



MEMORANDUM

TO: Alcoholic Beverage Control Board DATE: September 10, 2019
FROM: Erika McConnell, Director RE: Board Interpretation—Sole
Proprietorships

This relates to AS 04.11.430(a), which states, “Each license shall be issued to a specific individual or individuals, to a partnership, including a limited partnership, to a limited liability organization, or to a corporation.”

I was “trained” when I started as director that the statement “individual or individuals” implied that multiple individuals, such as a husband and wife, could together hold a license as a “sole” proprietorship.

However, Alaska law at AS 32.06.202(a) states, “Except as otherwise provided in (b) of this section, the association of two or more persons to carry on as co-owners a business for profit forms a partnership, whether or not the persons intend to form a partnership.”

Thus even if two individuals, such as a husband and wife, own a liquor license together, under Alaska law they have a partnership.

I am proposing to change our forms and documentation system to limit a sole proprietor to a single individual holding a license.

This change should have no substantive negative effect on any licensee because there is no recording or reporting requirement for a partnership such as there is for a corporation or a limited liability organization. Affected licensees will not need to file any paperwork with the Division of Corporations, Business, and Professional Licensing. The only real change will be during renewals for licensees who are accustomed to listing multiple individuals in the “sole proprietorship” section of the renewal form. Staff will work diligently with these individuals during renewal season to explain the change.