

**HOUSE CS FOR CS FOR SENATE BILL NO. 16(FIN) am H**

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-FIRST LEGISLATURE - FIRST SESSION

**BY THE HOUSE FINANCE COMMITTEE**

**Amended: 5/15/19**

**Offered: 5/15/19**

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

**REPRESENTATIVES Tarr, Josephson, Wool, Drummond, Tuck**

**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 04.11.210 is amended by adding new subsections to read:

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

10 (1) held a license under this section or received a transferred license  
11 under this section that was valid at any time between January 1, 2018, and March 31,  
12 2019 or holds a license that was initially issued under (e) of this section; and

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

1 displays of arts and crafts.

2 (e) The board may not deny an application for issuance of a new license under  
3 this section solely because the board determines that the licensed premises is not a  
4 "recreational site" as defined in (c) of this section if the applicant filed an application  
5 for a new license under this section between October 1, 2018, and the effective date of  
6 this Act.

7 \* **Sec. 2.** AS 04.16.049(a) is amended to read:

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

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

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

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

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

21 (5) otherwise provided under (c), (d), [OR] (g), or (j) of this section.

22 \* **Sec. 3.** AS 04.16.049 is amended by adding a new subsection to read:

23 (j) Notwithstanding any other provision of this section, a person under 21  
24 years of age may be present on licensed premises of a performing arts theater for the  
25 purpose of viewing an event presented by live performers on a stage or attending a  
26 performing arts-related activity if the person is

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

28 (2) under 16 years of age and

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

30 and

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

1 \* **Sec. 4.** AS 43.60.040(a) is amended to read:

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

10 \* **Sec. 5.** AS 43.60.040(b) is amended to read:

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

22 \* **Sec. 6.** AS 43.60.040 is amended by adding a new subsection to read:

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

1 with the department a bond under (a) of this section.

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

4 TRANSITION. (a) The board shall reconsider an application for renewal of a  
5 recreational site license or transfer of a recreational site license to another person and apply  
6 AS 04.11.210(d), enacted by sec. 1 of this Act, if

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

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

11 (b) The board shall reconsider an application for issuance of a new recreational site  
12 license and apply AS 04.11.210(e), enacted by sec. 1 of this Act, if

13 (1) the application was denied between October 1, 2018, and the effective date  
14 of this Act; and

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

17 \* **Sec. 8.** The uncodified law of the State of Alaska is amended by adding a new section to  
18 read:

19 RETROACTIVITY. (a) AS 04.11.210(d), enacted by sec. 1 of this Act, is retroactive  
20 to January 1, 2018.

21 (b) AS 04.11.210(e), enacted by sec. 1 of this Act, is retroactive to October 1, 2018.

22 \* **Sec. 9.** This Act takes effect immediately under AS 01.10.070(c).