



## MEMORANDUM

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

DATE: August 14, 2018

FROM: Erika McConnell, Director

RE: Legislative Requests

Legislative requests from agencies are due to the Commissioner's office in mid-August. Now is the opportunity for the board to determine whether it feels any changes to the statutes are necessary or desirable.

The board is on record supporting the Title 4 rewrite, which is likely to be reintroduced for the next session. Staff has identified several issues that were not discussed during the Title 4 Rewrite Steering Committee's work, and we request that the board support these proposed statutory changes:

**1. Amendments to AS 04.11.510, *Procedure for action on license applications, suspensions, and revocations*, to clarify and correct processes.**

Subsection (b)(1) states that if the board denies an application, the applicant is entitled to an informal conference and a formal hearing—essentially appeal rights. There needs to be a time period to request the informal conference or the formal hearing. Staff suggests 15 days, which is consistent with the Administrative Procedures Act (As 44.62.380(a)(3)).

Subsection (c) states that if an application is served on a licensee, the licensee may confer with the director or the board within 10 days. This requires that either the accusation be served 10 days before a board meeting, or that the board hold emergency meetings when requested by the licensee. It would be better for the licensee to have a time limit to request an informal conference, but allow the informal conference to be held at the next board meeting, even if it is more than 10 days away. This provides more flexibility on the timing of serving accusations, and places less burden on the time of volunteer board members.

**2. Amendments to AS 04.11.430, *Person and location*, to recognized three additional types of license holders.**

This section states to whom a license can be issued: "...to a specific individual or individuals, to a partnership, including a limited partnership, to a limited liability organization, or to a corporation." Staff recommends three additional holder types be added, recognizing local option allowances and how licenses have been issued over the past 50 or so years. The list should be amended to include

local governments when allowed by local option, tribal entities, and state government. This would recognize local option, the two tribal entities that have held licenses since the 1960s, and the marine ferry system, which also holds licenses.

In addition, the board may wish to consider requesting the following:

**3. Consider amending AS 04.11.030, *Death of licensee*, to extend the amount of time a licensee has to file a transfer.**

In general, it seems difficult for the estate of a deceased licensee to manage to file the required transfer, or even the request for extension, within 90 days of the death of a licensee. This is quite understandable, as unexpected deaths can be shocking for the heirs and it may be some time before they manage their shock and grief and dig in to all the requirements of all the affairs of the deceased. The timing can be exacerbated when the heirs live out-of-state.

The board has been reluctant to uphold a license forfeiture under AS 04.11.030(b). Considering that 3 AAC 304.215 requires the personal representative of a deceased licensee who is a sole licensee to request permission to continue operating the license under AS 04.11.030 which will inform the board who is operating the license prior to a transfer, the board should consider requesting that the time to file a transfer or request an extension be changed from 90 days to 180 days.

**4. Consider amending AS 04.11.210, *Recreational site license*.**

The board has discussed this issue multiple times over the last 10 years, and the Title 4 Steering Committee decided to not recommend any substantive changes to this section other than changing the title (to Sporting Event License). Considering the issues that have been raised at this meeting for recreational site licenses, does the board want to recommend any changes to this section of statute?

Are there any other statutory changes the board would like to request of the legislature?