



MEMORANDUM

TO: Bob Klein, Chair, and Members of the
Alcoholic Beverage Control Board

DATE: April 3, 2018

FROM: Erika McConnell, Director

RE: Regulations Change: Licensed
Premises Requirements

Requested Action: Open a regulations project; amend and/or put draft out for public comment

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 Rec.: Open a regulations project; put draft out for public comment

Background: In working with the Alaska State Fair which holds a recreational site license (#39), we found that their license does not comply with 3 AAC 304.185(a):

(a) A license is issued for a specific place which is the licensed premises and which must be clearly designated in a line drawing accompanying an application. **The licensed premises must be one area, but may include separate rooms if the rooms are adjacent to one another or if they are rooms described in AS 04.11.090(d).** The address of the licensed premises and the business name under which the licensee is doing business at that address must be indicated on the license application. If the licensed premises consist of more than one room in which a fixed counter or service bar is regularly maintained, a duplicate license is required for the additional rooms. (*emphasis added*)

The regulations require that the licensed premises be one contiguous area, unless it is the licensed premises of "a hotel, motel, resort, or similar business that caters to the traveling public" holding a beverage dispensary license, in which case the board may license various noncontiguous areas such as the dining room, banquet room, guests' rooms, and other public areas (AS 04.11.090(d)).

As noted in Tab 10, the Alaska State Fair is a unique licensee with fairly unique needs. The state fairgrounds are large, and licensing the entire area is not a viable option, as minors frequent the fair without adult accompaniment. Requiring the fair to apply for and maintain eight recreational site

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licenses is not a viable solution as only three recreational site licenses are possible in the City of Palmer, and two of the three are issued. Nor would all the activities of the fair qualify for a recreational site license.

In addition, one of the two destination resort licenses issued by the board has multiple separate licensed premises areas. A destination resort license (AS 04.11.255) must be on a minimum of 20 acres and may sell alcoholic beverages for consumption on the licensed premises in conjunction with visitor activities provided to the licensee. It seems likely that the licensee of a 20+ acre destination resort may have multiple activities and activity areas which they might wish to license for alcohol consumption.

The attached proposal for board consideration is a change to 3 AAC 304.185(a) that would allow recreational site licenses and destination resort licenses to have multiple licensed premises areas if approved by the board. In addition, an organizational change is proposed to the language, to bring like subjects together in discreet subsections.

Attachment: Draft regulations change

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

3 AAC 304.185 is amended to read:

3 AAC 304.185. Licensed premises.

(a) A license is issued for a specific place which is the licensed premises and which must be clearly designated in a line drawing accompanying an application. **The address of the licensed premises and the business name under which the licensee is doing business at that address must be indicated on the license application.**

(b) With the exception of a recreational site license and a destination resort license, ~~the~~[THE] licensed premises must be one area, but may include separate rooms if the rooms are adjacent to one another or if they are rooms described in AS 04.11.090(d). [THE ADDRESS OF THE LICENSED PREMISES AND THE BUSINESS NAME UNDER WHICH THE LICENSEE IS DOING BUSINESS AT THAT ADDRESS MUST BE INDICATED ON THE LICENSE APPLICATION.] If the licensed premises consist of more than one room in which a fixed counter or service bar is regularly maintained, a duplicate license is required for the additional rooms. **A recreational site license and a destination resort license may have multiple separate licensed premises areas with the approval of the board.**

(c)[(B)] The licensee shall conspicuously post the license within the licensed premises.

(d)[(C)] A licensee may not alter the functional floor plan, reduce or expand the area, or change the business name of the licensed premises without the prior written approval of the director. The licensee must provide a new line drawing showing the proposed changes in the premises. A licensee must pay fee of \$250 for changing the business name of the licensee's licensed premises when the name change is not part of a transfer of ownership or location. A

request for a business name change for licensed premises not part of a transfer must be made on a form prescribed by the board.

(e)[(D)] If a business establishment or facility consists of both licensed premises and an unlicensed area, the licensee shall clearly segregate the licensed premises and the unlicensed area. (Eff. 11/29/81, Register 80; am 12/13/2009, Register 192; am __/__/____, Register __)

Authority: AS 04.06.090 AS 04.11.090 AS 04.11.255
AS 04.06.100 AS 04.11.210 AS 04.11.260