

HOUSE CS FOR CS FOR SENATE BILL NO. 16(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-FIRST LEGISLATURE - FIRST SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered: 5/15/19

Referred: Today's Calendar

Sponsor(s): SENATORS MICCICHE, Hughes, Wilson, Shower, Kiehl, Birch, Bishop, Reinbold, Stevens, Costello, Gray-Jackson, Stedman

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to certain alcoholic beverage licenses and permits; relating to the bond**
2 **requirement for certain alcoholic beverage license holders; and providing for an**
3 **effective date."**

4 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

5 * **Section 1.** AS 04.11.080 is amended to read:

6 **Sec. 04.11.080. Types of licenses and permits.** Licenses and permits issued
7 under this title are as follows:

- 8 (1) beverage dispensary license;
- 9 (2) duplicate beverage dispensary license for additional rooms;
- 10 (3) restaurant or eating place license;
- 11 (4) club license;
- 12 (5) bottling works license;
- 13 (6) brewery license;
- 14 (7) package store license;

- 1 (8) general wholesale license;
 2 (9) wholesale malt beverage and wine license;
 3 (10) distillery license;
 4 (11) common carrier dispensary license;
 5 (12) retail stock sale license;
 6 (13) recreational site license;
 7 (14) pub license;
 8 (15) winery license;
 9 (16) caterer's permit;
 10 (17) special events permit;
 11 (18) conditional contractor's permit;
 12 (19) brewpub license;
 13 (20) golf course license;
 14 (21) outdoor recreation lodge license;
 15 (22) destination resort license;
 16 **(23) performing arts theater license;**
 17 **(24) fair license.**

18 * **Sec. 2.** AS 04.11 is amended by adding a new section to read:

19 **Sec. 04.11.205. Performing arts theater license.** (a) A performing arts theater
 20 license authorizes the holder of a beverage dispensary license to sell alcoholic
 21 beverages and the holder of a restaurant or eating place license to sell beer and wine
 22 at multiple noncontiguous locations at a specified performing arts theater site for
 23 consumption on the licensed premises.

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

25 (c) The holder of a performing arts theater license may not sell or serve
 26 alcoholic beverages as provided under the license during an event that is expected to
 27 attract an audience predominantly composed of attendees under 21 years of age.

28 (d) The holder of a performing arts theater license may sell or serve alcoholic
 29 beverages as provided under the license only

30 (1) in designated areas on the licensed premises; and

31 (2) for a period beginning two hours before the event until one hour

1 after the event.

2 (e) The holder of a performing arts theater license shall post the license
3 conspicuously in the performing arts theater during times when alcoholic beverages
4 are sold.

5 (f) The board may not approve an application for the transfer of a performing
6 arts theater license to another location.

7 (g) An application for a performing arts theater license must clearly identify
8 designated areas for the sale and consumption of alcoholic beverages, which may
9 include portions of the audience viewing area at the performing arts theater site. The
10 board may approve an application for a performing arts theater license only if the
11 application is approved by the local governing body of the municipality in which the
12 performing arts theater site is located or, for a performing arts theater site outside a
13 municipality, approved by the law enforcement agency that has jurisdiction over the
14 performing arts theater site.

15 (h) In this section, "performing arts theater" means a location where events are
16 presented by live performers on a stage, such as plays, operas, orchestra concerts,
17 readings, and similar activities as determined by the board.

18 * **Sec. 3.** AS 04.11.210 is amended by adding a new subsection to read:

19 (d) The board may not deny an application for renewal of a license issued
20 under this section or an application to transfer a license issued under this section to
21 another person solely because the board determines that the licensed premises is not a
22 "recreational site" as defined under (c) of this section if the applicant

23 (1) held a license under this section or received a transferred license
24 under this section that was valid at any time between January 1, 2018, and March 31,
25 2019; and

26 (2) operates the license under the same conditions required at the time
27 of initial licensure.

28 * **Sec. 4.** AS 04.11 is amended by adding a new section to read:

29 **Sec. 04.11.215. Fair license.** (a) A fair license authorizes the holder to sell
30 beer and wine at multiple noncontiguous locations at an annual fair held on
31 fairgrounds for consumption on licensed premises.

1 (b) The biennial fair license fee is \$800.

2 (c) The board may issue a fair license only to a nonprofit organization that is
3 incorporated under AS 10.20 and has been active for a period of at least five years
4 before the effective date of sec. 4 of this Act.

5 (d) In this section, "annual fair" means an annual gathering of residents of all
6 or a portion of the state that offers competitive exhibitions of livestock and agricultural
7 crops, carnival amusement rides and games, and displays of arts and crafts.

8 * **Sec. 5.** AS 04.11.330(d) is amended to read:

9 (d) Notwithstanding (a)(3) of this section, a **performing arts theater license**
10 **issued under AS 04.11.205 and a** recreational site license issued under AS 04.11.210
11 may be renewed if the license was exercised at least once during each of the two
12 preceding calendar years.

13 * **Sec. 6.** AS 04.16.049(a) is amended to read:

14 (a) A person under 21 years of age may not knowingly enter or remain in
15 premises licensed under this title unless

16 (1) accompanied by a parent, guardian, or spouse who has attained 21
17 years of age;

18 (2) the person is at least 16 years of age, the premises are designated
19 by the board as a restaurant for the purposes of this section, and the person enters and
20 remains only for dining;

21 (3) the person is under 16 years of age, is accompanied by a person
22 over 21 years of age, the parent or guardian of the underaged person consents, the
23 premises are designated by the board as a restaurant for the purposes of this section,
24 and the person enters and remains only for dining;

25 (4) the person is permitted on the premises under a club license issued
26 under AS 04.11.110(g); or

27 (5) otherwise provided under (c), (d), [OR] (g), **or (i)** of this section.

28 * **Sec. 7.** AS 04.16.049 is amended by adding a new subsection to read:

29 (j) Notwithstanding any other provision of this section, a person under 21
30 years of age may be present on licensed premises of a performing arts theater for the
31 purpose of viewing an event presented by live performers on a stage or attending a

1 performing arts-related activity if the person is

2 (1) at least 16 years of age; or

3 (2) under 16 years of age and

4 (A) is accompanied by a person who is at least 21 years of age;

5 and

6 (B) the person's parent or guardian consents.

7 * **Sec. 8.** AS 04.21.065(a) is amended to read:

8 (a) A holder of one of the following types of licenses or permits shall post on
9 the licensed or designated premises three separate warning signs as described in (b) of
10 this section:

11 (1) beverage dispensary license;

12 (2) restaurant or eating place license;

13 (3) club license;

14 (4) brewery license; this paragraph applies only to a brewery that
15 permits a person to sample portions of the brewery's product;

16 (5) package store license;

17 (6) common carrier dispensary license;

18 (7) recreational site license;

19 (8) pub license;

20 (9) winery license; this paragraph applies only to a winery that permits
21 a person to sample portions of the winery's product;

22 (10) distillery license; this paragraph applies only to a distillery that
23 permits a person to sample portions of the distillery's product;

24 (11) caterer's permit;

25 (12) special events permit;

26 (13) conditional contractor's permit;

27 (14) **performing arts theater license;**

28 **(15) fair license;**

29 **(16)** another license or permit issued by the board authorizing
30 consumption of alcoholic beverages.

31 * **Sec. 9.** AS 43.60.040(a) is amended to read:

1 (a) Each brewer, distiller, bottler, jobber, wholesaler, or manufacturer is
 2 primarily liable for the payment of the excise taxes on alcoholic beverages sold, and,
 3 **except as provided under (i) of this section,** shall furnish a good and sufficient
 4 surety bond of \$25,000 payable to the department and approved by the Department of
 5 Law. If a wholesaler fails to pay the tax to the state, the wholesaler forfeits the bond
 6 and the wholesaler's license shall be revoked. The department, in its discretion, may
 7 issue permits in place of bonds to resident holders of wholesale, malt beverage, and
 8 wine licenses doing business wholly in the state who pay the tax before shipment.

9 * **Sec. 10.** AS 43.60.040(b) is amended to read:

10 (b) Upon receipt of the bond and its subsequent approval, the department shall
 11 issue a license certificate authorizing the brewer, distiller, bottler, jobber, wholesaler,
 12 or manufacturer, liable for the payment of the tax, to sell alcoholic beverages in the
 13 state or to consign shipments of alcoholic beverages to the state. **Except as provided**
 14 **under (i) of this section, it** [IT] is unlawful for a brewer, distiller, bottler, jobber,
 15 wholesaler, or manufacturer to sell alcoholic beverages in the state or to consign
 16 shipments of alcoholic beverages into the state without first furnishing the required
 17 bond and obtaining the license certificate or permit from the department. The license
 18 certificate does not constitute permission to sell alcoholic beverages in the state or to
 19 consign them to the state without having complied with other requirements of state or
 20 federal law.

21 * **Sec. 11.** AS 43.60.040 is amended by adding a new subsection to read:

22 (i) The department may not require a brewer, distiller, bottler, jobber,
 23 wholesaler, or manufacturer who has timely filed monthly tax returns and paid
 24 monthly taxes to the department over the most recent three consecutive years to
 25 maintain a bond if the brewer, distiller, bottler, jobber, wholesaler, or manufacturer
 26 continues to remain in compliance with AS 43.60. The department shall notify the
 27 brewer, distiller, bottler, jobber, wholesaler, or manufacturer of any noncompliance
 28 that requires the brewer, distiller, bottler, jobber, wholesaler, or manufacturer to file a
 29 bond under (a) of this section. The brewer, distiller, bottler, jobber, wholesaler, or
 30 manufacturer shall, within 30 days after receiving the notice of noncompliance, file
 31 with the department a bond under (a) of this section.

1 * **Sec. 12.** The uncodified law of the State of Alaska is amended by adding a new section to
2 read:

3 TRANSITION. The board shall reconsider an application for renewal of a recreational
4 site license or transfer of a recreational site license to another person and apply
5 AS 04.11.210(d), enacted by sec. 3 of this Act, if

6 (1) the application was denied between January 1, 2018, and the effective date
7 of this Act; and

8 (2) the board denied the application because the board determined that the
9 licensed premises was not a "recreational site" as defined under AS 04.11.210(c).

10 * **Sec. 13.** The uncodified law of the State of Alaska is amended by adding a new section to
11 read:

12 RETROACTIVITY. Section 3 of this Act is retroactive to January 1, 2018.

13 * **Sec. 14.** This Act takes effect immediately under AS 01.10.070(c).