Article 5. Provisions Applicable to More Than One License Type.

Section

600. Exercise of authority.

605. Surrender of license.

610. Prohibited financial interest; representative or owner; management agreements.

615. Death of a sole licensee.

620. Death of an individual with a controlling interest in a license issued to a business entity.

625. Death of an individual with less than a controlling interest in a license issued to a business entity.

630. Licensed premises.

640. Seasonal license.

650. Alternating licensed premises.

655. Temporary de-designation of licensed premises.

660. Overlapping licensed premises.

665. Resealing wine served with a meal for removal from the licensed premises.

670. Storing, warehousing, and transporting.

.680. Keg registration.

690. Definitions.

3 AAC 305.600. Exercise of authority. A licensee shall personally or through employees and agents exercise actual authority and responsibility over the conduct of business upon the licensed premises. Until the licensee surrenders the license to the board, and so long as business is conducted under the license upon the licensed premises, the licensee is solely

responsible and liable for the conduct of the business. A person not acting as an agent or employee of the licensee or operating under a management services agreement under 3 AAC 305.610(a) may not exercise actual authority over the conduct of business upon the licensed premises without transfer of the license upon approval of the board. (Eff. ____/____/_____, Register _____)

Authority: AS 04.06.090 AS 04.11.450 AS 04.11.580
AS 04.06.100

3 AAC 305.605. Surrender of license. Not later than 10 days after the loss or surrender of the licensed premises, or if a licensee ceases to conduct business upon the licensed premises for a period expected to continue for one month or more, the licensee shall inform the board and surrender the license to the director. The license will be reissued upon request when the conduct of business is resumed or upon transfer of the license. (Eff. ____/____/_____, Register _____)

Authority: AS 04.06.090 AS 04.06.100 AS 04.11.580

3 AAC 305.610. Prohibited financial interest; representative or owner; management agreements. (a) For the purposes of AS 04.11.450, an alcoholic beverage licensee may enter into a management agreement with a person who does not have an ownership interest in the alcoholic beverage license for the purpose of giving that person responsibility for the day-to-day operations of an alcoholic beverage license.

(b) A management agreement under this section must be in writing and signed by a licensee or transferor whose name is required to be provided with an application for a new or transfer license under AS 04.11.260 or 04.11.280, and by the non-licensee or transferee agreeing to manage the operation of the business. A copy of the signed, written management agreement

must be filed with the Alcohol & Marijuana Control Office. The licensee who signs the management agreement shall notify the board of any change to the management agreement, including expiration, termination, or amendment not later than 10 days after each change to the management agreement occurs.

(c) A management agreement may not create a mechanism for a manager who is not a licensee to derive profit from the sale of alcohol in violation of AS 04.11.450, including an agreement for a manager to keep all profit above a certain amount of income when that profit may be derived from the sale of alcoholic beverages.

(d) The director shall review a management agreement for compliance with this section, and any errors or omissions must be corrected by the licensee not later than 10 days after receipt of notification of the error or omission. The director may declare a management agreement that does not comply with this section void. A management agreement must comply with AS 04.11.450(a), AS 04.21.030, and 3 AAC 305.600 and contain language that indicates both parties to the agreement have read, understand, and agree to comply with those statutes and regulations. (Eff. ____/____/_____, Register _____)

Authority: AS 04.06.090 AS 04.09.010 AS 04.09.450
AS 04.06.100

3 AAC 305.615. Death of a sole licensee. (a) Upon the death of an individual who is the sole owner of a license or the sole owner of the licensed entity, the business operating the license shall cease operation unless and until a personal representative of the estate files the following written documentation with the director:

(1) proof that the personal representative has authority to act on behalf of the licensee or the estate of the deceased; and

(2) a request to continue operations.

(b) Upon the director's validation of the personal representative's authority licensee's estate and if the director has not filed or will not file an accusation seeking suspension or revocation of the license, the director will grant permission to operate the business upon the licensed premises as permitted under AS 04.11.030. Under this subsection, permission to operate the business upon the licensed premises expires upon

(1) legal appointment of a different personal representative of the licensee's estate;

(2) approval of an application for transfer of the license submitted in accordance with 3 AAC 305.060; or

(3) license forfeiture in accordance with AS 04.11.030(b).

(c) An application for transfer of a license from a deceased licensee must comply with the time limitations set out in AS 04.11.030(b). An applicant who fails to comply with the provisions of AS 04.11.030(b) forfeits the license unless the board approves a written request to extend the applicable deadline from the personal representative of the licensee's estate. If the board grants a deadline extension, the extension may not exceed the time reasonably necessary to close the affairs of the deceased individual, as determined by the board. A written request to extend the applicable deadline must

(1) be submitted to the board before the applicable deadline expires; however, the board may approve a request that is submitted after the deadline if

(A) there is good cause to approve the deadline extension; and

(B) the license is still available for transfer; and

(2) include an estimated length of time required for the extension from the personal representative and a description of the factors that support the requested timeline.

(d) In this section, " personal representative " includes an agent within the meaning given in AS 13.06.050. (Eff. ____/____/_____, Register _____)

Authority: AS 04.06.090 AS 04.09.010 AS 04.11.030
AS 04.06.100 AS 04.09.040

3 AAC 305.620. Death of an individual with a controlling interest in a license issued to a business entity. (a) Upon the death of an individual who owns a controlling interest in a partnership, including a limited partnership, a limited liability company, or a corporation that holds a license under AS 04 and this chapter, the business entity may continue to operate the licensed business but shall file a transfer application as required under AS 04.11.040 and 3 AAC 305.060 or a time extension request under (b) of this section not later than 180 days after the individual's death. If the business entity fails to file a transfer application or time extension by the 180-day deadline the business shall stop operation until the business entity files a transfer application.

(b) A business entity may submit a time extension request. If the board grants a time extension, the extension may not exceed the time reasonably necessary to close the affairs of the deceased individual, as determined by the board; however, the board may extend an extension for good cause. A written request to extend the applicable deadline must

(1) be submitted to the board before the applicable deadline expires; however, the board may approve a request that is submitted after the deadline if there is good cause to approve the deadline extension; and

(2) include an estimated length of time required for the extension from the business entity and a description of the factors that support the requested timeline. (Eff. ____/____/_____, Register _____)

Authority: AS 04.06.090 AS 04.09.010 AS 04.11.030
AS 04.06.100 AS 04.11.040

3 AAC 305.625. Death of an individual with less than a controlling interest in a license issued to a business entity. (a) Upon the death of an individual who owns less than a controlling interest in a partnership, including a limited partnership, a limited liability company, or a corporation that holds a license under AS 04 and this chapter, the business entity may continue to operate the licensed business but shall complete one of the following not later than 180 days after the individual's death:

(1) a change of ownership report under AS 04.11.045, 04.11.050, or 04.11.055;

(2) a transfer application if required by AS 04.11.040 and 3 AAC 305.060;

(3) a time extension request under (b) of this section.

(b) A business entity may submit a time extension request. If the board grants a time extension, the extension may not exceed the time reasonably necessary to close the affairs of the deceased individual, as determined by the board; however, the board may extend an extension for good cause. A written request to extend the applicable deadline must

(1) be submitted to the board before the applicable deadline expires; however, the board may approve a request that is submitted after the deadline if there is good cause to approve the deadline extension; and

(2) include an estimated length of time required for the extension from the

business entity and a description of the factors that support the requested timeline. (Eff. ____/____/_____, Register _____)

Authority: AS 04.06.090 AS 04.09.010 AS 04.09.030
AS 04.06.100 AS 04.11.040

3 AAC 305.630. Licensed premises. (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 proposed licensed premises and the business name under which the licensee is going conduct business must be indicated on the license application.

(b) With the exception of a recreational site license, sporting activity or event license, destination resort license, or outdoor seating area under (g) of this section, the licensed premises must be one area. A licensed premises may include separate rooms if the rooms are contiguous and connected to one another or if they are rooms designated as the licensed premises of a destination resort lodge, beverage dispensary tourism license, or beverage dispensary licensee that holds a hotel or motel endorsement. If the licensed premises consist of more than one room in which a fixed counter is regularly maintained, a multiple fixed counter endorsement is required for the additional rooms. A recreational site license, destination resort license, or licensee with an outdoor seating area under (g) of this section may have multiple separate licensed premises areas with the approval of the board.

(c) A 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 shall provide a new line drawing showing the proposed changes in the

premises. A licensee shall pay a fee of $250 to change the business name or line drawing of the licensee's licensed premises if the name or line drawing change is not part of an application for transfer of ownership or location. A request for a business name or line drawing change for a licensed premises that is not part of a license transfer application 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) A licensed premises may include an outdoor seating area located on the portion of a public street or sidewalk contiguous with a building or structure licensed by the board, if the licensee is granted sole control of the public street or sidewalk by the local government during the licensee’s business hours.

(h) Notwithstanding (a) - (f) of this section, a licensee with an approved outdoor seating area under (g) of this section may permit an agent or employee to take an alcoholic beverage across the portion of the public right of way that is still open to the public to access the outdoor seating area. Under this subsection, the local government with jurisdiction over the licensee must grant the licensee sole control of the outdoor seating area during the licensee's business hours.

(i) Notwithstanding (a) - (f) of this section, a licensee with an approved licensed premises that includes non-contiguous rooms may permit an agent or employee to take an alcoholic beverage through a passage linking non-contiguous areas during the licensee's business hours if the passage is part of the undesignated portion of the premises during its regular business hours.

(j) Notwithstanding the definitions set out under (a) of this section, the board may approve a non-contiguous, non-adjacent, or non-adjoining licensed premises as it existed before January 1, 2024. The board may also approve the transfer of ownership of a license subject to this section and maintain the non-contiguous, non-adjacent, or non-adjoining licensed premises.

(Eff. ____/____/_____, Register _____)

Authority: AS 04.06.090 AS 04.09.010 AS 04.21.080
AS 04.06.100

3 AAC 305.640. Seasonal license. (a) Except as provided in this section, the rights, privileges, and restrictions of a license issued under AS 04 are limited to the interval stated on the seasonal license.

(b) The holder of a seasonal package store license or a seasonal retail license that serves alcohol for consumption on the premises may purchase alcohol intended for resale not more than 30 days before the seasonal license is effective. The holder of a general wholesale license or a

limited wholesale brewed beverage and wine license may sell or deliver alcoholic beverages to a seasonal license holder during the licensee's off-season as applicable to the license.

(c) The holder of a seasonal package store license or a seasonal retail license that serves alcohol for consumption on the premises may store alcohol in accordance with AS 04.21.060 during the period of the year when the seasonal license is not effective. (Eff. ____/____/_____, Register _____)

Authority:	AS 04.06.090	AS 04.09.230	AS 04.09.280
	AS 04.06.100	AS 04.09.240	AS 04.09.300
	AS 04.09.200	AS 04.09.250	AS 04.09.310
	AS 04.09.210	AS 04.09.270	AS 04.09.350
	AS 04.09.220		

3 AAC 305.650. Alternating licensed premises. Upon a licensee's written request accompanied by a detailed premises diagram, the board may approve a portion of a premises of a retail license licensed for onsite consumption to alternate as a licensed or unlicensed premises 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) 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;

(3) 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;

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

(5) a permit issued under AS 04.09.610, 04.09.620, 04.09.630, 04.09.645, 04.09.650, 04.09.660, and 04.09.685 may be exercised in the alternating area during the times the identified area is unlicensed premises;

(6) 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;

(7) a licensee may apply hours that it is operating as an alternating unlicensed premises to meet the operating requirement described under AS 04.11.330(a)(3). (Eff. ____/____/_____, Register _____)

Authority:	AS 04.06.090	AS 04.09.260	AS 04.09.350
	AS 04.06.100	AS 04.09.270	AS 04.09.360
	AS 04.09.200	AS 04.09.300	AS 04.09.610
	AS 04.09.210	AS 04.09.310	AS 04.11.330

3 AAC 305.655. Temporary de-designation of licensed premises. (a) A de-designation permit allows the holder of a retail license for onsite consumption to use the licensed premises or a portion of the licensed premises on a temporary basis for an event at which persons under 21 years of age will be present. Alcoholic beverages may not be sold, served, or consumed on the licensed premises two hours before and one hour after the times identified in the permit during which the persons under 21 years of age will be on the premises. A permit may not be exercised during hours of closure under AS 04.16.010.

(b) Application for a de-designation permit must be made on a form provided by the board and include a non-refundable application fee of $50, the information required in (c) of this section, and a certification as set out in (e) of this section. A permit may be approved by the director for not more than three consecutive days for an event.

(c) An application for a de-designation permit must include information about the relevant event as required by the board and must include proof of written notice to the law enforcement agency having jurisdiction over the designated premises of the event for which the permit is sought.

(d) An application for a de-designation permit must be filed with the director not later than three business days before the event for which the permit is requested unless the director grants an exception to address a more immediate need for an event.

(e) A licensed premises must be certified as suitable for the purposes of this section before applying for a de-designation permit. Certification must be requested by the licensee on an application form provided by and filed with the board. An application for certification must include a detailed diagram showing the proposed de-designated area, provide a security plan to keep unaccompanied minors separated from the designated licensed premises, and payment of a non-refundable $50 application fee.

(f) The director may place limitations or restrictions on the premises certification and the permit as necessary to assure adequate security and control in the public interest.

(g) The de-designation permit and a copy of the approved application for certification must be conspicuously posted at the main entrance to the licensed premises during the time a permit is exercised. The licensee shall submit a copy of the approved application for certification

to the law enforcement agency with jurisdiction over the designated premises of the event for which the permit is sought.

(h) A de-designation permit may not be transferred, relocated, or renewed.

(i) A person who possesses or consumes alcoholic beverages, is suspected of possessing or consuming alcoholic beverages, or exhibits characteristics of intoxication on the de-designated premises during the permit period must be removed immediately from the entire licensed premises for the duration of the event.

(j) The director or a peace officer whose jurisdiction includes the licensed premises may terminate a permit at any time in the public interest if any conditions on the de-designation permit are violated.

(k) The event premises are still a licensed premises under AS 04 during the time when a de-designation permit is exercised under this section. Violation of a statute, regulation, or local ordinance governing alcoholic beverages on the licensed premises is grounds for suspension or revocation of the licensee's premises certification and license. A debt that is incurred for or during an event for which a de-designation permit is granted is considered a debt incurred in the operation of the license for the purposes of transfer of ownership of the holder's license under AS 04.11.360. (Eff. ____/____/_____, Register _____)

Authority:	AS 04.06.090	AS 04.09.260	AS 04.09.350
	AS 04.06.100	AS 04.09.270	AS 04.09.360
	AS 04.09.200	AS 04.09.300	AS 04.09.610
	AS 04.09.210	AS 04.09.310	AS 04.11.330

3 AAC 305.660. Overlapping licensed premises. (a) Except as provided in (h) of this section, the board may approve an application for overlapping premises for two or more licenses owned by the same person or group of persons required to be identified in an application submitted under AS 04.11.260. The application must be in writing and include a detailed premises diagram. The board may approve an overlapping premises application under the following conditions:

(1) licensed premises for manufacturer licenses issued under AS 04.09.020 (brewery manufacturer), AS 04.09.030 (winery manufacturer), and AS 04.09.040 (distillery manufacturer) may overlap with each other as permissible under federal law;

(2) licensed premises for a manufacturer license issued under AS 04.09.020 (brewery manufacturer); AS 04.09.030 (winery manufacturer), and AS 04.09.040 (distillery manufacturer) may overlap with a manufacturer direct shipment license issued under AS 04.09.370;

(3) licensed premises for a manufacturer license issued under AS 04.09.020 (brewery manufacturer), AS 04.09.030 (winery manufacturer), and AS 04.09.040 (distillery manufacturer) may overlap with the following retail licenses for consumption on the licensed premises:

(A) beverage dispensary licenses issued under AS 04.09.200;

(B) restaurant or eating place licenses issued under AS 04.09.210;

(C) beverage dispensary tourism licenses issued under AS 04.09.350;

(D) brewery retail licenses issued under AS 04.09.320;

(E) winery retail licenses issued under AS 04.09.330;

(F) distillery retail licenses issued under AS 04.09.340;

(G) seasonal restaurant or eating place tourism licenses issued under AS 04.09.360.

(b) Unless provided otherwise in AS 04.09.520, overlapping licensed premises may not be utilized to offer the license holder's alcoholic beverages for sale for consumption off the licensed premises or to subdivide and sell the license holder's alcoholic beverages from original packages with federally compliant labels to smaller containers with the standard federal government warnings and the product name.

(c) In addition to overlapping premises permissible under (b) of this section, licensed premises for a brewery retail license issued under AS 04.09.320, winery retail license issued under AS 04.09.330, or distillery retail license issued under AS 04.09.340 may overlap with the following retail licenses for consumption on the licensed premises:

(1) beverage dispensary licenses issued under AS 04.09.200;

(2) restaurant or eating place licenses issued under AS 04.09.210;

(3) seasonal restaurant or eating place tourism licenses issued under AS 04.09.360;

(4) beverage dispensary tourism licenses issued under AS 04.09.350.

(d) Licensed premises for a package store issued under AS 04.09.230 may overlap with the following retail licenses for consumption off the licensed premises:

(1) beverage dispensary licenses subject to the requirements described under AS 04.09.230(d);

(2) brewery retail licenses issued under AS 04.09.320;

(3) winery retail licenses issued under AS 04.09.330;

(4) distillery retail licenses issued under AS 04.09.340.

(e) Licensed premises for manufacturer licenses issued under AS 04.09.020 (brewery manufacturer), AS 04.09.030 (winery manufacturer), and AS 04.09.040 (distillery manufacturer) may overlap with a package store license as described under AS 04.09.230.

(f) Licensed premises for a package store issued under AS 04.09.230 may overlap with the licensed premises of a restaurant or eating place license or a seasonal restaurant or eating place tourism license, subject to the controlled access conditions required by the board.

(g) Licensed premises for general wholesalers issued under AS 04.09.100 or limited wholesale brewed beverage and wine licenses issued under AS 04.09.110 may share overlapping premises.

(h) For all overlapping licensed premises permitted under this section, the permissible consumption on premises, permissible sales for off premises consumption, and compliance with AS 04.16.049 is determined by the specific combination of licenses.

(i) The restriction that both licenses must be held by the same person or group of persons as described in (a) of this section does not apply to an overlapping premises for two or more licenses approved by the board before January 1, 2024. (Eff. ____/____/_____, Register _____)

Authority:

AS 04.06.090	AS 04.09.100	AS 04.09.330
AS 04.06.010	AS 04.09.110	AS 04.09.340
AS 04.06.100	AS 04.09.200	AS 04.09.350
AS 04.09.020	AS 04.09.210	AS 04.09.360
AS 04.09.030	AS 04.09.230	AS 04.09.370
AS 04.09.040	AS 04.09.320	AS 04.11.135

3 AAC 305.665. Resealing wine served with a meal for removal from the licensed premises. For the purposes of AS 04.16.120(c), one opened bottle of wine served with a meal may be removed from licensed premises if

(1) the licensee reinserts the original cork or a similar type of cork so that the top of the cork is flush with the bottle opening and can only be removed by a corkscrew or other similar device; or

(2) the licensee replaces the original or a similar screw-on cap on the bottle tightly and seals the cap with tamper-evident tape; and

(3) the licensee places the resealed bottle in a single-use bag that has a tamper-evident seal and that is manufactured expressly for the removal of partially consumed bottles of wine from licensed premises. (Eff. ____/____/_____, Register _____)

Authority: AS 04.06.090 AS 04.06.100 AS 04.16.120

3 AAC 305.670. Storing, warehousing, and transporting. (a) Except as provided in AS 04.21.060, an alcoholic beverage licensee may not stock, warehouse, or otherwise store alcoholic beverages in a place other than the licensed premises.

(b) Alcoholic beverages may not be sold or consumed at an approved storage facility. Alcoholic beverages may not be removed from the facility except at the direction of the licensee. (Eff. ____/____/_____, Register _____)

Authority: AS 04.06.090 AS 04.06.100 AS 04.21.060

AS 04.06.010

3 AAC 305.680. Keg registration. (a) On a registration form prescribed by the director or a local governing body with jurisdiction over the sale or offer, a licensee or an agent or employee of a manufacturer license described under AS 04.09.020, AS 04.09.030, or AS 04.09.040 or a package store license issued under AS 04.09.230 who sells or offers for sale a keg or similar container holding four or more gallons of an alcoholic beverage shall require a purchaser to show acceptable proof of age under AS 04.21.050(b) and sign a sworn statement.

(b) The licensee shall complete the registration form required under (a) of this section and affix to the keg or container a temporary tag with a unique identifier before releasing the keg or container to the purchaser.

(c) The licensee shall retain a copy of the registration form for one year and make the form available for inspection.

(d) A keg or container donated to a permittee under AS 04.09.650 or 04.09.660 is exempt from the requirements of (a) - (c) of this section.

(e) A keg or container owned and supplied by a purchaser is exempt from the requirements in (a) - (c) of this section.

(f) The temporary tag required under AS 04.21.012 shall be provided by the licensee. The tag must

(1) consist of plastic metal, paper, or durable material that is not easily damaged or destroyed;

(2) be attached to a keg at the time of sale with a nylon tie or cording, wire tie, other metal attachment device, or other durable means of tying or attaching the tag to the keg;

(3) contain:

(A) the licensee's name, address, and telephone number;

(B) a prominently visible warning that intentional removal or defacement of the tag is a violation of AS 04.21.012; and

(C) the unique identifying number from the accompanying keg registration form. (Eff. ____/____/_____, Register _____)

Authority: AS 04.06.090 AS 04.21.012 AS 04.21.050
AS 04.06.100

3 AAC 305.690. Definitions. (a) For the purposes of 3 AAC 305.600 - 3 AAC 305.690:

(1) "adjacent" means on the same legal property, on a property adjoining the legal property containing the licensed premises, or across a single public right of way from the legal property containing the licensed premises;

(2) "adjoining" means meeting and touching at some point or line;

(3) "contiguous" means having contact on all or most of one side;

(4) "passage" means a hallway or defined pathway between adjoining rooms of licensed premises;

(5) "purchaser" means a patron or customer of a licensee who does not also hold an alcoholic beverage license or permit issued under AS 04.09.650 or 04.09.660.

(Eff. ____/____/_____, Register _____)

Authority: AS 04.06.010 AS 04.06.090 AS 04.06.100