in **boldface and underlined** indicate language being added; words [CAPITALIZED AND BRACKETED] indicate language being deleted.)

3 AAC 304.100 is amended to read:

Except as provided in 3 AAC 304.110, an application will be denied if it is received by the board at a time when there are no available licenses of the kind applied for. In this chapter, a license becomes available

(1) on the date the director determines the relevant population under 3 AAC 304.905, where the license becomes available because of an increase in the population during the preceding year;

(2) **30**[10] days after the period for renewing licenses has expired, where the license becomes available because a license has expired and has not been renewed;

(3) on the conclusion of all appeals of the revocation, or on waiver of appeal by the licensee, whichever is later, where the license becomes available because of the revocation of another license;

(4) on the date determined by the board or the director in any other case. (Eff. 4/28/84, Register 90; am \_\_/\_\_/\_\_\_\_, Register \_\_\_\_)

**Authority:** AS 04.06.080      AS 04.06.100      AS 04.11.400  
AS 04.06.090      AS 04.11.340      AS 04.11.320

3 AAC 304.160(e) is amended to read:

(e) For the purposes of AS 04.11.540, if a license has expired for failure to file a complete application for renewal by February 28 or for failure to pay the required fees and

penalty fees by that date, the board will consider a written request to reinstate the license if the request is **submitted by March 30 and** accompanied by

- (1) a complete application;
- (2) all required fees and penalty fees; and
- (3) proof of good cause for the failure to file and pay by February 28. (Eff. 9/11/98,

Register 147; am 6/13/2003, Register 166; am \_\_/\_\_/\_\_\_\_, Register \_\_\_\_)

**Authority:** AS 04.06.090 AS 04.11.270 AS 04.11.680  
AS 04.06.100 AS 04.11.540

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