



MEMORANDUM

TO: Alcoholic Beverage Control Board DATE: May 26, 2020
FROM: Jane P. Sawyer, Regulations Specialist RE: Regulations Project – Alcohol Permits

The board opened this regulations project at the October 2018 meeting to provide more clarity for permits generally and “wine walks”. At the September 2019 meeting, the board sent out the first draft for public comment for which we received comments. At the November 2019 meeting, the board sent this project back to staff to consider the public comments received on the first draft. The public comments were taken into consideration and a revised draft based on those comments is attached.

Staff needs guidance from the board on three sections. Please see my notes on the draft, my first question/guidance need is on page 2 of the draft, my second one is on page 5, and my third one is on page 6.

As additional information, the proposed definition of “banquet or dinner event” was removed from the draft, and restaurant catering permits will be evaluated on a case by case basis.

Brief summary:

3 AAC 304.675. Permits generally, is repealed and readopted to outline the types of permits that AMCO will issue, and application requirements and processes.

3 AAC 304.680. Restaurant caterer’s dinner permit, repeals sections that are covered under the general permit section.

3 AAC 304.685. Caterer’s permit, is repealed as all relevant requirements are covered in the general permit section.

3 AAC 304.687. Special events permit, this is a new section addressing permit application requirements and privileges a non-profit organization may apply for.

3 AAC 304.690. Club license caterer's permit, reduces the fee from \$100 to \$50 (these permits are not popular at all, in 2019 we only processed about 9), and repeals unnecessary subsections.

3 AAC 304.697. Art exhibit permit, allows a single licensee (BDL or REPL) to get a permit for up to 12 locations for a single event (i.e. First Friday), but may only get one permit per event, and it allows changes to the permit application be requested two days before an event rather than seven (more flexibility to the permittee).

3 AAC 304.699. Wine auction permit, negligible changes—this sections of regulation was just updated by the board not too long ago.

Options for the board:

- Put out for public comment
- Amend and put out for public comment
- Send back to staff for revisions
- Close the project without action
- If the board closes this project without action, please consider opening a separate project to address questions/comments on pages 5 and 6.

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

3 AAC 304.675 is repealed and readopted to read:

3 AAC 304.675. Permits Generally. (a) A permit authorizes the holder to sell or dispense alcoholic beverages for a specific period of time at locations that are not a licensed premises, or are not the licensed premises of the permit holder. Except as specified under 3 AAC 304.697, a permit is issued for a specific occasion and for specific designated premises.

(b) Permits issued under AS 04 and this chapter are as follows:

- (1) caterer's permit;
- (2) special events permit;
- (3) restaurant caterer's dinner permit;
- (4) club license caterer's permit;
- (5) art exhibit permit;
- (6) wine auction permit.

(c) To apply for a permit, an applicant must submit to the board the appropriate, complete application and the permit fee. The application must include:

- (1) a description of the premises to be permitted;
- (2) a drawing designating the areas for storage, service, and consumption;
- (3) a security plan for any outdoor areas;
- (4) a statement of the specific hours of intended operation;
- (5) a copy of the approval from the proper local authority;

(6) If the licensee providing alcoholic beverages for the permitted event does not operate a license in the same municipality or established village in which the permitted event is occurring, a written explanation shall be provided; and

(7) other information required by the application form.

(d) Except as required by AS 04.11.240(b), a complete application for a permit shall be submitted to the board **no later than three business days** before the start of the permitted event.

(e) Each person who serves, sells alcoholic beverages, or checks identification of a patron at a permitted event shall complete an alcohol server education course under AS 04.21.025 before the permitted event.

(f) Except as allowed in 3 AAC 304.687 and 3 AAC 304.697, a single permit shall be valid for a specific continuous period of time between 8:00 a.m. on the day of the event for which the permit is sought and 5:00 a.m. the following day. The board may allow a single application for similar events held on different days.

(g) A permit may not be issued at a premises location where a license has been approved but is not yet issued, is suspended, or has expired or was revoked within the preceding 60 days.

(h) When a permit is issued for a premises that is licensed under AS 04, the license issued for the premises may not be operated on the permit premises during the active period of the permit. Alcoholic beverages served or consumed at the permitted event must be owned and provided by the holder of the permit.

(i) The licensee, agent, or employee of the licensee to whom the permit is issued shall be present at the permitted event during all times alcoholic beverages are sold, dispensed, and consumed. This subsection does not apply to special event permits.

Commented [SJP(1): Need board guidance on this. Comment from CHAAR would like to see this deadline more flexible, meaning, fewer days in advance. Our office believes three bz days is a reasonable time especially when the application needs corrections. As reference, I looked up the stipulation on this on SB52: permits would be required to be submitted three business days in advance.

(j) The permit, or an exact copy of the permit, and warning signs required by AS 04.21.065 must be posted conspicuously at each permitted site during times when alcoholic beverages are served and consumed except that the size of the signs may be not smaller than eight and one-half inches by 11 inches.

(k) A permit may not be transferred, relocated, or renewed.

(l) All applicable provisions of AS 04 and this chapter apply on the permitted premises during the active period of the permit.

(m) Violation by a licensee of a statute, ordinance, or regulation pertaining to alcoholic beverage permits is grounds for suspension or revocation of the license. (Eff. 11/29/81, Register 80; am ___/___/____, Register ___)

Authority:	AS 04.06.100	AS 04.11.240	AS 04.11.260
	AS 04.11.230	AS 04.11.250	AS 04.11.320

Repealed: [3 AAC 304.675. **Permits** (a) TO APPLY FOR A PERMIT, AN APPLICANT MUST SUBMIT TO THE BOARD THE PROPER APPLICATION FORM, TOGETHER WITH THE APPLICATION FEE AND PERMIT FEE. THE APPLICATION MUST INCLUDE A DESCRIPTION OF THE PROPOSED PREMISES, A DRAWING DESIGNATING WHICH AREAS ARE FOR STORAGE, SERVICE, AND CONSUMPTION, A STATEMENT OF THE SPECIFIC HOURS OF INTENDED OPERATION, A COPY OF THE APPROVAL FROM

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THE PROPER LOCAL AUTHORITY, AND OTHER INFORMATION REQUIRED BY THE APPLICATION FORM.

(b) THE DIRECTOR WILL APPROVE OR DENY ALL APPLICATIONS FOR PERMITS. IF AN APPLICATION IS DENIED, THE APPLICANT MAY APPEAL TO THE BOARD.

(c) PERMITS ARE NOT TRANSFERABLE.

(d) THE HOLDER OF A PERMIT SHALL COMPLY WITH ALL STATUTES, ORDINANCES, AND REGULATIONS PERTAINING TO THE POSSESSION AND SALE OF ALCOHOLIC BEVERAGES.]

3 AAC 304.680(b) is repealed:

(b) Repealed ____/____/_____. [A PERMIT WILL BE ISSUED ONLY FOR A SPECIFIED PREMISES FOR A SPECIFIC OCCASION, FOR A PERIOD NOT TO EXCEED SEVEN DAYS.]

3 AAC 304.680(d) is repealed:

(d) Repealed ____/____/_____. [A RESTAURANT CATERER'S PERMIT WILL NOT BE TRANSFERRED OR RENEWED.]

(Eff. 10/24/87, Register 104; am 6/13/2003, Register 166; am ____/____/_____, Register ____)

Authority: AS 04.06.090 AS 04.11.010 AS 04.11.115
AS 04.06.100 AS 04.11.100

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3 AAC 304.685 is repealed.

3 AAC 304.685. Caterer’s permit. Repealed. (Eff. 11/29/81, Register 80; repealed ___/___/____, Register ____). [(a) THE CATERER, OR A SPECIFIED EMPLOYEE OR AGENT OF THE CATERER, SHALL BE PRESENT ON THE CATERED PREMISES AT ALL TIMES ALCOHOLIC BEVERAGES ARE POSSESSED, SERVED, OR CONSUMED THERE UNDER THE PERMIT.

(b) VIOLATION BY A CATERER OF A STATUTE, ORDINANCE, OR REGULATION PERTAINING TO ALCOHOLIC BEVERAGES IS GROUNDS FOR SUSPENSION OR REVOCATION OF THE CATERER'S BEVERAGE DISPENSARY LICENSE.]

Authority: AS 04.06.090 AS 04.11.010 AS 04.11.115
AS 04.06.100 AS 04.11.100

3 AAC 304 is amended by adding a new section to read:

3 AAC 304.687. Special events permit. (a) A special events permit may be valid for up to three consecutive days of the same specific occasion at the same location.

(b) The holder of a special events permit shall purchase alcoholic beverages or have alcoholic beverages donated for service at the permitted event from a person licensed under AS 04.

(c) A special events permit application may be signed by another officer of the organization when the president or secretary is not available to sign except that one of the signatures must be from the president or the secretary of the organization.

Commented [SJP(2): This is the first time this provision is on the draft. If this project does not move forward, I am recommending that the board, then, open a separate regulations project to incorporate this provision under the current Special Event Permit regulation to allow for another officer in the organization to sign the application when the president or secretary is not available. We come across the issue of one of the required persons to sign not being available.

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(d) Violation by the permit holder of a statute, ordinance, or regulation pertaining to a special events permit may be grounds for denial of future permit applications. (Eff. __/__/____, Register ____)

Authority: AS 04.06.100 AS 04.11.230

3 AAC 304.690(d) is amended to read:

(d) A non-refundable application fee of **\$50** [\$100] must accompany an application for club license caterer's permit.

Commented [SJP(3): If this project does not move forward, I am recommending that the board, then, open a separate regulations project to address this on the current regulation.

3 AAC 304.690(e) is repealed:

(e) Repealed ____/____/____. [A CLUB LICENSE CATERER'S PERMIT MAY NOT BE TRANSFERRED, RELOCATED, OR RENEWED.]

3 AAC 304.690(f) is repealed

(f) Repealed ____/____/____. [A PERMIT ISSUED UNDER THIS SECTION MUST BE SURRENDERED TO THE BOARD'S OFFICES WITHIN 48 HOURS AFTER ITS EXPIRATION TIME. FAILURE TO SURRENDER THE PERMIT IS CAUSE FOR DENIAL OF AN APPLICATION FOR A CLUB LICENSE CATERER'S PERMIT MADE IN THE FUTURE BY THE PERMITTEE.] (Eff. 7/30/89, Register 111; am 9/11/98, Register 147; am __/__/____, Register ____)

Authority: AS 04.06.090 AS 04.06.100 AS 04.11.110

3 AAC 304.697(a) is amended to read:

(a) An art exhibit permit authorizes the holder of a beverage dispensary license or a restaurant or eating place license to serve beer and wine for consumption at a specified site for an art exhibit event, or at **up to 12** [MORE THAN ONE] specified **sites** [SITE] used simultaneously for the same [ART EXHIBIT] event. **A licensee may obtain only one permit for any single event.** Food must be provided in conjunction with the service of beer and wine. Service and consumption of beer and wine may occur only during the designated times in the designated areas of the specified sites as stated on the permit.

3 AAC 304.697(i) is amended to read:

(i) The holder of a multiple events art exhibit permit may submit a written request for amendment of the permit to change event dates, specified sites, designated areas, or designated times. The request must be submitted to the director in writing at least **two business** [SEVEN] days before the event and must include the written approval of the law enforcement agency having jurisdiction over the specified sites.

3 AAC 304.697(j) is repealed:

(j) Repealed ____/____/____. [AN ART EXHIBIT PERMIT MAY NOT BE

TRANSFERRED, RELOCATED, OR RENEWED.]

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(Eff. 6/13/2003, Register 166; am ___/___/____, Register ___)

Authority: AS 04.06.090 AS 04.11.010 AS 04.11.100
AS 04.06.100 AS 04.11.090

3 AAC 304.699(e) is repealed:

(e) Repealed ___/___/____. [A WINE AUCTION PERMIT MAY NOT BE

TRANSFERRED OR RENEWED.]

(Eff. 6/13/2003, Register 166; am ___/___/____, Register _____)

Authority: AS 04.06.090 AS 04.06.100 AS 04.11.010