



MEMORANDUM

TO: Robert Klein, Chair, and Members of the Alcoholic Beverage Control Board DATE: June 12, 2018

FROM: Erika McConnell, Director RE: Director's Report

LEGISLATION WRAP-UP

HB 299—this bill

- extended the sunset date of the ABC Board to June of 2022.
- adds term limits for board members (after three consecutive terms, must be off for three years).
- prohibits the director from voting on a matter before the board and annuls 3 AAC 304.025(c)
- repeals AS 04.11.537, application of precedent.

The bill is awaiting transmittal to the governor.

SB 45—the provisions of HB 301 were added to this bill at the end of session, along with some other language relating to alcohol licensing. The bill:

- allows the holder of a distillery license to combine the distillery's product with non-alcoholic mixers and garnishes, and defines "distillery's product."
- allows corporations who are required to file periodic reports with the Securities and Exchange Commission to submit fingerprints for not more than three officers of the corporation at time of renewal.
- changes the minimum operating requirement from 30 eight-hour days to 240 hours each year.
- resolves the issue with BDL tourism licenses by removing the requirement that the number of rooms be consistent with the current population at the time of a license transfer, effectively grandfathering in the licenses found to be inconsistent with statutory requirements.
- adds outdoor recreation lodge to the types of licenses available in local option communities.

The bill is awaiting transmittal to the governor.

SB 76—this bill is the rewrite of Title 4. The bill passed the Senate but did not make it to the House floor as time ran out in the session to resolve some contentious issues that arose in the House Labor & Commerce committee.

Legislative requests will be due in the early fall. Please think about any specific changes you believe are necessary in Title 4, for discussion at the August meeting.

OPERATIONS

AMCO will reprint statute/regulation books as soon as the changes made by the 30th Legislature are provided to the publisher. This usually occurs in the fall, so we expect new books by January 2019.

ISSUES

Interpretation of Controlling Interest – Additional research on this issue has not yet been done. We will have more information for the board at the next meeting.

REGULATIONS

Attached to this report is a regulations projects status spreadsheet.

AMCO made an error regarding the listed statutory authority of the bona fide restaurant regulation. We need to repost the regulation with the correct statutory authority, take additional public comment, and bring the regulation project back to the board for reconsideration at the August meeting. The purpose of the project was to define “bona fide restaurant” not only for clarification of AS 04.11.100, the restaurant or eating place license statute, but also for clarification of AS 04.16.049, which allows minors on licensed premises under some situations when the premises are designated by the board as a restaurant (and thus get a Restaurant Designation Permit or RDP).

With the passage of SB 45 (and the assumed signing by the governor), the distillery regulation project that is currently open is no longer necessary.

NEXT MEETING

The next ABC Board meeting is scheduled for August 14 in Denali. Applications must be complete and any other documents for the board must be submitted to our office by July 27 to be on the August agenda.

ABC REGULATIONS PROJECTS

DOL Project Number	Topic	Date Opened by ABC	Board member point person(s)	Current Status/Notes	Date Adopted by ABC	Effective Date
	Emergency Regulation: definition of "in public"				2/24/15	
	Marijuana Regulations			Started by ABC Board; shifted to MCB once constituted		
	Recreational Site Licenses			Board voted unanimously to close project on 7/1/15		
JU2016200416	Alcohol Server Education	2/10/16	Evans moved	Sent to Law on 5/5/17; sent to Lt. Gov 8/16/17 Most of text was deleted by Law	4/13/17	9/16/17
JU2016200417	Common Carriers	2/10/16	Evans moved	Signed by Lt. Gov. 6/19/17	4/13/17	7/19/17
JU2016200418	Distillery	2/10/16	Evans moved	signed by Lt. Gov. 11/16/16	7/20/16	12/16/16
JU2016200419	Management Agreements	2/10/16 7/20/16	Evans moved	signed by Lt. Gov. 11/16/16	7/20/16	12/16/16
JU2016200420	Alternating Premises	2/10/16	Evans moved	signed by Lt. Gov. 11/16/16	7/20/16	12/16/16
JU2016200422	Restaurant Designation Permit	2/10/16	Evans moved	signed by Lt. Gov. 11/16/16	7/20/16	12/16/16
JU2016200647	Consumption at Wineries	7/20/16	Yoder moved	Signed by Lt. Gov. 6/19/17	4/13/17	7/19/17
JU2016200646	Tourism Licenses Parameters	7/20/16	Manning moved	Staff is researching		
JU2017200479-1	Background Checks	7/11/17	Ganley moved	Voted out for public comment 7/11/17; comment period ends 9/11/17; approved 11/13/17; sent to DOL	11/13/17	
JU2017200479-2	Bona Fide Restaurant	4/13/17	Manning moved	Voted out for public comment 7/11/17; comment period ends 9/11/17; referred to cmte 11/13/17; out for comment 1/23/18; adopted 4/3/18; sent to DOL 4/17/18; needs to be re-posted with correct authority and re-adopted	4/3/18 (void)	
	Tribal Identification	4/13/17		Voted out for public comment 7/11/17; comment period ends 9/11/17; returned for more work 11/13/17; returned for more work 1/23/18; voted out for public comment 4/3/18; posted 4/26/18; cmts due 6/1/18		
JU2017200816	Fee for premises changes; Seasonal premises changes	11/13/17	Ganley moved	sent to Lt. Gov 4/24/18	1/23/18	7/1/18
	Application fees				1/23/18	7/1/18

DOL Project Number	Topic	Date Opened by ABC	Board member point person(s)	Current Status/Notes	Date Adopted by ABC	Effective Date
	Public convenience REPL			Draft to board 11/13/17; returned for more work 11/13/17		
JU2017200778	Distilleries/mixed drinks	9/13/17	Manning moved	Draft to board 11/13/17; voted out for public comment 11/13/17; comment period closed 12/29/17; adopted 1/23/18; reposted to correct noticing error; cmts due 6/1	1/23/18 (void)	
JU2018200415	Security interest transfers/ involuntary retransfers	11/13/17	Klein	Draft to board 4/3/18; voted out for public comment 4/3/18; posted 4/26/18; cmts due 6/1/18		
JU2018200208	Deadline for Reinstatement and Renewal	1/23/18	Ganley	Voted to put out for public comment 1/23/18; cmts due 4/27		
	Renewals with Transfers	1/23/18	Manning	Voted to put out for public comment 1/23/18; cmts due 4/27		
	Definition of "entertainment"	1/23/18	Ganley	Draft to board 6/12/18		
JU2018200369	Licensed Premises Requirements	4/3/18		Voted out for public comment 4/3/18; posted 4/26/18; cmts due 6/1/18		
	Alternating Premises	4/3/18				
	Wine Auction Permit			Draft to board 6/12/18		