



MEMORANDUM

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

DATE: January 23, 2018

FROM: Erika McConnell, Director

RE: Regulations Change: Seasonal Licensed
Premises Changes; Fees for Premises
Changes; Application Fees

Requested Action: Move to adopt regulations change regarding seasonal licensed premises changes to become effective on July 1, 2018

Move to adopt regulations change regarding a fee for licensed premises changes to become effective on July 1, 2018

Move to adopt regulations change regarding application fees to become effective on July 1, 2018

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: Adopt each regulations change to become effective on July 1, 2018

Background:

Application Fees (3 AAC 304.105)

Application fees are intended to cover the administrative costs of processing license applications, but the staff time to process applications far exceeds what is collected in these fees. Staff spends more time processing new and transfer applications than renewal applications.

It is unclear when the application fees were last adjusted, but it appears they have not been changed in the last 20 years. Staff recommends a new and transfer application fee of \$500 and a renewal application fee of \$300. Making these changes effective on July 1, 2018, would coincide with the start of the FY2019 fiscal year.

Seasonal Licensed Premises Changes and Licensed Premises Change Fee (3 AAC 304.185)

This regulation would authorize a seasonal licensed premises change, which would allow a licensee

to get a one-time approval to expand their licensed premises on a seasonal basis, so that the premises would expand for a portion of the year and contract for a portion of the year. This could happen each year with only one initial application and approval. The licensee would submit a premises change once, indicating that the premises expansion would be valid each year between two certain dates. This concept is supported by the “seasonal license” concept.

As licensed premises changes require staff review and often an inspection, a fee should be charged to pay for staff time. A \$250 fee, consistent with a marijuana premises change fee, is proposed.

No public comments were received on these proposed regulations changes.

Attachments: Application fees draft regulation

Seasonal license premises changes and fee for licensed premises changes draft regulation

(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:

(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.

(b) The licensee shall conspicuously post the license within the licensed premises.

(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 **or diagram** of the licensee's licensed premises when the name **or diagram** change is not part of a transfer of ownership or location. A request for a business name **or diagram** change for licensed premises not part of a transfer must be made on a form prescribed by the board.

(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.

(e) A licensee may request to have a portion of its licensed premises alternate as licensed or unlicensed premises on a seasonal basis under the following conditions:

(1) the request is made on a form prescribed by the board, accompanied by a detailed premises diagram and \$250 fee;

(2) a debt that is incurred during times when the identified area is unlicensed will be considered a debt incurred in the operation of the licensed business for purposes of transfer of the license under AS 04.11.360;

(3) at any time with written notice to the licensee, the board may withdraw its approval of use of the identified area as alternating premises;

(4) during times the identified area is designated as an unlicensed premises, all alcoholic beverages must either be removed from the identified area or be stored in a location approved by the board to be secure from the public. (Eff. 11/29/81, Register 80; am 12/13/2009, Register 192; am __/__/____, Register __)

Authority: AS 04.06.090 AS 04.11.010 AS 04.11.680
AS 04.06.100 AS 04.11.070 AS 04.16.130

Register ____,____2018

COMMERCE, COMMUNITY, AND EC. DEV.

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

3 AAC 304.105(d) is amended to read:

(d) A non-refundable application fee of **\$500**[\$100] must accompany an application for a new license, relocation, or transfer of an existing license. A non-refundable application fee of **\$300**[\$200] must accompany an application for license renewal. (Eff. 11/29/81, Register 80; am 10/4/87, Register 104; am 7/30/89, Register 111; am 5/1/94, Register 130; am 5/11/96, Register 138; am 6/13/2003, Register 166; am __/__/____, Register____)

Authority: AS 04.06.090

AS 04.06.100