



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 of Other Retail
Licenses**

Joan M. Wilson

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Agenda

- **Title 4 Rewrite Changes for Common Carrier Licensees**
 - License
 - Endorsements
 - Permits
- **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.



Other Retail Licenses

- Move from AS 04.11 to AS 04.09.
- **Sec. 04.09.010. Types of licenses.** A license defines activities allowed daily on licensed premises. License type is a general category of license activity based on the three-tier system of alcohol regulation. The three types of licenses the board may issue are manufacturer, wholesale, and retail licenses. The board may issue only the licenses authorized in AS 04.09.020 - 04.09.370.
- **3 AAC 305.300. License required.** (a) With the exception of manufacturer sampling endorsements under AS 04.09.410, a license is required to sell or serve alcoholic beverages for consumption only on the licensed premises.



Other Retail Licenses-small but vital

Why “Other” Retail Licenses?

- *93% of all alcohol licenses fall into the ‘retail’ category. Of that amount only 9% are covered by this presentation. For example; there is only 1 active Pub license (Wood Center Pub located at the University of Fairbanks) and 1 active Theatre license (Crush located in Anchorage) in the State.*
- *Many of these license types exist to address special circumstances and business models.*

In this presentation we will address the following retail license types:

Club – moving from AS 04.11.110 to AS 04.09.220

Pub – moving from AS 04.11.220 to AS 04.09.240

Theater- moving from 3 AAC 304.695 to AS 04.09.250

Sporting Activity or Event (touched on here but to be fully covered in a future 1 for 1 at 1. Currently falls under existing Recreational Site under AS 04.11.210).

Outdoor Recreation Lodge- moving from AS 04.11.225 to AS 04.09.280

Fair – NEW license type AS 04.09.290

Golf Course- moving from AS 04.11.115 to AS 04.09.300

Destination Resort- moving from AS 04.11.255 to AS 04.09.310



Club License – AS 04.09.220

Sec. 04.09.220. Club license. (a) A club license authorizes a club or organization to sell alcoholic beverages for consumption only on the licensed premises.

(b) The biennial fee for a club license is \$1,500.

(c) The board may issue a club license only to an organization operated for social, recreational, benevolent, or athletic purposes and not for profit. The board may issue a club license only to a club, fraternal organization, patriotic organization, or social organization.

- Please make yourself familiar with the entire statute.
- Permits/Endorsements allowed for this license type:
 - Club Caterer's Permit under AS 04.09.630. Only 3 may be issued in a calendar year.
 - Inventory Resale Permit under AS 04.09.680.
 - Restaurant Endorsement



Pub License – AS 04.09.240

Sec. 04.09.240. Pub license. (a) A pub license authorizes the holder to sell brewed beverages and wine for consumption only at a designated premises located on the campus of an accredited college or university.

(b) The biennial pub license fee is \$1,250.

(g) The holder of a pub license commits the offense of failure to comply with the terms of a pub license if the person sells brewed beverages or wine in violation of (a) of this section.

(h) Failure to comply with the terms of a pub license is a violation.

- Permits allowed for this license type:
 - Inventory Resale Permit under AS 04.09.680.
- Please make yourself familiar with the entire statute.



Theater License – AS 04.09.250

Sec. 04.09.250. Theater license. (a) A theater license authorizes the holder of a beverage dispensary license or a restaurant or eating place license to sell alcoholic beverages for consumption on licensed premises at a specified theater site, except that a restaurant or eating place licensee with a theater license may only sell brewed beverages and wine.

(b) The biennial theater license fee is \$1,250.

(c) The holder of a theater license may sell or serve alcoholic beverages only in designated areas on the licensed premises, and only for one hour before the event and during intermissions.

(g)....”theater” means a location where events, including plays, operas, orchestra concerts, readings, and similar activities as determined by the board are presented by live performers on state.

(h) Failure to comply with the terms of a theater license is a violation.

- Dependent on the holder of a Beverage Dispensary or Restaurant or Eating Place license.
- Please make yourself familiar with the entire statute.



Sporting Activity or Event – AS 04.09.270

Join AMCO Wednesday August 30th when we will go into detail about this license type.

Sec. 04.09.270. Sporting activity or event license. (a) A sporting activity or event license authorizes the holder to sell brewed beverages and wine at multiple noncontiguous locations at a sporting activity or event site during and one hour before and after a sporting activity or event that is not a school activity or event, for consumption on designated areas at the sporting activity or event site.

(b) The biennial sporting activity or event license fee is \$1,250.

(c) In this section, "sporting activity or event site" includes a location where baseball, hockey, rugby, soccer, or football games, car races, dog sled racing events, rodeos, skiing and snowboarding activities, bowling games or leagues, or curling matches are regularly held.

(f) The holder, on the day before the effective date of this section, of a recreational site license issued under former AS 04.11.210 who offered brewed beverages and wine for sale to the public for consumption on the licensed premises may continue to offer brewed beverages and wine for sale to the public for consumption on the premises until December 31, 2027, for a license renewing on an odd-numbered year, or December 31, 2028, for a license renewing on an even-numbered year, if the holder of the license is otherwise in compliance with the requirements of this title as it read on the day before the effective date of this section.



Outdoor Recreation Lodge – AS 04.09.280

Sec. 04.09.280. Outdoor recreation lodge license. (a) An outdoor recreation lodge license authorizes the holder to sell alcoholic beverages to a registered overnight guest or off-duty staff of the lodge for consumption on the licensed premises or in conjunction with purchased outdoor recreation activities provided by the licensee.

(b) The biennial outdoor recreation lodge license fee is \$2,500. *This is an increase from the existing fee of \$1,250.

(d)"outdoor recreation lodge" means a licensed business that provides overnight accommodations and meals, is primarily involved in offering opportunities for persons to engage in outdoor recreation activities and has a minimum of two guest rooms.

(f) Unauthorized outdoor recreation lodge activity is a violation.

- Please make yourself familiar with the entire statute.
- What is New? This license type may now transfer ownership. Transfer of location is still not allowed.
- Permits/Endorsements allowed for this license type:
 - Inventory Resale Permit under AS 04.09.680.
 - Restaurant Endorsement under AS 04.09.450.



Fair License – AS 04.09.290

Fair License- a brand new license type

Sec. 04.09.290. Fair license. (a) A fair license authorizes the holder to sell beer and wine at multiple noncontiguous locations at an annual fair held on fairgrounds for consumption on the licensed premises.

(b) The biennial fair license fee is \$1,250.

(c) The board may issue a fair license only to a nonprofit organization that is incorporated under AS 10.20 and has been active for a period of at least five years before the effective date of sec. 13 of this Act(f) Unauthorized outdoor recreation lodge activity is a violation.

(d) The holder of a fair license may not sell brewed beverages or wine at more than 30 events, other than an annual fair, held on the fairgrounds in a calendar year.

(e) ...”annual fair” means an annual gathering of residents of all or a portion of the state that offers competitive exhibitions of livestock and agricultural crops, carnival amusement rides and games, and displays of arts and crafts.

- Permits/Endorsements allowed for this license type:
 - Inventory Resale Permit under AS 04.09.680.
 - Restaurant Endorsement under AS 04.09.450.
- Please make yourself familiar with the entire statute.



Golf Course License – AS 04.09.300

Sec. 04.09.300. Golf course license. (a) A golf course license authorizes the holder to sell brewed beverages and wine for consumption on the licensed premises.

(b) The biennial golf course license fee is \$1,250.

(c) An application for a golf course license must include

(1) a drawing of the golf course with an annotated illustration and description of the portions of the course that are intended to be licensed premises; and

(2) a sample food menu.

- Permits/Endorsements allowed for this license type:
 - Inventory Resale Permit under AS 04.09.680.
 - Restaurant Endorsement under AS 04.09.450.
- Please make yourself familiar with the entire statute.



Destination Resort— AS 04.09.310

Sec. 04.09.310. Destination resort license. (a) A destination resort license authorizes the holder to sell alcoholic beverages at multiple noncontiguous locations at a destination resort for consumption on the licensed premises in conjunction with the visitor activities provided by the licensee to cruise ship passengers and staff and other visitors while the cruise ship is in port at the resort.

(b) The biennial destination resort license fee is \$2,500.

(d)....”destination resort” means a business that owns a site of at least 20 acres that is used principally as a destination for cruise ships and other vessels that carry a minimum of 50 passengers and that does not provide overnight lodging on its premises for visitors.

- Permits/Endorsements allowed for this license type:
 - May obtain a Restaurant Endorsement under AS 04.09.450.
 - May obtain an Inventory Resale Permit under AS 04.09.680.
- Please make yourself familiar with the entire statute.



- **What Is Now Permitted**
 - AS 04.11.450(b) Prohibited Financial Interests is significantly amended.
 - Retailers may hold manufacturer licenses in addition to manufacturer retail licenses and vice versa. (e.g., Brewery Manufacturer, Winery Manufacturer....).
 - Not available for larger manufacturers (by volume restrictions).



Trade Practices and Overlapping Premises

- The retail licenses covered in this presentation cannot overlap with another licensed premises.
- 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 retailers. 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.



Chapter 305. Alcoholic Beverage Control Board

Article

1. Board; Administration; Licensing; Fees (3 AAC 305.010 – 3 AAC 305.165)
2. Manufacturer Licenses; Endorsements; Permits (3 AAC 305.200 – 3 AAC 305.230)
3. Retail Licenses; Endorsements; Permits (3 AAC 305.300 – 3 AAC 305.397)
4. Wholesale Licenses (3 AAC 305.400 – 3 AAC 305.420)
5. Trade Practices (3 AAC 305.500 – 3 AAC 305.530)
6. Provisions Applicable to More Than One License Type (3 AAC 305.600 – 3 AAC 305.690)
7. Alcohol Server Education Course (3 AAC 305.700)
8. Enforcement; Civil Penalties (3 AAC 305.800 – 3 AAC 305.895)
9. General Provisions (3 AAC 305.900 – 3 AAC 305.950)



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

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

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



Alcohol & Marijuana Control Office

Joan M. Wilson, Director

Contact Information:

(907) 269-0351

joan.wilson@alaska.gov