House CS for CS for Senate Bill No. 87(Jud)

In the Legislature of the State of Alaska

Nineteenth Legislature - First Session

By the House Judiciary Committee

Offered: 5/8/95
Referred: Rules

Sponsor(s): Senate Judiciary Committee

A Bill

For an Act Entitled

"An Act relating to the membership of the Alcoholic Beverage Control Board; relating to community local options for control of alcoholic beverages; relating to the control of alcoholic beverages; prohibiting persons from being on premises involving alcoholic beverages under certain circumstances; relating to the definition of 'alcoholic beverage'; relating to purchase and sale of alcoholic beverages; relating to alcohol server education courses; and providing for an effective date."

Be it enacted by the Legislature of the State of Alaska:

* Section 1. AS 04.06.020 is amended to read:

Sec. 04.06.020. Appointment and qualifications. The board consists of five members appointed by the governor and confirmed by a majority of the members of the legislature in joint session. A member of the board may not hold any other state or federal office, either elective or appointive. Two members of the board shall be persons actively engaged in the alcoholic beverage industry, except that

[New Text Underlined] [Deleted Text Bracketed]
no member may hold a wholesale license or be an officer, agent, or employee of a wholesale alcoholic beverage enterprise. No three members of the board may be engaged in the same business, occupation, or profession. **At least three members of the board shall represent the general public. A board member representing the general public or an immediate family member of a board member representing the general public may not have any financial interest in the alcoholic beverage industry. In this section, "immediate family member" means a spouse, child, or parent.**

*Sec. 2.* AS 04.11.010(b) is amended to read:

  (b) **Except as provided in this subsection, a** [A] person may not solicit or receive orders for the delivery of an alcoholic beverage in an area **that has adopted a local option under AS 04.11.491.** If the area has adopted a local option under AS 04.11.491(a)(1), (2), or (3), or (b)(1) or (2), a package store licensee outside of that local option area may receive orders as provided under AS 04.11.150 but may not solicit in that area or receive orders through an agent or employee in that area. **This subsection does not apply to a package store licensee who operates a package store in an area that has adopted a local option under AS 04.11.491(a)(2)(C) or (3)(C) or (b)(2)(C) [WHERE THE RESULTS OF A LOCAL OPTION ELECTION HAVE, UNDER AS 04.11.490 - 04.11.500, PROHIBITED THE BOARD FROM ISSUING, RENEWING, OR TRANSFERRING ONE OR MORE TYPES OF LICENSES OR PERMITS UNDER THIS TITLE, UNLESS THE PERSON IS LICENSED UNDER THIS TITLE AND THE ORDER IS ACTUALLY RECEIVED BY THAT PERSON FROM THE PURCHASER OF THE ALCOHOLIC BEVERAGE].** A person who violates this subsection is punishable upon conviction **as provided** under AS 04.16.200(a) or (b).

*Sec. 3.* AS 04.11.010(c) is amended to read:

  (c) In a criminal prosecution for possession of alcoholic beverages for sale in violation of (a) of this section, the fact that a person possessed more than 12 liters of distilled spirits, 24 liters or more of wine, or **12 gallons** [45 LITERS] or more of malt beverages in an area where the sale of alcoholic beverages is **restricted or prohibited under AS 04.11.491** [AS 04.11.490, 04.11.492, 04.11.496, OR 04.11.500] creates a
presumption that the person possessed the alcoholic beverages for sale.

* Sec. 4. AS 04.11.080 is amended to read:

Sec. 04.11.080. TYPES OF LICENSES AND PERMITS. Licenses and permits issued under this title are as follows:

1. beverage dispensary license;
2. duplicate beverage dispensary license for additional rooms;
3. restaurant or eating place license;
4. club license;
5. bottling works license;
6. brewery license;
7. package store license;
8. general wholesale license;
9. wholesale malt beverage and wine license;
10. distillery license;
11. common carrier dispensary license;
12. retail stock sale license;
13. recreational site license;
14. [COMMUNITY LIQUOR LICENSE;]
15. [COMMUNITY LIQUOR LICENSE;]
16. [COMMUNITY LIQUOR LICENSE;]
17. [COMMUNITY LIQUOR LICENSE;]
18. [COMMUNITY LIQUOR LICENSE;]
19. [COMMUNITY LIQUOR LICENSE;]
20. [COMMUNITY LIQUOR LICENSE;]
21. [COMMUNITY LIQUOR LICENSE;]
22. [COMMUNITY LIQUOR LICENSE;]
23. [COMMUNITY LIQUOR LICENSE;]
24. [COMMUNITY LIQUOR LICENSE;]
25. [COMMUNITY LIQUOR LICENSE;]
26. [COMMUNITY LIQUOR LICENSE;]
27. [COMMUNITY LIQUOR LICENSE;]
28. [COMMUNITY LIQUOR LICENSE;]
29. [COMMUNITY LIQUOR LICENSE;]
30. [COMMUNITY LIQUOR LICENSE;]
31. [COMMUNITY LIQUOR LICENSE;]

* Sec. 5. AS 04.11.100 is amended by adding a new subsection to read:

(f) Notwithstanding the provisions of (b) and (e) of this section, upon written application and approval of the local governing body, the board may issue or reissue a restaurant or eating place license and exempt the licensee from the requirements of (b) and (e) of this section. A licensee exempt as provided in this subsection shall provide food items for sale on the premises as shown on a menu approved by the board and available to patrons. The board may not
issue or reissue a license as provided under this subsection if

(A) the issuance or reissuance would result in more than one exempt restaurant or eating place license for every 10 restaurant or eating place licenses allowed under the provisions of AS 04.11.400(a)(2) or (3);

(B) the premises would be located in a building having a public entrance within 200 feet of the boundary line of a school or a church building in which religious services are being regularly conducted; for purposes of this subparagraph, the 200-foot prohibition is measured from the outer boundary line of the school or the public entrance of the church building by the shortest pedestrian route to the nearest public entrance of the restaurant or eating place;

(2) reissue a restaurant or eating place license as exempt as provided under the provisions of this subsection if the license was issued under the provisions of AS 04.11.400(g); or

(3) transfer an exempt license issued under this subsection to another person.

* Sec. 6. AS 04.11.135(a) is amended to read:

(a) A brewpub license authorizes the holder of a beverage dispensary license to

(1) manufacture on premises licensed under the beverage dispensary license not more than 75,000 [16,000] gallons of beer in a calendar year; and

(2) sell beer manufactured on premises licensed under the beverage dispensary license for consumption only on the licensed premises.

* Sec. 7. AS 04.11.135(b) is amended to read:

(b) Except as provided under AS 04.11.360(10) [AS 04.11.360(12)], the brewpub license is not transferable, shall remain the property of the state, and is not subject to any form of alienation.

* Sec. 8. AS 04.11.150(a) is repealed and reenacted to read:

(a) Except as provided under (g) of this section, a package store license authorizes the licensee to sell alcoholic beverages to a person present on the licensed premises or to a person known to the licensee who makes a written solicitation to that
licensee for shipment. A licensee, agent, or employee may only ship alcoholic beverages to the purchaser. Before commencing the practice of shipping alcoholic beverages, and with each subsequent application to renew the license, a licensee shall notify the board in writing of the licensee's intention to ship alcoholic beverages in response to a written solicitation. The package store licensee, agent, or employee shall include written information on fetal alcohol syndrome and fetal alcohol effects resulting from a woman consuming alcohol during pregnancy in a shipment of alcoholic beverages sold in response to a written solicitation.

* Sec. 9. AS 04.11.150(g) is repealed and reenacted to read:

(g) If a shipment is to an area that has restricted the sale of alcoholic beverages under AS 04.11.491(a)(1), (2), or (3) or (b)(1) or (2), a package store licensee, agent, or employee may not ship to a purchaser more than 12 liters of distilled spirits, 24 liters or more of wine, or 12 gallons or more of malt beverages in a calendar month.

* Sec. 10. AS 04.11.160 is amended by adding new subsections to read:

(f) A person who applies for issuance or renewal of a license under this section shall file, on forms provided by the board, the following information regarding each product line of alcoholic beverages that the person intends to purchase, offer for sale, or sell: (1) the supplier of the product line; (2) the full and correct brand names in the product line; (3) the name of the distiller, brewer, vintner, or importer of the product line; and (4) a certification by the distiller, brewer, vintner, or importer of the product line that the person is the primary source of supply for the product line. In addition to the fees imposed under (a) and (b) of this section, a person filing under this subsection shall pay a biennial filing fee as follows:

<table>
<thead>
<tr>
<th>Suppliers Range</th>
<th>Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 to 25</td>
<td>$500</td>
</tr>
<tr>
<td>26 to 50</td>
<td>$1,000</td>
</tr>
<tr>
<td>51 to 75</td>
<td>$1,500</td>
</tr>
<tr>
<td>over 75</td>
<td>$2,000</td>
</tr>
</tbody>
</table>

In this subsection, "distiller, brewer, vintner, or importer" includes an exclusive agent of the distiller, brewer, vintner, or importer if the agent's name appears on the label of the brand approved by the Federal Bureau of Alcohol, Tobacco, and Firearms.
(g) A person licensed under this section shall notify the board within 10 days of a change in a primary source of supply designation required under (f) of this section.

* Sec. 11. AS 04.16 is amended by adding a new section to read:

Sec. 04.16.172. RESTRICTIONS ON PURCHASE AND SALE OF ALCOHOLIC BEVERAGES. A person licensed under AS 04.11.090, 04.11.100, 04.11.110, or 04.11.150 may not purchase, sell, or offer for sale an alcoholic beverage unless the alcoholic beverage being purchased, sold, or offered for sale was obtained from a person licensed under

(1) AS 04.11.160 as a primary source of supply for the alcoholic beverage being purchased, sold, or offered for sale; or

(2) AS 04.11.130, 04.11.140, or 04.11.170.

* Sec. 12. AS 04.11.270(b) is amended to read:

(b) A license shall be renewed as follows:

(1) on or before November 1 [OF EACH YEAR], the director shall mail a renewal application to each licensee whose license, unless renewed, will expire on December 31 of that year; the application shall be mailed to the licensee at the licensed premises or at a mailing address furnished by the licensee;

(2) the licensee shall submit the completed renewal application and the biennial license fee to the director before January 1 [ON OR BEFORE DECEMBER 31];

(3) a renewal application filed after December 31 is delinquent and must be accompanied by a $500 [$200] penalty fee;

(4) if December 31 falls on a weekend or a state holiday, the deadline is extended to the first business day following December 31.

* Sec. 13. AS 04.11.320 is amended to read:

Sec. 04.11.320. DENIAL OF NEW LICENSES AND PERMITS. (a) An application requesting issuance of a new license shall be denied if

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

(2) issuance of the license is prohibited by AS 04.11.390, relating to
residency, or AS 04.11.410, relating to location of premises near churches and schools;

(3) the application has not been completed in accordance with AS 04.11.260;

(4) issuance of the license would violate the restrictions pertaining to the particular license imposed under this title;

(5) issuance of the license is prohibited under this title as a result of an election conducted under AS 04.11.507 [IN ACCORDANCE WITH AS 04.11.502];

(6) the requirements of AS 04.11.420 - 04.11.450 relating to zoning, ownership and location of the license, and the identity and financing of a licensee have not been met;

(7) [THE LICENSED PREMISES ARE TO BE LOCATED IN A MUNICIPALITY, THE TYPE OF LICENSE SOUGHT IS A BEVERAGE DISPENSARY OR PACKAGE STORE LICENSE, AND THAT TYPE OF LICENSE IS ALREADY IN EFFECT IN THE MUNICIPALITY UNDER A COMMUNITY LIQUOR LICENSE, UNLESS THE NEW LICENSE IS TO BECOME EFFECTIVE AFTER THE COMMUNITY LIQUOR LICENSE IS NO LONGER EFFECTIVE, WHETHER AS THE RESULT OF A LOCAL OPTION ELECTION OR OTHERWISE;

(8) THE AUTHORITY SOUGHT IS AUTHORITY TO OPERATE A BEVERAGE DISPENSARY OR PACKAGE STORE UNDER A COMMUNITY LIQUOR LICENSE FOR PREMISES TO BE LOCATED IN A MUNICIPALITY WHERE THE AUTHORITY SOUGHT IS ALREADY HELD BY A PRIVATE LICENSEE UNDER A BEVERAGE DISPENSARY OR PACKAGE STORE LICENSE, UNLESS THE COMMUNITY LIQUOR LICENSE IS TO BECOME EFFECTIVE AFTER THE PRIVATELY HELD LICENSE IS NO LONGER EFFECTIVE, WHETHER AS THE RESULT OF A LOCAL OPTION ELECTION OR OTHERWISE;

(9)] issuance of the license is prohibited under AS 04.11.400(a) or prohibition of issuance of the license is found necessary under AS 04.11.400(b);

(8) [(10)] the application contains false statements of material fact;
(9) [(11)] the license is sought for the sale of alcoholic beverages in a first or second class city where there are no licensed premises at the time of application unless a majority of the voters have voted not to approve a local option to restrict or prohibit the sale of alcoholic beverages under AS 04.11.491, have voted to approve a local option to allow the type of premises under AS 04.11.491(a)(2) or (3), or have voted to remove a restriction or prohibition on the sale of alcoholic beverages under AS 04.11.495 [ELECTION CONDUCTED IN ACCORDANCE WITH AS 04.11.502 HAVE VOTED "NO" ON THE QUESTION SET OUT IN AS 04.11.490, OR HAVE VOTED "YES" ON A QUESTION SET OUT IN AS 04.11.492 OR 04.11.500]; or

(10) [(12)] the license is sought for the sale of alcoholic beverages in an established village where there are no licensed premises at the time of application unless a majority of the voters have voted not to approve a local option to restrict or prohibit the sale of alcoholic beverages under AS 04.11.491, have voted to approve a local option to allow the type of premises under AS 04.11.491(b)(2), or have voted to remove a restriction or prohibition on the sale of alcoholic beverages under AS 04.11.495 [ELECTION CONDUCTED IN ACCORDANCE WITH AS 04.11.502 HAVE VOTED "NO" ON THE QUESTION SET OUT IN AS 04.11.490 OR HAVE VOTED "YES" ON THE QUESTION SET OUT IN AS 04.11.500].

(b) An application requesting issuance of a new permit shall be denied if

(1) the board finds, after review of all relevant information, that issuance of the permit would not be in the best interests of the public;

(2) the board finds that any of the statements made in the application are untrue;

(3) the application has not been completed in accordance with AS 04.11.260; or

(4) the permit is sought for the sale of alcoholic beverages in a first or second class city or established village where there are no licensed premises at the time of application unless a majority of the voters have voted not to approve a local option to restrict or prohibit the sale of alcoholic beverages
under AS 04.11.491, have voted to approve a local option to allow the type of permit under AS 04.11.491(a)(2) or (b)(2), or have voted to remove a restriction or prohibition on the sale of alcoholic beverages under AS 04.11.495 [ELECTION CONDUCTED IN ACCORDANCE WITH AS 04.11.502 HAVE VOTED "NO" ON THE QUESTION SET OUT IN AS 04.11.490].

* Sec. 14. AS 04.11.330(a) is amended to read:

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

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

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

(3) the applicant has not operated the licensed premises for at least 30 eight-hour days during each of the two preceding calendar years, unless the board determines that the licensed premises are under construction or cannot be operated through no fault of the applicant;

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

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

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

(7) renewal of the license is prohibited under this title as a result of an election conducted under AS 04.11.507 [IN ACCORDANCE WITH AS 04.11.502];

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

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

* Sec. 15. AS 04.11.340 is amended to read:

Sec. 04.11.340. DENIAL OF REQUEST FOR RELOCATION. An application requesting approval for the relocation of licensed premises shall be denied if

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

(2) the relocation is prohibited under AS 04.11.400(a) or (b);

(3) the license would be relocated out of the established village, incorporated city, unified municipality, or population area established under AS 04.11.400(a) within which it is located;

(4) transfer of ownership is to be made concurrently with the relocation of the licensed premises and a ground for denial of the transfer of ownership under AS 04.11.360 is presented;

(5) the application has not been completed in accordance with AS 04.11.290;

(6) relocation of the license would result in violation of a local zoning law;

(7) relocation of the license would violate the restrictions pertaining to the particular license imposed by this title;

(8) relocation of the license is prohibited under this title as a result of an election conducted under AS 04.11.507 [IN ACCORDANCE WITH AS 04.11.502]; or

(9) [THE LICENSED PREMISES ARE TO BE LOCATED IN A MUNICIPALITY, THE TYPE OF LICENSE SOUGHT TO BE RELOCATED IS A BEVERAGE DISPENSARY OR PACKAGE STORE LICENSE, AND THAT TYPE OF LICENSE IS ALREADY IN EFFECT IN THE MUNICIPALITY UNDER A COMMUNITY LIQUOR LICENSE, UNLESS THE RELOCATION IS TO BECOME EFFECTIVE AFTER THE COMMUNITY LIQUOR LICENSE IS NO LONGER EFFECTIVE, WHETHER AS THE RESULT OF A LOCAL OPTION ELECTION OR OTHERWISE;

(10)] the license was issued under AS 04.11.400(d), (e), or (g).

* Sec. 16. AS 04.11.360 is amended to read:

Sec. 04.11.360. DENIAL OF TRANSFER OF A LICENSE TO ANOTHER PERSON. An application requesting approval of a transfer of a license to another person under this title shall be denied if

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

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

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

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

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

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

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

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

(7) transfer of the license to another person is prohibited under the provisions of this title as a result of an election conducted under AS 04.11.507 [IN ACCORDANCE WITH AS 04.11.502];

(8) the prospective transferee does not have the qualifications required under this title of an original applicant;

(9) [THE LICENSED PREMISES ARE LOCATED IN A MUNICIPALITY, THE TYPE OF LICENSE SOUGHT TO BE TRANSFERRED IS A BEVERAGE DISPENSARY OR PACKAGE STORE LICENSE, AND THAT TYPE OF LICENSE IS ALREADY IN EFFECT IN THE MUNICIPALITY UNDER A COMMUNITY LIQUOR LICENSE, UNLESS THE TRANSFER IS TO BECOME EFFECTIVE AFTER THE COMMUNITY LIQUOR LICENSE IS NO LONGER EFFECTIVE, WHETHER AS THE RESULT OF A LOCAL OPTION ELECTION OR OTHERWISE;]

(10) THE AUTHORITY SOUGHT IS AUTHORITY TO OPERATE
A BEVERAGE DISPENSARY OR PACKAGE STORE UNDER A COMMUNITY LIQUOR LICENSE FOR PREMISES TO BE LOCATED IN A MUNICIPALITY WHERE THE AUTHORITY SOUGHT IS ALREADY HELD BY A PRIVATE LICENSEE UNDER A BEVERAGE DISPENSARY OR PACKAGE STORE LICENSE, UNLESS THE TRANSFER IS TO BECOME EFFECTIVE AFTER THE PRIVATELY HELD LICENSE IS NO LONGER EFFECTIVE, WHETHER AS THE RESULT OF A LOCAL OPTION ELECTION OR OTHERWISE;

(11) the license was issued under AS 04.11.100(f) or 04.11.400(g); or
(10) AS 04.11.400(g);

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

* Sec. 17. AS 04.11.370 is amended to read:

Sec. 04.11.370. SUSPENSION AND REVOCATION OF LICENSES AND PERMITS. A license or permit shall be suspended or revoked if the board finds [THAT ONE OR MORE OF THE FOLLOWING GROUNDS EXISTS:]

(1) misrepresentation of a material fact on an application made under this title or a regulation adopted under this title [FOR A LICENSE OR PERMIT];

(2) continuation of the manufacture, sale, or service of alcoholic beverages by the licensee or permittee [ACTIVITIES AUTHORIZED UNDER A LICENSE OR PERMIT] would be contrary to the best interests of the public;

(3) failure on the part of the licensee to correct a defect [DEFECTS] that constitutes a violation [CONSTITUTE VIOLATIONS] of this title, a condition or restriction imposed by the board, a regulation [REGULATIONS] adopted under this title, or other laws [WITHIN A PRESCRIBED TIME] after receipt of notice issued by the board or its agent;

(4) conviction of a licensee of a violation of [A PROVISION OF] this title, a regulation adopted under this title, or an ordinance adopted under AS 04.21.010;

(5) conviction of an [THE] agent or employee of a licensee of a violation of this title, a regulation adopted under this title, or an ordinance adopted under AS 04.21.010, if the licensee is found by the board to have either knowingly
allowed the violation or to have recklessly or with criminal negligence failed to act in accordance with the duty prescribed under AS 04.21.030 with the result that the agent or employee violates a law, regulation, or ordinance;

(6) failure of the licensee to comply with the public health, fire, or safety laws and regulations [PERTAINING TO PUBLIC HEALTH] in the state;

(7) use of the licensed premises as a resort for illegal possessors or users of narcotics, prostitutes, or promoters of prostitution; in addition to any other legally competent evidence, the character of the premises may be proved by the general reputation of the premises in the community as a resort for illegal possessors or users of narcotics, prostitutes, or promoters of prostitution;

(8) occurrence of illegal gambling within the limits of the licensed premises;

(9) the licensee permitted a [PERMITTING ANY] public offense involving moral turpitude to occur on the licensed premises;

(10) violation by a licensee of this title, a condition or restriction imposed by the board, a regulation adopted under this title, or an ordinance adopted under AS 04.21.010; or

(11) violation by an agent or employee of a licensee of a provision of this title, a condition or restriction imposed by the board, a regulation adopted under this title, or an ordinance adopted under AS 04.21.010, if the licensee is found by the board to have either knowingly allowed the violation or to have recklessly or with criminal negligence failed to act in accordance with the duty prescribed under AS 04.21.030 with the result that the agent or employee violates the law, condition or restriction, regulation, or ordinance.

* Sec. 18. AS 04.11.370 is amended by adding new subsections to read:

(b) If the board finds that a licensee or permittee has been convicted of a violation of a criminal law related to gambling under AS 11.66.200 - 11.66.280, the board shall suspend the license or permit for a period of at least six months if the offense is the person's first conviction or violation and shall revoke the license or permit if the offense is the person's second or subsequent conviction or violation.

(c) If the board receives notice from the Department of Revenue that a licensee
or permittee has violated a provision of AS 05.15 related to gambling, the board

(1) may suspend the license or permit; and

(2) shall suspend the license or permit for a period of at least 30 days

if the offense is the person's second or subsequent violation of AS 05.15 related to gambling.

* Sec. 19. AS 04.11 is amended by adding a new section to read:

Sec. 04.11.395. BOARD IMPOSED CONDITIONS OR RESTRICTIONS.

The board may, in the best interests of the public, impose conditions or restrictions on a license or permit issued under this chapter.

* Sec. 20. AS 04.11.400(a) is amended to read:

(a) Except as provided in (d) - (h) of this section, a new license may not be issued and the board may prohibit relocation of an existing license

(1) outside an established village, incorporated city, unified municipality, or organized borough if after the issuance or relocation there would be

(\text{A}) more than one restaurant or eating place license for each 1,500 population or fraction of that [1,500] population; or

(\text{B}) more than one license of each other type, including licenses that have been issued under (d) or (e) of this section, for each 3,000 population or fraction of that [3,000] population in a radius of five miles of the licensed premises [OR LOCATION OF PREMISES SOUGHT TO BE LICENSED], excluding the populations of established villages, incorporated cities, unified municipalities, and organized boroughs that are wholly or partly included within the radius;

(2) inside an established village, incorporated city, or unified municipality if after the issuance or relocation there would be inside the established village, incorporated city, or unified municipality

(\text{A}) more than one restaurant or eating place license for each 1,500 population or fraction of that [1,500] population; or

(\text{B}) more than one license of each other type, including licenses that have been issued under (d) or (e) of this section, for each 3,000 population or fraction of that [3,000] population [INSIDE THE ESTABLISHED VILLAGE, INCORPORATED CITY, OR UNIFIED MUNICIPALITY];
(3) inside an organized borough but outside an established village or incorporated city located within the borough, if after the issuance or relocation there would be inside the borough, but outside the established villages and incorporated cities located within the borough,

(A) more than one restaurant or eating place license for each 1,500 population or fraction of that [1,500] population; or

(B) more than one license of each other type, including licenses that have been issued under (d) or (e) of this section, for each 3,000 population or fraction of that [3,000] population [INSIDE THE BOROUGH,] excluding the population of those established villages that have adopted a local option under AS 04.11.491(b)(1), (3), or (4) [CONDUCTED AN ELECTION ON A QUESTION SET OUT IN AS 04.11.490, 04.11.496, OR 04.11.500], and excluding the population of incorporated cities located within the organized borough.

* Sec. 21. AS 04.11.480(a) is amended to read:

(a) A [IF A] local governing body may [WISHES TO] protest the issuance, renewal, relocation, [TRANSFER OF LOCATION,] or transfer to another person of a license by sending [, IT SHALL FURNISH] the board and the applicant [WITH] a protest and the reasons for the protest within 60 [30] days of receipt from the board of notice of filing of the application. A protest received after the 60-day period may not be accepted by the board, and in no event may a protest cause the board to reconsider an approved renewal, relocation, or transfer. The local governing body may protest the continued operation of a license during the second year of the biennial license period by sending the board and the licensee a protest and the reasons for the protest by January 31 of the second year of the license. The procedures for action on a protest of continued operation of a license are the same as the procedures for action on a protest of a renewal application. The board shall consider a protest and testimony received at a hearing conducted under AS 04.11.510(b)(2) or (4) when it considers the application or continued operation, and the protest and the record of the hearing conducted under AS 04.11.510(b)(2) or (4) shall be kept [RETAINED] as part of the board's permanent record of its review
[OF THE APPLICATION]. If an application or continued operation is protested, the board shall deny [MAY NOT APPROVE] the application or continued operation unless the board finds that the protest is arbitrary, capricious, and unreasonable.

*Sec. 22. AS 04.11 is amended by adding a new section to read:

Sec. 04.11.491. LOCAL OPTIONS. (a) If a majority of the persons voting on the question vote to approve the option, a municipality shall adopt a local option to prohibit

(1) the sale of alcoholic beverages;

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

   (A) a restaurant or eating place licensee;
   (B) a beverage dispensary licensee;
   (C) a package store licensee; or
   (D) a caterer holding a permit under AS 04.11.230 to sell alcoholic beverages at a site within the municipality who is also licensed under a beverage dispensary license for premises outside of the municipality;

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

   (A) a restaurant or eating place license;
   (B) a beverage dispensary license; or
   (C) a package store license;

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

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

(1) the sale of alcoholic beverages;

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

   (A) a restaurant or eating place licensee;
   (B) a beverage dispensary licensee;
(C) a package store licensee; or
  (D) a caterer holding a permit under AS 04.11.230 to sell
      alcoholic beverages at a site within the established village who is also licensed
      under a beverage dispensary license for premises outside of the established
      village;

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

(c) A ballot question to adopt a local option under this section must at least
contain language substantially similar to: "Shall (name of municipality or village)
adopt a local option to prohibit (local option under (a) or (b) of this section)? (yes or
no)."

(d) The ballot for an election on the option set out in (a)(2)(A), (a)(3)(A), or
(b)(2)(A) of this section must include a summary explanation of the authority to sell
alcoholic beverages given to a restaurant or eating place under AS 04.11.100(a). The
ballot for an election on the option set out in (a)(2)(B) or (D), (a)(3)(B), or (b)(2)(B)
or (D) of this section must include a statement that a beverage dispensary license is
commonly known as a "bar" and a summary explanation of the authority to sell
alcoholic beverages given to a beverage dispensary licensee under AS 04.11.090(a).
The ballot for an election on the option set out in (a)(2)(C), (a)(3)(C), or (b)(2)(C) of
this section must include a statement that a package store license is commonly known
as a "liquor store" and a summary explanation of the authority to sell alcoholic
beverages given to a package store licensee under AS 04.11.150(a).

(e) If a municipality dissolves under AS 29.06.450(a) or (b), a local option
adopted by the municipality under (a) of this section shall continue in effect as the
corresponding local option under (b) of this section for an established village having
the same perimeter as the previous boundaries of the municipality. A license for
premises operated by the municipality under AS 04.11.505 expires when the
municipality dissolves.

(f) A municipality or established village that has adopted a local option under
(a)(1), (2), or (3) or (b)(1) or (2) of this section may designate a site for the delivery
of alcoholic beverages to individuals in the area or a site for a person to bring
alcoholic beverages if the alcoholic beverages are imported into the area. This subsection does not apply to the delivery or importation of

(1) one liter or less of distilled spirits, two liters or less of wine, or one gallon or less of malt beverages; or

(2) alcoholic beverages to a premises licensed under (a)(2) - (3) or (b)(2) of this section.

* Sec. 23. AS 04.11 is amended by adding new sections to read:

Sec. 04.11.493. CHANGE OF LOCAL OPTION. (a) If a majority of persons voting on the question vote to approve a different local option, a municipality or established village shall change a local option previously adopted under AS 04.11.491 to the different approved option.

(b) A ballot question to change a local option under this section must at least contain language substantially similar to: "Shall (name of municipality or village) change the local option currently in effect, that prohibits (current local option under AS 04.11.491), and adopt in its place a local option to prohibit (proposed local option under AS 04.11.491)? (yes or no)."

Sec. 04.11.495. REMOVAL OF LOCAL OPTION. (a) If a majority of the persons voting on the question vote to remove the option, a municipality or established village shall remove a local option previously adopted under AS 04.11.491. The option is repealed effective the first day of the month following certification of the results of the election.

(b) A ballot question to remove a local option under this section must at least contain language substantially similar to: "Shall (name of municipality or village) remove the local option currently in effect, that prohibits (current local option under AS 04.11.491), so that there is no longer any local option in effect? (yes or no)."

(c) When issuing a license in the area that has removed a local option, the board shall give priority to an applicant who was formerly licensed and whose license was not renewed because of the results of the previous local option election. However, an applicant described in this subsection does not have a legal right to a license and the board is not required to approve the application.

* Sec. 24. AS 04.11 is amended by adding a new section to read:
Sec. 04.11.497. EFFECT ON LICENSES OF PROHIBITION OF SALE. If a majority of voters vote to prohibit the sale of alcoholic beverages under AS 04.11.491(a)(1), (a)(4) or (5), (b)(1), or (b)(3) or (4), the board may not issue, renew, or transfer, between persons or locations, a license for premises located within the boundaries of the municipality and in unincorporated areas within five miles of the boundaries of the municipality or within the perimeter of the established village. A license that may not be renewed because of a local option election held under this section is void 90 days after the results of the election are certified. A license that expires during the 90 days after the results of a local option election are certified may be extended, until it is void under this section, by payment of a prorated portion of the biennial license fee.

* Sec. 25. AS 04.11 is amended by adding a new section to read:

Sec. 04.11.499. PROHIBITION OF IMPORTATION AFTER ELECTION. If a majority of the voters vote to prohibit the importation of alcoholic beverages under AS 04.11.491(a)(4) or (5) or (b)(3) or (4), a person, beginning on the first day of the month following certification of the results of the election, may not knowingly send, transport, or bring an alcoholic beverage into the municipality or established village, unless the alcoholic beverage is sacramental wine to be used for bona fide religious purposes based on tenets or teachings of a church or religious body, is limited in quantity to the amount necessary for religious purposes, and is dispensed only for religious purposes by a person authorized by the church or religious body to dispense the sacramental wine.

* Sec. 26. AS 04.11 is amended by adding a new section to read:

Sec. 04.11.501. PROHIBITION OF POSSESSION AFTER ELECTION. (a) If a majority of the voters vote to prohibit the possession of alcoholic beverages under AS 04.11.491(a)(5) or (b)(4), a person may not knowingly possess an alcoholic beverage in the municipality or established village, unless the alcoholic beverage is sacramental wine to be used for bona fide religious purposes based on tenets or teachings of a church or religious body, is limited in quantity to the amount necessary for religious purposes, and is dispensed only for religious purposes, by a person recognized by the church or religious body as authorized to dispense the wine.
(b) If there are licensed premises within the municipality or established village, the prohibition on possession is effective beginning 90 days after the results of the election are certified. If there are no licensed premises within the municipality or established village, the prohibition on possession is effective beginning 60 days after the results of the election are certified.

(c) Upon the adoption by a municipality of a local option under AS 04.11.491(a)(5), an ordinance is adopted containing the provisions of this section.

(d) In this section, "possession" means having physical possession of or exercising dominion or control over an alcoholic beverage, but does not include having an alcoholic beverage within the digestive system of a person.

* Sec. 27. AS 04.11 is amended by adding a new section to read:

Sec. 04.11.503. EFFECT ON LICENSES OF RESTRICTION ON SALE. If a majority of the voters vote under AS 04.11.491(a)(2) or (b)(2) to prohibit sale of alcoholic beverages except by the type or types of licensees or permit holders listed on the ballot, the board may not issue, renew, or transfer between persons or locations a license for premises located within the boundaries of the municipality and in unincorporated areas within five miles of the boundaries of the municipality or within the perimeter of the established village, except the type or types of licenses listed on the ballot. A license in effect within the boundaries of the municipality or perimeter of the established village, and in unincorporated areas within five miles of the boundaries of the municipality, except the type of license listed on the ballot, is void 90 days after the results of the election are certified. A license that expires during the 90 days after the results of a local option election are certified may be extended, until it is void under this section, by payment of a prorated portion of the biennial license fee.

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

Sec. 04.11.505. LICENSING AFTER PROHIBITION ON SALE EXCEPT IN PREMISES OPERATED BY MUNICIPALITY. (a) If a majority of the voters vote under AS 04.11.491(a)(3) to prohibit the sale of alcoholic beverages except on premises operated by the municipality, the board may not issue, renew, or transfer between persons or locations a license for premises located within the boundaries of
a municipality and in unincorporated areas within five miles of the boundaries of the
municipality, with the exception of the type of license listed on the ballot and operated
under a license held by the municipality. A license in effect is void 90 days after the
results of the election are certified. A license that expires during the 90 days after the
results of a local option election are certified may be extended, until it is void under
this subsection, by payment of a prorated portion of the biennial license fee.

(b) The local governing body of a municipality shall apply for a license to
operate the type of licensed premises listed on the ballot under AS 04.11.491(a)(3) and
approved by a majority of the voters. The municipality shall operate the premises
subject to the conditions and fees applicable to the type of license. Nothing in this
section precludes a municipality from applying to be a licensee under other provisions
of this title.

* Sec. 29. AS 04.11 is amended by adding new sections to read:

Sec. 04.11.507. PROCEDURE FOR LOCAL OPTION ELECTIONS. (a)
Elections to adopt a local option under AS 04.11.491, change a local option under
AS 04.11.493, or remove a local option under AS 04.11.495, shall be conducted as
required in this section.

(b) Upon receipt of a petition of a number of registered voters equal to 35
percent or more of the number of votes cast at the last regular municipal election, the
local governing body of a municipality shall place upon a separate ballot at the next
regular election, or at a special election, whichever local option, change in local option,
or removal of local option constitutes the subject of the petition. The local governing
body shall conduct the election under the election ordinance of the municipality.

(c) Upon receipt of a petition of 35 percent or more of the registered voters
residing within an established village, the lieutenant governor shall place upon a
separate ballot at a special election the local option, change in local option, or removal
of local option that constitutes the subject of the petition. The lieutenant governor
shall conduct the election under AS 15.

(d) A petition filed with the local governing body of a municipality under (b)
of this section, that places on the ballot the option set out in AS 04.11.491(a)(5),
constitutes a proposed ordinance of the municipality.
(e) AS 29.26.110 - 29.26.160 apply to a petition under (b) of this section in
a general law municipality except the

(1) number of required signatures is determined under (b) of this
section rather than under AS 29.26.130;

(2) application filed under AS 29.26.110 must at least contain language
substantially similar to the questions set out under AS 04.11.491 - 04.11.495 rather
than containing an ordinance or resolution;

(3) petition must at least contain language substantially similar to the
questions set out under AS 04.11.491 - 04.11.495 rather than material required under
AS 29.26.120(a)(1) and (2).

(f) Notwithstanding any other provisions of law, an election under (b) or (c)
of this section to remove a local option or to change to a less restrictive option than
the local option previously adopted under AS 04.11.491 may not be conducted during
the first 12 months after the local option was adopted or more than once in an
18-month period.

(g) Notwithstanding AS 29.26.140(a), after a petition has been certified as
sufficient to meet the requirements of (b) or (c) of this section, another petition may
not be filed or certified until after the question presented in the first petition has been
voted on. Only one local option question may be presented in an election.

Sec. 04.11.509. NOTICE OF THE RESULTS OF A LOCAL OPTION
ELECTION. (a) If a majority of the voters vote to prohibit, change, or remove a
local option under AS 04.11.491 - 04.11.495, the clerk of the municipality, or, if the
election is in an established village, the lieutenant governor shall notify the board of
the results of the election immediately after the results are certified. The board shall
immediately notify the Department of Law and the Department of Public Safety of the
results of the election.

(b) If a majority of the voters vote to prohibit the importation or possession
of alcoholic beverages under AS 04.11.491(a)(4) or (5) or (b)(3) or (4), the following
actions in addition to those prescribed in (a) of this section shall be taken before the
date the prohibition becomes effective:

(1) the board shall notify, by certified mail, all package store licensees
who sell alcoholic beverages in response to a written solicitation of the local option; and

(2) the municipality or established village shall post public notice of the prohibition in a central location in the municipality or village.

* Sec. 30. AS 04.11.540 is amended to read:

Sec. 04.11.540. LICENSE RENEWAL AND EXPIRATION. Notwithstanding AS 04.11.680, an application for renewal of a license issued for the two calendar years [YEAR] ending December 31 or of a seasonal license issued for parts of those calendar years [A SIX-MONTH PERIOD ENDING IN THE PREVIOUS YEAR] may be submitted up until the next February 28 [, BUT THE AUTHORITY GRANTED UNDER THE LICENSE MAY NOT BE EXERCISED UNTIL THE LICENSE IS RENEWED]. If a complete [THE] application for renewal has [AND APPLICABLE AFFIDAVITS HAVE] not been filed by February 28 or the required fees and the penalty fees have not been paid by that date, the license expires at 12:00 midnight February 28. A new license may not be issued to the holder of an expired license for the same premises except on proof satisfactory to the board of good cause for the failure to file and pay.

* Sec. 31. AS 04.11.680(a) is amended to read:

(a) Upon application and payment of one-half [ONE-QUARTER] of the biennial fee, the board may issue a seasonal license under this title that is [WILL BE] effective for the intervals stated on the license. A seasonal license may not be effective for more than 12 months in a two-year period [A CONTINUOUS SIX-MONTH PERIOD]. Otherwise, all licenses issued under this title other than a retail stock sale license are effective for the two calendar years ending December 31, unless a shorter period is prescribed by the board or by law.

* Sec. 32. AS 04.16 is amended by adding a new section to read:

Sec. 04.16.025. ILLEGAL PRESENCE ON PREMISES INVOLVING ALCOHOLIC BEVERAGES. (a) A person may not knowingly enter or remain on premises

(1) in which alcoholic beverages are manufactured, sold, offered for sale, possessed for sale or barter, trafficked in, or bartered in violation of
(A) AS 04.11.010; or

(B) a municipal ordinance adopted under AS 04.21.010(a) or

(b); or

(2) licensed under this title during hours in which the person's presence

on the premises is a violation of a municipal ordinance adopted under authority of

AS 04.16.010(d) providing for hours of closure that are outside the hours of closure

prescribed by AS 04.16.010(c).

(b) A person who violates this section is guilty of a violation.

* Sec. 33. AS 04.16.110 is repealed and reenacted to read:

Sec. 04.16.110. SALE OF CERTAIN ALCOHOLIC BEVERAGES

PROHIBITED. A person may not sell an alcoholic beverage if it

(1) is intended for human consumption and is in powdered form; or

(2) contains more than 76 percent alcohol by volume.

* Sec. 34. AS 04.16.125(a) is amended to read:

(a) A person may not use a common carrier to transport alcoholic beverages

into an area that has restricted the sale of alcoholic beverages under

AS 04.11.491(a)(1), (2), or (3) or (b)(1) or (2) [AS 04.11.490, 04.11.492, OR

04.11.500] unless

(1) the shipping container holding the alcoholic beverages is clearly

labeled as containing alcoholic beverages with letters that contrast in color to the

shipping container and that are at least two inches in height; and

(2) an itemized invoice showing the quantity and purchase value of

distilled spirits, of wine, and of malt [THE ALCOHOLIC] beverages is attached to

the outside of the shipping container.

* Sec. 35. AS 04.16.125(b) is amended to read:

(b) This section does not apply to

(1) a person transporting not more than

(A) two liters of wine;

(B) one gallon of [OR] malt beverages; or

(C) [NOT MORE THAN] one liter of distilled spirits; or

(2) the transportation of alcoholic beverages for use on premises
allowed under AS 04.11.491(a)(2) - (3) or (b)(2) or for use under a permit allowed under AS 04.11.491(a)(2).

* Sec. 36. AS 04.16.180(a) is amended to read:

(a) Except as provided in AS 04.11.015, AS 04.16.025, 04.16.051 [AS 04.16.051], 04.16.200 - 04.16.210, and AS 04.21.065, a person who violates a provision of this title or a regulation adopted by the board is guilty, upon conviction, of a class A misdemeanor. Each violation is a separate offense.

* Sec. 37. AS 04.16.200(b) is amended to read:

(b) A person who violates AS 04.11.010 in an area that has adopted under AS 04.11.491 [ELECTION HAVE, UNDER AS 04.11.490 - 04.11.500, PROHIBITED THE BOARD FROM ISSUING, RENEWING, OR TRANSFerring ONE OR MORE TYPES OF LICENSES OR PERMITS UNDER THIS TITLE IN THE AREA] is, upon conviction, guilty of a class C felony.

* Sec. 38. AS 04.16.200(e) is amended to read:

(e) A person who sends, transports, or brings alcoholic beverages into a municipality or established village in violation of AS 04.11.499 [AS 04.11.496] is, upon conviction,

(1) guilty of a class A misdemeanor if the quantity imported is less than 12 liters of distilled spirits, 24 liters of wine, or 12 gallons [45 LITERS] of malt beverages; or

(2) guilty of a class C felony if the quantity imported is 12 liters or more of distilled spirits, 24 liters or more of wine, or 12 gallons [45 LITERS] or more of malt beverages.

* Sec. 39. AS 04.16.205(a) is amended to read:

(a) A person who possesses alcoholic beverages in a municipality or established village in violation of AS 04.11.501 [AS 04.11.498] or an ordinance adopted under AS 04.11.501 [AS 04.11.498] may, upon conviction, be punished by a fine not to exceed $1,000 and shall forfeit the seized alcoholic beverages. When a peace officer stops or contacts a person concerning a violation of AS 04.11.501 [AS 04.11.498] or an ordinance adopted [ENACTED] under AS 04.11.501 [AS 04.11.498]
[AS 04.11.498], the peace officer shall seize the alcoholic beverages and may [, IN THE OFFICER’S DISCRETION,] issue a citation to the person as provided in AS 12.25.180.

* Sec. 40. AS 04.16.205(b) is amended to read:

(b) A person cited for a violation of AS 04.11.501 [AS 04.11.498] or an ordinance adopted under AS 04.11.501 [AS 04.11.498] for which a bail amount has been established under (c) of this section may, within 30 days after the date the citation is issued,

(1) mail or personally deliver to the clerk of the court in which the citation is filed by the peace officer the amount of bail indicated on the citation and a copy of the citation indicating that the right to an appearance is waived, a plea of no contest is entered, and the bail and all alcoholic beverages seized are forfeited; or

(2) perform community work in lieu of payment of the fine or a portion of the fine as provided in (d) of this section.

* Sec. 41. AS 04.16.205(c) is amended to read:

(c) The supreme court shall establish by rule or order a schedule of bail amounts that may be forfeited without a court appearance for a violation of AS 04.11.501 [AS 04.11.498] or an ordinance adopted under AS 04.11.501 [AS 04.11.498]. In establishing the bail schedule the supreme court may consider the quantity of alcoholic beverages possessed and the number of prior violations of the person cited. Before establishing or amending the schedule of bail amounts required by this subsection, the supreme court shall appoint and consult with an advisory committee consisting of the following seven persons: one superior court judge, one magistrate from each judicial district in the state, a representative of the Department of Law, and a representative of the Public Defender Agency. The maximum bail amount may not exceed $1,000, and the issuing officer shall write on the citation the amount of bail applicable to the violation.

* Sec. 42. AS 04.16.205(d) is amended to read:

(d) Community work shall be performed at the direction of the local governing body of the municipality or the local governing body of the established village. In the absence of a local governing body for an established village, community work
shall be performed at the direction of the body that has traditionally performed public functions on behalf of the entire community. The value of community work in lieu of a fine is $5.00 per hour. When the community work is completed, the person cited for the violation shall mail or personally deliver to the clerk of the court in which the citation is filed by the peace officer

(1) a form, prescribed by the administrative director of the Alaska Court System, indicating completion of the community work; and

(2) a copy of the citation, indicating that the right to an appearance is waived, a plea of no contest is entered, and that the bail is forfeited or community work has been performed and that all alcoholic beverages seized are forfeited.

* Sec. 43. AS 04.16.205(g) is amended to read:

(g) Notwithstanding other provisions of law, if a person cited for a violation of AS 04.11.501 [AS 04.11.498] or an ordinance adopted under AS 04.11.501 [AS 04.11.498] for which a bail amount has been established under (c) of this section appears in court and is found guilty, the penalty that is imposed for the offense may not exceed the bail amount for that offense established under (c) of this section.

* Sec. 44. AS 04.16.205(h) is amended to read:

(h) A violation of AS 04.11.501 [AS 04.11.498] or an ordinance adopted under AS 04.11.501 [AS 04.11.498] may not be considered a criminal offense and may not result in imprisonment, nor is a fine imposed for a violation considered criminal punishment. A person cited for a violation does not have a right to a jury trial or court appointed counsel.

* Sec. 45. AS 04.16.220(a) is amended to read:

(a) The following are subject to forfeiture:

(1) alcoholic beverages manufactured, sold, offered for sale or possessed for sale, bartered or exchanged for goods and services in this state in violation of AS 04.11.010; alcoholic beverages possessed, stocked, warehoused, or otherwise stored in violation of AS 04.21.060; alcoholic beverages sold, or offered for sale in violation [IN AN AREA WHERE THE RESULTS] of a local option adopted under AS 04.11.491 [ELECTION HAVE, UNDER AS 04.11.490 - 04.11.500, PROHIBITED THE POSSESSION OF ALCOHOLIC BEVERAGES OR
PROHIBITED THE BOARD FROM ISSUING, RENEWING, OR TRANSFERRING
ONE OR MORE LICENSES OR PERMITS UNDER THIS TITLE IN THE AREA];
alcoholic beverages transported into the state and sold to persons not licensed under
this chapter in violation of AS 04.16.170(b);

(2) materials and equipment used in the manufacture, sale, offering for
sale, possession for sale, barter or exchange of alcoholic beverages for goods and
services in this state in violation of AS 04.11.010; materials and equipment used in the
stocking, warehousing, or storage of alcoholic beverages in violation of AS 04.21.060;
materials and equipment used in the sale or offering for sale of an alcoholic beverage
in an area **in violation** [WHERE THE RESULTS] of a local option **adopted under**
**AS** **04.11.491** [ELECTION HAVE, UNDER AS 04.11.490 - 04.11.500, PROHIBITED
THE BOARD FROM ISSUING, RENEWING, OR TRANSFERRING ONE OR
MORE LICENSES OR PERMITS UNDER THIS TITLE IN THE AREA];

(3) aircraft, vehicles, or vessels used to transport, or facilitate the
transportation of

(A) alcoholic beverages manufactured, sold, offered for sale or
possessed for sale, bartered or exchanged for goods and services in this state
in violation of AS 04.11.010;

(B) property stocked, warehoused, or otherwise stored in
violation of AS 04.21.060;

(C) alcoholic beverages imported into a municipality or
established village in violation of **AS** **04.11.499** [AS 04.11.496];

(4) alcoholic beverages found on licensed premises that do not bear
federal excise stamps if excise stamps are required under federal law;

(5) alcoholic beverages, materials or equipment used in violation of
**AS** **04.16.175**.

*Sec. 46.* **AS** **04.16.220**(b) is amended to read:

(b) Property subject to forfeiture under this section may be actually or
constructively seized under an order issued by the superior court upon a showing of
probable cause that the property is subject to forfeiture under this section. Constructive
seizure is effected upon posting a signed notice of seizure on the item to be forfeited,
stating the violation and the date and place of seizure. Seizure without a court order may be made if

1. the seizure is incident to a valid arrest or search;
2. the property subject to seizure is the subject of a prior judgment in favor of the state; or
3. there is probable cause to believe that the property is subject to forfeiture under (a) of this section; except for alcoholic beverages possessed on violation of AS 04.11.501 (AS 04.11.498) or an ordinance adopted under AS 04.11.501 (AS 04.11.498), property seized under this paragraph may not be held over 48 hours or until an order of forfeiture is issued by the court, whichever is earlier.

* Sec. 47. AS 04.16.220(d) is amended to read:

(d) Property subject to forfeiture under (a) of this section may be forfeited

1. upon conviction of a person for a violation of AS 04.11.010, 04.11.499, 04.11.496(b), or AS 04.21.060, or
2. upon judgment by the superior court in a proceeding in rem that the property was used in a manner subjecting it to forfeiture under (a) of this section.

* Sec. 48. AS 04.16.220(g) is amended to read:

(g) It is no defense in an in rem forfeiture proceeding brought under (d)(2) of this section that a criminal proceeding is pending or has resulted in conviction or acquittal of a person charged with violating AS 04.11.010, 04.11.499, or AS 04.21.060.

* Sec. 49. AS 04.16.220(h) is amended to read:

(h) Alcoholic beverages forfeited under (d) of this section shall be placed in the custody of a peace officer of the state and destroyed no later than 30 days after forfeiture. All other property forfeited under this section shall be placed in the custody of the commissioner of public safety for disposition according to an order entered by the court. The court shall order destroyed any property forfeited under this section that is harmful to the public and shall order any property forfeited under this section that was seized in a municipality to be transferred to the municipality in which
the property was seized. Other property shall be ordered sold and the proceeds used for payment of expenses of the proceedings for forfeiture and sale, including expenses of seizure, custody, and court costs. The remainder of the proceeds shall be deposited in the general fund.

* Sec. 50. AS 04.21.010(a) is amended to read:

(a) A municipality may adopt ordinances governing the importation, barter, sale, and consumption of alcoholic beverages within the municipality and may ban possession of alcoholic beverages under AS 04.11.491(a)(5) [AS 04.11.498(d) OR (e)]. An ordinance adopted under this section may not be inconsistent with this title or regulations adopted under this title. In a municipality that has adopted a local option under AS 04.11.491(a)(1), (2), or (3), an ordinance is not inconsistent with this title if it limits

(1) the monthly amounts of alcoholic beverages a person may import into the municipality;

(2) the percent of alcohol by volume that an alcoholic beverage may contain; a limit imposed under this paragraph may not be less than 40 nor more than 76 percent alcohol by volume; or

(3) the type of alcoholic beverage container that may be possessed in the municipality.

* Sec. 51. AS 04.21.010(b) is amended to read:

(b) After the adoption of a local option under AS 04.11.491(a), a [IF, AS A RESULT OF AN ELECTION HELD IN ACCORDANCE WITH AS 04.11.502 IN A MUNICIPALITY, THE BOARD IS PROHIBITED FROM ISSUING, RENEWING, OR TRANSFERRING A LICENSE BETWEEN HOLDERS OR LOCATIONS OR IF THE IMPORTATION OF ALCOHOLIC BEVERAGES IS PROHIBITED IN THE MUNICIPALITY, THE] municipality may adopt an ordinance making the sale, importation, or possession of alcoholic beverages a misdemeanor to the extent prohibited under the local option. The ordinance may not be inconsistent with this title or the regulations adopted under this title.

* Sec. 52. AS 04.21.010(c) is amended to read:

(c) A municipality may not impose taxes on alcoholic beverages except a
(1) property tax on alcoholic beverage inventories;
(2) sales tax on alcoholic beverage sales if sales taxes are imposed on
other sales within the municipality;
(3) sales tax on alcoholic beverage sales that was in effect before
July 1, 1985; and
(4) sales and use tax on alcoholic beverages if the sale of alcoholic
beverages within the municipality has been prohibited under AS 04.11.491(a),(1), (4),
or (5) [AS 04.11.490].

* Sec. 53. AS 04.21.015(b) is amended to read:

(b) This section does not apply to AS 04.16.050, 04.16.051, 04.16.080;
AS 04.21.010, 04.21.020; alcoholic beverages manufactured in a quantity that exceeds
the limit imposed on private manufacture under federal law; or an area that has
adopted a local option law under AS 04.11.491 [AS 04.11.490 - 04.11.500].

* Sec. 54. AS 04.21.025(a) is amended to read:

(a) As a condition of issuance or renewal of a license and selling alcoholic
beverages under a license, the board shall require a licensee who sells or serves
alcoholic beverages and a licensee's agents and employees who sell or serve alcoholic
beverages or check the identification of a patron to complete an alcohol server
education course approved by the board, if the license is for a

(1) beverage dispensary;
(2) restaurant or eating place;
(3) club;
(4) package store;
(5) [COMMON CARRIER DISPENSARY;
(6)] recreational site;
(6) [(7)] COMMUNITY;
(8)] pub;
(7) [(9)] conditional contractor.

* Sec. 55. AS 04.21.025 is amended by adding a new subsection to read:

(e) A person licensed as a common carrier dispensary shall train agents and
employees who sell or serve alcoholic beverages or who check the identification of a
patron on provisions of state law regarding sale of alcoholic beverages, including AS 04.16.015, 04.16.020, 04.16.030, 04.16.051, 04.16.052, 04.16.120, 04.16.125, AS 04.21.030, and 04.21.050. The training must include the subjects of the effects of alcohol consumption, identifying a drunken person, determining valid identification, intervention to prevent unlawful alcohol consumption, and penalties for unlawful acts by agents and employees of licensees. A common carrier licensee shall, once every three years, provide the board with a description of its training program including the subjects taught, teaching method, and testing required.

* Sec. 56. AS 04.21.065(a) is amended to read:

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

(1) beverage dispensary license;
(2) restaurant or eating place license;
(3) club license;
(4) brewery license; this paragraph applies only to a brewery that permits a person to sample portions of the brewery's product;
(5) package store license;
(6) common carrier dispensary license;
(7) recreational site license;
(8) [COMMUNITY LIQUOR LICENSE;
(9) pub license;
(9) [(10)] winery license; this paragraph applies only to a winery that permits a person to sample portions of the winery's product;
(10) [(11)] caterer's permit;
(11) [(12)] special events permit;
(12) [(13)] conditional contractor's permit;
(13) [(14)] another license or permit issued by the board authorizing consumption of alcoholic beverages.

* Sec. 57. AS 04.21.080(b)(1) is amended to read:

(1) "alcoholic beverage" means a spirituous, vinous, malt, or other
fermented or distilled liquid, whatever the origin, that is intended for human consumption as a beverage and that contains one-half of one percent or more of alcohol by volume, whether produced commercially or privately; however, in an area that has adopted a local option under AS 04.11.491 [LOCAL-OPTION PROHIBITION UNDER AS 04.11.490 - 04.11.500], "alcoholic beverage" means a spirituous, vinous, malt, or other fermented or distilled liquid, whatever the origin, that is intended for human consumption as a beverage by the person who possesses or attempts to possess it and that contains alcohol in any amount if the liquid is produced privately, or that contains one-half of one percent or more of alcohol by volume, if the liquid is produced commercially;

* Sec. 58. AS 04.21.080(b)(9) is amended to read:

(9) "established village" means an area that does not contain any part of an incorporated city or another established village and that is

(A) an unincorporated community that is in the unorganized borough and that has 25 or more permanent residents; or

(B) an unincorporated community that is in an organized borough, has 25 or more permanent residents, and

(i) is on a road system and is located more than 50 miles outside the boundary limits of a unified municipality, or

(ii) is not on a road system and is located more than 15 miles outside the boundary limits of a unified municipality;

* Sec. 59. AS 05.15 is amended by adding a new section to article 1 to read:

Sec. 05.15.097. NOTICE TO THE ALCOHOLIC BEVERAGE CONTROL BOARD. If, after notice and hearing, the department determines that a person has violated a provision of this chapter related to gambling and the person is a licensee or permittee under AS 04, the department shall provide notice of the violation to the Alcoholic Beverage Control Board.

* Sec. 60. AS 15.07.064(g) is amended to read:

(g) In this section, "established village" means an unincorporated community that is in

(A) the unorganized borough and that has 25 or more
permanent residents; or

(B) an organized borough, has 25 or more permanent
residents, and

(i) is on a road system and is located more than 50
miles outside the boundary limits of a unified municipality, or

(ii) is not on a road system and is located more than
15 miles outside the boundary limits of a unified municipality

[HAS THE MEANING GIVEN IN AS 04.21.080].

* Sec. 61. AS 18.65.085(a) is amended to read:

(a) There is established in the Department of Public Safety, division of state
troopers, a narcotic drugs and alcohol enforcement unit for the purpose of investigating
and combating the illicit sale and distribution of narcotic drugs and alcoholic beverages
in the state. Enforcement of the alcoholic beverage control laws shall focus primarily
on the investigation, apprehension, and conviction of persons who violate
AS 04.11.010 by selling, importing, or possessing alcoholic beverages in violation of
a local option [AN ORDINANCE] adopted by a municipality or established village
under AS 04.11.491 [AS 04.11.490 - 04.11.500].

* Sec. 62. AS 18.65.085(c) is amended to read:

(c) The Department of Public Safety may establish and administer a reward
program, and provide grants to municipalities, established villages, and, at the request
of a municipality or established village, to a nonprofit association that administers a
village public safety officer program, for reward programs leading to the apprehension
and conviction of persons who violate AS 04.11.010 by selling, importing, or
possessing alcoholic beverages in violation of a local option [AN ORDINANCE] adopted by a municipality or established village under AS 04.11.491 [AS 04.11.490
- 04.11.500].

* Sec. 63. AS 29.20.270(e) is amended to read:

(e) The veto does not extend to an ordinance adopted under AS 04.11.501
[AS 04.11.498]. This subsection applies to home rule and general law municipalities.

* Sec. 64. AS 29.25.020(d) is amended to read:

(d) This section does not apply to an ordinance proposed under
AS 04.11.507(d) [AS 04.11.502(c)].

* Sec. 65. AS 29.25.070(d) is amended to read:
(d) This section does not apply to an ordinance adopted under AS 04.11.501(c) [AS 04.11.498(d) OR (e)].

* Sec. 66. AS 29.35.080(a) is amended to read:
(a) A municipality may regulate the possession, barter, sale, importation, and consumption of alcoholic beverages under AS 04.11.480 - 04.11.509 [IN ACCORDANCE WITH AS 04.11.480 - 04.11.506] and AS 04.21.010.

* Sec. 67. AS 34.03.360(6) is amended to read:
(6) "illegal activity involving alcoholic beverages" means a person's delivery of an alcoholic beverage in violation of AS 04.11.010(b) in an area where the results of a local option election have, under AS 04.11.491 [AS 04.11.490 - 04.11.500], prohibited the Alcoholic Beverage Control Board from issuing, renewing, or transferring a liquor license or permit under AS 04;

* Sec. 68. AS 47.37.045(e) is amended to read:
(e) In this section,

(1) "established village" means an unincorporated community that is in

(A) the unorganized borough and that has 25 or more permanent residents; or

(B) an organized borough, has 25 or more permanent residents, and

(i) is on a road system and is located more than 50 miles outside the boundary limits of a unified municipality, or

(ii) is not on a road system and is located more than 15 miles outside the boundary limits of a unified municipality

[HAS THE MEANING GIVEN IN AS 04.21.080(b)];

(2) "local governing body" has the meaning given in AS 04.21.080(b);

(3) "nonprofit organization" means an organization that qualifies for exemption from taxation under 26 U.S.C. 501(c)(3) or (4) (Internal Revenue Code).

* Sec. 69. AS 04.11.090(c), 04.11.190, 04.11.490, 04.11.492, 04.11.496, 04.11.498,
04.11.500, 04.11.502, 04.11.504, 04.11.506, and 04.11.510(d) are repealed.

* Sec. 70. TRANSITION: LOCAL OPTIONS EARLIER ADOPTED. Notwithstanding the provisions of this Act, local options adopted by an area under AS 04.11.490, 04.11.492, 04.11.496, 04.11.498, 04.11.500, or previous local option laws before the effective date of this section shall continue in effect until changed under AS 04.11.493 or removed under AS 04.11.495. References in this Act to local option elections conducted under AS 04.11.491, 04.11.493, 04.11.495, 04.11.497, 04.11.501, 04.11.503, 04.11.505, and 04.11.507 are to be interpreted to include local option elections conducted under AS 04.11.490, 04.11.492, 04.11.496, 04.11.498, 04.11.500, 04.11.502, or previous local option laws in effect before the effective date of this section.

* Sec. 71. TRANSITION: EXISTING LOCAL OPTION PETITIONS. A petition to adopt or remove a local option on file with a municipality or the lieutenant governor on the effective date of this section that has not been voted on is void and may not be placed on an election ballot.

* Sec. 72. TRANSITION: COMMUNITY LIQUOR LICENSES. A community liquor license issued under AS 04.11.190 before the effective date of this section to operate a beverage dispensary shall continue as a beverage dispensary license under AS 04.11.090. A community liquor license issued under AS 04.11.190 before the effective date of this section to operate a package store shall continue as a package store license under AS 04.11.150.

* Sec. 73. TRANSITION. A person licensed under AS 04.11.160 on the effective date of this section shall submit the information required under AS 04.11.160(f), added by sec. 10 of this Act, by September 30, 1995.

*Sec. 74. TRANSITION: IMPLEMENTATION OF BIENNIAL SEASONAL LICENSES. (a) Approximately one-half of the applicants for 1996 renewal of a seasonal license issued by the Alcoholic Beverage Control Board, as determined by the director of the Alcoholic Beverage Control Board, shall be eligible for a one-year seasonal license. These licenses expire, unless renewed, on December 31, 1996, and may be renewed biennially in even-numbered years after that. The 1996 renewal fee for these licenses is one-half of the seasonal biennial license fee.

(b) Applicants whose licenses are not renewed under (a) of this section shall be eligible for a two-year seasonal license. These licenses expire, unless renewed, on
December 31, 1997, and may be renewed biennially in odd-numbered years.

(c) The director shall notify each licensee in writing as to whether the licensee shall apply for renewal under (a) or (b) of this section, and of the actual amount of the renewal fee. The notice must be given not later than December 1, 1995. However, the failure of the director to provide the notice required in this subsection does not prevent a license from expiring on February 28, 1996, under AS 04.11.540, if the renewal application is not filed on or before that date.

* Sec. 75. TRANSITION: REGULATIONS. Notwithstanding sec. 79 of this Act, the Alcoholic Beverage Control Board may proceed to adopt regulations necessary to implement this Act. The regulations take effect under AS 44.62 (Administrative Procedure Act), but not before July 1, 1995.

* Sec. 76. PROHIBITION ON PURCHASE OR CERTAIN ALCOHOLIC BEVERAGES. Beginning July 1, 1995, and ending June 30, 1996, a person licensed as a wholesaler under AS 04.11.160 may not purchase an alcoholic beverage that contains more than 76 percent alcohol by volume.

* Sec. 77. Section 75 of this Act takes effect immediately under AS 01.10.070(c).

* Sec. 78. AS 04.16.110(2), enacted by sec. 33 of this Act, takes effect July 1, 1996.

* Sec. 79. Except as provided in secs. 77 and 78 of this Act, this Act takes effect July 1, 1995.