



THE STATE  
*of* **ALASKA**  
GOVERNOR MIKE DUNLEAVY

**DEPARTMENT OF COMMERCE, COMMUNITY AND  
ECONOMIC DEVELOPMENT**

**ALCOHOL & MARIJUANA CONTROL OFFICE**

**Wednesdays at 1 for 1**

**Title 4 Rewrite Implementation: A  
Presentation to Common Carrier  
Licensees**

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# Agenda

- **Title 4 Rewrite Changes for Common Carrier Licensees**
  - License
  - Endorsements
  - Permits
- **Common Carrier Approvals**
- **Trade Practices**
  - New license options
  - Overlapping Premises
  - Prohibited trade practices
- **Timeline for Implementation**
- **Questions**



# License, Endorsement, Permit

## Defining Terms

- **License:** A license defines activities allowed daily on licensed premises. License type is a general category of license activity based on a three-tier system of alcohol regulation: manufacturer, wholesale, and retail.
- **Endorsement:** An endorsement expands the boundaries of a licensed premises or the authorized activities of a licensed business.
- **Permit:** A permit allows catering and serving activities for a specific period of time on a single specified premises and allows an eligible nonprofit organization to host a fundraising or not-for-profit event.



## Common Carrier License – AS 04.09.260

- Move from AS 04.11 to AS 04.09.
- (a) A common carrier dispensary license authorizes the holder to sell alcoholic beverages for consumption aboard a boat or train *licensed by a state or federal agency for passenger travel*, or aboard an aircraft operated by an airline *licensed by a state or federal agency for passenger travel*.
- (b) Except as provided for airlines under (c) of this section, the biennial common carrier dispensary license fee is \$1,000 for each of the first 10 licenses a common carrier holds and \$100 for each additional license issued to the common carrier after the first 10 licenses.



## Common Carrier License – 3 AAC 305.320

- (a) For purposes of AS 04.09.260, “train” means a set route traveled by a series of one or more passenger cars owned or operated by a common carrier.
- (b) Upon application for issuance or renewal of a common carrier dispensary license for an airline, the applicant shall indicate on the application whether the fee for the license is to be calculated under AS 04.09.260(b) or (c).
- (c) The fee for a common carrier dispensary license for an airline under AS 04.09.260(b) requires payment of the specified fee for each aircraft in which alcoholic beverages are served on an intrastate flight operated by the airline.
- (d) The fee for a common carrier dispensary license for an airline under AS 04.09.260(c) requires payment of the specified fee for each community served. For the purposes of AS 04.11.260(c) and this subsection, "each community served" means each community in which an airport is located at which the airline has an incoming or outgoing intrastate flight segment on which alcoholic beverages are served.



## Common Carrier License – 3 AAC 305.120(e)(2)

**3 AAC 305.120.** Waiver of annual operating requirement and minimum operating requirements.

(2) the licensee holds a common carrier dispensary license and it's a boat weighing over 1,000 tons.



## Common Carrier License – Violations

- The holder of a common carrier dispensary license who exceeds the authority granted in (a) of this section commits the crime of unauthorized common carrier dispensary activity.
- Unauthorized common carrier dispensary activity is a class A misdemeanor.
- The holder of a common carrier dispensary license who fails to comply with (b) – (d) of this section commits the offense of common carrier dispensary noncompliance..
- Common carrier dispensary noncompliance is a violation and is punishable by a fine of \$500 for each boat, train, or aircraft no in compliance with this section.





## Common Carrier Approvals AS 04.09.750

- A common carrier may not transport or deliver alcoholic beverages to a person in the state unless the board has approved the common carrier.
- Application process
  - A common carrier may apply to the board for approval to transport and deliver alcoholic beverages to persons in the state
- The board shall maintain, periodically review, and make available for public inspection a list of approved common carriers for transport and delivery of alcoholic beverages to persons in the state
  - Package store shipping endorsement
  - Package store delivery endorsement
  - No mention of wholesalers





## Common Carrier Approvals AS 04.09.750

- If approved, the common carrier must
  - Ensure that the package containing alcoholic beverages is delivered directly to a person who presents identification and acceptable proof of age and provides a signature acknowledging that the person received the package
  - Make records of shipments of alcoholic beverages to persons in the state available for inspection and audit by the board.
    - The board may require periodic reporting of approved common carriers on a form prescribed by the board.



## Common Carrier Approvals AS 04.09.750

- In this section,
  - Common carrier means a motor vehicle, watercraft, aircraft or railroad car available for public hire to transport freight or passengers
  - Transport means to ship by any method, and includes, delivering or transferring or attempting or soliciting to deliver or transfer an alcoholic beverage to be shipped to, delivered to, or left or held for pickup by any person.



- **What Is Now Permitted**
  - AS 04.11.450(b) Prohibited Financial Interests is significantly amended.
    - Manufacturers may hold retail licenses in addition to manufacturer retail licenses (e.g., REPL, BDL, and package store).
    - Not available for larger manufacturers (by volume restrictions).
    - So -- alternatives. Manufacturer, acquires a BDL that operates a large resort, has 4 restaurants and a package store. What would you do?



# Trade Practices and Overlapping Premises

- **What This Makes Possible**
- Overlapping licensed premises (3 AAC 305.660).
  - Proposes to set parameters for what may be overlapping premises.
  - Overlapping licensed premises. (a) Other than as provided in subsection (h), upon a licensee's written request accompanied by a detailed premises diagram, the board may approve 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.
- Please familiarize yourself with the entire section to learn what may or may not be allowed under this statute.



## Trade Practice Prohibitions AS 04.16.017

Incorporating Federal Law for enforcement purposes – These will impact you as manufacturers. Stay attuned to the regulation process. Manufacturers, wholesalers, and limited wholesalers (including those in other states) may not except as provided by regulation) induce a person holding a license under this title to:

- Operate as a tied house
- Operate as an exclusive outlet
- Exclude purchases from other entities
- Enter into certain agreements



## Requirements for Regulatory Exceptions

- Exceptions must be consistent to federal law as of January 1, 2024.
- Necessary to avoid practical difficulty or undue hardship on a licensee.
- In the best interests of the public.
- Consistent with the requirements of AS 04.



# Timeline for Implementation

- **Regulations – Now**
  - Statutes provide broad guidance, with details in regulations.
- **Outreach – Now**
  - Educate licensees, local governments, public safety, and the public.
- **Implement – In Development**
  - Application process, new on-line database, testing soon, convert licenses, **APPLY to preserve tasting rooms or make the actual decision to forego if population limits impact you**, and assist with transition.





# Timeline for Implementation

- **Section 168 (SB9)**

To timely provided for the issuance, renewal, and transfer of licenses, endorsements, and permits beginning on January 1, 2024, the ABC Board may begin to send notices, accept applications, and collect fees by September 1, 2023 (on new online licensing system).

- **Section 171**

The ABC Board may adopt regulations necessary to implement SB 9, but the regulations will take effect upon the effective date of the law implemented by the regulation.

- **Section 177**

Licenses, endorsements can take effect January 1, 2024. Board also has 90 days to complete the conversion.



# Timeline for Implementation

- **Goals**
  - Seamless for you as possible.
  - As much training as you require.
  - Online licensing system that works the day we go live.
  - Meeting all effective dates.
  - Treating you like the business leaders you are.
  - I respectfully ask you in turn treat our license examiners as professionals.



# Timeline for Implementation

## *QUESTIONS?*

Answers will be added to our FAQ's

In addition, email [title4.amco@alaska.gov](mailto:title4.amco@alaska.gov)

If you want to know...you gotta' go:

<https://www.commerce.alaska.gov/web/amco/Title4Rewrite.aspx>



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