

**CS FOR HOUSE BILL NO. 301(FIN)**

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTIETH LEGISLATURE - SECOND SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered: 3/2/18

Referred: Rules

Sponsor(s): REPRESENTATIVES WOOL, Sullivan-Leonard, Knopp, Stutes, Rauscher

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act relating to the renewal of a license involving alcoholic beverages; relating to the  
2 renewal and transfer of ownership of a beverage dispensary license or restaurant or  
3 eating place license; and relating to issuance of an outdoor recreation lodge license in a  
4 local option area."

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

6 \* **Section 1.** AS 04.11.330(a) is amended to read:

7 (a) An application requesting renewal of a license shall be denied if

8 (1) the board finds, after review of all relevant information, that  
9 renewal of the license would not be in the best interests of the public;

10 (2) the license has been revoked for any cause;

11 (3) the applicant has not operated the licensed premises for at least **240**

12 **hours** [30 EIGHT-HOUR DAYS] during each of the two preceding calendar years,

13 unless the board determines that the licensed premises are under construction or

14 cannot be operated through no fault of the applicant;

1 (4) the board finds that issuance of an existing license under  
2 AS 04.11.400(d) has not encouraged tourist trade;

3 (5) the requirements of AS 04.11.420 - 04.11.450 relating to zoning,  
4 ownership of the license, and financing of the licensee have not been met;

5 (6) renewal of the license would violate the restrictions pertaining to  
6 the particular license under this title or the license has been operated in violation of a  
7 condition or restriction imposed by the board;

8 (7) renewal of the license is prohibited under this title as a result of an  
9 election conducted under AS 04.11.507;

10 (8) the application has not been completed in accordance with  
11 AS 04.11.270; or

12 (9) the license was issued under AS 04.11.400(g), and the board finds  
13 that the public convenience does not require renewal.

14 \* **Sec. 2.** AS 04.11.360 is amended to read:

15 **Sec. 04.11.360. Denial of transfer of a license to another person.** An  
16 application requesting approval of a transfer of a license to another person under this  
17 title shall be denied if

18 (1) the board finds, after review of all relevant information, that  
19 transfer of a license to another person would not be in the best interests of the public;

20 (2) the application has not been completed in accordance with  
21 AS 04.11.280;

22 (3) the application contains false statements of material fact;

23 (4) the transferor has not paid all debts or taxes arising from the  
24 conduct of the business licensed under this title unless

25 (A) the transferor gives security for the payment of the debts or  
26 taxes satisfactory to the creditor or taxing authority; or

27 (B) the transfer is under a promise given as collateral by the  
28 transferor to the transferee in the course of an earlier transfer of the license  
29 under which promise the transferor is obliged to transfer the license back to the  
30 transferee in the event of default in payment for property conveyed as part of  
31 the earlier transfer of the license;

1 (5) transfer of the license to another person would result in violation of  
2 the provisions of this title relating to identity of licensees and financing of licensees;

3 (6) transfer of the license to another person would violate the  
4 restrictions pertaining to the particular license under this title;

5 (7) transfer of the license to another person is prohibited under the  
6 provisions of this title as a result of an election conducted under AS 04.11.507;

7 (8) the prospective transferee does not have the qualifications required  
8 under this title of an original applicant; **however, an application may not be denied**  
9 **because a prospective transferee under AS 04.11.400(d)(2) does not have the**  
10 **qualifications required under AS 04.11.400(d)(1);**

11 (9) the license was issued under AS 04.11.100(f) or 04.11.400(g);  
12 however, this paragraph does not apply to a beverage dispensary license issued before  
13 June 6, 1985, under former AS 04.11.400(j) if the transfer does not involve a change  
14 in location; or

15 (10) the license was issued under AS 04.11.135, unless the transferor is  
16 also applying to transfer the beverage dispensary license required under AS 04.11.135  
17 to the same transferee.

18 \* **Sec. 3.** AS 04.11.400(d) is amended to read:

19 (d) The board may approve

20 **(1)** the issuance [OR TRANSFER OF OWNERSHIP] of a **new**  
21 beverage dispensary or restaurant or eating place license without regard to (a) of this  
22 section if it appears that the issuance [OR TRANSFER] will encourage the tourist  
23 trade by encouraging the construction or improvement of

24 **(A)** [(1)] a hotel, motel, resort, or similar business relating to  
25 the tourist trade with a dining facility or having kitchen facilities in a majority  
26 of its rental rooms and at least a minimum number of rental rooms required  
27 according to the population of the [ESTABLISHED VILLAGE,] incorporated  
28 city, unified municipality, or population area established under (a) of this  
29 section in which the facility will be located, as follows:

30 **(i)** [(A)] 10 rental rooms if the population is less than  
31 1,501;

- 1                                    **(ii)** [(B)] 20 rental rooms if the population is 1,501 -  
 2                                    2,500;  
 3                                    **(iii)** [(C)] 25 rental rooms if the population is 2,501 -  
 4                                    5,000;  
 5                                    **(iv)** [(D)] 30 rental rooms if the population is 5,001 -  
 6                                    15,000;  
 7                                    **(v)** [(E)] 35 rental rooms if the population is 15,001 -  
 8                                    25,000;  
 9                                    **(vi)** [(F)] 40 rental rooms if the population is 25,001 -  
 10                                    50,000; and  
 11                                    **(vii)** [(G)] 50 rental rooms if the population is greater  
 12                                    than 50,000; or

13                                    **(B)** [(2)] an airport terminal; **and**

14                                    **(2) the renewal or transfer of ownership of a beverage dispensary**  
 15                                    **or restaurant or eating place license issued under (1) of this subsection if the**

16                                    **(A) holder of the license operates a hotel, motel, resort, or**  
 17                                    **similar business relating to the tourist trade that**

18                                    **(i) has a dining facility on the licensed premises or**  
 19                                    **kitchen facilities in a majority of its rental rooms; and**

20                                    **(ii) maintains at least the minimum number of rental**  
 21                                    **rooms that the hotel, motel, resort, or similar business had at the**  
 22                                    **time of initial licensure or that were required at the time of initial**  
 23                                    **licensure; or**

24                                    **(B) licensed premises are located inside an airport terminal.**

25                                    \* **Sec. 4.** AS 04.11.491(a) is amended to read:

26                                    (a) If a majority of the persons voting on the question vote to approve the  
 27                                    option, a municipality shall adopt a local option to prohibit

28                                    (1) the sale of alcoholic beverages;

29                                    (2) the sale of alcoholic beverages except by one or more of the  
 30                                    following listed on the ballot:

31                                    (A) a restaurant or eating place licensee;

1 (B) a beverage dispensary licensee;

2 (C) a package store licensee;

3 (D) a caterer holding a permit under AS 04.11.230 to sell  
4 alcoholic beverages at a site within the municipality who is also licensed under  
5 a beverage dispensary license for premises outside of the municipality;

6 (E) a winery licensee; [OR]

7 (F) a winery licensee, except that sales may occur only to a  
8 person licensed under this title or in another state or country; **or**

9 **(G) an outdoor recreation lodge licensee;**

10 (3) the sale of alcoholic beverages except on premises operated by the  
11 municipality and under a type of licensed premises listed on the ballot, that may  
12 include one or more of the following:

13 (A) a restaurant or eating place license;

14 (B) a beverage dispensary license; or

15 (C) a package store license;

16 (4) the sale and importation of alcoholic beverages; or

17 (5) the sale, importation, and possession of alcoholic beverages.

18 \* **Sec. 5.** AS 04.11.491(b) is amended to read:

19 (b) If a majority of the persons voting on the question vote to approve the  
20 option, an established village shall exercise a local option to prohibit

21 (1) the sale of alcoholic beverages;

22 (2) the sale of alcoholic beverages except by one or more of the  
23 following listed on the ballot:

24 (A) a restaurant or eating place licensee;

25 (B) a beverage dispensary licensee;

26 (C) a package store licensee;

27 (D) a caterer holding a permit under AS 04.11.230 to sell  
28 alcoholic beverages at a site within the established village who is also licensed  
29 under a beverage dispensary license for premises outside of the established  
30 village;

31 (E) a winery licensee; [OR]

1 (F) a winery licensee, except that sales may occur only to a  
2 person licensed under this title or in another state or country; **or**

3 **(G) an outdoor recreation lodge licensee;**

4 (3) the sale and importation of alcoholic beverages; or

5 (4) the sale, importation, and possession of alcoholic beverages.

6 \* **Sec. 6.** The uncodified law of the State of Alaska is amended by adding a new section to  
7 read:

8 APPLICABILITY. AS 04.11.491(a)(2), as amended by sec. 4 of this Act, and  
9 AS 04.11.491(b)(2), as amended by sec. 5 of this Act, apply to outdoor recreation lodge  
10 licenses issued before, on, or after the effective date of this Act.