

The 2024 session of the Alaska Legislature kicked off this week and with that, Alaska CHARR is resuming our popular government affairs weekly newsletter! In the latest issue of Alaska CHARR – The Magazine, President & CEO Sarah Daulton Oates outlined our 2024 legislative priorities including solutions to lower liquor liability insurance premiums and labor shortages within the hospitality industry. If you missed it, click here to view her letter.

Those of you with liquor licenses have been following updates and submitting applications with the Alcohol & Marijuana Control Office (AMCO). We are sad to hear that today marks long-time Records & Licensing Supervisor Carrie Craig's final day with AMCO. Alaska CHARR expects that application processing at AMCO will continue to be delayed as a result of her departure.

Immediately on the horizon are proposed changes to regulations that would implement new trade practices – business relationships between alcohol manufacturers, distributors, and retailers – for Alaska that are seen in some other states and will have significant impacts on many bars, restaurants, liquor stores, and other hospitality-related businesses in our state.

## Why this is important:

This is the last section of the regulations pertaining to the Title 04 rewrite that will go into effect. The proposed changes in this new section will prohibit or significantly restrict many common trade practices, business activities, and agreements that have been negotiated and practiced by businesses like yours with distributors and/or manufacturers for decades.

The five-member Alcoholic Beverage Control Board (ABC Board) has the sole authority to determine which regulatory changes get adopted in Alaska, and they make their decisions based on input received from the industry and public.

## Your input now is crucial!

There are two ways to submit your comments to the ABC Board:

- by emailing them to amco.regs@alaska.gov. Written comments must be received not later than 4:30pm on January 26, 2024.
- by providing verbal testimony during a public hearing of the ABC Board on January 29, 2024 at
   9:00am. You may attend the hearing in person in Juneau or via Zoom at this link. For more meeting information, please visit AMCO's website here.

The Alaska CHARR Government Affairs Committee (GAC) has met multiple times to discuss the proposed changes and makes the following recommendations:

### **Under 3 AAC 305.515 - Exceptions to Tied House Prohibitions**

- Product Displays
  - Text: the total value of the product display given or sold by the entity to the retailer does not exceed \$400 per brand at any one time in any single licensed premises or \$1,600 per brand if the retailer has two or more
  - Alaska CHARR recommendation: change \$400 per brand at any time to \$10,000 and drop the language regarding entities. This was decided based on a per-year recommendation. \$400 is far too low under a per-year recommendation.
- Outside Signs
  - Text: the cost of the single sign does not exceed \$400 per location or \$1600 for a retailer with two or more licensed premises.
  - Alaska CHARR recommendation: Change \$400 to \$10,000.
- Coupons
  - Text: furnish coupons at the licensed premises of a person holding a retail license
  - Alaska CHARR recommendation: Remove this section. It does not need to be in regulation. These decisions should be made between a wholesaler and manufacturer.

#### 3 AAC 305.525 - Practices that do not amount to commercial bribery

- Retail Association Activity
  - Text: for an advertisement in a program or brochure issued by the association at a convention or trade show with the total payments made by an entity for all such advertising do not exceed \$25,000 per year for any retail association
  - Alaska CHARR recommendation: Change \$25,000 per year to \$100,000 per year or this section eliminated completely. Retail associations rely on donations. \$25,000/year in perpetuity will just lead to more legislation in the future, due to inflation.
- Contest prizes
  - Text: offer a contest prize, premium offer, or like item not more than 12 times per year per brand to the consumers of a person holding a retail license under AS 04.09.200 04.09.370

• Alaska CHARR recommendation: We recommend changing \$400 to \$10,000 to keep the language used in previous sections.

To read the full draft regulations, please **click here**. Your input on these matters is essential -trade associations like Alaska CHARR thrive when members are active, engaged, and willing to testify.

For more information or questions on any of these items, please contact Cassie Ostrander, Membership & Grassroots Manager at costrander@alaskacharr.com (or just hit reply on this email.)

Please note that we will again be sending out a weekly Legislative Update during session. If there are items that you would like the Government Affairs Team to take a stand on, please contact Cassie. We are continuing to grow our grassroots list of members throughout Alaska.

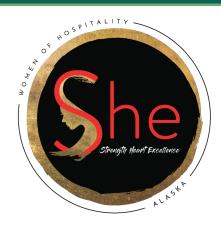
# **Upcoming Alaska CHARR Events**



#### **2024 Legislative Summit**

February 21,2024 | Juneau, Alaska

Click here for more information.



SHE: Strength, Heart, Excellence Women of Hospitality

March 24-25 | Anchorage, Alaska

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