



MEMORANDUM

TO: Alcoholic Beverage Control Board DATE: November 12, 2019
FROM: Erika McConnell, Director RE: DRAFT Policy on Hotels and Free Alcohol

Background: At the July 2019 board meeting, the board directed me to consult with Sarah Oates of CHARR and Alicia Maltby of the Alaska Lodging and Hotel Industry Association to develop a policy for the board to consider, that would establish a threshold under which a hotel may provide free alcohol without being licensed.

Ms. Oates, Ms. Maltby, and I met on October 8 and discussed possible terms for a draft policy, as well as concerns about the policy. Subsequently, Sarah Oates from CHARR sent the following by email:

Alaska CHARR's Government Affairs Committee discussed this concept and had many concerns. Completely deregulating alcohol service to the public and/or patrons could result in serious consequences. Some of the primary concerns discussed include:

- lack of enforcement of an unregulated alcohol industry sector;
- unclear qualifications for waiver of licensure;
- public health and safety concerns;
- no requirement for alcohol server education;
- impacts of policy changes with new board members (if implemented by policy, a change in the board of directors could result in abandonment of the policy, and potential criminal charges for selling alcohol without a license, with a mandatory minimum sentence of ten days in jail); and
- setting precedent that would gut existing license types.

After speaking with some of our hotel members, I'm not sure where the interest for this potential policy originated. The members I have spoken with are completely uninterested in this concept for many reasons, noting the extreme risk and the concerns listed above.

Alicia Maltby indicated that her organization shared the concerns raised by CHARR.

Attachments: Draft policy



Alcoholic Beverage Control Board
Policy on Hotels Offering Free Alcohol
Adopted [Date]

If a hotel meets the following criteria, it is permitted to serve alcohol without a license:

1. Alcohol is provided only to registered guests of the hotel.
2. Alcohol is provided at no specific cost. (Cost is included in hotel stay.)
3. Only beer and wine may be provided.
4. Alcohol may be offered and provided no more than three nights in a calendar week.
5. Food must be served at all times alcohol is provided.
6. The period of alcohol service may last no more than two hours in a single day.
7. The hotel may not advertise the service of free alcohol in Alaska.