



MEMORANDUM

TO: Bob Klein, Chair,
and Members of the Board

DATE: June 12, 2018

FROM: Erika McConnell, Director

RE: Seasonal Licenses

Requested Action: Clarify how the statutes and regulations apply to seasonal licenses

Statutory Authority: AS 04.06.090(a) states, "The board shall control the manufacture, barter, possession, and sale of alcoholic beverages in the state. The board is vested with the powers, duties, and responsibilities necessary for the control of alcoholic beverages,..."

Staff Recommendation: Open a regulations project to address the needs of seasonal licenses

Background: At a recent meeting, the board had some discussion about the operational requirements of seasonal licenses. Some board members stated that licensees with a seasonal license were only prohibited from selling to customers, but were permitted to do any other activity authorized by holding an alcohol license.

Title 4 has two references to seasonal licenses. There are no references to seasonal licenses in regulations.

AS 04.11.540. License renewal and expiration.

Notwithstanding AS 04.11.680, an application for renewal of a license issued for the two calendar years ending December 31 or of a seasonal license issued for parts of those calendar years may be submitted up until the next February 28.

AS 04.11.680. Duration of licenses and permits.

(a) Upon application and payment of one-half of the biennial fee, the board may issue a seasonal license under this title that is effective for the intervals stated on the license. A seasonal license may not be effective for more than 12 months in a two-year period. Otherwise, all licenses issued under this title other than a retail stock sale license are effective for the two calendar years ending December 31, unless a shorter period is prescribed by the board or by law.

In these sections of statute, it states that a seasonal license is issued for parts of a year, and that a seasonal license may not be effective for more than 12 months in a two-year period. A plain reading of this verbiage leads me to conclude that the holder of a seasonal license has the rights and

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privileges of a license holder for no more than half the two-year licensing period, and then does not have the rights and privileges of a license holder for half the two-year licensing period.

Under this plain reading, seasonal licensees would not be able to order, store, or sell alcohol during the period when they are not licensed. This would also mean that the premises are not licensed premises for the period that the seasonal license is not effective, so there would be no need for accommodations such as alternative premises designations.

It does seem likely that some seasonal licensees, such as some outdoor recreation lodges, have the need to store alcohol during the non-licensed period, and to order alcohol in advance of a six-month licensing period in preparation for opening. These issues should be addressed through regulatory guidance.