



THE STATE
of **ALASKA**
GOVERNOR MIKE DUNLEAVY

Department of Commerce, Community, and Economic Development

Alcohol and Marijuana Control Office

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MEMORANDUM

TO: Alcoholic Beverage Control Board DATE: August 13, 2021
FROM: Jane P. Sawyer, Regulations Specialist RE: Regulations Project – Licensed Premises

At the June 2021 meeting, the board opened a regulations project to allow licensed premises to expand to areas such as sidewalks. Attached is the initial draft.

The draft combines and reorganizes the sections from 3 AAC 304.185 and 3 AAC 304.225 into one section (3 AAC 304.185). The real new language in this draft is subsection (f) which intends to allow certain licensees, upon approval of a request on a form prescribed by the board, to extend their licensed premises into the sidewalk, for example.

Options for the board:

- Send draft out for public comment (with or without amendments). I recommend putting it out for 60 days (or longer) for local governments to have enough time to comment if they choose to.
- Send draft back to staff for revisions
- Close the project without action

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

3 AAC 304.185 is repealed and readopted to read:

Commented [SJP(1): 3 AAC 304.185 and 3 AAC 304.225 are combined and reorganized into 3 AAC 304.185 but the real new language here is subsection (f).

3 AAC 304.185. Licensed premises; alternating licensed premises; alterations. (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 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.

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

(c) Unless permitted under (f) of this section, and with the exception of a recreational site license and a destination resort license, 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). 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. A recreational site license and a destination resort license may have multiple separate licensed premises areas with the approval of the board.

(d) 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 a fee of \$250 for changing the business name or line drawing of the licensee's licensed premises when the name or line drawing change is not part of a

transfer of ownership or location. A request for a business name or line drawing change for licensed premises not part of a transfer must be made on a form prescribed by the board.

(e) 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.

(f) With prior approval from the local government on a form prescribed by the board, and with a safety plan approved by the director, the board may approve areas to be licensed under the licensed premises of a beverage dispensary under AS 04.11.090, a restaurant or eating place under AS 04.11.100, a club under AS 04.11.110, a brewery under AS 04.11.130, a winery under AS 04.11.140, that are not greater than 50 feet from an entry to the licensee’s business premises. In an area with no local government, prior approval from the fire marshal is required along with a safety plan which must be approved by the director. In any case, the licensee must provide adequate proof of possession of the licensed areas designated under this subsection.

(g) Upon a licensee’s written request accompanied by a detailed premises diagram, and the applicable fee, the board may approve a portion of a premises licensed under AS 04.11.090, AS 4.11.100, AS 04.11.115, AS 04.11.130, AS 04.11.140, AS 04.11.210, AS 04.11.225, AS 04.11.255, or AS 04.11.400(d) and (g) to alternate as a licensed or unlicensed premises under the following conditions:

(1) approval will be granted only if the board finds that use of the identified area as alternating premises will stimulate tourism or promote activities open to the general public.

- Commented [SJP(2)]: 90-Beverage Dispensary
- Commented [SJP(3)]: 100-Restaurant / Eating Place
- Commented [SJP(4)]: 115-Golf Course
- Commented [SJP(5)]: 130-Brewery
- Commented [SJP(6)]: 140-Winery
- Commented [SJP(7)]: 210-Rec Site
- Commented [SJP(8)]: 225-Outdoor Rec
- Commented [SJP(9)]: 255-Destination Resort
- Commented [SJP(10)]: 400-BDL Tourisms and REPL Public Conv.

(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) caterer’s permits issued under AS 04.11.090 may be exercised in the alternating area during the times the identified area is unlicensed premises;

(5) 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;

(6) A licensee may apply hours that it is operating as an alternating unlicensed premises to meet the operating requirement set out in AS 04.11.330(a)(3).

(h) Notwithstanding (a) – (g) of this section, a licensee may permit an agent or employee to take an alcoholic beverage off of a licensed premises and bring it to a purchaser for curbside pickup or home delivery, under the conditions described in 3 AAC 304.920 or 3 AAC 304.925. (Eff. 11/29/81, Register 80; am 12/13/2009, Register 192; am 7/1/2018, Register 226; am 8/17/2018, Register 227; am 4/16/2020, Register 234; am 8/23/2020, Register 235; am 11/17/2020, Register 236; am ____ / ____ / _____, Register _____)

Authority: AS 04.06.090 AS 04.06.100

3 AAC 304.225 is repealed:

3 AAC 304.225. Alternating licensed premises. Repealed. (Eff. 12/16/2016, Register 220; am 8/17/2018, Register 227; am _____, _____, _____, Register)

Authority: AS 04.06.090 AS 04.11.090 AS 04.11.400
AS 04.06.100 AS 04.11.180

Current language of 3 AAC 304.185 which is being repealed and readopted. ((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 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.

(b) WITH THE EXCEPTION OF A RECREATIONAL SITE LICENSE AND A DESTINATION RESORT LICENSE, 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). 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. A RECREATIONAL SITE LICENSE AND A DESTINATION RESORT LICENSE MAY HAVE MULTIPLE SEPARATE LICENSED PREMISES AREAS WITH THE APPROVAL OF THE BOARD.

(c) THE LICENSEE SHALL CONSPICUOUSLY POST THE LICENSE WITHIN THE LICENSED PREMISES.

(d) 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 A FEE OF \$250 FOR CHANGING THE BUSINESS NAME OR LINE DRAWING OF THE LICENSEE'S LICENSED PREMISES WHEN THE NAME OR LINE DRAWING CHANGE IS NOT PART OF A TRANSFER OF OWNERSHIP OR LOCATION. A REQUEST FOR A BUSINESS

NAME OR LINE DRAWING CHANGE FOR LICENSED PREMISES NOT PART OF A TRANSFER MUST BE MADE ON A FORM PRESCRIBED BY THE BOARD.

(e) 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.

(f) 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 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; AND

(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.

(g) NOTWITHSTANDING (A) – (F) OF THIS SECTION, A LICENSEE MAY PERMIT AN

AGENT OR EMPLOYEE TO TAKE AN ALCOHOLIC BEVERAGE OFF OF A LICENSED PREMISES AND BRING IT TO A PURCHASER FOR CURBSIDE PICKUP OR HOME DELIVERY, UNDER THE CONDITIONS DESCRIBED IN 3 AAC 304.920 OR 3 AAC 304.925.)

Current language of 3 AAC 304.225 being repealed and moved to under 3 AAC 304.185. (UPON A LICENSEE’S WRITTEN REQUEST ACCOMPANIED BY A DETAILED PREMISES DIAGRAM, THE BOARD MAY APPROVE A PORTION OF A PREMISES LICENSED UNDER AS 04.11.090 (BEVERAGE DISPENSARY LICENSE), AS 4.11.100 (RESTAURANT EATING PLACE LICENSE), AS 4.11.115 (GOLF COURSE LICENSE), AS 04.11.180 (COMMON

CARRIER DISPENSARY LICENSE), AS 04.11.210 (RECREATIONAL SITE LICENSE), AS 04.11.225

(OUTDOOR RECREATIONAL LODGE LICENSE), AS 04.11.255 (DESTINATION RESORT LICENSE), OR AS 04.11.400(D) TO ALTERNATE AS A LICENSED OR UNLICENSED PREMISES UNDER THE FOLLOWING CONDITIONS:

(1) APPROVAL WILL BE GRANTED ONLY IF THE BOARD FINDS THAT USE OF THE IDENTIFIED AREA AS ALTERNATING PREMISES WILL STIMULATE TOURISM OR PROMOTE ACTIVITIES OPEN TO THE GENERAL PUBLIC;

(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) CATERER'S PERMITS ISSUED UNDER AS 04.11.090 MAY BE EXERCISED IN THE ALTERNATING AREA DURING THE TIMES THE IDENTIFIED AREA IS UNLICENSED PREMISES;

(5) 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;

(6) A LICENSEE MAY APPLY HOURS THAT IT IS OPERATING AS AN ALTERNATING UNLICENSED PREMISES TO MEET THE OPERATING REQUIREMENT SET OUT IN AS 04.11.330(A)(3.)