HOUSE CS FOR CS FOR SENATE BILL NO.9 (FIN) am H

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-SECOND LEGISLATURE - SECOND SESSION

BY THE HOUSE FINANCE COMMITTEE

Amended: 5/15/22
Offered: 5/2/22

Sponsor(s): SENATOR MICCICHE

REPRESENTATIVE Tuck

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to alcoholic beverages; relating to the regulation of manufacturers,**
2 **wholesalers, and retailers of alcoholic beverages; relating to licenses, endorsements, and**
3 **permits involving alcoholic beverages; relating to common carrier approval to transport**
4 **or deliver alcoholic beverages; relating to the Alcoholic Beverage Control Board;**
5 **relating to offenses involving alcoholic beverages; amending Rule 17(h), Alaska Rules of**
6 **Minor Offense Procedure; and providing for an effective date."**

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

8 *** Section 1.** AS 04.06 is amended by adding a new section to read:
9 **Sec. 04.06.005. Declaration of policy; purpose; finding.** It is the policy of
10 the state that controlling the manufacture, distribution, barter, possession, and sale of
11 alcoholic beverages in the state is necessary to promote the health and safety of the
12 people of the state. It is the purpose of this title to carry out the state's policy in the
13 public interest. The legislature finds that observance of this title, regulations adopted

by the board, and other applicable laws, local ordinances, and regulations is in the interest of the public, people holding licenses or permits under this title, and the alcoholic beverage industry in general.

*** Sec. 2.** AS 04.06.020(b) is amended to read:

(b) Except as provided in (c) of this section, at the time of appointment or reappointment, one member of the board shall be **from** [ACTIVELY ENGAGED IN] the public safety sector, one member of the board shall represent the general public, one member of the board shall have resided in a rural area within the previous five years, and two members of the board shall be actively engaged in the alcoholic beverage industry.

*** Sec. 3.** AS 04.06.020(c) is amended to read:

(c) A member of the board may not hold a wholesale alcoholic beverage license or be an officer, agent, or employee of a wholesale alcoholic beverage enterprise. Not more than two members of the board may be engaged in the same business, occupation, or profession. A board member **from** [ACTIVELY ENGAGED IN] the public safety sector, from a rural area, or representing the general public may not have, or have an immediate family member who has, a financial interest in a business for which a license is issued. A board member representing the general public may not be affiliated with the public safety sector or the public health sector.

*** Sec. 4.** AS 04.06.020(d)(3) is amended to read:

(3) "public safety sector" means a **current or former** peace officer, a **current or former** municipal or state prosecutor, a former judicial officer, or a **current member of a** profession that primarily has the authority to provide for the welfare and protection of the general public through the enforcement of municipal, state, or federal laws;

*** Sec. 5.** AS 04.06.075 is amended by adding a new subsection to read:

(c) The director shall prepare and submit to the board an annual budget for the board that includes funding for administration, enforcement, education, training, and prevention activities under this title.

*** Sec. 6.** AS 04.06.080 is amended to read:

Sec. 04.06.080. Delegation of authority. The director shall issue, renew,

transfer, suspend, or revoke all licenses**, endorsements,** and permits at the direction of the board. However, notwithstanding **AS 04.06.090(b)** [AS 04.11.070], the board may delegate authority to the director to temporarily grant or deny the issuance, renewal, or transfer of licenses**, endorsements,** and permits. The director's temporary grant or denial of the issuance, renewal, or transfer of a license**, endorsement,** or permit is not binding on the board. The board may delegate to the director any **other** duty imposed by this title except its power to propose and adopt regulations.

*** Sec. 7.** AS 04.06.090(b) is amended to read:

(b) **Only the board may issue, renew, transfer, relocate, suspend, or revoke a license or endorsement under this title.** The board shall review all applications for licenses **and endorsements** made under this title and may order the director to issue, renew, revoke, transfer, or suspend licenses**, endorsements,** and permits authorized under this title.

*** Sec. 8.** AS 04.06.090(e) is amended to read:

(e) The board shall promptly notify all licensees and municipalities of major changes to this title and to regulations adopted under this title. However, if changes only affect specific classifications of licenses**, endorsements,** and permits, the board need only notify those licensees and municipalities directly affected by the changes. Current copies of this title and current copies of the regulations adopted under it shall be made available at all offices in the state of the Department of Commerce, Community, and Economic Development and the detachment headquarters and posts maintained by the division of Alaska state troopers in the Department of Public Safety.

*** Sec. 9.** AS 04.06.090 is amended by adding new subsections to read:

(f) The board is responsible for education on relevant state statutes, regulations, and policies. The board shall coordinate with agencies and nonprofit organizations that provide alcohol awareness education to develop a plan to educate public safety professionals, the alcoholic beverage industry, individuals under 21 years of age, local governments, established villages, and the general public on the responsible use of alcoholic beverages. The board shall update and revise the plan annually.

(g) The board shall review the fees specified in this title and regulations

adopted under this title at least every five years.

(h) The board may, within 30 days after the introduction of a bill amending a provision of this title or adding a new provision to this title, prepare an advisory opinion regarding the changes proposed in the bill.

(i) The board shall, within 30 business days after receiving notice of a conviction or violation under this title, provide a copy of the conviction or violation to the holder of a license if an offense or violation occurred on the holder's licensed premises and the holder is not the subject of the conviction or violation.

(j) The board shall post information on the board's Internet website about fetal alcohol syndrome and fetal alcohol effects resulting from a woman consuming alcohol during pregnancy.

*** Sec. 10.** AS 04.06.095 is amended to read:

Sec. 04.06.095. Statewide database. (a) The board, after consulting with package store licensees, shall create and maintain a statewide database that contains a monthly record of the alcohol purchased by, and shipped to, a person who resides in a municipality or established village that has restricted the sale of alcoholic beverages under AS 04.11.491(a)(1), (2), or (3) or (b)(1) or (2).

(b) Except as otherwise specifically provided in this section, the information contained in the database is confidential and is not subject to inspection or copying under AS 40.25.110 - 40.25.220. **Personally identifiable information, including business names and addresses,** [INFORMATION] in the database shall be purged one year after entry unless it is needed for criminal investigation or prosecution. **All other information in the database shall be retained in aggregate form and purged 10 years after entry.** Information in the database is available only to

(1) a package store licensee, agent, or employee to consult before shipping alcohol to a purchaser in a restricted area **under a package store shipping endorsement** as provided in **AS 04.09.460** [AS 04.11.150(g)];

(2) a law enforcement officer;

(3) a probation or parole officer;

(4) the board; and

(5) the person who is the subject of the information; the board shall

adopt regulations concerning access by a person to information contained in the database of the purchases by, and shipments to, that person.

*** Sec. 11.** AS 04.06.095 is amended by adding a new subsection to read:

(c) The board shall produce an annual report of the aggregate regional and statewide data from the database, excluding personally identifiable information and the names and addresses of businesses, and shall make the report available for public inspection and copying under AS 40.25.110 - 40.25.220. The report must include information about the total volume of alcohol received in each municipality or established village.

*** Sec. 12.** AS 04.06.100(b) is amended to read:

(b) The subjects covered by regulations adopted under (a) of this section may include the following matters:

(1) employment, conduct, and duties of the director and of regular and contractual employees of the board;

(2) procedures for the issuance, denial, renewal, transfer, revocation, and suspension of licenses**, endorsements,** and permits;

(3) terms and conditions of licenses**, endorsements,** and permits issued;

(4) fees for licenses**, endorsements,** and permits issued for which fees are not prescribed by statute;

(5) conduct of regular and special meetings of the board;

(6) delegation to the director of routine administrative functions and powers;

(7) the temporary granting or denial of issuance, transfer, and renewal of licenses **and endorsements**;

(8) manner of giving any notice required by law or regulation when not provided for by statute;

(9) requirements relating to the qualifications of licensees, the conditions upon which a license may be issued, the accommodations of licensed premises, and board inspection of those premises;

(10) making of reports by wholesalers;

(11) purchase of fidelity bonds by the state for the director and the employees of the board;

(12) prohibition of possession of alcoholic beverages by drunken persons and by minors;

(13) required reports from corporations licensed under this title, including reports of stock ownership and transfers and changes of officers and directors;

(14) [CREATION OF CLASSIFICATIONS OF LICENSES OR PERMITS NOT PROVIDED FOR IN THIS TITLE;

(15)] establishment and collection of fees to be paid on application for a license**, endorsement,** or permit;

(15) [(16)] required reports from partnerships and limited partnerships licensed under this title, including reports of transferred interests of 10 percent or more;

(16) [(17)] required reports from limited liability organizations licensed under this title, including reports of the transfer of a member's interest if the transfer equals 10 percent or more of the ownership of the limited liability organization and any change of managers**;**

(17) restrictions on the manufacture, packaging, sale, and distribution of products containing alcohol that are intended for human consumption.

*** Sec. 13.** AS 04 is amended by adding a new chapter to read:

Chapter 09. Licenses, Endorsements, and Permits.

Article 1. License Types.

Sec. 04.09.010. Types of licenses. A license defines activities allowed daily on licensed premises. License type is a general category of license activity based on the three-tier system of alcohol regulation. The three types of licenses the board may issue are manufacturer, wholesale, and retail licenses. The board may issue only the licenses authorized in AS 04.09.020 - 04.09.370.

Article 2. Manufacturer Licenses.

Sec. 04.09.020. Brewery manufacturer license. (a) A brewery manufacturer

license authorizes the holder to operate a brewery for the manufacture, packaging, storing, and sale of its brewed beverages to a buyer as permitted in AS 04.09.050.

(b) The biennial brewery manufacturer license fee is $1,250.

(c) The fermentation process of all brewed beverages offered for sale by the holder of a brewery manufacturer license must occur on the holder's licensed premises in the state.

Sec. 04.09.030. Winery manufacturer license. (a) A winery manufacturer license authorizes the holder to operate a winery for the manufacture, packaging, storing, and sale of its wine to a buyer as permitted in AS 04.09.050.

(b) The biennial winery manufacturer license fee is $1,000.

(c) The fermentation process of all wine offered for sale by the holder of a winery manufacturer license must occur on the holder's licensed premises in the state.

Sec. 04.09.040. Distillery manufacturer license. (a) A distillery manufacturer license authorizes the holder to operate a distillery for the manufacture, packaging, storing, and sale of its distilled spirits to a buyer as permitted in AS 04.09.050.

(b) The biennial distillery manufacturer license fee is $1,250.

(c) At least 80 percent of each final product that contains distilled spirits offered for sale by the holder of a distillery manufacturer license must be manufactured on the holder's licensed premises in the state.

Sec. 04.09.050. Authorized sales. (a) The holder of a manufacturer license that annually produces in total less than 300,000 barrels of brewed beverages or mead or cider containing less than 8.5 percent alcohol by volume, less than 50,000 nine-liter-equivalent cases of wine, sake, or mead or cider containing 8.5 percent or more alcohol by volume, or less than 50,000 nine-liter-equivalent cases of distilled spirits may sell its product to

(1) the holder of a wholesale license issued under this chapter;

(2) the holder of a retail license issued under this chapter;

(3) the holder of a permit issued under this chapter;

(4) an entity in another state or country.

(b) The holder of a manufacturer license that annually produces in total 300,000 barrels or more of brewed beverages or mead or cider containing less than 8.5

percent alcohol by volume, 50,000 nine-liter-equivalent cases or more of wine, sake, or mead or cider containing 8.5 percent or more alcohol by volume, or 50,000 nine-liter-equivalent cases or more of distilled spirits may sell its product to

(1) the holder of a wholesale license issued under this chapter;

(2) an entity in another state or country.

(c) For purposes of calculating the volume that the holder of a manufacturer license produces under this section, the volume of production must include all production by

(1) the holder of the manufacturer's license; and

(2) an officer, director, agent, employee, or affiliate of the holder; in this paragraph, "affiliate" means a person that directly or indirectly, through one or more intermediaries, controls, or is controlled by, or is under common control with, a corporation.

Sec. 04.09.060. Unlicensed manufacturing. (a) A person commits the crime of unlicensed manufacturing if the person knowingly operates a

(1) brewery without a brewery manufacturer license;

(2) winery without a winery manufacturer license; or

(3) distillery without a distillery manufacturer license.

(b) Unlicensed manufacturing is a class A misdemeanor.

Sec. 04.09.080. Unauthorized manufacturer sale. (a) Except as provided in AS 04.09.320 - 04.09.340, a person who holds a manufacturer license commits the offense of unauthorized manufacturer sale if the person sells its product in violation of AS 04.09.050.

(b) Unauthorized manufacturer sale is a violation.

Sec. 04.09.090. Definition. In AS 04.09.020 - 04.09.090, "packaging" means the process of containing alcoholic beverages in bottles or other types of containers for purpose of resale.

Article 3. Wholesale Licenses.

Sec. 04.09.100. General wholesale license. (a) A general wholesale license authorizes the holder to sell alcoholic beverages at wholesale. The holder of a general wholesale license may not sell to a person not licensed under this title, except as

provided in AS 04.21.040.

(b) The biennial general wholesale license fee is $2,000.

(c) In addition to the license fee under (b) of this section, the holder of a general wholesale license shall pay an annual fee based on the total value of business transacted by the wholesale business, including the excise tax imposed by AS 43.60.010. If the total value of business transacted during the calendar year including the excise tax imposed by AS 43.60.010 is

(1) less than or equal to $100,000, then the annual fee is $0;

(2) over $100,000 and not over $150,000, then the annual fee is $250;

(3) over $150,000 and not over $200,000, then the annual fee is $500;

(4) over $200,000 and not over $250,000, then the annual fee is $750;

(5) over $250,000 and not over $300,000, then the annual fee is $1,000;

(6) over $300,000 and not over $350,000, then the annual fee is $1,250;

(7) over $350,000 and not over $400,000, then the annual fee is $1,500;

(8) over $400,000 and not over $500,000, then the annual fee is $2,000;

(9) over $500,000 and not over $600,000, then the annual fee is $2,500;

(10) over $600,000 and not over $700,000, then the annual fee is $3,000;

(11) over $700,000 and not over $800,000, then the annual fee is $3,500;

(12) over $800,000 and not over $1,000,000, then the annual fee is $4,500;

(13) over $1,000,000, then the annual fee is $10,000.

Sec. 04.09.110. Limited wholesale brewed beverage and wine license. (a) A limited wholesale brewed beverage and wine license authorizes the holder to sell brewed beverages and wine at wholesale. The holder of a limited wholesale brewed

beverage and wine license may not sell to a person not licensed under this title, except as provided in AS 04.21.040.

(b) The biennial limited wholesale brewed beverage and wine license fee is $400.

(c) In addition to the license fee under (b) of this section, the holder of a limited wholesale brewed beverage and wine license shall pay an annual fee based on the total value of business transacted by the wholesale business, including the excise tax imposed by AS 43.60.010. If the total value of business transacted during the calendar year including the excise tax imposed by AS 43.60.010 is

(1) less than or equal to $20,000, then the annual fee is $0;

(2) over $20,000 and not over $50,000, then the annual fee is $150;

(3) over $50,000 and not over $100,000, then the annual fee is $500;

(4) over $100,000 and not over $150,000, then the annual fee is $750;

(5) over $150,000 and not over $200,000, then the annual fee is $1,000;

(6) over $200,000 and not over $400,000, then the annual fee is $2,000;

(7) over $400,000 and not over $600,000, then the annual fee is $3,000;

(8) over $600,000 and not over $800,000, then the annual fee is $4,000;

(9) over $800,000, then the annual fee is $10,000.

Sec. 04.09.120. Annual fee and affidavit. (a) Not later than February 28 of each year, the holder of a general wholesale license or a limited wholesale brewed beverage and wine license shall pay the annual fee for the license for the preceding calendar year, and file with the board an affidavit showing the

(1) total value of business transacted under the license by the wholesale business, including the excise tax imposed by AS 43.60.010, during the preceding calendar year; and

(2) location of the licensed premises at which the business was transacted.

(b) Failure to file an affidavit under (a) of this section or the expiration of a license under AS 04.11.540 does not relieve a licensee from paying the prescribed annual fee.

Sec. 04.09.130. Wholesale supplier declaration. (a) A person who applies for issuance or renewal of a general wholesale license or a limited wholesale brewed beverage and wine license shall submit to the board, on a form prescribed by the board, a declaration that the person is the appointed wholesaler of the distiller, brewer, vintner, or importer of each product line of alcoholic beverage that the person intends to purchase, offer for sale, or sell. The form must include a space for the person to indicate the total number of suppliers. The board may request a list of suppliers, or additional information about a product line.

(b) A person filing a declaration under this section shall pay a biennial filing fee. If the declaration lists

(1) one to 25 suppliers, the fee is $500;

(2) 26 to 50 suppliers, the fee is $1,000;

(3) 51 to 75 suppliers, the fee is $1,500;

(4) 76 or more suppliers, the fee is $2,000.

(c) In this section, "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 Alcohol and Tobacco Tax and Trade Bureau.

Sec. 04.09.140. Unlicensed wholesale sale. (a) A person commits the crime of unlicensed wholesale sale if the person knowingly sells

(1) distilled spirits at wholesale without a general wholesale license; or

(2) brewed beverages or wine at wholesale without a general wholesale license or a limited wholesale brewed beverage and wine license.

(b) Unlicensed wholesale sale is a class A misdemeanor.

Sec. 04.09.150. Failure to pay annual fee or file affidavit. (a) A person commits the offense of failure to pay an annual wholesale fee or file a wholesale affidavit if the person fails to pay the annual fee or file the affidavit as required under AS 04.09.120.

(b) Failure to pay an annual wholesale fee or file a wholesale affidavit is a

violation.

Sec. 04.09.160. Failure to pay biennial fee or file declaration. (a) A person commits the offense of failure to pay a biennial supplier fee or file a supplier declaration if the person fails to pay the biennial supplier fee or file the declaration as required under AS 04.09.130.

(b) Failure to pay a biennial supplier fee or file a supplier declaration is a violation.

Article 4. Retail Licenses.

Sec. 04.09.200. Beverage dispensary license. (a) A beverage dispensary license authorizes the holder to sell or serve on the licensed premises alcoholic beverages for consumption only on the licensed premises.

(b) The biennial beverage dispensary license fee is $2,500.

(c) The holder of a beverage dispensary license may not maintain on the licensed premises more than one room in which there is regularly maintained a fixed counter or service bar that has plumbing connections to permanent plumbing at which alcoholic beverages are sold or served to members of the public for consumption, unless the license has a multiple fixed counter endorsement under AS 04.09.420.

(d) Except as provided under AS 04.09.610, 04.09.640, 04.09.670, and AS 04.16.120(c), the holder of a beverage dispensary license who sells or serves alcoholic beverages off the licensed premises or permits consumption off the premises of alcoholic beverages sold or served on the premises commits the offense of unauthorized beverage dispensary activity.

(e) Unauthorized beverage dispensary activity is a violation.

Sec. 04.09.210. Restaurant or eating place license. (a) A restaurant or eating place license authorizes a restaurant or eating place to

(1) sell brewed beverages and wine for consumption only on the licensed premises; and

(2) allow a person

(A) under 21 years of age access as provided in (d) of this section to the licensed premises; and

(B) to enter or remain on the licensed premises to consume

food or nonalcoholic beverages as authorized under AS 04.16.010(c)(5).

(b) The biennial restaurant or eating place license fee is $1,250.

(c) The board may issue or renew a license under this section only if the

(1) board determines that

(A) the licensed premises is a bona fide restaurant as defined in AS 04.21.080(b);

(B) there is supervision on the premises adequate to reasonably ensure that a person under 21 years of age will not obtain alcoholic beverages; and

(C) it is unlikely that persons under 21 years of age not employed on the premises will enter and remain on the licensed premises for purposes other than dining; and

(2) sale and service of food and alcoholic beverages and any other business conducted on the licensed premises of the restaurant or eating place is under the sole control of the licensee.

(d) The board may authorize the holder of a restaurant or eating place license

(1) to allow a person who is at least 16 years of age but under 21 years of age to enter and remain on the licensed premises for dining only;

(2) to allow a person who is under 16 years of age to enter and remain on the licensed premises for dining only if

(A) the person is accompanied by a person who is 21 years of age or older; and

(B) the parent or guardian of the person consents to the person being on the licensed premises; and

(3) subject to AS 04.16.049, to employ or permit the employment of a person who is at least 16 years of age but under 21 years of age on the licensed premises if the employer provides adequate supervision to ensure that the person does not obtain alcoholic beverages.

(e) The holder of a restaurant or eating place license shall ensure that gross receipts from the sale of food for consumption on the licensed premises are not less than the total of the gross receipts from the sale of alcoholic beverages for

consumption on the licensed premises in each calendar year. At the time the holder submits an application for renewal of the license, the holder shall submit a statement to the board certifying that the holder has met the requirement under this subsection for the designated period of the license under AS 04.11.680. The board may renew a restaurant or eating place license only if the licensee's statement provides evidence satisfactory to the board that, during the designated period of the license under AS 04.11.680, the gross receipts from the sale of food for consumption on the licensed premises were not less than the total of the gross receipts from the sale of alcoholic beverages for consumption on the licensed premises.

(f) The holder of a restaurant or eating place license may provide entertainment on or adjacent to the licensed premises only between the hours of 10:00 a.m. and 11:00 p.m. unless additional hours are approved by the director upon the written request of the licensee for a specific occasion. The director may not grant approval for additional hours of entertainment on or adjacent to the licensed premises of an individual licensee more than six times in a calendar year. In this subsection, "entertainment" includes dancing, karaoke, live performances, or similar activities, but does not include recorded or broadcast performances without live participation.

(g) Except as provided under AS 04.09.620, 04.09.640, 04.09.645, and AS 04.16.120(c), the holder of a restaurant or eating place license commits the offense of failure to comply with the terms of a restaurant or eating place license if the person sells brewed beverages or wine in violation of (a) of this section, engages in activity not authorized by the board under (d) of this section, or fails to comply with the requirements of (d), (e), or (f) of this section.

(h) Failure to comply with the terms of a restaurant or eating place license is a violation.

Sec. 04.09.220. Club license. (a) A club license authorizes a club or organization to sell alcoholic beverages for consumption only on the licensed premises.

(b) The biennial fee for a club license is $1,500.

(c) The board may issue a club license only to an organization operated for social, recreational, benevolent, or athletic purposes and not for profit. The board may

issue a club license only to a club, fraternal organization, patriotic organization, or social organization that has been

(1) chartered by a state or national organization for a period of 10 consecutive years before application for a license under this section; or

(2) chartered by a national organization that has maintained a chartered club or organization in the state for a period of at least 20 years.

(d) Alcoholic beverages sold under a club license may be purchased only by

(1) members of the club and their families;

(2) widows or widowers of deceased members of the club who have been accorded club privileges; and

(3) military personnel on active duty who are extended the privilege by patriotic organizations.

(e) Alcoholic beverages may be purchased only in the portion of the club rooms that are part of the licensed premises.

(f) Guests who enter the club premises on the invitation of a member and in the company of the member may be served but not sold alcoholic beverages. A guest shall leave the premises immediately upon the departure of the member who extended the invitation to enter.

(g) Notwithstanding AS 04.16.049, access by persons under 21 years of age to the

(1) licensed premises of a club is permitted when alcoholic beverages are not present; and

(2) premises of a patriotic organization licensed as a club under this section is permitted when alcoholic beverages are present, if the person possesses a valid active duty military or armed forces identification card issued by the United States Department of Defense or the United States Department of Homeland Security.

(h) The holder of a club license may not serve or sell alcoholic beverages for use or consumption off the licensed premises of the club or organization, including use or consumption by a club member or employee, except under a club caterer's permit.

(i) The holder of a club license may not

(1) solicit public patronage of the club premises, except as approved by

the board;

(2) distribute income from the sale of alcoholic beverages under the license to a member, director, or officer;

(3) sell or serve alcoholic beverages in club rooms outside the portion of the club rooms that are part of the licensed premises.

(j) In this section, "member" means a holder of a full year of paid membership entitling the holder to all voting rights and privileges of membership under the constitution or bylaws of the club or organization.

(k) The holder of a club license commits the offense of failure to comply with the terms of a club license if the person sells alcoholic beverages in violation of (a) of this section or violates (d), (e), (f), (h), or (i) of this section.

(*l*) Failure to comply with the terms of a club license is a violation.

Sec. 04.09.230. Package store license. (a) A package store license authorizes the holder to operate a package store to store alcoholic beverages with federally compliant labels and to sell alcoholic beverages with federally compliant labels to a person present on the licensed premises.

(b) The biennial package store license fee is $1,500.

(c) The licensed premises occupied by the holder of a package store license may not be connected by a door, opening, or other means of passage intended for the access of the general public to an adjacent retail business not licensed under this title unless approved by the board.

(d) If the holder of a package store license also holds a beverage dispensary license, the licensed premises of the package store are contained within or are adjacent to the licensed premises of the beverage dispensary, and the only public entrance to the package store is by a door or other means within the beverage dispensary, the board shall determine whether additional entrances to the package store are necessary for enforcement purposes, to meet health and fire safety standards, or for the convenience of the public.

(e) The holder of a package store license may not

(1) offer alcoholic beverages for consumption on the licensed premises or allow the consumption of alcoholic beverages on the licensed premises except as

authorized by a package store sampling endorsement issued under AS 04.09.490 or a package store tasting event permit issued under AS 04.09.670;

(2) subdivide alcoholic beverages except as authorized by a package store repackaging endorsement issued under AS 04.09.480;

(3) offer alcoholic beverages for sale or sell alcoholic beverages to a person not present on the licensed premises who makes an order for shipment except as authorized by a package store shipping endorsement under AS 04.09.460; or

(4) deliver alcoholic beverages to a person not present on the licensed premises except as authorized by a package store delivery endorsement under AS 04.09.470.

(f) The holder of a package store license commits the offense of failure to comply with the terms of a package store license if the person stores or sells alcoholic beverages in violation of (a) of this section or fails to comply with (c) or (e) of this section.

(g) Failure to comply with the terms of a package store license is a violation.

Sec. 04.09.240. Pub license. (a) A pub license authorizes the holder to sell brewed beverages and wine for consumption only at a designated premises located on the campus of an accredited college or university.

(b) The biennial pub license fee is $1,250.

(c) The board may not

(1) issue more than one pub license for each accredited college or university campus in the state; and

(2) issue or renew a pub license without the written approval of the governing body of the accredited college or university.

(d) The board may designate two alternating premises for a pub license if

(1) both premises are

(A) located on the accredited college or university campus;

(B) not located in contiguous rooms or adjacent buildings; and

(C) under the licensee's control;

(2) at any time, only one location is operating as a licensed premises with specified operating hours approved by the board; and

(3) all alcoholic beverages are either removed from the alternate premises or stored in a secure location that is not accessible to the general public during times when the alternate premises is not operating as a licensed premises.

(e) The board may suspend or revoke a licensee's use of an alternate premises under (d) of this section after providing written notice and an opportunity to be heard to the licensee.

(f) In this section, "accredited college or university" means a college or university accredited by the Northwest Commission on Colleges and Universities.

(g) The holder of a pub license commits the offense of failure to comply with the terms of a pub license if the person sells brewed beverages or wine in violation of (a) of this section.

(h) Failure to comply with the terms of a pub license is a violation.

Sec. 04.09.250. Theater license. (a) A theater license authorizes the holder of a beverage dispensary license or a restaurant or eating place license to sell alcoholic beverages for consumption on licensed premises at a specified theater site, except that a restaurant or eating place licensee with a theater license may only sell brewed beverages and wine.

(b) The biennial theater license fee is $1,250.

(c) The holder of a theater license may sell or serve alcoholic beverages only in designated areas on the licensed premises, and only for one hour before the event and during intermissions.

(d) The holder of a theater license may not sell, serve, or permit the consumption of alcoholic beverages in the audience viewing area.

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

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

(g) In this section, "theater" means a location where events, including plays, operas, orchestra concerts, readings, and similar activities as determined by the board are presented by live performers on a stage.

(h) A person commits the offense of failure to comply with the terms of a

theater license if the person sells, serves, or permits the consumption of alcoholic beverages except as permitted in this section or fails to post the license as required by this section.

(i) Failure to comply with the terms of a theater license is a violation.

Sec. 04.09.260. Common carrier dispensary license. (a) A common carrier dispensary license authorizes the holder to sell alcoholic beverages for consumption aboard a boat or train licensed by a state or federal agency for passenger travel, or aboard aircraft operated by an airline licensed by a state or federal agency for passenger travel.

(b) Except as provided for airlines under (c) of this section, the biennial common carrier dispensary license fee is $1,000 for each of the first 10 licenses a common carrier holds and $100 for each additional license issued to the common carrier after the first 10 licenses.

(c) The biennial fee for a common carrier dispensary license issued to an airline is the fee specified under (b) of this section for each aircraft in which alcoholic beverages are served or $2,000 for each community served by the airline. An airline shall specify the fee applicable to the license at the time of the airline's application for issuance or renewal of the license.

(d) Except for a common carrier that is an airline, a common carrier shall obtain a license for each boat or train in which alcoholic beverages are served. After obtaining an initial license for the first boat or train, the common carrier may obtain additional licenses for additional boats or trains upon making a written request identifying the boat or train in the manner prescribed by the board, and paying the biennial fee for additional licensed premises as required by (b) of this section.

(e) The holder of a common carrier dispensary license who exceeds the authority granted in (a) of this section commits the crime of unauthorized common carrier dispensary activity.

(f) Unauthorized common carrier dispensary activity is a class A misdemeanor.

(g) The holder of a common carrier dispensary license who fails to comply with (b) - (d) of this section commits the offense of common carrier dispensary

noncompliance.

(h) Common carrier dispensary noncompliance is a violation and is punishable by a fine of $500 for each boat, train, or aircraft not in compliance with this section.

Sec. 04.09.270. Sporting activity or event license. (a) A sporting activity or event license authorizes the holder to sell brewed beverages and wine at multiple noncontiguous locations at a sporting activity or event site during and one hour before and after a sporting activity or event that is not a school activity or event, for consumption on designated areas at the sporting activity or event site.

(b) The biennial sporting activity or event license fee is $1,250.

(c) In this section, "sporting activity or event site" includes a location where baseball, hockey, rugby, soccer, or football games, car races, dog sled racing events, rodeos, skiing and snowboarding activities, bowling games or leagues, or curling matches are regularly held.

(d) The holder of a sporting activity or event license who sells brewed beverages or wine off the licensed premises or during hours not authorized under (a) of this section or who permits consumption off the premises of brewed beverages or wine sold on the premises commits the offense of unauthorized sporting activity or event activity.

(e) Unauthorized sporting activity or event activity is a violation.

(f) The holder, on the day before the effective date of this section, of a recreational site license issued under former AS 04.11.210 who offered brewed beverages and wine for sale to the public for consumption on the licensed premises may continue to offer brewed beverages and wine for sale to the public for consumption on the premises until December 31, 2027, for a license renewing on an odd-numbered year, or December 31, 2028, for a license renewing on an even-numbered year, if the holder of the license is otherwise in compliance with the requirements of this title as it read on the day before the effective date of this section.

Sec. 04.09.280. Outdoor recreation lodge license. (a) An outdoor recreation lodge license authorizes the holder to sell alcoholic beverages to a registered overnight guest or off-duty staff of the lodge for consumption on the licensed premises or in conjunction with purchased outdoor recreation activities provided by the licensee.

(b) The biennial outdoor recreation lodge license fee is $2,500.

(c) The board may not grant an application for transfer of an outdoor recreation lodge license to another location.

(d) In this section, "outdoor recreation lodge" means a licensed business that provides overnight accommodations and meals, is primarily involved in offering opportunities for persons to engage in outdoor recreation activities, and has a minimum of two guest rooms.

(e) The holder of an outdoor recreation lodge license who sells alcoholic beverages in violation of the authority granted under (a) of this section commits the offense of unauthorized outdoor recreation lodge activity.

(f) Unauthorized outdoor recreation lodge activity is a violation.

Sec. 04.09.290. Fair license. (a) A fair license authorizes the holder to sell beer and wine at multiple noncontiguous locations at an annual fair held on fairgrounds for consumption on the licensed premises.

(b) The biennial fair license fee is $1,250.

(c) The board may issue a fair license only to a nonprofit organization that is incorporated under AS 10.20 and has been active for a period of at least five years before the effective date of sec. 13 of this Act.

(d) The holder of a fair license may not sell brewed beverages or wine at more than 30 events, other than an annual fair, held on the fairgrounds in a calendar year.

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

Sec. 04.09.300. Golf course license. (a) A golf course license authorizes the holder to sell brewed beverages and wine for consumption on the licensed premises.

(b) The biennial golf course license fee is $1,250.

(c) An application for a golf course license must include

(1) a drawing of the golf course with an annotated illustration and description of the portions of the course that are intended to be licensed premises; and

(2) a sample food menu.

(d) The board may not approve an application for transfer of a golf course

license to another location.

(e) The holder of a golf course license shall make food similar to that listed in the sample menu available during times when brewed beverages and wine are sold, served, and consumed on the licensed premises.

(f) The holder of a golf course license may not allow a person other than the holder or an agent or employee of the holder, in the regular course of employment, to bring alcoholic beverages onto the licensed premises or other portions of the course for consumption.

(g) In this section, "licensed premises" includes the golf course, a driving range, a club house, and other buildings located on the course, and a vending cart carrying beverages or food to, from, or on the course, and does not include the parking lot.

(h) The holder of a golf course license commits the offense of failure to comply with the terms of a golf course license if the person sells brewed beverages or wine in violation of this section or violates (e) or (f) of this section.

(i) Failure to comply with the terms of a golf course license is a violation.

Sec. 04.09.310. Destination resort license. (a) A destination resort license authorizes the holder to sell alcoholic beverages at multiple noncontiguous locations at a destination resort for consumption on the licensed premises in conjunction with the visitor activities provided by the licensee to cruise ship passengers and staff and other visitors while the cruise ship is in port at the resort.

(b) The biennial destination resort license fee is $2,500.

(c) The board may not approve an application for transfer of a destination resort license to another location.

(d) In this section, "destination resort" means a business that owns a site of at least 20 acres that is used principally as a destination for cruise ships and other vessels that carry a minimum of 50 passengers and that does not provide overnight lodging on its premises for visitors.

(e) The holder of a destination resort license commits the offense of failure to comply with a destination resort license if the person sells alcoholic beverages in violation of (a) of this section.

(f) Failure to comply with the terms of a destination resort license is a violation.

Sec. 04.09.320. Brewery retail license. (a) A brewery retail license authorizes the holder to store, sell, or serve on the licensed premises brewed beverages for consumption on and off the premises.

(b) The biennial brewery retail license fee is $1,250.

(c) The board may issue a brewery retail license only to the holder of a brewery manufacturer license under AS 04.09.020. The brewery retail licensed premises may be all or part of the brewery manufacturer licensed premises, or the brewery retail licensed premises may be at a single different site that is adjacent to the brewery manufacturer licensed premises.

(d) Each day, the holder of a brewery retail license may sell, to a person on the licensed premises for consumption on the licensed premises, not more than

(1) 36 ounces of the holder's beer; or

(2) 18 ounces of the holder's sake.

(e) Except as provided under (g) of this section and AS 04.09.685, the holder of a brewery retail license may not

(1) allow live music or performances, disc jockeys, karaoke, televisions, pool tables, dart games, or organized games or tournaments on the premises where the consumption occurs;

(2) provide seats at the counter or bar where the brewed beverages are served;

(3) open the room where the consumption occurs before 9:00 a.m.; or

(4) serve brewed beverages after 9:00 p.m.

(f) Each day, the holder of a brewery retail license is authorized to sell, to a person on the licensed premises for consumption off the licensed premises, not more than 5.167 gallons of the holder's beer or sake.

(g) The holder of a brewery retail license may allow on the premises where the consumption occurs

(1) activities, presentations, television or video displays, or other displays that directly promote or educate customers about the brewery's products,

processes, or establishment; and

(2) other community organizations or businesses to provide presentations, classes, or product displays or host fundraisers.

(h) The holder of a brewery retail license commits the offense of failure to comply with the terms of a brewery retail license if the person stores, sells, or serves brewed beverages in violation of (a) of this section or violates (d), (e), or (f) of this section.

(i) Failure to comply with the terms of a brewery retail license is a violation.

Sec. 04.09.330. Winery retail license. (a) A winery retail license authorizes the holder to store, sell, or serve on the licensed premises wine for consumption on and off the premises.

(b) The biennial winery retail license fee is $1,000.

(c) The board may issue a winery retail license only to the holder of a winery manufacturer license issued under AS 04.09.030. The winery retail licensed premises may be all or part of the winery manufacturer licensed premises, or the winery retail licensed premises may be at a single different site that is adjacent to the winery manufacturer licensed premises.

(d) Each day, the holder of a winery retail license may sell, to a person on the licensed premises for consumption on the licensed premises, a total volume that does not exceed

(1) 18 ounces of the holder's wine, mead, or cider containing 8.5 percent or more alcohol by volume;

(2) 36 ounces of the holder's mead or cider containing less than 8.5 percent alcohol by volume; or

(3) the alcoholic equivalent of (1) or (2) of this subsection.

(e) Except as provided under (g) of this section and AS 04.09.685, the holder of a winery retail license may not

(1) allow live music or performances, disc jockeys, karaoke, televisions, pool tables, dart games, or organized games or tournaments on the premises where the consumption occurs;

(2) provide seats at the counter or bar where the wine is served;

(3) open the room where the consumption occurs before 9:00 a.m.; or

(4) serve wine after 9:00 p.m.

(f) Each day, the holder of a winery retail license is authorized to sell, to a person on the licensed premises for consumption off the licensed premises, not more than 5.167 gallons of the holder's wine, mead, or cider.

(g) The holder of a winery retail license may allow on the premises where the consumption occurs

(1) activities, presentations, television or video displays, or other displays that directly promote or educate customers about the winery's products, processes, or establishment; and

(2) other community organizations or businesses to provide presentations, classes, or product displays or host fundraisers.

(h) The holder of a winery retail license commits the offense of failure to comply with the terms of a winery retail license if the person stores, sells, or serves wine in violation of (a) of this section or violates (d), (e), or (f) of this section.

(i) Failure to comply with the terms of a winery retail license is a violation.

Sec. 04.09.340. Distillery retail license. (a) A distillery retail license authorizes the holder to store, sell, or serve on the licensed premises distilled spirits for consumption on and off the premises.

(b) The biennial distillery retail license fee is $1,250.

(c) The board may issue a distillery retail license only to the holder of a distillery manufacturer license under AS 04.09.040. The distillery retail licensed premises may be all or part of the distillery manufacturer licensed premises, or the distillery retail licensed premises may be at a single different site that is adjacent to the distillery manufacturer licensed premises.

(d) The holder of a distillery retail license may sell not more than three ounces of the holder's distilled spirits each day to a person on the licensed premises for consumption on the licensed premises. The holder of a distillery retail license may combine the holder's distilled spirits under this subsection with other ingredients that are not alcoholic beverages, including mixers, liquids, and garnishes.

(e) Except as provided under (g) of this section and AS 04.09.685, the holder

of a distillery retail license may not

(1) allow live music or performances, disc jockeys, karaoke, televisions, pool tables, dart games, or organized games or tournaments on the premises where the consumption occurs;

(2) provide seats at the counter or bar where the distilled spirits are served;

(3) open the room where the consumption occurs before 9:00 a.m.; or

(4) serve distilled spirits after 9:00 p.m.

(f) The holder of a distillery retail license is authorized to sell not more than 3.75 liters of the holder's distilled spirits each day to a person on the licensed premises for consumption off the licensed premises.

(g) The holder of a distillery retail license may allow on the premises where the consumption occurs

(1) activities, presentations, television or video displays, or other displays that directly promote or educate customers about the distillery's products, processes, or establishment; and

(2) other community organizations or businesses to provide presentations, classes, or product displays or host fundraisers.

(h) The holder of a distillery retail license commits the offense of failure to comply with the terms of a distillery retail license if the person stores, sells, or serves distilled spirits in violation of (a) of this section or violates (d), (e), or (f) of this section.

(i) Failure to comply with the terms of a distillery retail license is a violation.

Sec. 04.09.350. Beverage dispensary tourism license. (a) A beverage dispensary tourism license authorizes the holder to sell or serve on the licensed premises alcoholic beverages for consumption only on the licensed premises.

(b) The biennial beverage dispensary tourism license fee is $2,500.

(c) The board may

(1) issue a new beverage dispensary tourism license if it appears that the issuance will encourage the tourist trade by promoting the construction or improvement of

(A) a hotel, motel, resort, or similar business relating to the tourist trade with a dining facility or having kitchen facilities in a majority of its rental rooms and at least a minimum number of rental rooms required according to the population of the incorporated city, unified municipality, or population area established under AS 04.11.400(a) in which the facility will be located, as follows:

(i) 10 rental rooms if the population is less than 1,501;

(ii) 20 rental rooms if the population is 1,501 - 2,500;

(iii) 25 rental rooms if the population is 2,501 - 5,000;

(iv) 30 rental rooms if the population is 5,001 - 15,000;

(v) 35 rental rooms if the population is 15,001 - 25,000;

(vi) 40 rental rooms if the population is 25,001 - 50,000; and

(vii) 50 rental rooms if the population is greater than 50,000; or

(B) an airport terminal; and

(2) approve the renewal or transfer of ownership of a beverage dispensary tourism license initially issued under (1) of this subsection or initially issued as a beverage dispensary license under AS 04.11.400, as that section read on the date of the initial licensure, if the

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

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

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

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

(d) The holder of a beverage dispensary tourism license may not maintain on the licensed premises more than one room in which there is regularly maintained a fixed counter or service bar that has plumbing connections to permanent plumbing at

which alcoholic beverages are sold or served to members of the public for consumption unless the license has a multiple fixed counter endorsement under AS 04.09.420, a hotel or motel endorsement under AS 04.09.430, or a large resort endorsement under AS 04.09.440.

(e) Except as provided under AS 04.09.610, 04.09.640, 04.09.670, and AS 04.16.120(c), the holder of a beverage dispensary tourism license who sells or serves alcoholic beverages off the licensed premises or permits consumption off the premises of alcoholic beverages sold or served on the premises commits the offense of unauthorized beverage dispensary tourism activity.

(f) Unauthorized beverage dispensary tourism activity is a violation.

Sec. 04.09.360. Seasonal restaurant or eating place tourism license. (a) A seasonal restaurant or eating place tourism license authorizes a restaurant or eating place to

(1) sell brewed beverages and wine for consumption only on the licensed premises for a period not to exceed six months in each calendar year; and

(2) allow a person

(A) under 21 years of age access as provided in (f) of this section to the licensed premises; and

(B) to enter or remain on the licensed premises to consume food or nonalcoholic beverages as authorized under AS 04.16.010(c)(5).

(b) The biennial seasonal restaurant or eating place tourism license fee is $1,250.

(c) The board may issue or renew a license under this section only if

(1) the board determines that

(A) the licensed premises is a bona fide restaurant as defined in AS 04.21.080(b);

(B) there is supervision on the premises adequate to reasonably ensure that a person under 21 years of age will not obtain alcoholic beverages; and

(C) it is unlikely that persons under 21 years of age not employed on the premises will enter and remain on the licensed premises for

purposes other than dining; and

(2) the sale and service of food and alcoholic beverages and any other business conducted on the licensed premises of the restaurant or eating place is under the sole control of the licensee.

(d) The board may issue a license under this section only in a municipality or established village that

(1) has a population of 40,000 or less; and

(2) receives more than 4,000 visitors a year, as determined by the board in regulation.

(e) The board may issue a license or approve an application for the transfer of ownership of a license under this section if it appears that issuance or transfer will encourage the tourism trade.

(f) The board may authorize the holder of a seasonal restaurant or eating place tourism license

(1) to allow a person who is at least 16 years of age but under 21 years of age to enter and remain on the licensed premises for dining only;

(2) to allow a person who is under 16 years of age to enter and remain on the licensed premises for dining only if

(A) the person is accompanied by a person who is 21 years of age or older; and

(B) the parent or guardian of the person consents to the person being on the licensed premises; and

(3) subject to AS 04.16.049, to employ or permit the employment of a person who is at least 16 years of age but under 21 years of age on the licensed premises if the employer provides adequate supervision to ensure that the person does not obtain alcoholic beverages.

(g) The holder of a seasonal restaurant or eating place tourism license shall ensure that gross receipts from the sale of food for consumption on the licensed premises are not less than the total of the gross receipts from the sale of alcoholic beverages for consumption on the licensed premises in each calendar year. At the time the holder submits an application for renewal of the license, the holder shall submit a

statement to the board certifying that the holder has met the requirement under this subsection for the designated period of the license under AS 04.11.680. The board may renew a seasonal restaurant or eating place tourism license only if the licensee provides evidence satisfactory to the board that, during the designated period of the license under AS 04.11.680, the gross receipts from the sale of food for consumption on the licensed premises were not less than the total of the gross receipts from the sale of alcoholic beverages for consumption on the licensed premises.

(h) The board shall adopt a regulation establishing a formula to limit the number of seasonal restaurant or eating place tourism licenses.

(i) The holder of a seasonal restaurant or eating place tourism license may provide entertainment on or adjacent to the licensed premises only between the hours of 10:00 a.m. and 11:00 p.m. unless additional hours are approved by the director upon the written request of the licensee for a specific occasion. The director may not grant approval for additional hours of entertainment on or adjacent to the licensed premises of an individual licensee more than three times in a calendar year. In this subsection, "entertainment" includes dancing, karaoke, live performances, or similar activities, but does not include recorded or broadcast performances without live participation.

(j) Except as provided under AS 04.09.620, 04.09.640, and AS 04.16.120(c), the holder of a seasonal restaurant or eating place tourism license commits the offense of failure to comply with the terms of a seasonal restaurant or eating place tourism license if the person sells brewed beverages or wine in violation of (a) of this section, engages in activity not authorized by the board under (f) of this section, or fails to comply with the requirements of (f), (g), or (i) of this section.

(k) Failure to comply with the terms of a seasonal restaurant or eating place tourism license is a violation.

Sec. 04.09.370. Manufacturer direct shipment license. (a) A manufacturer direct shipment license authorizes the holder of a brewery retail license issued under AS 04.09.320, winery retail license issued under AS 04.09.330, or distillery retail license issued under AS 04.09.340, or the holder of a manufacturer license issued in another state, to sell the holder's product in response to an order for shipment to a

person, for personal use only and not for resale, who is located in the state. A manufacturer direct shipment license may not be transferred to another person or another location.

(b) The biennial fee for a manufacturer direct shipment license is $200.

(c) An applicant for issuance or renewal of a manufacturer direct shipment license shall

(1) submit an application on a form prescribed by the board;

(2) consent to the jurisdiction of the board, the Department of Revenue, and any other state agency or state court concerning enforcement of this title; and

(3) if the applicant is the holder of a license or permit authorizing the holder to manufacture and sell its product to the public issued in another state, provide to the board a copy of the holder's license or permit issued

(A) in the state; and

(B) by the Alcohol and Tobacco Tax and Trade Bureau.

(d) All product shipped to a purchaser in the state by the holder of a manufacturer direct shipment license is subject to the state excise tax.

(e) The holder of a manufacturer direct shipment license may not

(1) ship product to an address with a zip code located in an area that has adopted a local option under AS 04.11.491;

(2) sell more than

(A) 1.5 liters of distilled spirits to a purchaser in one transaction or more than 4.5 liters of distilled spirits to a purchaser in a calendar year;

(B) 18 liters of wine to a purchaser in one transaction or more than 108 liters of wine to a purchaser in a calendar year; or

(C) 288 ounces of brewed beverages to a purchaser in one transaction or more than 13.5 gallons of brewed beverages to a purchaser in a calendar year;

(3) ship its product using a common carrier who is not approved by the board to ship alcoholic beverages to persons in the state under AS 04.09.750(b); or

(4) annually produce more than 300,000 barrels in total of brewed beverages or more than 50,000 proof gallons in total of distilled spirits.

(f) Before shipping an order under this section, the holder of a manufacturer direct shipment license shall

(1) verify that the person submitting the order is at least 21 years of age, using an age verification service or other method, and that the named recipient of the shipment, if not the same person as the person submitting the order, is at least 21 years of age;

(2) determine that the order will not exceed the limits of (e)(2) of this section;

(3) provide written or electronic information to the person submitting the order on fetal alcohol syndrome and fetal alcohol effects resulting from a woman's consumption of alcohol during pregnancy; and

(4) label the shipping container as containing alcoholic beverages and requiring a signature by a person who is at least 21 years of age upon delivery.

(g) The holder of a manufacturer direct shipment license shall

(1) retain records of sales made under this license for at least two years; and

(2) make records of sales available for inspection and audit by the board and the Department of Revenue.

(h) The board shall compile a list that is available for public inspection of zip codes that are located within a local option area and notify the holder of a manufacturer direct shipment license of any change to the list.

(i) The holder of a manufacturer direct shipment license commits the offense of failure to comply with the terms of a manufacturer direct shipment license if the person fails to comply with (e) - (g) of this section.

(j) Failure to comply with the terms of a manufacturer direct shipment license is a violation.

Article 5. Endorsements.

Sec. 04.09.400. Types of endorsements. (a) An endorsement expands the boundaries of a licensed premises or the authorized activities of a licensed business.

(b) Only the board may issue an endorsement. The board may issue only the endorsements authorized in AS 04.09.400 - 04.09.520.

(c) An endorsement is valid only in conjunction with a license. An endorsement may be transferred to another person only if the license for which the endorsement was issued is also transferred to that person. An endorsement expires if the licensed premises are relocated, the license expires, or the license is revoked.

(d) Except as provided in (c) of this section, an endorsement is valid for the duration of the license as designated in AS 04.11.680. The holder of the endorsement shall renew the endorsement biennially.

(e) An application for an endorsement under AS 04.09.400 - 04.09.520 must

(1) be made in writing on a form prescribed by the board; and

(2) demonstrate that the holder of the license has authority over and will exercise control over conduct of the business in all areas of the licensed premises, including premises newly licensed by the endorsement.

Sec. 04.09.410. Manufacturer sampling endorsement. (a) A manufacturer sampling endorsement authorizes the holder of a brewery manufacturer license, winery manufacturer license, or distillery manufacturer license to offer for consumption on the licensed premises at no charge a small sample of an alcoholic beverage produced by the manufacturer.

(b) The biennial fee for a manufacturer sampling endorsement is $200.

(c) A person serving a sample of an alcoholic beverage under this section must have a current alcohol server education card issued under AS 04.21.025(c). Only the license holder or an agent or employee of the license holder may serve a sample.

(d) The holder of a manufacturer sampling endorsement may serve a total volume of samples to a person on a licensed premises each day that does not exceed

(1) for the holder of a brewery manufacturer license,

(A) 12 ounces of beer;

(B) six ounces of sake; or

(C) the alcoholic equivalent of (A) or (B) of this paragraph;

(2) for the holder of a winery manufacturer license,

(A) six ounces of wine, mead, or cider containing 8.5 percent

or more alcohol by volume;

(B) 12 ounces of mead or cider containing less than 8.5 percent alcohol by volume; or

(C) the alcoholic equivalent of (A) or (B) of this paragraph;

(3) for the holder of a distillery manufacturer license, 1.5 ounces of distilled spirits; the holder of the distillery manufacturer license may combine the holder's distilled spirits under this paragraph with other ingredients that are not alcoholic beverages, including mixers, liquids, and garnishes.

(e) A person who offers a sample of an alcoholic beverage for consumption on the licensed premises of a brewery, winery, or distillery without an endorsement under this section commits the offense of unendorsed sampling.

(f) Unendorsed sampling is a violation and is punishable by a fine of $500.

(g) The holder of a manufacturer sampling endorsement who fails to comply with the requirements of (c) or (d) of this section commits the offense of failure to comply with the terms of a manufacturer sampling endorsement.

(h) Failure to comply with the terms of a manufacturer sampling endorsement is a violation.

Sec. 04.09.420. Multiple fixed counter endorsement. (a) A multiple fixed counter endorsement authorizes the holder of a beverage dispensary license or a beverage dispensary tourism license to sell or serve alcoholic beverages on the licensed premises from multiple fixed counters.

(b) The biennial fee for a multiple fixed counter endorsement is $200.

(c) In addition to the fee under (b) of this section, the initial application fee for each fixed counter covered under the endorsement is $1,250.

(d) An initial application for a multiple fixed counter endorsement must include an annotated drawing of the location of each fixed counter in the licensed premises.

(e) A fixed counter at which alcoholic beverages are sold or served to the public for consumption covered under a multiple fixed counter endorsement must be a regularly maintained fixed counter or service bar that has plumbing connections to permanent plumbing. Multiple fixed counters must be located in the same building

under the same contiguous licensed premises as set out in regulation, except as provided for the holder of a hotel or motel endorsement under AS 04.09.430 or a large resort endorsement under AS 04.09.440. The board shall adopt regulations to implement this subsection.

(f) The holder of a beverage dispensary license or a beverage dispensary tourism license who maintains multiple fixed counters without an endorsement under this section commits the offense of unendorsed service at multiple fixed counters.

(g) The holder of a multiple fixed counter endorsement who fails to comply with the requirements of (e) of this section commits the offense of multiple fixed counter endorsement noncompliance.

(h) Unendorsed service at multiple fixed counters is a violation and is punishable by a fine of $500.

(i) Multiple fixed counter endorsement noncompliance is a violation.

Sec. 04.09.430. Hotel or motel endorsement. (a) A hotel or motel endorsement authorizes the holder of a beverage dispensary license or a beverage dispensary tourism license that is a hotel, motel, resort, or similar business premises that caters to the traveling public as a substantial part of its business to sell or serve alcoholic beverages on the licensed premises, including in a dining room, banquet room, and other public areas approved by the board, and in guest rooms.

(b) The biennial fee for a hotel or motel endorsement is $200.

(c) The holder of a beverage dispensary license or a beverage dispensary tourism license that is a hotel, motel, resort, or similar business premises that caters to the traveling public as a substantial part of its business shall apply for a multiple fixed counter endorsement under AS 04.09.420 to sell or serve alcoholic beverages at a secondary location located in a building different than the licensed premises for the beverage dispensary license or a beverage dispensary tourism license if the different building

(1) is located on the same property as, adjacent to, or attached to the originally licensed premises;

(2) principally caters to guests of the hotel or motel; and

(3) principally encourages the tourism trade at the hotel or motel.

(d) The holder of a hotel or motel endorsement may stock alcoholic beverages in guest rooms, for sale and consumption only in the guest room. Alcoholic beverages stocked under this subsection must be stocked by an employee who is 21 years of age or older, may not be supplied or resupplied during hours that the sale of alcoholic beverages is prohibited as provided under AS 04.16.010(a) and (d), and must be stored in a unit using a key or combination lock system within the guest room. A key lock system must be designed to prevent the removal of the key unless the unit is locked. Except for the licensee, or an agent or employee of the licensee, a key or combination enabling a person to obtain alcoholic beverages stocked in a guest room may be provided only to a guest who occupies the room and who is 21 years of age or older.

(e) The holder of a hotel or motel endorsement shall exercise control over conduct of the business in all areas of the licensed premises.

(f) The holder of a beverage dispensary license or a beverage dispensary tourism license who engages in activity under this section without an endorsement under this section commits the offense of unendorsed hotel or motel service.

(g) The holder of a hotel or motel endorsement who fails to comply with the requirements of this section commits the offense of hotel or motel endorsement noncompliance.

(h) Unendorsed hotel or motel service is a violation and is punishable by a fine of $500.

(i) Hotel or motel endorsement noncompliance is a violation.

Sec. 04.09.440. Large resort endorsement. (a) A large resort endorsement authorizes the holder of a beverage dispensary license or a beverage dispensary tourism license that is a large resort to sell or serve alcoholic beverages from multiple locations on the resort property to guests for consumption in areas on the site of the large resort, including a dining room, banquet room, guest room, open air venue, and ingress or egress route between those areas.

(b) The biennial fee for a large resort endorsement is $200.

(c) The holder of a large resort endorsement shall apply for a multiple fixed counter endorsement under AS 04.09.420 to sell or serve alcoholic beverages from multiple locations within the large resort's property. The locations do not need to be

located in the same building or on the same parcel, but must be within the boundary of the large resort, as that term is defined in (h) of this section.

(d) The holder of a large resort endorsement may sell or serve alcoholic beverages only from locations on the site of the large resort.

(e) For federal income tax purposes, the profit and loss from the licensed business conducted at locations on the resort under a large resort endorsement, other than guest rooms, must be combined or consolidated with the profit and loss from the licensed business conducted under the multiple fixed counter endorsement.

(f) The holder of a large resort endorsement shall exercise control over conduct of the business in all areas of the licensed premises.

(g) A holder of a beverage dispensary license with a large resort endorsement may stock alcoholic beverages in guest rooms, for sale and consumption only in the guest room. Alcoholic beverages stocked under this subsection must be stocked by an employee who is 21 years of age or older, may not be supplied or resupplied during hours that the sale of alcoholic beverages is prohibited as provided under AS 04.16.010(a) and (d), and must be stored in a unit using a key or combination lock system within the guest room. A key lock system must be designed to prevent the removal of the key unless the unit is locked. Except for the licensee, or an agent or employee of the licensee, a key or combination enabling a person to obtain alcoholic beverages stocked in a guest room may be provided only to a guest who occupies the room and who is 21 years of age or older.

(h) In this section, "large resort" means a resort that offers both outdoor recreational activities and overnight lodging to the public and is located on a site consisting of at least 10 contiguous acres containing one or more parcels of real property owned by the licensee, leased by the licensee, or a combination of parcels owned by the licensee and leased by the licensee.

(i) The holder of a beverage dispensary license or a beverage dispensary tourism license who engages in activity for which a large resort endorsement is required under this section without an endorsement under this section commits the offense of unendorsed large resort service.

(j) The holder of a large resort endorsement who fails to comply with the

requirements of (c) - (g) of this section commits the offense of large resort endorsement noncompliance.

(k) Unendorsed large resort service is a violation and is punishable by a fine of $500.

(*l*) Large resort endorsement noncompliance is a violation.

Sec. 04.09.450. Restaurant endorsement. (a) A restaurant endorsement authorizes the holder of a beverage dispensary license, fair license, golf course license, sporting activity or event license, club license, outdoor recreation lodge license, destination resort license, or beverage dispensary tourism license to allow a person

(1) under 21 years of age access as provided in (e) of this section to the premises of a bona fide restaurant on the licensed premises; and

(2) to enter or remain on the licensed premises to consume food or nonalcoholic beverages as authorized under AS 04.16.010(c)(5).

(b) The biennial fee for a restaurant endorsement is $200.

(c) An application for a restaurant endorsement must specify the establishment or portion of the establishment that constitutes a bona fide restaurant.

(d) The board may issue an endorsement under this section only if the board finds

(1) that the establishment or portion of the establishment for which the endorsement is requested is a bona fide restaurant;

(2) there is supervision on the premises adequate to reasonably ensure that a person under 21 years of age will not obtain alcoholic beverages; and

(3) that it is unlikely that persons under 21 years of age not employed on the premises will enter and remain on the premises of the bona fide restaurant for purposes other than dining.

(e) The board may authorize the holder of a license with a restaurant endorsement

(1) to allow a person who is at least 16 years of age but under 21 years of age to enter and remain on the licensed premises for dining only;

(2) to allow a person who is under 16 years of age to enter and remain on the licensed premises for dining only if

(A) the person is accompanied by a person who is 21 years of age or older; and

(B) the parent or guardian of the person consents to the person being on the licensed premises; and

(3) subject to AS 04.16.049, to employ or permit the employment of a person who is at least 16 years of age but under 21 years of age on the premises of the bona fide restaurant if the employer provides adequate supervision to ensure that the person does not obtain alcoholic beverages.

(f) The holder of a license who engages in activity under this section without an endorsement under this section commits the offense of unendorsed restaurant service.

(g) The holder of a restaurant endorsement who engages in activity not authorized by the board under (e) of this section or fails to comply with the requirements of (e) of this section commits the offense of restaurant endorsement noncompliance.

(h) Unendorsed restaurant service is a violation and is punishable by a fine of $500.

(i) Restaurant endorsement noncompliance is a violation.

Sec. 04.09.460. Package store shipping endorsement. (a) A package store shipping endorsement authorizes the holder of a package store license to sell alcoholic beverages to a person who makes an order to that licensee for shipment.

(b) The biennial fee for a package store shipping endorsement is $200.

(c) An endorsement holder may ship alcoholic beverages only to the purchaser and may ship alcoholic beverages only in response to an order. The endorsement holder may not, in response to an order, ship alcohol to a purchaser at an address other than the address where the purchaser resides or, if the purchaser resides in a municipality or established village that has adopted a local option under AS 04.11.491(a)(1), (2), or (3) or (b)(1) or (2) for which a community delivery site has been designated under AS 04.11.491(f), to an address other than that community delivery site except as provided by AS 04.11.491(f)(1) and (2).

(d) An endorsement holder shall provide written or electronic information on

fetal alcohol syndrome and fetal alcohol effects resulting from a woman's consumption of alcohol during pregnancy to the purchaser in response to an order.

(e) 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), an endorsement holder may not ship to a purchaser more than 10.5 liters of distilled spirits or 24 liters or more of wine, or either a half-barrel keg of brewed beverages or 12 gallons or more of brewed beverages in individual containers in a calendar month, or a lower amount of distilled spirits, wine, or brewed beverages if the municipality or established village has adopted the lower amount by local option under AS 04.11.491(g). Before shipping alcohol to a purchaser in a restricted area, an endorsement holder shall consult the database maintained by the board under AS 04.06.095 for any alcoholic beverage shipments made to the purchaser during that calendar month by a package store. An endorsement holder may not ship an amount of alcoholic beverages to a purchaser in a restricted area that, when added to the amount already shipped, exceeds the amount authorized by this subsection. An endorsement holder shall immediately enter into the database the date and the amount of alcoholic beverages shipped to the purchaser.

(f) An endorsement holder may not divide or combine shipments of alcoholic beverages so as to circumvent the limitation imposed under (e) of this section.

(g) In this section, "endorsement holder" means the holder of a package store license with a package store shipping endorsement, and an agent or employee of the holder of a package store license with a package store shipping endorsement.

(h) The holder of a package store license who ships alcoholic beverages without an endorsement under this section commits the offense of unendorsed package store shipping.

(i) The holder of a package store shipping endorsement who fails to comply with the requirements of (c) - (f) of this section commits the offense of package store shipping endorsement noncompliance.

(j) Unendorsed package store shipping is a violation and is punishable by a fine of $500.

(k) Package store shipping endorsement noncompliance is a violation.

Sec. 04.09.470. Package store delivery endorsement. (a) A package store

delivery endorsement authorizes the holder of a package store license to deliver alcoholic beverages to the location of a social event as set out in this section. For purposes of this subsection, the board shall define by regulation the term "social event."

(b) The biennial fee for a package store delivery endorsement is $200.

(c) The holder of a package store delivery endorsement may deliver alcoholic beverages only in response to an order. The board shall adopt regulations specifying the occasions for which delivery of alcoholic beverages is allowed and the manner of delivery by the licensee.

(d) The holder of a package store delivery endorsement may deliver alcoholic beverages only to a responsible adult at the delivery location specified on the order. The responsible adult shall provide identification and acceptable proof of age under AS 04.21.050 and acknowledge in writing receipt of the alcoholic beverages.

(e) The holder of a package store license who delivers alcoholic beverages without an endorsement under this section commits the offense of unendorsed package store delivery.

(f) The holder of a package store delivery endorsement who fails to comply with the requirements of (c) and (d) of this section commits the offense of package store delivery endorsement noncompliance.

(g) Unendorsed package store delivery is a violation and is punishable by a fine of $500.

(h) Package store delivery endorsement noncompliance is a violation.

Sec. 04.09.480. Package store repackaging endorsement. (a) A package store repackaging endorsement authorizes the holder of a package store license to subdivide and sell alcoholic beverages from original packages with federally compliant labels to smaller containers with the standard federal government warnings and the product name.

(b) The biennial fee for a package store repackaging endorsement is $200.

(c) A package store licensee with a package store repackaging endorsement may

(1) subdivide alcoholic beverages

(A) for sale on the licensed premises by opening the original package for the purpose of subdividing the contents into smaller packages; or

(B) in response to a purchase request from a person who is on the licensed premises or purchase order submitted in accordance with AS 04.09.470(c);

(2) permit an agent or employee to subdivide alcoholic beverages, but may not permit a customer or another person who is not an agent or employee of the licensee to subdivide alcoholic beverages.

(d) The holder of a package store license who repackages alcoholic beverages without an endorsement under this section commits the offense of unendorsed package store repackaging.

(e) The holder of a package store repackaging endorsement who fails to comply with the requirements of this section commits the offense of package store repackaging endorsement noncompliance.

(f) Unendorsed package store repackaging is a violation and is punishable by a fine of $500.

(g) Package store repackaging endorsement noncompliance is a violation.

Sec. 04.09.490. Package store sampling endorsement. (a) A package store sampling endorsement authorizes the holder of a package store license to offer for consumption on the licensed premises at no charge a small sample of an alcoholic beverage from its inventory during the package store's stated hours of business, but not between the hours of midnight and 8:00 a.m.

(b) The biennial fee for a package store sampling endorsement is $200.

(c) Only the license holder or an agent or employee of the license holder may serve a sample.

(d) The holder of a package store sampling endorsement may serve a total volume of samples to a person on a licensed premises each day that does not exceed

(1) 12 ounces of beer or mead, or cider, if the mead or cider contains less than 8.5 percent alcohol by volume;

(2) six ounces of wine, sake, or mead or cider, if the mead or cider contains 8.5 percent or more alcohol by volume;

(3) 1.5 ounces of distilled spirits; or

(4) the alcoholic equivalent of (1), (2), or (3) of this subsection.

(e) The holder of a package store sampling endorsement may not publicly advertise, including through newsprint, radio, or television, sampling activities conducted under the endorsement. However, the holder of a package store sampling endorsement may notify existing customers of sampling activities, including by electronic means.

(f) A person who offers a sample of an alcoholic beverage for consumption on the licensed premises of a package store without an endorsement under this section commits the offense of unendorsed package store sampling.

(g) Unendorsed package store sampling is a violation and is punishable by a fine of $500.

(h) The holder of a package store sampling endorsement who fails to comply with the requirements of (a) and (c) - (e) of this section commits the offense of failure to comply with the terms of a package store sampling endorsement.

(i) Failure to comply with the terms of a package store sampling endorsement is a violation.

Sec. 04.09.500. Bowling alley endorsement. (a) A bowling alley endorsement authorizes the holder of a beverage dispensary license or a beverage dispensary tourism license to sell or serve alcoholic beverages in the concourse or lane areas of the bowling alley adjacent to the main bar area.

(b) The biennial fee for a bowling alley endorsement is $200.

(c) The board may issue a bowling alley endorsement only if the concourse or lane areas of the bowling alley or both are

(1) designated as part of the licensed premises for the beverage dispensary license or a beverage dispensary tourism license; and

(2) adjacent to the main bar area.

(d) Notwithstanding AS 04.16.049, the board may, upon application, authorize access by persons under 21 years of age to the concourse or lane areas or both that are designated part of the licensed premises of the bowling alley during hours when no alcoholic beverages are being sold, served, or consumed.

(e) The periods during which persons under 21 years of age may be permitted access to the licensed premises must be clearly posted on the licensed premises.

(f) The holder of a beverage dispensary license or a beverage dispensary tourism license who sells or serves alcoholic beverages in the concourse or lane areas of a bowling alley without an endorsement under this section commits the offense of unendorsed bowling alley service.

(g) The holder of a bowling alley endorsement under this section who fails to comply with the requirements of (e) of this section or who permits access by a person under 21 years of age to the concourse or lane areas of the bowling alley during hours when alcoholic beverages are being served in the concourse or lane areas commits the offense of bowling alley endorsement noncompliance.

(h) Unendorsed bowling alley service is a violation and is punishable by a fine of $500.

(i) Bowling alley endorsement noncompliance is a violation.

Sec. 04.09.510. Golf course endorsement. (a) A golf course endorsement authorizes the owner of a golf course who has obtained a beverage dispensary license or a beverage dispensary tourism license to sell or serve alcoholic beverages on the golf course, driving range, club house and other buildings located on the course, and a vending cart carrying beverages or food to, from, or on the course, excluding the parking lot.

(b) The biennial fee for a golf course endorsement is $200.

(c) An application for a golf course endorsement must include a drawing of the golf course with an annotated illustration and a description of the portions of the course that are licensed premises and that are intended to be covered by the endorsement.

(d) The holder of a beverage dispensary license or beverage dispensary tourism license who sells or serves alcoholic beverages on a golf course without an endorsement under this section commits the offense of unendorsed golf course service.

(e) The holder of a golf course endorsement who fails to comply with (a) of this section commits the offense of golf course endorsement noncompliance.

(f) Unendorsed golf course service is a violation and is punishable by a fine of

$500.

(g) Golf course endorsement noncompliance is a violation.

Sec. 04.09.520. Brewery repackaging endorsement. (a) A brewery repackaging endorsement authorizes the holder of a brewery manufacturer license who held a license to operate a brewpub under former AS 04.11.135 and was operating a brewpub on the day before the effective date of this section and who also holds, wholly or in part, a beverage dispensary license, beverage dispensary tourism license, restaurant or eating place license, or a seasonal restaurant or eating place tourism license to offer the holder's brewed beverages for sale for consumption off the licensed premises and to subdivide and sell the holder's brewed beverages from original packages with federally compliant labels to smaller containers with the standard federal government warnings and the product name.

(b) The biennial fee for a brewery repackaging endorsement is $200.

(c) A brewery manufacturer licensee with a brewery repackaging endorsement

(1) is authorized to sell, each day to a person on the licensed premises for consumption off the licensed premises, not more than 5.167 gallons of the holder's beer or sake;

(2) may permit an agent or employee to subdivide the holder's brewed beverages, but may not permit a customer or another person who is not an agent or employee of the licensee to subdivide the holder's brewed beverages.

(d) In this section, "licensed premises" means a premises licensed under a beverage dispensary license, beverage dispensary tourism license, restaurant or eating place license, or a seasonal restaurant or eating place tourism license that is controlled by a brewery manufacturer licensee.

(e) The holder of a brewery manufacturer license who repackages brewed beverages without an endorsement under this section or a brewery retail license under AS 04.09.320 commits the offense of unendorsed brewery repackaging.

(f) The holder of a brewery repackaging endorsement who fails to comply with the requirements of this section commits the offense of brewery repackaging endorsement noncompliance.

(g) Unendorsed brewery repackaging is a violation, punishable by a fine of

$500.

(h) Brewery repackaging endorsement noncompliance is a violation.

Article 6. Permits.

Sec. 04.09.600. Types of permits. (a) A permit allows catering and serving activities for a specific period on a single specified premises and allows an eligible nonprofit organization to host a fundraising or not-for-profit event.

(b) The director may issue only the permits authorized in AS 04.09.600 - 04.09.690. An application for a permit must be received by the director not less than three business days before the first day of the event. Except for a conditional contractor's permit issued under AS 04.09.690, the director shall require every person who will serve or sell alcohol or check identification of a patron during a permitted event to complete an alcohol server education course under AS 04.21.025 before the first day of the permitted event.

(c) An applicant for a permit must follow the application requirements set out in AS 04.11.260.

(d) A permit, other than an inventory resale permit under AS 04.09.680 and a conditional contractor's permit under AS 04.09.690, is valid only on the premises, for the event, and for the period specified.

(e) The holder of an approved permit may submit a written request for amendment of the approved permit to change the event date, site, designated area, or designated time. The holder of the approved permit shall submit the request to the director not later than three business days before the event and shall include approval of the law enforcement agency having jurisdiction over the site of the event for which the amended permit is sought.

(f) The holder of an approved permit shall ensure that the individuals serving alcohol have completed alcohol server training as required under AS 04.21.025 before the first day of the permitted event.

(g) A permit may not be transferred to another person or another location and, except for a conditional contractor's permit under AS 04.09.690, may not be renewed.

(h) Except as otherwise provided in AS 04.09.680 for an inventory resale permit and AS 04.09.690 for a conditional contractor's permit, the fee for a permit

shall be set by the board in regulation. The fee must be at least $50 for each day of the event.

(i) The director shall approve or deny a permit application. If the director denies a permit application, the applicant may appeal to the board.

Sec. 04.09.610. Beverage dispensary caterer's permit. A beverage dispensary caterer's permit authorizes the holder of a beverage dispensary license or beverage dispensary tourism license to sell or dispense alcoholic beverages at conventions, picnics, sporting activities or events, concerts, street festivals, or similar affairs held off the holder's licensed premises for which a beverage dispensary license or beverage dispensary tourism license would not otherwise be required. The permit may be issued only for designated premises for a specific occasion and for a limited period.

Sec. 04.09.620. Restaurant caterer's dining permit. (a) A restaurant caterer's dining permit authorizes the holder of a restaurant or eating place license or a seasonal restaurant or eating place tourism license to sell brewed beverages and wine before and during the service of food provided by the licensee at a single dining event held off the holder's licensed premises.

(b) The director may issue a restaurant caterer's dining permit only for designated premises, for a specific occasion, and for a limited period.

(c) The licensee shall provide food in conjunction with the service of brewed beverages and wine under a restaurant caterer's dining permit. The licensee shall comply with the requirements for gross receipts from food sales for a restaurant or eating place license under AS 04.09.210(e) or a seasonal restaurant or eating place tourism license under AS 04.09.360(g).

Sec. 04.09.630. Club caterer's permit. (a) A club caterer's permit authorizes the holder of a club license to sell or dispense alcoholic beverages at an event held off the club's licensed premises.

(b) The application for a club caterer's permit filed under AS 04.11.260 must be signed by two officers of the organization.

(c) A restriction or prohibition under AS 04.09.220 regarding a club member or a guest of a club member applies at the premises covered by the permit.

(d) The director may not issue more than three club caterer's permits to the holder of a club license in a calendar year.

Sec. 04.09.640. Art exhibit event permit. (a) An art exhibit event permit authorizes the holder of a beverage dispensary license, a beverage dispensary tourism license, a restaurant or eating place license, or a seasonal restaurant or eating place tourism license to sell and serve brewed beverages and wine for consumption at a specific art exhibit event.

(b) The director may issue an art exhibit event permit only for a specific art exhibit event at premises designated in the application for a limited period specified in the application.

(c) The director may not grant more than 12 art exhibit event permits to a licensee in a calendar year.

(d) An art exhibit event permit may not be exercised during an event that is expected to attract attendees under 21 years of age.

(e) Food must be provided in conjunction with the service of brewed beverages and wine under an art exhibit event permit.

Sec. 04.09.645. Music festival permit. (a) A music festival permit authorizes the holder of a restaurant or eating place license to sell or dispense beer and wine for consumption at a festival with multiple live music performances held off the holder's licensed premises.

(b) The board may issue a music festival permit to the holder of a restaurant or eating place license only if the licensed premises of the restaurant or eating place is located in the unorganized borough.

(c) The board may issue a music festival permit only for

(1) a designated premises and for a limited period, not to exceed four calendar days;

(2) a music festival that has existed at the same location for a period of at least 10 years before the application for the permit is filed; and

(3) a music festival that is located in the unorganized borough.

(d) The board may not issue more than one music festival permit to the holder of a restaurant or eating place license in a calendar year.

Sec. 04.09.650. Nonprofit organization event permit. (a) A nonprofit organization event permit authorizes the holder to sell or dispense brewed beverages or wine for consumption at an event organized by the nonprofit organization.

(b) Only a nonprofit organization, such as a fraternal, civic, professional, or patriotic organization, that is incorporated under AS 10.20 and has been active for a period of at least two years before filing an application is eligible for a nonprofit organization event permit.

(c) The application for a nonprofit organization event permit filed under AS 04.11.260 must be signed by two officers of the organization. The nonprofit organization shall submit, together with the application,

(1) either a signed copy of a resolution adopted by the board of directors or a copy of the minutes from a board meeting of the nonprofit organization authorizing the application; and

(2) a sworn affidavit showing the length of time the organization has been in existence.

(d) The director may not issue more than five nonprofit organization event permits to a nonprofit organization, including an auxiliary of the organization, in a calendar year. A nonprofit organization event permit may be issued only for designated premises for a specific occasion and for a limited period as specified in the application.

(e) The nonprofit organization shall ensure that all profits derived from the sale of brewed beverages or wine under a nonprofit organization event permit are paid to the organization that holds the permit and not to an individual.

Sec. 04.09.660. Alcoholic beverage auction permit. (a) An alcoholic beverage auction permit authorizes the holder to sell alcoholic beverages by outcry, silent, or online auction. An alcoholic beverage auction permit is sufficient to authorize a nonprofit organization under (b) of this section to sell alcoholic beverages by outcry, silent, or online auction, and no other permit or license is required. An alcoholic beverage auction permit may be operated on the licensed premises of a beverage dispensary license, beverage dispensary tourism license, club license, restaurant or eating place license, or seasonal restaurant or eating place license.

(b) Only a nonprofit organization, such as a fraternal, civic, professional, or patriotic organization, that is incorporated under AS 10.20 and has been active for a period of at least two years before filing an application is eligible for an alcoholic beverage auction permit.

(c) The application for an alcoholic beverage auction permit filed under AS 04.11.260 must be signed by two officers of the organization. The nonprofit organization shall submit, together with the application,

(1) either a signed copy of a resolution adopted by the board of directors or a copy of the minutes of a board meeting of the nonprofit organization authorizing the application; and

(2) a sworn affidavit showing the length of time the organization has been in existence.

(d) The director may not issue more than five alcoholic beverage auction permits to a nonprofit organization, including an auxiliary of the organization, in a calendar year. The director may issue a permit only for designated premises for a specific event and for a limited period as specified in the application.

(e) The nonprofit organization shall ensure that all profits derived from the sale of brewed beverages or wine under an alcoholic beverage auction permit are paid to the organization that holds the permit and not to an individual.

(f) The nonprofit organization may not permit consumption at the auction site of the alcoholic beverages being auctioned under a nonprofit organization alcoholic beverage auction permit.

Sec. 04.09.670. Package store tasting event permit. (a) A package store tasting event permit authorizes the holder of a package store license to sell or dispense alcoholic beverages at a tasting event held on the licensed premises, or unlicensed areas of the property where the package store is located, excluding the parking lot.

(b) A tasting event must be for the purpose of promoting products available for purchase from the package store licensee; only products sold by the package store licensee may be sold or dispensed at the event.

(c) The director may issue a package store tasting event permit only for a specific tasting event at premises designated in the application for a limited period

specified in the application.

(d) The director may not issue more than six package store tasting event permits in a calendar year to a package store licensee. If a person holds two or more package store licenses, then the director shall treat each license as separate and distinct when applying the limitation under this subsection, regardless of how many other licenses the person holds, wholly or in part.

(e) The director may not issue a package store tasting event permit for a period that

(1) is longer than four hours;

(2) ends later than 9:00 p.m.

(f) Food must be provided in conjunction with the service of alcoholic beverages under a package store tasting event permit.

Sec. 04.09.680. Inventory resale permit. (a) An inventory resale permit authorizes the holder to sell the remaining inventory of alcoholic beverages of a business when the owner of the business no longer has a valid license under this title.

(b) The fee for an inventory resale permit is $100.

(c) The holder of an inventory resale permit may sell the remaining alcoholic beverage inventory only to the holder of a valid license under this chapter.

(d) The director may issue an inventory resale permit for a period ending 90 days after the date of expiration or forfeiture of the license. The director may not issue a permit if the license was suspended or revoked.

Sec. 04.09.685. Live music or entertainment permit. (a) A live music or entertainment permit authorizes the holder of a brewery retail license, winery retail license, or distillery retail license to allow live music or other entertainment on the licensed premises where consumption occurs.

(b) The director may not issue more than four live music or entertainment permits to a licensee in a calendar year. The director may issue a live music or entertainment permit only for designated premises for a specific occasion and for a limited period during a single day between the hours of 9:00 a.m. and 9:00 p.m., as specified in the application.

Sec. 04.09.690. Conditional contractor's permit. (a) A conditional

contractor's permit authorizes the holder to sell brewed beverages or wine for consumption only on designated premises for the designated period of the permit under AS 04.11.680 at construction sites that are located outside a city and inside the boundaries of a military or naval reservation.

(b) The biennial conditional contractor's permit fee is $1,250.

(c) An applicant for a conditional contractor's permit must obtain and file with the board written permission from the commanding officer of the military or naval reservation and the prime contractor of the remotely situated project for the conduct of the activities authorized by the permit. A conditional contractor's permit may be renewed biennially upon reapplication for a permit and may be revoked or suspended at the discretion of the commanding officer or the prime contractor.

(d) A conditional contractor's permit may not be transferred and is not valid after the completion of the holder's contract or the closing of the military or naval reservation.

Sec. 04.09.700. Failure to comply with a permit requirement. (a) A person who engages in activity that requires a permit under AS 04.09.600 - 04.09.690 without having a permit and a person who violates the terms of a permit issued under AS 04.09.600 - 04.09.690 commits the offense of failure to comply with a permit requirement.

(b) Except as provided in (c) of this section, failure to comply with a permit requirement is a violation.

(c) Failure to comply with a permit requirement of an inventory resale permit under AS 04.09.680 or a conditional contractor's permit under AS 04.09.690 is a violation punishable by a fine of $500.

Article 7. Common Carrier Approval.

Sec. 04.09.750. Common carrier approval. (a) A common carrier may not transport or deliver alcoholic beverages to a person in the state unless the board has approved the common carrier under (b) of this section.

(b) A common carrier may apply to the board, on a form prescribed by the board, for approval to transport and deliver alcoholic beverages to persons in the state. The board shall approve an application if the common carrier certifies that it will meet

the requirements under (c) and (d) of this section.

(c) A common carrier delivering alcoholic beverages to a person in the state shall ensure that the package containing alcoholic beverages is delivered directly to a person who

(1) presents identification and acceptable proof of age under AS 04.21.050 showing that the person is 21 years of age or older; and

(2) provides a signature acknowledging that the person received the package.

(d) A common carrier approved by the board under (b) of this section shall make records of shipments of alcoholic beverages to persons in the state available for inspection and audit by the board. The board may require periodic reporting of approved common carriers on a form prescribed by the board.

(e) The board shall maintain, periodically review, and make available for public inspection a list of approved common carriers for transport and delivery of alcoholic beverages to persons in the state.

(f) The board may remove a previously approved common carrier from the list if the common carrier transports or delivers alcoholic beverages in violation of (c) or (d) of this section.

(g) In this section,

(1) "common carrier" means a motor vehicle, watercraft, aircraft, or railroad car available for public hire to transport freight or passengers;

(2) "transport" has the meaning given in AS 04.11.499.

(h) A common carrier that has not been approved by the board to transport and deliver alcoholic beverages and that transports or delivers alcoholic beverages into or within the state commits the offense of unapproved common carrier transport or delivery of alcoholic beverages.

(i) An approved common carrier that violates a provision under (c) or (d) of this section commits the offense of common carrier noncompliance for transport or delivery of alcoholic beverages.

(j) Unapproved common carrier transport or delivery of alcoholic beverages is a violation and is punishable by a fine of $500.

(k) Common carrier noncompliance for transport or delivery of alcoholic beverages is a violation.

Article 8. Prohibited Acts.

Sec. 04.09.850. Unlicensed retail sale. (a) A person commits the crime of unlicensed retail sale if the person knowingly operates without the appropriate license a retail operation that requires a license under this chapter.

(b) Unlicensed retail sale is a class A misdemeanor.

*** Sec. 14.** AS 04.11.010(a) is amended to read:

(a) Except as provided in AS 04.11.020, a person may not knowingly

(1) [MANUFACTURE, SELL, OFFER FOR SALE,] possess for [SALE OR] barter, traffic in, or barter an alcoholic beverage unless under license or permit issued under this title**; or**

(2) manufacture an alcoholic beverage, sell an alcoholic beverage, offer an alcoholic beverage for sale, or possess an alcoholic beverage for sale in an area that has adopted a local option under AS 04.11.491 unless under license or permit issued under this title.

*** Sec. 15.** AS 04.11.010(b) is amended to read:

(b) Except as provided in this subsection, 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 **a package store shipping endorsement under AS 04.09.460** [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). A person who violates this subsection is punishable upon conviction as provided under AS 04.16.200(a) or (b).

*** Sec. 16.** AS 04.11.010(c) is amended to read:

(c) Unless a municipality or established village has adopted a more restrictive local option under AS 04.11.491(g), in a criminal prosecution for possession of

alcoholic beverages for **barter or** sale in violation of (a) of this section**, AS 04.09.060, 04.09.140, or 04.09.850**, the fact that a person

(1) possessed more than 10 1/2 liters of distilled spirits or 24 liters or more of wine, or either a **half-barrel keg** [HALF-KEG] of **brewed** [MALT] beverages or 12 gallons or more of **brewed** [MALT] beverages in individual containers in an area where the sale of alcoholic beverages is restricted or prohibited under AS 04.11.491 creates a presumption that the person possessed the alcoholic beverages for **barter or** sale;

(2) sends, transports, or brings more than 10 1/2 liters of distilled spirits or 24 liters or more of wine, or either a **half-barrel keg** [HALF-KEG] of **brewed** [MALT] beverages or 12 gallons or more of **brewed** [MALT] beverages in individual containers to an area where the sale of alcoholic beverages is restricted or prohibited under AS 04.11.491 creates a presumption that the person sent, transported, or brought the alcoholic beverages for **barter or** sale in the area.

*** Sec. 17.** AS 04.11.015 is amended to read:

Sec. 04.11.015. Purchase from nonlicensee prohibited. (a) A person may not purchase **or barter for** alcoholic beverages from a person who is not a licensee, permittee, or an agent or employee of a licensee or permittee.

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

*** Sec. 18.** AS 04.11.030(b) is amended to read:

(b) If an application for the transfer of ownership of a license from a deceased licensee is not made within **180** [90] days of the death of the licensee or within an additional 90 days if an application for transfer of ownership made by the executor is denied, or no petition is made to the board for an extension of time under (c) of this section within the time, the license is forfeited.

*** Sec. 19.** AS 04.11.040 is amended by adding new subsections to read:

(d) A person who transfers a license or permit or a controlling interest in a license or permit in violation of this section commits the offense of unauthorized transfer of an alcoholic beverage license or permit.

(e) Unauthorized transfer of an alcoholic beverage license or permit is a violation.

*** Sec. 20.** AS 04.11.045 is amended by adding new subsections to read:

(c) A limited liability organization that fails to report as required under (a) of this section commits the offense of failure to report a change in member interest or manager.

(d) Failure to report a change in member interest or manager is a violation.

*** Sec. 21.** AS 04.11.050 is amended by adding new subsections to read:

(d) A corporation that fails to report as required under (a) of this section, other than a corporation described in (c) of this section, commits the offense of failure to report a stock transfer or change of officers or board members.

(e) Failure to report a stock transfer or change of officers or board members is a violation.

*** Sec. 22.** AS 04.11.055 is amended by adding new subsections to read:

(c) A partnership that fails to report as required under (a) of this section commits the offense of failure to report a transfer of partnership interest or change of general partner.

(d) Failure to report a transfer of partnership interest or change of general partner is a violation.

*** Sec. 23.** AS 04.11.060 is amended to read:

Sec. 04.11.060. Nonresident distiller, brewer, winery, or wholesaler. A distiller, brewer, winery, or wholesaler whose plant or principal place of business is outside the state may not sell products directly to licensees in the state without

(1) obtaining a general wholesale license under **<u>AS 04.09.100</u>** [AS 04.11.160(a)] for each wholesale distributing point in the state;

(2) appointing an agent upon whom process can be served; and

(3) obtaining other applicable licenses under the provisions of this title.

*** Sec. 24.** AS 04.11.060 is amended by adding a new subsection to read:

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

*** Sec. 25.** AS 04.11.260 is amended to read:

Sec. 04.11.260. Application for new license<u>, endorsement,</u> or permit. (a) An applicant for a new license**<u>, endorsement,</u>** or permit shall file with the director a

written application, signed and sworn to by the applicant, giving the applicant's name**, mailing address, telephone number,** and **electronic mail** address. If the applicant is a corporation, the application shall be executed by **an** [THE] authorized **officer** [OFFICERS] of the corporation. If the applicant is a partnership, including a limited partnership, the application shall be executed by an authorized general partner. The application must include

(1) the type of license**, endorsement,** or permit desired;

(2) a description of the premises for which the license**, endorsement,** or permit is desired, giving the address by street and number, or other information, so that the location of the premises can be definitely determined;

(3) **an annotated illustration of the premises designating the areas for manufacture, storage, service, and consumption of alcoholic beverages and, for a license application, the area for warehousing of the alcoholic beverages;**

(4) the license**, endorsement, or permit** fee**, and, for a multiple fixed counter endorsement, the application fee for each counter**;

(5) [(4)] the duration of the license**, endorsement,** or permit desired**, including, for a permit, a statement of the event dates and the specific hours of intended operation**;

(6) [(5)] any other information required by the board.

(b) A corporation applying for a license or **conditional contractor's** permit **under AS 04.09.690** shall provide the names and addresses of the president, vice-president, secretary, managing officer, and all stockholders who own 10 percent or more of the stock in the corporation, together with any other information required by the board.

(c) An applicant for a new license or permit must include with the application

(1) proof that notice required by AS 04.11.310**, if any,** has been given;

(2) any petitions required to be secured under AS 04.11.460 before a license may be issued;

(3) evidence of any approval by public authorities required to be obtained [UNDER AS 04.11.090(e), 04.11.220(c), 04.11.230(b), 04.11.240(b), OR 04.11.250(b),] before a license or permit may be issued**, including**

(A) written approval under AS 04.09.240 from the governing body of a college or university for a pub license;

(B) approval under AS 04.11.365 for a restaurant or eating place license in a multi-unit residential housing development owned or financed by the Alaska Housing Finance Corporation;

(C) permission from the commanding officer and the prime contractor for a conditional contractor's permit under AS 04.09.690;

(D) for a permit other than a conditional contractor's permit, approval of the law enforcement agency having jurisdiction over the site of the event for which the permit is sought.

(d) A partnership, including a limited partnership, that applies for a license or **conditional contractor's** permit **under AS 04.09.690** shall provide information required by the board including the names and addresses of all general partners and all partners with an interest of 10 percent or more.

(e) A limited liability organization that applies for a license or **conditional contractor's** permit **under AS 04.09.690** shall provide information required by the board, including the names and addresses of all members with an ownership interest of 10 percent or more and the names and addresses of all managers.

*** Sec. 26.** AS 04.11.260 is amended by adding a new subsection to read:

(f) This section does not apply to a manufacturer direct shipment license issued under AS 04.09.370.

*** Sec. 27.** AS 04.11.270 is amended to read:

Sec. 04.11.270. Application for renewal of license, license with one or more endorsements, or conditional contractor's permit. (a) An application for renewal of a license**, license with one or more endorsements,** or [RENEWAL OF A] conditional contractor's permit **under AS 04.09.690** must include

(1) the information required for a new license**, endorsement,** or permit under AS 04.11.260 except that proof of notice under AS 04.11.310 is not required; and

(2) a list of all convictions of the applicant of violations of this title, a regulation adopted under this title, or an ordinance adopted under AS 04.21.010, that

occurred in the preceding two calendar years.

(b) A license**, license with one or more endorsements, or permit** shall be renewed as follows:

(1) on or before November 1, the director shall mail a renewal application to each licensee whose license, **license with one or more endorsements, or permit,** unless renewed, will expire on December 31 of that year; the application shall be mailed to the licensee **or permittee** [AT THE LICENSED PREMISES OR] at a mailing address **or electronic mail address** furnished by the licensee **or permittee**;

(2) the licensee **or permittee** shall submit the completed renewal application and the biennial [LICENSE] fee to the director before January 1;

(3) a renewal application filed after December 31 is delinquent and must be accompanied by a $500 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. 28.** AS 04.11.270 is amended by adding a new subsection to read:

(c) This section does not apply to a manufacturer direct shipment license issued under AS 04.09.370.

*** Sec. 29.** AS 04.11.280 is amended to read:

Sec. 04.11.280. Application for transfer of a license to another person. (a) An application for transfer of a license **or a license with one or more endorsements** to another person must contain the same information about the transferee as is required of an applicant for a new license **or endorsement** under AS 04.11.260 and must include other information required by the board.

(b) An application for the transfer of a license **or a license with one or more endorsements** to another person must be accompanied by a statement, under oath, executed by the transferor, listing all debts of the business and all taxes due by the business. The board shall promptly inform each listed creditor of the application and the amount shown as owed to that creditor.

*** Sec. 30.** AS 04.11.280 is amended by adding new subsections to read:

(c) A license is automatically transferred as requested in an application for transfer of the license to another person if

(1) the board does not approve or deny the completed application within 90 days after receiving the application;

(2) the application is for transfer of a

(A) restaurant or eating place license under AS 04.09.210;

(B) seasonal restaurant or eating place tourism license under AS 04.09.360;

(C) restaurant or eating place license under AS 04.09.210 with one or more endorsements; or

(D) seasonal restaurant or eating place tourism license under AS 04.09.360 with one or more endorsements; and

(3) the applicant for transfer of a license has not previously had a license or permit suspended or revoked under AS 04.11.370.

(d) The board may suspend or revoke a license that was automatically transferred to another person under (c) of this section if, after receiving criminal justice information and records obtained under AS 04.11.295, the board determines that the licensee does not meet the qualifications for transfer of a license to another person under this title.

*** Sec. 31.** AS 04.11.295(a) is amended to read:

(a) An applicant for the issuance or transfer of a license or **issuance of** a conditional contractor's permit under this title shall submit to the board, with the application, the applicant's fingerprints and the fees required by the Department of Public Safety under AS 12.62.160 for criminal justice information and a national criminal history record check. Except as provided under (b) of this section, the board may require an applicant for renewal of a license or a conditional contractor's permit under this title to submit fingerprints and pay the required fees. The board shall submit the fingerprints to the Department of Public Safety to obtain a report of criminal justice information under AS 12.62 and a national criminal history record check under AS 12.62.400. The Department of Public Safety may submit the fingerprints to the Federal Bureau of Investigation for a national criminal history record check. The board shall use the information obtained under this section in its determination of an applicant's qualification for issuance, transfer, or renewal of a license or **issuance or**

renewal of a conditional contractor's permit.

*** Sec. 32.** AS 04.11.295(c)(1) is amended to read:

(1) "applicant" means all individuals whose names and addresses are required to be provided with an application for a new license or **conditional contractor's** permit under **AS 04.09.690** [AS 04.11.260];

*** Sec. 33.** AS 04.11.310 is amended by adding a new subsection to read:

(c) This section does not apply to a manufacturer direct shipment license issued under AS 04.09.370.

*** Sec. 34.** AS 04.11 is amended by adding a new section to article 3 to read:

Sec. 04.11.315. False statement on application. A person who knowingly makes a false sworn statement that the person does not believe to be true on an application under AS 04.11.260 - 04.11.310 commits the crime of perjury under AS 11.56.200.

*** Sec. 35.** AS 04.11.320(a) is amended to read:

(a) An application requesting issuance of a new license **or endorsement** shall be denied if

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

(2) issuance of the license is prohibited by 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 **or endorsement** would violate the restrictions pertaining to the particular license **or endorsement** 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;

(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 or the requirements of AS 04.11.430(b) relating to location of**

the endorsement [, AND THE IDENTITY AND FINANCING OF A LICENSEE] have not been met;

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

(9) 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; or

(10) 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.

*** Sec. 36.** 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 240 hours 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; **or**

(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. 37.** AS 04.11.330(a), as amended by sec. 36 of this Act, is amended to read:

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

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

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

(3) the applicant has not operated the licensed premises for at least 240 hours 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 **beverage dispensary tourism** license under **AS 04.09.350 or seasonal restaurant or eating place tourism license under AS 04.09.360** [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 **or endorsement** would violate the restrictions pertaining to the particular license **or endorsement** under this title or the license **or endorsement** 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; or

(8) the application has not been completed in accordance with **AS 04.09.370 or** AS 04.11.270.

*** Sec. 38.** AS 04.11.330(b) is amended to read:

(b) An application for renewal of a license may be denied if the applicant is delinquent in the payment of taxes**, fees, or penalties due to the state or a local government** if the tax liability **or fees or penalties assessed arise** [ARISES] in whole or in part out of the licensed business.

*** Sec. 39.** AS 04.11.330(d) is amended to read:

(d) Notwithstanding (a)(3) of this section, a **theater license issued under AS 04.09.250, a common carrier dispensary license issued under AS 04.09.260, or a sporting activity or event** [RECREATIONAL SITE] license issued under **AS 04.09.270** [AS 04.11.210] may be renewed if the license was exercised at least once during each of the two preceding calendar years.

*** Sec. 40.** AS 04.11.330 is amended by adding a new subsection to read:

(e) The requirements of (a)(3), (a)(5), and (a)(7) of this section do not apply to a manufacturer direct shipment license issued under AS 04.09.370.

*** Sec. 41.** 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 **regulation or ordinance** [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; or

(9) the license was issued under AS 04.11.400(d) [, (e), OR (g)].

*** Sec. 42.** AS 04.11.340, as amended by sec. 41 of this Act, 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 **except as provided under AS 04.11.400(k)**;

(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 regulation or ordinance;

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

(8) relocation of the license is prohibited under this title as a result of an election conducted under AS 04.11.507 [; OR

(9) THE LICENSE WAS ISSUED UNDER AS 04.11.400(d)].

*** Sec. 43.** 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 under 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;

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

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

(10) 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. 44.** AS 04.11.360, as amended by sec. 43 of this Act, 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 under 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; **<u>or</u>**

(8) the prospective transferee does not have the qualifications required under this title of an original applicant; however, an application may not be denied because a prospective transferee under **<u>AS 04.09.350(c)(2)</u>** [AS 04.11.400(d)(2)] does not have the qualifications required under **<u>AS 04.09.350(c)(1)</u>** [AS 04.11.400(d)(1);

(9) THE LICENSE WAS ISSUED UNDER AS 04.11.100(f);

HOWEVER, THIS PARAGRAPH DOES NOT APPLY TO A BEVERAGE DISPENSARY LICENSE ISSUED BEFORE JUNE 6, 1985, UNDER FORMER AS 04.11.400(j) IF THE TRANSFER DOES NOT INVOLVE A CHANGE IN LOCATION; OR

(10) 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. 45.** AS 04.11.365 is amended to read:

Sec. 04.11.365. Licensed premises in multi-unit residential housing developments owned or financed by the Alaska Housing Finance Corporation. For premises located in a multi-unit residential housing development owned or financed by the Alaska Housing Finance Corporation, the board may issue a new license under AS 04.11.320, renew a license under AS 04.11.330, or approve a request for relocation under AS 04.11.340 if the Alaska Housing Finance Corporation authorizes the use under AS 18.56.230 and

(1) the license is [FOR] a

(A) restaurant or eating place **license** under **AS 04.09.210** [AS 04.11.100]; or

(B) seasonal restaurant or eating place tourism license under AS 04.09.360; or

(2) the premises are **covered by a restaurant endorsement** [DESIGNATED BY THE BOARD AS A RESTAURANT] under **AS 04.09.450** [AS 04.16.049].

*** Sec. 46.** AS 04.11.370(a) is amended to read:

(a) A license**, endorsement,** or permit shall be suspended or revoked if the board finds

(1) misrepresentation of a material fact on an application made under this title or a regulation adopted under this title;

(2) continuation of the manufacture, sale, or service of alcoholic beverages by the licensee or permittee would be contrary to the best interests of the

public;

(3) failure on the part of the licensee to correct a defect that constitutes a violation of this title, a condition or restriction imposed by the board, a regulation adopted under this title, or other laws after receipt of notice issued by the board or its agent;

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

(5) conviction of an 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 in the state;

(7) use of the licensed premises as a resort for illegal possessors or users of narcotics, prostitutes, or sex traffickers; 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 sex traffickers;

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

(9) the licensee permitted a 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. 47.** AS 04.11.395 is amended to read:

Sec. 04.11.395. Conditions [BOARD IMPOSED CONDITIONS] or restrictions imposed on a license, endorsement, or permit. The board may, in the best interests of the public, impose conditions or restrictions on a license**, endorsement,** or permit issued under this chapter.

*** Sec. 48.** AS 04.11.395 is amended by adding a new subsection to read:

(b) Except for a conditional contractor's permit issued under AS 04.09.690, the board may delegate to the director the authority to impose, in the best interests of the public, conditions or restrictions on a permit issued under this chapter.

*** Sec. 49.** AS 04.11.400(a) is amended to read:

(a) Except as provided in **(d), (f), and (h) - (k)** [(d) - (k)] of this section **and AS 04.11.405**, 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 (A) more than one restaurant or eating place license for each 1,500 population or fraction of that 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 population, in a radius of five miles of the licensed premises, 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

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

(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 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 population excluding the population of those established villages that have adopted a local option under AS 04.11.491(b)(1), (3), or (4), and excluding the population of incorporated cities located within the organized borough.

*** Sec. 50.** AS 04.11.400(a), as amended by sec. 49 of this Act, is amended to read:

(a) Except as provided in **(f), (i), and (k)** [(d), (f), and (h) - (k)] of this section and AS 04.11.405, 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, **in a radius of five miles of the licensed premises, excluding the populations of established villages, incorporated cities, unified municipalities, and organized boroughs that are wholly or partly included within the radius,** there would be

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

(B) **more than one brewery retail, one winery retail, and one distillery retail license for each 9,000 population or fraction of that population; or**

(C) more than one license of each other type, **except a type listed in (i) of this section** [INCLUDING LICENSES THAT HAVE BEEN ISSUED UNDER (d) OF THIS SECTION], for each 3,000 population or

fraction of that population [, IN A RADIUS OF FIVE MILES OF THE LICENSED PREMISES, 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

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

(B) **more than one brewery retail, one winery retail, and one distillery retail license for each 9,000 population or fraction of that population; or**

(C) more than one license of each other type, **except a type listed in (i) of this section** [INCLUDING LICENSES THAT HAVE BEEN ISSUED UNDER (d) OF THIS SECTION], for each 3,000 population or fraction of that population;

(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, **excluding the population of those established villages that have adopted a local option under AS 04.11.491(b)(1) or (3), and excluding the population of incorporated cities located within the organized borough;**

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

(B) **more than one brewery retail, one winery retail, and one distillery retail license for each 9,000 population or fraction of that population; or**

(C) more than one license of each other type, **except a type listed in (i) of this section** [INCLUDING LICENSES THAT HAVE BEEN

ISSUED UNDER (d) OF THIS SECTION], for each 3,000 population or fraction of that population [EXCLUDING THE POPULATION OF THOSE ESTABLISHED VILLAGES THAT HAVE ADOPTED A LOCAL OPTION UNDER AS 04.11.491(b)(1), (3), OR (4), AND EXCLUDING THE POPULATION OF INCORPORATED CITIES LOCATED WITHIN THE ORGANIZED BOROUGH].

*** Sec. 51.** AS 04.11.400(a), as amended by sec. 50 of this Act, is amended to read:

(a) Except as provided in (f), (i), and (k) of this section and AS 04.11.405, 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, in a radius of five miles of the licensed premises, excluding the populations of established villages, incorporated cities, unified municipalities, and organized boroughs that are wholly or partly included within the radius, there would be

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

(B) more than one brewery retail, one winery retail, and one distillery retail license for each **<u>4,500</u>** [9,000] population or fraction of that population; or

(C) more than one license of each other type, except a type listed in (i) of this section, for each 3,000 population or fraction of that population;

(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

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

(B) more than one brewery retail, one winery retail, and one distillery retail license for each **<u>4,500</u>** [9,000] population or fraction of that population; or

(C) more than one license of each other type, except a type listed in (i) of this section, for each 3,000 population or fraction of that population;

(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, excluding the population of those established villages that have adopted a local option under AS 04.11.491(b)(1) or (3), and excluding the population of incorporated cities located within the organized borough;

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

(B) more than one brewery retail, one winery retail, and one distillery retail license for each **4,500** [9,000] population or fraction of that population; or

(C) more than one license of each other type, except a type listed in (i) of this section, for each 3,000 population or fraction of that population.

*** Sec. 52.** AS 04.11.400(i) is repealed and reenacted to read:

(i) This section does not apply to a

(1) brewery manufacturer license issued under AS 04.09.020;

(2) winery manufacturer license issued under AS 04.09.030;

(3) distillery manufacturer license issued under AS 04.09.040;

(4) general wholesale license issued under AS 04.09.100;

(5) limited wholesale brewed beverage and wine license under AS 04.09.110;

(6) outdoor recreation lodge license issued under AS 04.09.280;

(7) destination resort license issued under AS 04.09.310;

(8) beverage dispensary tourism license issued under AS 04.09.350;

(9) seasonal restaurant or eating place tourism license issued under AS 04.09.360;

(10) manufacturer direct shipment license issued under AS 04.09.370;

(11) conditional contractor's permit issued under AS 04.09.690.

*** Sec. 53.** AS 04.11.400(k) is amended to read:

(k) The board may allow the relocation of an existing beverage dispensary license under **AS 04.09.200 or former** AS 04.11.090 to a restaurant, eating place, or hotel, motel, resort, or similar business that contains a restaurant or eating place, **an existing package store license under AS 04.09.230 or former AS 04.11.150, an existing brewery retail license under AS 04.09.320, an existing winery retail license under AS 04.09.330, or an existing distillery retail license under AS 04.09.340** in a borough with a population of **50,000** [60,000] or more [IF THE GOVERNING BODY OF THE BOROUGH APPROVES THE RELOCATION. HOWEVER, IF THE RELOCATION OF THE LICENSE IS] into or within an incorporated city in the borough**. The** [, THE] board may not approve the relocation unless**, at the time of application, the existing number of issued licenses of the type under consideration for relocation located within the borough exceeds the maximum allowed under (a) of this section, and** the governing bodies of both the borough and the incorporated city approve the relocation. The board may allow not more than three relocations **into each city** [IN A BOROUGH] under this subsection each decade. In this subsection, "decade" means each 10-year period beginning April 1 in a year ending in zero.

*** Sec. 54.** AS 04.11 is amended by adding a new section to read:

Sec. 04.11.405. Petition for additional restaurant or eating place licenses for certain local governing bodies. (a) A first class city, a home rule city, or a unified municipality may submit a resolution to the board, adopted by its legislative body, petitioning the board for the issuance of additional restaurant or eating place licenses under AS 04.11.100 that exceed the limits under AS 04.11.400(a) in accordance with this section.

(b) The board, following a public hearing, may issue one or more additional restaurant or eating place licenses under AS 04.11.100, within the boundaries of the municipality, if the board finds that

(1) the municipality

(A) serves as a center for commercial activity within and outside the boundaries of the municipality by providing goods and services to a

population that is greater than the permanent resident population within the boundaries of the municipality;

(B) maintains a local law enforcement department;

(C) exercises planning or land-use authority; and

(D) at the time of the petition, meets or exceeds the maximum limit under AS 04.11.400(a) for restaurant or eating place licenses issued under AS 04.11.100;

(2) the number of additional licenses does not exceed the number of additional licenses requested by the municipality in the petition; and

(3) granting the additional licenses is in the public interest.

(c) A resolution submitted by a municipality under (a) of this section must include

(1) information demonstrating that the petitioner meets the criteria in (b) of this section;

(2) the most recent estimate of the number of people who claim residency or work outside the boundaries of the municipality and who are served by the municipality, including the

(A) population located outside the boundaries of the municipality that relies on the municipality for goods and services;

(B) visitor population; and

(C) nonresident worker population that resides in the municipality, but that is not counted in the latest federal or state census for the municipality;

(3) the number of existing restaurant or eating place licenses

(A) within the boundaries of the municipality;

(B) in a geographic area that the municipality serves under (2) of this subsection;

(4) information showing that the number of additional licenses requested does not exceed one license for each 1,500 population of the population identified under (2) of this subsection; and

(5) additional justification, as necessary, to demonstrate that granting

of the additional licenses is in the public interest.

(d) If the board grants a petition for additional restaurant or eating place licenses under this section to a municipality, the board may not authorize additional restaurant or eating place licenses to the same municipality under this section for the following year.

*** Sec. 55.** AS 04.11.405(a), enacted by sec. 54 of this Act, is amended to read:

(a) A first class city, a home rule city, or a unified municipality may submit a resolution to the board, adopted by its legislative body, petitioning the board for the issuance of additional restaurant or eating place licenses under **AS 04.09.210** [AS 04.11.100] that exceed the limits under AS 04.11.400(a) in accordance with this section.

*** Sec. 56.** AS 04.11.405(b), enacted by sec. 54 of this Act, is amended to read:

(b) The board, following a public hearing, may issue one or more additional restaurant or eating place licenses under **AS 04.09.210** [AS 04.11.100], within the boundaries of the municipality, if the board finds that

(1) the municipality

(A) serves as a center for commercial activity within and outside the boundaries of the municipality by providing goods and services to a population that is greater than the permanent resident population within the boundaries of the municipality;

(B) maintains a local law enforcement department;

(C) exercises planning or land-use authority; and

(D) at the time of the petition, meets or exceeds the maximum limit under **AS 04.09.210** [AS 04.11.400(a)] for restaurant or eating place licenses issued under AS 04.11.100;

(2) the number of additional licenses does not exceed the number of additional licenses requested by the municipality in the petition; and

(3) granting the additional licenses is in the public interest.

*** Sec. 57.** AS 04.11.420(a) is amended to read:

(a) A person may not be issued a **new** license**, endorsement,** or permit **or transfer a license or a license with endorsement to a new location** in a municipality

if a zoning regulation or ordinance prohibits the **land use** [SALE OR CONSUMPTION OF ALCOHOLIC BEVERAGES] unless a variance of the regulation or ordinance has been approved.

*** Sec. 58.** AS 04.11.420 is amended by adding a new subsection to read:

(c) Notwithstanding (a) of this section, a license may be renewed if

(1) the license was issued before the effective date of a change to a local zoning regulation or ordinance that would prohibit the renewal; and

(2) at the time the license was issued, the license conformed with local zoning regulations and ordinances.

*** Sec. 59.** AS 04.11.430 is amended to read:

Sec. 04.11.430. Person and location. (a) Each license shall be issued to a specific individual or individuals, to a partnership, including a limited partnership, to a limited liability organization, [OR] to a corporation**, to a government entity, or to a tribal organization**. If the license is issued to a corporation or a limited liability organization, the registered agent of the corporation or limited liability organization **may** [MUST] be **either** an individual resident of the state **or a domestic corporation authorized to transact business in this state whose business office is the same as the registered office**.

(b) Except for a license authorizing the sale of alcoholic beverages on a common carrier, a specific location shall be indicated on the license**, endorsement,** or permit as the licensed premises, the principal address of which shall be indicated on the license**, endorsement,** or permit. The mailing address**, telephone number, and electronic mailing address** of a licensee or, if the licensee is a corporation, the address**, telephone number, and electronic mailing address** of the registered office of the corporation must be kept current and on file in the main office of the board.

*** Sec. 60.** AS 04.11.450(b) is amended to read:

(b) A person who is a representative or owner of a wholesale business **licensed under AS 04.09.100 or 04.09.110** [, BREWERY, WINERY, BOTTLING WORKS, OR DISTILLERY] may not be issued, solely or together with others, a **manufacturer license issued under AS 04.09.020 - 04.09.040, or a retail license issued under AS 04.09.200 - 04.09.370** [BEVERAGE DISPENSARY LICENSE, A

RESTAURANT OR EATING PLACE LICENSE, OR PACKAGE STORE LICENSE. A HOLDER OF A BEVERAGE DISPENSARY LICENSE MAY BE ISSUED A BREWPUB LICENSE, SUBJECT TO THE PROVISIONS OF AS 04.11.135. THE PROHIBITION AGAINST ISSUANCE OF A RESTAURANT OR EATING PLACE LICENSE IMPOSED UNDER THIS SUBSECTION DOES NOT APPLY TO A RESTAURANT OR EATING PLACE LICENSE ISSUED ON OR BEFORE OCTOBER 1, 1996 OR A RESTAURANT OR EATING PLACE LICENSE ISSUED UNDER AN APPLICATION FOR A RESTAURANT OR EATING PLACE LICENSE APPROVED ON OR BEFORE OCTOBER 1, 1996].

*** Sec. 61.** AS 04.11.450(e) is amended to read:

(e) A holder of either a general wholesale license or a **limited** wholesale **brewed** [MALT] beverage and wine license may not be employed by or act as the agent or employee of the holder of a **manufacturer** [BEVERAGE DISPENSARY OR PACKAGE STORE] license **under AS 04.09.020 - 04.09.040 or a retail license under AS 04.09.200 - 04.09.370**.

*** Sec. 62.** AS 04.11.450 is amended by adding new subsections to read:

(g) The holder of a manufacturer license that annually produces in total 300,000 barrels or more of brewed beverages or mead or cider containing less than 8.5 percent alcohol by volume, 50,000 nine-liter-equivalent cases or more of wine, sake, or mead or cider containing 8.5 percent or more alcohol by volume, or 50,000 nine-liter-equivalent cases or more of distilled spirits may not be issued, solely or together with others, a license under AS 04.09.100 - 04.09.370.

(h) For purposes of calculating the volume that the holder of a manufacturer license produces under this section, the volume of production must include all production by

(1) the holder of the manufacturer's license; and

(2) an officer, director, agent, employee, or affiliate of the holder; in this paragraph, "affiliate" means a person that directly or indirectly, through one or more intermediaries, controls, or is controlled by, or is under common control with, a corporation.

*** Sec. 63.** AS 04.11.460 is amended by adding a new subsection to read:

(d) This section does not apply to a manufacturer direct shipment license issued under AS 04.09.370.

*** Sec. 64.** AS 04.11.470 is amended to read:

Sec. 04.11.470. Objection. A person may object to an application for issuance, renewal, transfer of location, or transfer to another person of a license, **for issuance, renewal, or transfer to another person of a license with one or more endorsements, for issuance of an endorsement** or for issuance of a permit, by serving upon the applicant and the board the reasons for the objection. The board shall consider the objections and testimony received at a hearing conducted under AS 04.11.510(b)(2) when it considers the application. An objection and the record of a hearing conducted under AS 04.11.510(b)(2) shall be retained as part of the board's permanent record of its review of the application.

*** Sec. 65.** AS 04.11.480(a) is amended to read:

(a) A local governing body may protest the issuance, renewal, relocation, or transfer to another person of a license**, issuance, renewal, or transfer to another person of a license with one or more endorsements, or issuance of an endorsement** by sending the board and the applicant a protest and the reasons for the protest within 60 days of **the date** [RECEIPT FROM THE BOARD] of **the** 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 **or endorsement** 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 **or endorsement** 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 as part of the board's permanent record of its review. If an application or continued operation is protested, the board shall deny the application or continued

operation unless the board finds that the protest is arbitrary, capricious, **or** [AND] unreasonable.

*** Sec. 66.** AS 04.11.480(b) is amended to read:

(b) If the permanent residents residing outside of but within two miles of an incorporated city or an established village wish to protest the issuance, renewal, or transfer of a license **or a license with one or more endorsements** within the city or village, they shall file with the board a petition meeting the requirements of AS 04.11.510(b)(3) requesting a public hearing **not later than** [WITHIN] 30 days **after** [OF] the posting of notice required under AS 04.11.310, or by December 31 of the year application is made for renewal of a license. The board shall consider testimony received at a hearing conducted under AS 04.11.510(b)(3) when it considers the application, and the record of a hearing conducted under AS 04.11.510(b)(3) shall be retained as part of the board's permanent record of its review of the application.

*** Sec. 67.** AS 04.11.480(c) is amended to read:

(c) A local governing body may recommend that a license be issued, renewed, relocated, or transferred**, or that a license with one or more endorsements be issued, renewed, or transferred to another person,** with conditions. The board shall consider recommended conditions 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 recommended conditions and the record of the hearing conducted under AS 04.11.510(b)(2) or (4) shall be kept as part of the board's permanent record of its review. If the local governing body recommends conditions, the board shall impose the recommended conditions unless the board finds that the recommended conditions are arbitrary, capricious, or unreasonable. If a condition recommended by a local governing body is imposed on a licensee, the local governing body shall assume responsibility for monitoring compliance with the condition, except as otherwise provided by the board.

*** Sec. 68.** AS 04.11.480 is amended by adding a new subsection to read:

(e) If the location or proposed location of a license is within the boundaries of more than one local government, each local governing body may protest the issuance, renewal, relocation, or transfer of a license.

1 *** Sec. 69.** AS 04.11.491(a) is amended to read:
2 (a) If a majority of the persons voting on the question vote to approve the
3 option, a municipality shall adopt a local option to prohibit
4 (1) the sale of alcoholic beverages;
5 (2) the sale of alcoholic beverages except by one or more of the
6 following listed on the ballot:
7 (A) a restaurant or eating place licensee;
8 (B) a beverage dispensary licensee;
9 (C) a package store licensee;
10 (D) a caterer holding a **beverage dispensary caterer's** permit
11 under **AS 04.09.610** [AS 04.11.230] to sell alcoholic beverages at a site within
12 the municipality who is also licensed under a beverage dispensary license for
13 premises outside of the municipality;
14 (E) a winery **manufacturer** licensee;
15 (F) a winery **manufacturer** licensee, except that sales may
16 occur only to a person licensed under this title or in another state or country;
17 [OR]
18 (G) an outdoor recreation lodge licensee; **or**
19 **(H) a package store licensee limited to selling only beer and**
20 **wine;**
21 (3) the sale of alcoholic beverages except on premises operated by the
22 municipality and under a type of licensed premises listed on the ballot, that may
23 include one or more of the following:
24 (A) a restaurant or eating place license;
25 (B) a beverage dispensary license; or
26 (C) a package store license;
27 (4) the sale and importation of alcoholic beverages; or
28 (5) the sale, importation, and possession of alcoholic beverages.
29 *** Sec. 70.** AS 04.11.491(b) is amended to read:
30 (b) If a majority of the persons voting on the question vote to approve the
31 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;

(D) a caterer holding a **beverage dispensary caterer's** permit under **AS 04.09.610** [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;

(E) a winery **manufacturer** licensee;

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

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

(H) a package store licensee limited to selling only beer and wine;

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

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

*** Sec. 71.** AS 04.11.491(d) is amended to read:

(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 04.09.210(a)** [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 04.09.200** [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 04.09.230** [AS 04.11.150(a)].

*** Sec. 72.** AS 04.11.491(g) is amended to read:

(g) If a municipality or established village has adopted a local option under (a)(1), (2), (3), or (4), or (b)(1), (2), or (3) of this section, the municipality or established village, as part of the local option question or questions placed before the voters, may

(1) adopt an amount of alcoholic beverages that may be imported that is less than the amounts set out in **AS 04.09.460(e)** [AS 04.11.150(g)];

(2) adopt an amount of alcoholic beverages that would give rise to a presumption that the person possessed the alcoholic beverages for sale; the amounts adopted under this paragraph may be lower than those set out in AS 04.11.010(c);

(3) opt to not apply a class C felony to violations of AS 04.16.051 that apply solely by reason of the municipality or established village adopting a local option under this section.

*** Sec. 73.** AS 04.11.510(b) is amended to read:

(b) The board may review an application for the issuance, renewal, transfer of location, or transfer to another person of a license without affording the applicant notice or hearing, except

(1) if an application is denied, **written** [THE] notice of denial shall be furnished **immediately to** the applicant [IMMEDIATELY IN WRITING] stating the reason for the denial in clear and concise language; the notice of denial must inform the applicant that the applicant is entitled to **submit a request to the director, within 15 days after receiving the notice of denial, for** an informal conference with either the director or the board, and that, if not satisfied by the informal conference, the applicant is then entitled to a formal hearing conducted by the office of administrative hearings (AS 44.64.010); **the director shall respond to a request for an informal conference or a formal hearing in a timely manner and shall hold an informal conference within 15 days after receiving a request for an informal conference unless the applicant and the director agree in writing to waive or extend the time limit; if the applicant requests an informal conference, the running of the period for requesting a formal hearing is tolled from the date the director receives the**

request for the conference until the day after the date of the conference; if the applicant requests a formal hearing, the office of administrative hearings shall adhere to AS 44.62.330 - 44.62.630 (Administrative Procedure Act); all interested persons may be heard at the hearing [AND UNLESS WAIVED BY THE APPLICANT AND THE BOARD, THE FORMAL HEARING SHALL BE HELD IN THE AREA FOR WHICH THE APPLICATION IS REQUESTED];

(2) the board may, on its own initiative or in response to an objection or protest, hold a hearing to ascertain the reaction of the public or a local governing body to an application if a hearing is not required under this subsection; the board shall send notice of a hearing conducted under this paragraph 20 days in advance of the hearing to **the person who filed the objection or protest, to a** [EACH] community council**, if the licensed premises or proposed licensed premises described in the application is located within the boundaries of the community council,** [ESTABLISHED WITHIN THE MUNICIPALITY] and to each nonprofit community organization entitled to notification under AS 04.11.310(b);

(3) if a petition containing the signatures of 35 percent of the adult residents having a permanent place of abode outside of but within two miles of an incorporated city or an established village is filed with the board, the board shall hold a public hearing on the question of whether the issuance, renewal, or transfer of the license in the city or village would be in the public interest;

(4) if a protest to the issuance, renewal, transfer of location or transfer to another person of a license made by a local governing body is based on a question of law, the board shall hold a public hearing.

*** Sec. 74.** AS 04.11.510(c) is amended to read:

(c) Unless the grounds for the suspension or revocation are under AS 04.11.370(a)(4), board proceedings to suspend or revoke a license shall be conducted in accordance with **AS 44.62.360 - 44.62.630** [AS 44.62.330 - 44.62.630] (Administrative Procedure Act), except that the licensee **may submit a request to the director within 15 days after the accusation is served on the licensee for** [IS ENTITLED TO] an opportunity to informally confer with the director or the board [WITHIN 10 DAYS AFTER THE ACCUSATION IS SERVED UPON THE

LICENSEE]. Notice of the opportunity for an informal conference shall be served **on** [UPON] the licensee along with the accusation. **The director shall respond to a request for an informal conference or a formal hearing in a timely manner. The director shall hold an informal conference within 15 days after receiving a request for an informal conference unless the applicant and the director agree in writing to waive or extend the time limit. After the informal conference, the board shall hold a formal hearing on the accusation at the next regularly scheduled board meeting that occurs 20 days or more after service of the accusation** [IF AN INFORMAL CONFERENCE IS REQUESTED, THE RUNNING OF THE PERIOD OF TIME SPECIFIED IN AS 44.62.380 FOR FILING A NOTICE OF DEFENSE IS TOLLED FROM THE DATE OF RECEIPT OF THE REQUEST FOR THE CONFERENCE UNTIL THE DAY FOLLOWING THE DATE OF THE CONFERENCE UNLESS EXTENDED BY THE BOARD. AFTER THE CONFERENCE, THE LICENSEE, IF NOT SATISFIED BY THE RESULTS OF THE CONFERENCE, MAY OBTAIN A HEARING BY FILING A NOTICE OF DEFENSE AS PROVIDED IN AS 44.62.390]. If the grounds for suspension or revocation are under AS 04.11.370(a)(4), the licensee is not entitled to notice and hearing under **AS 44.62.360 - 44.62.630** [AS 44.62.330 - 44.62.630] on the merits of the suspension or revocation. However, the board shall afford the licensee notice and hearing on the issue of what administrative sanction to impose under AS 04.16.180.

*** Sec. 75.** AS 04.11.520 is amended to read:

Sec. 04.11.520. Notice to local governing body. After receipt of an application **for the issuance or renewal of a license, the renewal of a license with one or more endorsements, the transfer of a license or a license with one or more endorsements to another person, transfer of a license to a new location, or the issuance of an endorsement** from within [(1)] an established village, [(2)] an incorporated city, [(3)] an organized borough, or [(4)] a unified municipality, the board shall **notify** [TRANSMIT WRITTEN NOTICE TO] the local governing body **in writing** within 10 **business** days so that the local governing body may protest under AS 04.11.480.

*** Sec. 76.** AS 04.11.535(a) is amended to read:

(a) If, in a proceeding to suspend or revoke a license**, endorsement, or permit** under AS 04.11.370(a)(5), the board finds that a sentencing report**, record of conviction, or judgment** sent to the board under AS 12.55.025(b) or a report prepared by the investigating or arresting officers in connection with the violation, contains information that if uncontradicted or unexplained would provide a ground for suspension or revocation under AS 04.11.370(a)(5), the licensee **or permittee** has the burden of proof to establish that the licensee **or permittee** neither knowingly allowed the violation nor recklessly or with criminal negligence failed to act in accordance with the duty prescribed under AS 04.21.030.

*** Sec. 77.** AS 04.11.540 is amended to read:

Sec. 04.11.540. License, endorsement, and conditional contractor's permit renewal and expiration. Notwithstanding AS 04.11.680, an application for renewal of a license**, endorsement, or a conditional contractor's permit under AS 04.09.690** issued for the two calendar years ending December 31 or of a seasonal license issued for parts of those calendar years may be submitted up until the next February 28. If a complete application for renewal has not been filed by February 28 or the required fees and the penalty fees have not been paid by that date, the license**, endorsement, or conditional contractor's permit** 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. 78.** AS 04.11.560(b) is amended to read:

(b) A decision by the board relating to the issuance, renewal, transfer, relocation, suspension, or revocation of a license **or an endorsement** under this title may be appealed to the superior court under AS 44.62.560.

*** Sec. 79.** AS 04.11.570 is amended to read:

Sec. 04.11.570. Refund and forfeiture of fees. (a) If an application for a license **or endorsement** is denied, the board shall refund the license fee **but not** [LESS] the application fee.

(b) A license **or endorsement** fee may not be refunded after the license **or endorsement** has been issued unless the board determines it has erred in the issuance

through no fault of the applicant.

(c) If a license**, endorsement, or permit** is revoked on grounds that statements made in the application are untrue, the [LICENSE] fee paid by the applicant is forfeited to the state.

*** Sec. 80.** AS 04.11.580(b) is amended to read:

(b) The licensee shall surrender a current license to the board **not later than** [WITHIN] 10 days after the loss or vacation of the licensed premises.

*** Sec. 81.** AS 04.11.590(a) is amended to read:

(a) Money collected from licenses**, endorsements, permits,** and civil fines under this title shall be transferred by the board to the Department of Commerce, Community, and Economic Development and deposited in the general fund.

*** Sec. 82.** AS 04.11.610 is amended to read:

Sec. 04.11.610. Allocation [REFUND] to municipalities. (a) **An amount equal to the sum of the biennial** [BIENNIAL] license fees, excluding annual wholesale fees and biennial wholesale license fees, collected within a municipality shall be **allocated** [REFUNDED] semi-annually to the municipality.

(b) If the officers of a municipality fail to actively enforce local ordinances, **this title,** laws of the United States and the state, and the regulations relating to the manufacture and sale of alcoholic beverages in the state, **or fail to provide the director with a report of contacts with licensed establishments, educational activities concerning this title and local ordinances, and violations of this title occurring in the municipality, at the time and in the format as may be required by regulation adopted by the board,** the commissioner of commerce, community, and economic development may deny the **allocation** [REFUND] provided for under (a) of this section until the board finds the enforcement of the ordinances, laws, and regulations is resumed **or the report is provided**.

(c) The Department of Commerce, Community, and Economic Development shall recover any **funds** [AMOUNTS] erroneously **allocated** [REFUNDED] under (a) of this section. The Department of Commerce, Community, and Economic Development shall schedule repayments of erroneously **allocated funds** [REFUNDED AMOUNTS] over a sufficient period of time to minimize financial

hardship to the municipality involved.

*** Sec. 83.** AS 04.11.630(b) is amended to read:

(b) A license**, endorsement, or permit** issued under this title shall be posted within the licensed premises **or designated premises** so as to be easily available for inspection upon request by a peace officer or other person during regular business hours **or during the period specified on the permit**.

*** Sec. 84.** AS 04.11.680 is amended to read:

Sec. 04.11.680. Duration of licenses, endorsements, and permits. (a) Upon application [AND PAYMENT OF ONE-HALF OF THE BIENNIAL FEE], the board may issue a seasonal license under this title that is 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.] Otherwise, **a license or endorsement** [ALL LICENSES] issued under this title **and a conditional contractor's permit issued under AS 04.09.690 is** [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.

(b) A permit issued under this title shall be for **a specific time** [THE] period [PRESCRIBED BY THE BOARD]. The period shall be clearly designated on the permit.

*** Sec. 85.** AS 04.16.010(c) is amended to read:

(c) **Except as provided in (e) of this section, a** [A] licensee, an agent, or employee may not permit a person to enter and a person may not enter premises licensed under this title between the hours of 5:00 a.m. and 8:00 a.m. each day**, unless the person is**

(1) on the premises to conduct business with the licensee, agent, or employee, and the licensee, agent, or employee is in compliance with (a) and (b) of this section;

(2) a common carrier with a common carrier dispensary license under AS 04.09.260;

(3) [. THIS SUBSECTION DOES NOT APPLY TO COMMON CARRIERS OR TO] an employee of the licensee who is on the premises to prepare

for the next day's business**;**

(4) performing maintenance or improvements authorized by the licensee;

(5) [. A PERSON MAY ENTER OR REMAIN] on the premises [OF A BONA FIDE RESTAURANT OR EATING PLACE LICENSED UNDER THIS TITLE] to consume food or nonalcoholic beverages **and the premises are**

(A) licensed under a restaurant or eating place license issued under AS 04.09.210 or a seasonal restaurant or eating place tourism license issued under AS 04.09.360; or

(B) covered under a restaurant endorsement issued under AS 04.09.450.

*** Sec. 86.** AS 04.16.010 is amended by adding new subsections to read:

(e) A brewery, winery, or distillery retail licensee or an agent or employee of a brewery, winery, or distillery retail licensee may not permit a person to enter or remain on and a person may not enter or remain on a premises licensed under this title between the hours of 9:30 p.m. and 9:00 a.m. each day, unless the person is

(1) on the premises to conduct business with the licensee, agent, or employee, and the licensee, agent, or employee is in compliance with (a) and (b) of this section;

(2) an employee of the licensee who is on the premises to prepare for the next day's business; or

(3) performing maintenance or improvements authorized by the licensee.

(f) A person who violates (a), (b), (c), or (e) of this section is guilty of a violation.

*** Sec. 87.** AS 04.16.015(a) is amended to read:

(a) On premises where alcoholic beverages are sold by the drink, a licensee or a licensee's agent or employee may not

(1) offer or deliver, as a marketing device to the general public, free alcoholic beverages to a patron**, except as provided for the holder of a manufacturer sampling endorsement under AS 04.09.410 or a package store**

sampling endorsement under AS 04.09.490;

(2) deliver an alcoholic beverage to a person already possessing two or more;

(3) sell, offer to sell, or deliver alcoholic beverages to a person or group of persons at a price less than the price regularly charged for the beverages during **a consecutive seven-day period** [THE SAME CALENDAR WEEK], except at private functions not open to the general public;

(4) sell, offer to sell, or deliver an unlimited number of alcoholic beverages to a person or group of persons during a set period of time for a fixed price;

(5) sell, offer to sell, or deliver alcoholic beverages to a person or group of persons on any one day at prices less than those charged the general public on that day, except at private functions not open to the general public;

(6) encourage or permit an organized game or contest on the licensed premises that involves drinking alcoholic beverages or the awarding of alcoholic beverages as prizes.

*** Sec. 88.** AS 04.16.015 is amended by adding a new subsection to read:

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

*** Sec. 89.** AS 04.16 is amended by adding a new section to read:

Sec. 04.16.017. Trade practices. (a) A person holding a license under AS 04.09.020, 04.09.030, 04.09.040, 04.09.100, or 04.09.110 or engaged in the alcoholic beverage industry in another state or country as a brewer, vintner, distiller, or importer, or as an agent of a brewer, vintner, distiller, or importer, may not, except as provided in regulations adopted by the board under (b) of this section, induce a person holding a license under this title to

(1) operate as a tied house by inducing a retailer engaged in the sale of alcoholic beverages to purchase products from an entity to the exclusion, in whole or in part, of products sold or offered for sale by other entities by

(A) furnishing, giving, renting, lending, or selling to the retailer equipment fixtures, signs, supplies, money, services, or other things of value, except those excluded in regulation and determined to be not contrary to the public interest or contrary to the intent of this subsection;

(B) paying or crediting the retailer for an advertising, display, or distribution service;

(C) guaranteeing a loan or the repayment of a financial obligation of the retailer;

(D) extending to the retailer credit for a period in excess of the credit period usual and customary to the industry for the particular class of transactions; or

(E) requiring the retailer to take and dispose of a certain quota of the products;

(2) operate as an exclusive outlet by requiring that a retailer engaged in the sale of alcoholic beverages purchase products from an entity to the exclusion, in whole or in part, of alcoholic beverages sold or offered for sale by other entities;

(3) purchase products from an entity to the exclusion, in whole or in part, of products sold or offered for sale by other entities by

(A) commercial bribery; or

(B) offering or giving any bonus, premium, or compensation to an officer, employee, or representative of the licensee;

(4) enter into an agreement for consignment sales, or to purchase, offer to purchase, or contract to purchase products on consignment, under conditional sale, or with the privilege of return on any basis other than a bona fide sale, or where part of the transaction involves, directly or indirectly, the acquisition by an entity from the licensee or the entity's agreement to acquire from the licensee other alcoholic beverages, except that this paragraph does not apply to transactions involving solely the return of merchandise for ordinary and usual commercial reasons arising after the merchandise has been sold.

(b) The board shall adopt regulations providing exceptions to the practices listed under (a) of this section that are

(1) consistent with federal law at the time of the effective date of this section;

(2) necessary to avoid practical difficulty or undue hardship on a licensee;

(3) in the best interests of the public; and

(4) consistent with the requirements of this title.

(c) The board shall adopt regulations establishing administrative penalties for a violation of this section.

(d) In this section, "commercial bribery," "consignment sales," "exclusive outlet," and "tied house" have the meanings given in 27 U.S.C. 205 and regulations adopted under that section.

*** Sec. 90.** AS 04.16.020 is amended by adding new subsections to read:

(d) A person who violates a provision of this section commits the offense of unauthorized solicitation or purchase of alcoholic beverages.

(e) Unauthorized solicitation or purchase of alcoholic beverages is a violation and is punishable by a fine of $100.

*** Sec. 91.** AS 04.16 is amended by adding a new section to read:

Sec. 04.16.022. Online sale and purchase of alcoholic beverages. (a) A licensee or a licensee's agent or employee may not sell or offer to sell alcoholic beverages to the public online unless the licensee holds a manufacturer direct shipment license issued under AS 04.09.370 or a package store shipping endorsement under AS 04.09.460.

(b) A person may not purchase alcoholic beverages online except from the holder of a manufacturer direct shipment license issued under AS 04.09.370 or a package store shipping endorsement under AS 04.09.460.

(c) A person who violates (a) of this section is, upon conviction, guilty of a class A misdemeanor.

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

*** Sec. 92.** AS 04.16.025(a) is amended to read:

(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) **<u>AS 04.09.060, 04.09.850, or</u>** 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) **or (e)**.

*** Sec. 93.** AS 04.16.030 is amended by adding new subsections to read:

(c) A person who violates this section commits the offense of prohibited conduct relating to a drunken person.

(d) Prohibited conduct relating to a drunken person is a violation, punishable by a fine of $500.

(e) The holder of a license is strictly and vicariously liable for an offense committed under (c) of this section by an employee or agent of the licensee on the licensed premises, punishable by an administrative penalty of $250. Notwithstanding AS 04.11.370(a)(4) and (5) and AS 04.16.180(b)(1), the board may not order suspension of the license for the first violation committed on the licensed premises under this section.

(f) A licensee who knowingly allows an agent or employee of the licensee to commit the offense of prohibited conduct relating to a drunken person under (c) of this section commits the offense of failure to ensure compliance relating to a drunken person.

(g) Failure to ensure compliance relating to a drunken person is a class A misdemeanor.

*** Sec. 94.** AS 04.16.035 is amended to read:

Sec. 04.16.035. Possession of ingredients for homebrew in certain areas. A person residing in an area that has adopted a local option **under AS 04.11.491** [TO PROHIBIT THE SALE, IMPORTATION, AND POSSESSION OF ALCOHOLIC BEVERAGES UNDER AS 04.11.491(a)(5) OR (b)(4)] may not possess sugar, artificial sugar, malt, yeast, or any other material or equipment with the intent to use the material or equipment to create an alcoholic beverage.

*** Sec. 95.** AS 04.16.035 is amended by adding new subsections to read:

(b) A person who knowingly violates this section commits the crime of possession of ingredients for homebrew.

(c) Possession of ingredients for homebrew is a class A misdemeanor.

*** Sec. 96.** AS 04.16.040 is amended by adding new subsections to read:

(b) A person who violates this section commits the offense of prohibited access by a drunken person.

(c) Prohibited access by a drunken person is a violation.

*** Sec. 97.** AS 04.16.045 is amended by adding new subsections to read:

(b) A person who violates this section commits the offense of permitting consumption not authorized under a license.

(c) Permitting consumption not authorized under a license is a violation.

*** Sec. 98.** AS 04.16.047 is amended by adding new subsections to read:

(d) A person who is restricted from purchasing alcohol under AS 04.16.160 who knowingly violates (a) of this section commits the offense of entering or remaining on licensed premises.

(e) Entering or remaining on licensed premises is a class A misdemeanor.

*** Sec. 99.** AS 04.16.049(a) is amended to read:

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

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

(2) the person is **allowed to enter and remain on** [AT LEAST 16 YEARS OF AGE,] the premises **under a restaurant or eating place license issued under AS 04.09.210, seasonal restaurant or eating place tourism license issued under AS 04.09.360, or restaurant endorsement issued under AS 04.09.450** [ARE DESIGNATED BY THE BOARD AS A RESTAURANT FOR THE PURPOSES OF THIS SECTION, AND THE PERSON ENTERS AND REMAINS ONLY FOR DINING;

(3) THE PERSON IS UNDER 16 YEARS OF AGE, IS ACCOMPANIED BY A PERSON OVER 21 YEARS OF AGE, THE PARENT OR GUARDIAN OF THE UNDERAGED PERSON CONSENTS, THE PREMISES ARE DESIGNATED BY THE BOARD AS A RESTAURANT FOR THE PURPOSES OF THIS SECTION, AND THE PERSON ENTERS AND REMAINS ONLY FOR

DINING];

(3) [(4)] the person is permitted on the premises under a club license issued under **AS 04.09.220(g) or former** AS 04.11.110(g); or

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

*** Sec. 100.** AS 04.16.049(c) is amended to read:

(c) Notwithstanding any other provision in this section, a person 16 or 17 years of age may enter and remain within the licensed premises of a hotel **or motel, large resort**, golf course, **general wholesaler, limited brewed beverage and wine wholesaler, common carrier dispensary, outdoor recreation lodge,** or restaurant [OR EATING PLACE] in the course of employment if

(1) the employment does not involve the serving, mixing, delivering, or dispensing of alcoholic beverages;

(2) the person has the written consent of a parent or guardian; and

(3) an exemption from the prohibition of AS 23.10.355 is granted by the Department of Labor and Workforce Development. [THE BOARD, WITH THE APPROVAL OF THE GOVERNING BODY HAVING JURISDICTION AND AT THE LICENSEE'S REQUEST, SHALL DESIGNATE WHICH PREMISES ARE HOTELS, GOLF COURSES, RESTAURANTS, OR EATING PLACES FOR THE PURPOSES OF THIS SUBSECTION.]

*** Sec. 101.** AS 04.16.049(d) is amended to read:

(d) Notwithstanding any other provision in this section, a person 18, 19, or 20 years of age may be employed within the licensed premises of a hotel **or motel, large resort**, golf course, **general wholesaler, limited brewed beverage and wine wholesaler, common carrier dispensary, outdoor recreation lodge,** or restaurant [OR EATING PLACE], may enter and remain within those premises for the purpose of employment, but may not, in the course of employment, sell, serve, deliver, or dispense alcoholic beverages.

*** Sec. 102.** AS 04.16.049 is amended by adding a new subsection to read:

(j) Notwithstanding any other provision in this section, a person under 21 years of age may be present on the licensed premises of a common carrier dispensary, destination resort, or outdoor recreation lodge for the purpose of travel, travel lodging,

or outdoor recreation activities provided by the licensee if the person is

(1) at least 16 years of age; or

(2) under 16 years of age and a parent or legal guardian of the underaged person consents.

*** Sec. 103.** AS 04.16.051(d) is repealed and reenacted to read:

(d) A person who, with criminal negligence, furnishes or delivers an alcoholic beverage to a person under 21 years of age in violation of (a) of this section commits the crime of furnishing or delivering to a minor.

*** Sec. 104.** AS 04.16.051 is amended by adding a new subsection to read:

(e) Furnishing or delivering to a minor is

(1) a class A misdemeanor, except as provided in (2) of this subsection;

(2) a class C felony if

(A) within the five years preceding the violation, the person has been previously convicted under

(i) this section; or

(ii) a law or ordinance of this or another jurisdiction with elements substantially similar to this section;

(B) the person who receives the alcoholic beverage negligently causes serious physical injury to or the death of another person while under the influence of the alcoholic beverage received in violation of this section; in this subparagraph,

(i) "negligently" means acting with civil negligence; and

(ii) "serious physical injury" has the meaning given in AS 11.81.900; or

(C) the violation occurs within the boundaries of a municipality or the perimeter of an established village that has adopted a local option under AS 04.11.491 and has not opted out of applying a class C felony to violations of this section under AS 04.11.491(g).

*** Sec. 105.** AS 04.16.052 is amended by adding new subsections to read:

(b) The holder of a license is strictly liable for an offense committed under (a) of this section by an employee or agent of the licensee on the licensed premises, punishable by an administrative penalty of $250. Notwithstanding AS 04.11.370(a)(4) and (5) and AS 04.16.180(b)(1), the board may not order suspension of the license for the first violation committed on the licensed premises under this section.

(c) A person who violates (a) of this section commits the offense of licensee, employee, or agent furnishing alcohol to a minor.

(d) Licensee, employee, or agent furnishing alcohol to a minor is a violation and is punishable by a fine of $500.

(e) A licensee who knowingly allows an agent or employee of the licensee to commit the offense of licensee, employee, or agent furnishing alcohol to a minor under (c) of this section commits the offense of failure to ensure compliance relating to furnishing alcohol to a minor.

(f) Failure to ensure compliance relating to furnishing alcohol to a minor is a class A misdemeanor.

*** Sec. 106.** AS 04.16.055 is amended by adding new subsections to read:

(b) A person who knowingly rents a room in a hotel, motel, resort, or similar business for the purpose of providing alcoholic beverages to a person under 21 years of age commits the crime of renting a room for the purpose of providing alcoholic beverages to a person under 21 years of age.

(c) Renting a room for the purpose of providing alcoholic beverages to a person under 21 years of age is a class A misdemeanor.

*** Sec. 107.** AS 04.16.057(b) is amended to read:

(b) A person who violates this section is guilty of a violation and **<u>is punishable by a fine of $500</u>** [SHALL BE PUNISHED AS PROVIDED IN AS 12.55].

*** Sec. 108.** AS 04.16.060(e) is amended to read:

(e) A person under the age of 21 who is seeking to enter and remain in a licensed premises under AS 04.16.049(a)(2) [OR (3)] may not misrepresent the person's age or having obtained the consent of the parent or guardian required by that section.

*** Sec. 109.** AS 04.16.060 is amended by adding new subsections to read:

(g) A person who violates (a) of this section commits the offense of purchase by a person under 21 years of age.

(h) A person who violates (b) or (c) of this section commits the offense of delivery to a person under 21 years of age.

(i) Purchase by a person under 21 years of age is a violation and is punishable by a fine of $500.

(j) Delivery to a person under 21 years of age is a violation and is punishable by a fine of $500.

(k) For a person under 21 years of age who commits an offense under (g) of this section, the violation must be charged and filed with the court as a separate case and may not be combined or joined with any other minor offense or criminal charge in one action at the time of filing. A court may reduce the fine to $50 for a person who has not more than one previous violation or to $250 for a person who has two or more previous violations if the person provides the court, not later than six months after a judgment of conviction is entered, with proof of completion of

(1) an alcohol safety action program or a juvenile alcohol safety action program developed, designated, or approved by the Department of Health and Social Services under AS 47.37; or

(2) a community diversion panel.

*** Sec. 110.** AS 04.16.080 is amended to read:

Sec. 04.16.080. <u>Consumption</u> [SALES OR CONSUMPTION] at school events. A person **<u>who is 21 years of age or older</u>** may not [SELL OR] consume alcoholic beverages during a school event at the site of the event **<u>if the event is expected to attract attendees under 21 years of age</u>**.

*** Sec. 111.** AS 04.16.080 is amended by adding new subsections to read:

(b) A person who is 21 years of age or older who consumes an alcoholic beverage during a school event at the site of the event under (a) of this section commits the offense of consuming at a school event.

(c) Consuming at a school event is a violation and is punishable by a fine of $100.

*** Sec. 112.** AS 04.16.090(c) is amended to read:

(c) **In** [FOR THE PURPOSES OF] this section, "consideration" includes [BUT IS NOT LIMITED TO] cover charge, the sale of food, ice, mixers, or other liquids used with alcoholic beverage drinks, [OR] the furnishing of glassware or other containers for use in the consumption of alcoholic beverages**, other charges for access to the licensed premises, or other services or products provided on the licensed premises**.

*** Sec. 113.** AS 04.16.090 is amended by adding new subsections to read:

(d) A person who knowingly violates this section commits the crime of maintaining a bottle club.

(e) Maintaining a bottle club is a class A misdemeanor.

*** Sec. 114.** AS 04.16.110 is amended by adding new subsections to read:

(b) A person who knowingly sells an alcoholic beverage in violation of (a) of this section commits the crime of sale of a prohibited alcoholic beverage.

(c) Sale of a prohibited alcoholic beverage is a class A misdemeanor.

*** Sec. 115.** AS 04.16.120 is amended by adding new subsections to read:

(d) A person who removes an alcoholic beverage from licensed premises in violation of (a) of this section and a person who brings an alcoholic beverage onto licensed premises in violation of (b) of this section commits the offense of removal or introduction of alcoholic beverages.

(e) Notwithstanding (a) of this section, the holder of a beverage dispensary license under AS 04.09.200, the holder of a beverage dispensary tourism license under AS 04.09.350, or the holder's employee may transport alcoholic beverages across unlicensed portions of a hotel, motel, or large resort if the

(1) licensee holds an endorsement under AS 04.09.430 or 04.09.440; and

(2) licensee or employee is walking directly from one licensed area of the premises to another licensed area.

(f) Notwithstanding (a) of this section, a person may remove alcoholic beverages from the licensed premises of a beverage dispensary license under AS 04.09.200 or a beverage dispensary tourism license under AS 04.09.350 for

consumption on unlicensed portions of a large resort if the licensee holds a large resort endorsement under AS 04.09.440.

(g) Removal or introduction of alcoholic beverages is a violation and is punishable by a fine of $100.

*** Sec. 116.** 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) 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 **brewed** [OF MALT] beverages is attached to the outside of the shipping container.

*** Sec. 117.** AS 04.16.125(b) is amended to read:

(b) **The requirements in (a) of this section do** [THIS SECTION DOES] not apply to

(1) a person transporting [NOT MORE THAN]

(A) two liters **or less** of wine;

(B) one gallon **or less** of **brewed** [MALT] beverages; or

(C) one liter **or less** of distilled spirits; or

(2) the transportation of alcoholic beverages for use on premises allowed under **AS 04.11.491(a)(2) or (3)** [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. 118.** AS 04.16.125 is amended by adding new subsections to read:

(d) A person who knowingly violates this section commits the crime of unauthorized transportation of alcoholic beverages by common carrier into a local option area.

(e) Unauthorized transportation of alcoholic beverages by common carrier into a local option area is a class A misdemeanor.

*** Sec. 119.** AS 04.16.130 is amended by adding new subsections to read:

(c) A person who violates this section commits the offense of unauthorized storage of alcoholic beverages.

(d) Unauthorized storage of alcoholic beverages is a violation.

*** Sec. 120.** AS 04.16.140 is amended by adding new subsections to read:

(b) A person who knowingly violates (a) of this section commits the offense of sale or consumption of an alcoholic beverage in a warehouse.

(c) Sale or consumption of an alcoholic beverage in a warehouse is a violation.

*** Sec. 121.** AS 04.16.150 is amended by adding new subsections to read:

(b) Except as provided under AS 04.16.030(f) and 04.16.052(e), a licensee who knowingly violates (a) of this section commits the offense of failure to ensure compliance.

(c) Failure to ensure compliance is a violation.

*** Sec. 122.** AS 04.16.160 is amended by adding new subsections to read:

(c) A person who knowingly fails to comply with a restriction on purchasing alcoholic beverages in violation of (a) of this section commits the crime of failure to comply with a restriction on purchasing alcoholic beverages.

(d) Failure to comply with a restriction on purchasing alcoholic beverages is a class A misdemeanor.

*** Sec. 123.** AS 04.16.170(b) is amended to read:

(b) A person transporting alcoholic beverages into the state may not sell those alcoholic beverages to a person not licensed under this title, unless the alcoholic beverages are used for religious, industrial, pharmaceutical, or medical purposes**<u>, or as allowed under AS 04.09.370</u>**.

*** Sec. 124.** AS 04.16.170 is amended by adding new subsections to read:

(c) A licensee who knowingly violates (a) or (b) of this section commits the crime of sale of alcoholic beverages from or to an unlicensed person.

(d) Sale of alcoholic beverages from or to an unlicensed person is a class A misdemeanor.

*** Sec. 125.** AS 04.16.172 is amended to read:

Sec. 04.16.172. Restrictions on purchase and sale of alcoholic beverages. A

person licensed under **AS 04.09.200, 04.09.210, 04.09.220, 04.09.230, 04.09.270, 04.09.280, 04.09.290, 04.09.300, 04.09.310, 04.09.320, 04.09.330, 04.09.340, 04.09.350, or 04.09.360** [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 04.09.100 or 04.09.110** [AS 04.11.160] as a primary source of supply for the alcoholic beverage being purchased, sold, or offered for sale;

(2) **AS 04.09.230** [AS 04.11.150] and the alcoholic beverage being purchased, sold, or offered for sale was obtained from a person licensed under **AS 04.09.100 or 04.09.110** [AS 04.11.160] as a primary source of supply; or

(3) **AS 04.09.020, 04.09.030, or 04.09.040** [AS 04.11.130, 04.11.140, OR 04.11.170].

*** Sec. 126.** AS 04.16.172 is amended by adding new subsections to read:

(b) A licensee who knowingly violates (a) of this section commits the crime of licensee obtaining alcoholic beverages from an unlicensed seller.

(c) Licensee obtaining alcoholic beverages from an unlicensed seller is a class A misdemeanor.

*** Sec. 127.** AS 04.16.175 is amended by adding new subsections to read:

(c) A person who knowingly furnishes an alcoholic beverage to a player in violation of (a) of this section commits the crime of furnishing an alcoholic beverage in aid of a gambling enterprise.

(d) Furnishing an alcoholic beverage in aid of a gambling enterprise is a class A misdemeanor.

*** Sec. 128.** AS 04.16.180(b) is amended to read:

(b) A suspension or revocation of a license ordered by the board under AS 04.11.370(a)(4) and (5) shall be as follows:

(1) on first conviction**,** the license of the premises involved may not be revoked, but**, except as provided in AS 04.16.030 and 04.16.052,** may be suspended for not more than 45 days;

(2) on second conviction**,** the license of the premises involved may not be revoked, but may be suspended for not more than 90 days;

(3) on third conviction**,** the license of the premises involved may be suspended or revoked.

*** Sec. 129.** AS 04.16.180(e) is amended to read:

(e) In this section,

(1) "conviction" includes a conviction of a violation, a misdemeanor, and a felony;

(2) [THE TERMS] "second conviction" and "third conviction" include only convictions for violations that occur within five years **after** [OF] the first conviction**; the** [. THE] terms refer to the cumulative number of convictions of a licensee of any combination of violations of the provisions of this title, regulations adopted under this title, or ordinances adopted under AS 04.21.010**;** [. THE TERMS] "second conviction" and "third conviction" include a conviction of the agent or employee of a licensee of a violation of a law, regulation, or ordinance if the conviction constitutes a ground for suspension or revocation under AS 04.11.370(a)(5).

*** Sec. 130.** AS 04.16.180 is amended by adding new subsections to read:

(f) In addition to the criminal penalties specified in this title and AS 12.55, a holder of a license under this title who is convicted of a crime or offense involving the violation of a provision of this title or a regulation adopted under this title is subject to suspension or revocation of the license under this section and other administrative penalties imposed by the board. For purposes of administrative penalties under this subsection, each violation is a separate offense.

(g) The holder of a license subject to suspension or revocation under (b)(2) or (3) of this section may request a hearing to petition the board to reduce the administrative penalty. The board may reduce the administrative penalty if the licensee shows, by a preponderance of the evidence, that

(1) the licensee complied with the alcohol server education course requirement of AS 04.21.025 and adopted and enforced a compliance program and a disciplinary program for agents and employees of the licensee;

(2) the licensee has a pattern and practice of exercising the degree of care required under AS 04.16.030;

(3) the licensee posted warning signs as required under AS 04.21.065; and

(4) in the case of a conviction for a violation of AS 04.16.030 or 04.16.052, the agent or employee convicted under AS 04.16.030 or 04.16.052 completed an alcohol server education course under AS 04.21.025.

*** Sec. 131.** AS 04.16.220(a) is amended to read:

(a) The following are subject to forfeiture:

(1) alcoholic beverages manufactured, sold, offered for sale, possessed for sale, or bartered or exchanged for goods and services in this state in violation of **AS 04.09.060, 04.09.850, or** 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 of a local option adopted under AS 04.11.491; alcoholic beverages transported into the state and sold to persons not licensed under this **title** [CHAPTER] in violation of AS 04.16.170(b); alcoholic beverages transported in violation of **AS 04.09.750 or** AS 04.16.125;

(2) materials and equipment used in the manufacture, sale, offering for sale, possession for sale, or barter or exchange of alcoholic beverages for goods and services in this state in violation of **AS 04.09.060, 04.09.850, or** 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 of a local option adopted under AS 04.11.491;

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

(A) alcoholic beverages manufactured, sold, offered for sale, possessed for sale, or bartered or exchanged for goods and services in this state in violation of **AS 04.09.060, 04.09.850, or** 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(a);

(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;

(6) money, securities, negotiable instruments, or other things of value used in financial transactions or items of value purchased from the proceeds derived from activity prohibited under **AS 04.09.060, 04.09.850, or** AS 04.11.010 or in violation of a local option adopted under AS 04.11.491;

(7) a firearm used in furtherance of a violation of this title.

*** Sec. 132.** 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 04.09.060, 04.09.750, 04.09.850,** AS 04.11.010, 04.11.499, AS 04.16.125, AS 04.21.060, or AS 04.11.501 or an ordinance adopted under AS 04.11.501; 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. 133.** 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 04.09.060, 04.09.850,** AS 04.11.010, 04.11.499, or AS 04.21.060.

*** Sec. 134.** AS 04.16.220(i) is amended to read:

(i) Upon conviction for a violation of **AS 04.09.060, 04.09.850,** AS 04.11.010**,** or 04.11.499(a), if an aircraft, vehicle, or watercraft is subject to forfeiture under (a) of this section, the court shall, subject to remission to innocent parties under this section,

(1) order the forfeiture of an aircraft to the state;

(2) order the forfeiture of a vehicle or watercraft if

(A) the defendant has a prior felony conviction for a violation of AS 11.41 or a similar law in another jurisdiction;

(B) the defendant is on felony probation or parole;

(C) the defendant has a prior conviction for violating

AS 04.11.010 or 04.11.499(a); or

(D) the quantity of alcohol transported in violation of this title was twice the presumptive amounts in AS 04.11.010(c).

*** Sec. 135.** AS 04.21 is amended by adding a new section to read:

Sec. 04.21.012. Keg registration. (a) A person may not purchase a keg or similar container holding four or more gallons of an alcoholic beverage unless the person provides proof that the person is over 21 years of age and completes and signs a registration form. The purchaser of a keg or similar container holding four or more gallons of an alcoholic beverage may not remove or obliterate the temporary identifying tag on the keg or container.

(b) A licensee or an agent or employee of a licensee who sells or offers for sale a keg or similar container holding four or more gallons of an alcoholic beverage shall require a purchaser to show acceptable proof of age under AS 04.21.050(b) and sign the sworn statement on a registration form. The licensee shall complete the registration form and affix a temporary tag with a unique identifier to the keg or container before releasing the container to the purchaser. The licensee shall retain a copy of the form for one year and make the form available for inspection.

(c) The board shall prescribe a registration form for use by licensees and purchasers. The board may approve for use a registration form adopted by a local governing body. A registration form must include

(1) the name of the seller;

(2) the name of the purchaser;

(3) a description of the proof of age provided by the buyer, including the identification number, if any;

(4) the unique identifier on the temporary tag attached to the keg or container under (b) of this section.

(d) A licensee or an agent or employee of a licensee who sells a keg or similar container holding four or more gallons of an alcoholic beverage without completing a registration form or affixing a temporary identification tag to the keg or container commits the crime of selling alcoholic beverages in an unregistered keg.

(e) A person who is not licensed under this title or the employee or agent of a

person who is not licensed under this title who possesses a keg or similar container holding four or more gallons of an alcoholic beverage without a temporary identification tag commits the crime of possessing alcoholic beverages in an unregistered keg.

(f) Selling alcoholic beverages in an unregistered keg is a violation.

(g) Possessing alcoholic beverages in an unregistered keg is a violation and is punishable by a fine of $100.

*** Sec. 136.** AS 04.21.020(a) is amended to read:

(a) Except as provided under (b) and (d) of this section, a person who provides alcoholic beverages to another person may not be held civilly liable for injuries resulting from the intoxication of that person unless the person who provides the alcoholic beverages holds a license authorized under **AS 04.09.020 - 04.09.370** [AS 04.11.080 - 04.11.220] or is an agent or employee of [SUCH] a licensee and

(1) the alcoholic beverages are provided to a person under [THE AGE OF] 21 years **of age** in violation of AS 04.16.051, unless the licensee, agent, or employee secures in good faith from the person a signed statement, liquor identification card, or driver's license meeting the requirements of AS 04.21.050(a) and (b), that indicates that the person is 21 years of age or older; or

(2) the alcoholic beverages are provided to a drunken person in violation of AS 04.16.030.

*** Sec. 137.** AS 04.21.020(b) is amended to read:

(b) A person who sells or barters an alcoholic beverage to another person in violation of **AS 04.09.060, 04.09.850, or** AS 04.11.010 is strictly liable (1) to the recipient or another person for civil damages if, while under the influence of the alcoholic beverage, the person receiving the alcoholic beverage engages in conduct that results in civil damages and the recipient's being under the influence of the alcoholic beverage substantially contributes to the civil damages; and (2) for the cost to the state or a political subdivision of the state to criminally prosecute a person who receives an alcoholic beverage from a person who violates AS 04.11.010 if the prosecution results from the violation of AS 04.11.010 described in this subsection.

*** Sec. 138.** AS 04.21.025(a) is repealed and reenacted to read:

(a) Except as provided under (e) and (f) of this section, as a condition of issuance or renewal of a license or conditional contractor's permit and selling alcoholic beverages under a license or conditional contractor's permit, the board shall require a licensee or permittee who sells or serves alcoholic beverages and a licensee's or permittee'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.

*** Sec. 139.** AS 04.21.025(b) is amended to read:

(b) The subjects that are included in an approved alcohol server education course shall be determined under regulations adopted by the board. In approving alcohol server education courses, the board shall consider the needs of both urban and rural licensees regarding access to an approved alcohol server education course **and allow a licensee, permittee, agent, or employee to complete an alcohol server education course online or in person**. A licensee, **permittee,** agent, or employee who sells or serves alcoholic beverages shall keep the card described in (c) of this section or other proof acceptable to the board of successful completion of an approved alcohol server education course on the licensed premises during working hours.

*** Sec. 140.** AS 04.21.025(c) is amended to read:

(c) A licensee, **permittee,** agent, or employee shall complete the course required under (a) of this section and pass a written test**, online or in person,** demonstrating an understanding of the course subjects not more than 30 days after being licensed**, permitted,** or employed. The course provider shall issue a card to each individual who completes the course and passes the written test. A card issued under this subsection is valid for three years from the date of issue. A licensee, **permittee,** agent, or employee may renew a card issued under this section; to renew the card, the licensee, **permittee,** agent, or employee must pass a written test demonstrating an understanding of the course subjects. **Notwithstanding the 30-day period for completing the course and passing the written test under this subsection, a person may not sell or serve alcoholic beverages or check the identification of a patron at a permitted event under AS 04.09.600 - 04.09.690 unless the person possesses a valid card issued before the event.**

*** Sec. 141.** AS 04.21.025 is amended by adding new subsections to read:

(f) This section does not apply to the following licenses:

(1) brewery manufacturer license under AS 04.09.020, unless the licensee holds a manufacturer sampling endorsement;

(2) winery manufacturer license under AS 04.09.030, unless the licensee holds a manufacturer sampling endorsement;

(3) distillery manufacturer license under AS 04.09.040, unless the licensee holds a manufacturer sampling endorsement;

(4) general wholesale license under AS 04.09.100;

(5) limited wholesale brewed beverage and wine license under AS 04.09.110;

(6) manufacturer direct shipment license under AS 04.09.370.

(g) A person who violates (a) - (c) or (e) of this section commits the offense of failure to comply with alcohol server education requirements.

(h) Failure to comply with alcohol server education requirements is a violation.

*** Sec. 142.** AS 04.21.050(a) is amended to read:

(a) If a licensee or an agent or employee of the licensee questions or has reason to question whether a person entering licensed premises, or ordering, purchasing, attempting to purchase, or otherwise procuring or attempting to procure alcoholic beverages,

(1) has attained the age of 21 years or is entering without consent in violation of **<u>AS 04.16.049(a)(2)</u>** [AS 04.16.049(a)(3)] and has not attained the age of 16 years, that licensee, agent, or employee shall require the person to furnish proof of age acceptable under (b) of this section or proof of consent in a form determined by the board; if the person questioned does not furnish proof of age acceptable under (b) of this section, or if a licensee, agent, or employee questions or has reason to question the validity of the proof of age furnished, the licensee, employee, or agent shall require the person to sign a statement that the person is over the age of 21 or 16 years, as appropriate; this statement shall be made on a form prepared by and furnished to the licensee by the board;

(2) is restricted from purchasing alcoholic beverages under AS 04.16.160, the licensee, agent, or employee may, but has no duty or obligation to, require the person to furnish proof acceptable under (b) of this section that the person is not restricted from purchasing alcoholic beverages or require the person to sign a statement that the person is not restricted from purchasing alcoholic beverages under AS 04.16.160; this statement shall be made on a form prepared by and furnished to the licensee by the board.

*** Sec. 143.** AS 04.21.060 is amended by adding new subsections to read:

(b) A licensee who stores alcoholic beverages elsewhere than on the licensed premises and who fails to comply with (a)(1) - (3) of this section commits the offense of unauthorized warehousing.

(c) Unauthorized warehousing is a violation.

*** Sec. 144.** AS 04.21.065(a) is repealed and reenacted to read:

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

(1) brewery manufacturer license under AS 04.09.020 with a manufacturer sampling endorsement under AS 04.09.410;

(2) winery manufacturer license under AS 04.09.030 with a manufacturer sampling endorsement under AS 04.09.410;

(3) distillery manufacturer license under AS 04.09.040 with a manufacturer sampling endorsement under AS 04.09.410;

(4) beverage dispensary license under AS 04.09.200;

(5) restaurant or eating place license under AS 04.09.210;

(6) club license under AS 04.09.220;

(7) package store license under AS 04.09.230;

(8) pub license under AS 04.09.240;

(9) theater license under AS 04.09.250;

(10) common carrier dispensary license under AS 04.09.260;

(11) sporting activity or event license under AS 04.09.270;

(12) outdoor recreation lodge license under AS 04.09.280;

(13) fair license under AS 04.09.290;

(14) golf course license under AS 04.09.300;

(15) destination resort license under AS 04.09.310;

(16) brewery retail license under AS 04.09.320;

(17) winery retail license under AS 04.09.330;

(18) distillery retail license under AS 04.09.340;

(19) beverage dispensary tourism license under AS 04.09.350;

(20) seasonal restaurant or eating place tourism license under AS 04.09.360;

(21) beverage dispensary caterer's permit under AS 04.09.610;

(22) restaurant caterer's dining permit under AS 04.09.620;

(23) club caterer's permit under AS 04.09.630;

(24) art exhibit event permit under AS 04.09.640;

(25) music festival permit under AS 04.09.645;

(26) nonprofit organization event permit under AS 04.09.650;

(27) package store tasting event permit under AS 04.09.670;

(28) conditional contractor's permit under AS 04.09.690;

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

*** Sec. 145.** AS 04.21 is amended by adding new sections to read:

Sec. 04.21.072. Fines and other criminal penalties. (a) A violation under this title, unless otherwise specified in the provision of this title defining the offense, is punishable by a fine of $250.

(b) A misdemeanor or felony under this title, unless otherwise specified in the provision of this title defining the offense, is punishable as provided in AS 12.55.

Sec. 04.21.074. Bail forfeiture schedule. The supreme court shall establish by rule or order a schedule of bail amounts for violations under this title that allow the disposition of a citation without a court appearance. The bail amount may not exceed the maximum penalty prescribed by law for the violation.

Sec. 04.21.076. Suspension of fine or sentence. The court may not suspend a fine for an offense other than a misdemeanor or felony under this title, or suspend

imposition or execution of sentence for an offense other than a misdemeanor or felony under this title, unless otherwise expressly provided in this title.

*** Sec. 146.** AS 04.21.078 is amended to read:

Sec. 04.21.078. Court records of persons under 21 years of age. The Alaska Court System may not publish on a publicly available website the court records of a violation of AS 04.16.049**,** [OR] 04.16.050, **04.16.060(g),** or a similar ordinance of a municipality, if the violation was charged separately and was not joined with any other minor offense or criminal charge at the time of filing.

*** Sec. 147.** AS 04.21.080(b)(6) is amended to read:

(6) "designated premises" means any or all designated portions of a building or structure, rooms or enclosures in the building or structure, or real estate leased, used, controlled, or operated by a licensee **or permittee** for the purpose for which the **license or** permit is issued by the board at the location of the site for which the **license or** permit is issued;

*** Sec. 148.** AS 04.21.080(b)(15) is amended to read:

(15) "licensed premises" means any or all designated portions of a building or structure, rooms or enclosures in the building or structure, or real estate leased, used, controlled, or operated by a licensee in the conduct of business for which the licensee is licensed by the board at the specific address for which the license **or an endorsement to the license** is issued;

*** Sec. 149.** AS 04.21.080(b) is amended by adding new paragraphs to read:

(21) "bona fide restaurant" means an establishment or a portion of an establishment where, during all times alcoholic beverages are served or consumed,

(A) the patron's principal activity is consumption of food; and

(B) a variety of types of food items appropriate for meals is prepared on site and available for sale as shown on a menu provided to patrons and filed with the board;

(22) "brewed beverage" means an alcoholic beverage made by fermenting cereal grains, including beer and malt beverages, sake, and kombucha;

(23) "calendar year" means the period beginning January 1 and ending December 31;

(24) "cider" means a type of wine made primarily from fermented apples, apple juice, or concentrate;

(25) "distilled spirit" means an alcoholic beverage that is first fermented and then distilled;

(26) "golf course" means a course that is open to the public, having at least nine holes and covering at least 2,950 yards;

(27) "kombucha" means a brewed beverage made from fermented tea and containing at least one-half percent alcohol by volume;

(28) "mead" means a type of wine made primarily from honey;

(29) "sake" means a type of brewed beverage made primarily from fermented rice;

(30) "wine" means an alcoholic beverage made from fermented grapes or other fruit or honey.

*** Sec. 150.** AS 05.15.690(48) is amended to read:

(48) "vendor" means a business whose primary activity is not regulated by this chapter but that

(A) is engaged in the sale of pull-tabs on behalf of a permittee;

(B) holds a business license under AS 43.70; and

(C) is an establishment holding a

(i) beverage dispensary license under **<u>AS 04.09.200 or beverage dispensary tourism license under AS 04.09.350</u>** [AS 04.11.090] that [HAS NOT BEEN DESIGNATED BY THE ALCOHOLIC BEVERAGE CONTROL BOARD UNDER AS 04.16.049(a)(2) - (3),] has not been exempted by the Department of Labor and Workforce Development under AS 04.16.049(c) and AS 23.10.355, **<u>does not allow the sale of pull-tabs in portions of the establishment designated as a bona fide restaurant under AS 04.09.450,</u>** and**<u>,</u>** if the establishment is a hotel, motel, resort, or similar business that caters to the traveling public as a substantial part of its business, does not allow the sale of pull-tabs in a dining room, banquet room, guest room, or other public areas other than a room in

which there is regularly maintained a fixed counter or service bar **that has plumbing connections to permanent plumbing** at which alcoholic beverages are sold or served to members of the public for consumption;

(ii) package store license under **AS 04.09.230** [AS 04.11.150];

*** Sec. 151.** AS 09.65.315(b) is amended to read:

(b) A person licensed under **AS 04.09.020 - 04.09.370** [AS 04.11.080 - 04.11.255], or an agent or employee of the person, is not liable for damages resulting from a motor vehicle accident described under (a) of this section. A person or entity that participates in making arrangements for transportation of a vehicle under (a) of this section is not liable for damages resulting from a motor vehicle accident described in (a) of this section.

*** Sec. 152.** AS 11.61.220(d) is amended to read:

(d) In a prosecution under (a)(2) of this section, it is

(1) an affirmative defense that

(A) [REPEALED]

(B) the loaded firearm was a concealed handgun as defined in AS 18.65.790; and

(C) the possession occurred at a place **covered by a restaurant or eating place license under AS 04.09.210, seasonal restaurant or eating place tourism license under AS 04.09.360, or restaurant endorsement under AS 04.09.450** [DESIGNATED AS A RESTAURANT FOR THE PURPOSES OF AS 04.16.049] and the defendant did not consume intoxicating liquor at the place;

(2) a defense that the defendant, at the time of possession, was on business premises

(A) owned by or leased by the defendant; or

(B) in the course of the defendant's employment for the owner or lessee of those premises.

*** Sec. 153.** AS 11.76.100(b) is amended to read:

(b) Notwithstanding the provisions of (a) of this section, a person who maintains a vending machine is not in violation of (a)(3) of this section if the vending machine is located

(1) on premises licensed as a beverage dispensary under **AS 04.09.200 or 04.09.350** [AS 04.11.090], licensed as a club under **AS 04.09.220** [AS 04.11.110], or licensed as a package store under **AS 04.09.230** [AS 04.11.150]; and

(A) as far as practicable from the primary entrance; and

(B) in a place that is directly and continually supervised by a person employed on the licensed premises during the hours the vending machine is accessible to the public; or

(2) in an employee break room or other controlled area of a private work place that is not generally considered a public place and the room or area contains a posted warning sign at least 11 inches by 14 inches indicating that possession of tobacco by a person under 19 years of age is prohibited under AS 11.76.105.

*** Sec. 154.** AS 11.76.107(a) is amended to read:

(a) A person commits the offense of failure to supervise a vending machine if the person owns premises licensed as a beverage dispensary under **AS 04.09.200 or 04.09.350** [AS 04.11.090], licensed as a club under **AS 04.09.220** [AS 04.11.110], or licensed as a package store under **AS 04.09.230** [AS 04.11.150] and with criminal negligence fails to have an employee supervise a vending machine on those premises that dispenses cigarettes, cigars, tobacco, products containing tobacco, electronic smoking products, or products containing nicotine as required by AS 11.76.100(b)(1)(B) and 11.76.109(d)(1)(B).

*** Sec. 155.** AS 11.76.109(d) is amended to read:

(d) Notwithstanding (a)(3) of this section, a person who maintains a vending machine is not in violation of (a)(3) of this section if the vending machine is located

(1) on premises licensed as a beverage dispensary under **AS 04.09.200 or 04.09.350** [AS 04.11.090], licensed as a club under **AS 04.09.220** [AS 04.11.110], or licensed as a package store under **AS 04.09.230** [AS 04.11.150], and is located

(A) as far as practicable from the primary entrance; and

(B) in a place that is directly and continually supervised by a person employed on the licensed premises during the hours the vending machine is accessible to the public; or

(2) in an employee break room or other controlled area of a private work place that is not generally considered a public place and the room or area contains a posted warning sign at least 11 inches by 8.5 inches indicating that possession of electronic smoking products or products containing nicotine by a person under 19 years of age without a prescription is prohibited under **this section** [AS 11.76.109].

*** Sec. 156.** AS 12.62.400(a) is amended to read:

(a) To obtain a national criminal history record check for determining a person's qualifications for a license, permit, registration, employment, or position, a person shall submit the person's fingerprints to the department with the fee established by AS 12.62.160. The department may submit the fingerprints to the Federal Bureau of Investigation to obtain a national criminal history record check of the person for the purpose of evaluating a person's qualifications for

(1) a license or conditional contractor's permit to manufacture, sell, offer for sale, possess for sale or barter, traffic in, or barter an alcoholic beverage under **AS 04.09** [AS 04.11];

(2) licensure as a mortgage lender, a mortgage broker, or a mortgage loan originator under AS 06.60;

(3) admission to the Alaska Bar Association under AS 08.08;

(4) licensure as a collection agency operator under AS 08.24;

(5) a certificate of fitness to handle explosives under AS 08.52;

(6) licensure as a massage therapist under AS 08.61;

(7) licensure to practice nursing or certification as a nurse aide under AS 08.68;

(8) certification as a real estate appraiser under AS 08.87;

(9) a position involving supervisory or disciplinary power over a minor or dependent adult for which criminal justice information may be released under AS 12.62.160(b)(9);

(10) a teacher certificate under AS 14.20;

(11) a registration or license to operate a marijuana establishment under AS 17.38;

(12) admittance to a police training program under AS 18.65.230 or for certification as a police officer under AS 18.65.240 if that person's prospective employer does not have access to a criminal justice information system;

(13) licensure as a security guard under AS 18.65.400 - 18.65.490;

(14) a concealed handgun permit under AS 18.65.700 - 18.65.790;

(15) licensure as an insurance producer, managing general agent, reinsurance intermediary broker, reinsurance intermediary manager, surplus lines broker, or independent adjuster under AS 21.27;

(16) serving and executing process issued by a court by a person designated under AS 22.20.130;

(17) a school bus driver license under AS 28.15.046;

(18) licensure as an operator or an instructor for a commercial driver training school under AS 28.17;

(19) registration as a broker-dealer, agent, investment adviser representative, or investment adviser under AS 45.56.300 - 45.56.350;

(20) licensure, license renewal, certification, certification renewal, or payment from the Department of Health and Social Services of an individual and an entity subject to the requirements for a criminal history check under AS 47.05.310, including

(A) a public home care provider described in AS 47.05.017;

(B) a provider of home and community-based waiver services financed under AS 47.07.030(c);

(C) a case manager to coordinate community mental health services under AS 47.30.530;

(D) an entity listed in AS 47.32.010(b), including an owner, officer, director, member, partner, employee, volunteer, or contractor of an entity; or

(E) an individual or entity not described in (A) - (D) of this

paragraph that is required by statute or regulation to be licensed or certified by the Department of Health and Social Services or that is eligible to receive payments, in whole or in part, from the Department of Health and Social Services to provide for the health, safety, and welfare of persons who are served by the programs administered by the Department of Health and Social Services.

*** Sec. 157.** AS 18.56.230(b) is amended to read:

(b) The corporation may not authorize the commercial use of space in a multi-unit residential housing development owned or financed by the corporation for

(1) a business that offers adult entertainment;

(2) the sale of alcoholic beverages, unless the sale [IS IN A RESTAURANT OR EATING PLACE LICENSED UNDER AS 04.11.100 OR] is in premises

(A) licensed under a restaurant or eating place license issued by the Alcoholic Beverage Control Board under AS 04.09.210 or seasonal restaurant or eating place tourism license issued by the Alcoholic Beverage Control Board under AS 04.09.360; or

(B) covered by a restaurant endorsement issued [DESIGNATED] by the Alcoholic Beverage Control Board **under AS 04.09.450** [AS A RESTAURANT UNDER AS 04.16.049];

(3) substance abuse treatment; or

(4) a business that primarily sells, transfers, or stores cigarettes or tobacco-related products.

*** Sec. 158.** 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 04.09.060, 04.09.850, or** AS 04.11.010 by selling, importing, or possessing alcoholic beverages in violation of a local option adopted by a municipality or established village under AS 04.11.491.

*** Sec. 159.** AS 18.80.230(b) is amended to read:

(b) Notwithstanding (a) of this section, a physical fitness facility may limit public accommodation to only males or only females to protect the privacy interests of its users. Public accommodation may be limited under this subsection only to those rooms in the facility that are primarily used for weight loss, aerobic, and other exercises, or for resistance weight training. Public accommodation may not be limited under this subsection to rooms in the facility primarily used for other purposes, including conference rooms, dining rooms, and premises licensed under **AS 04.09** [AS 04.11]. This subsection does not apply to swimming pools or golf courses.

*** Sec. 160.** AS 43.60 is amended by adding a new section to read:

Sec. 43.60.060. Manufacturer direct shipment tax; statement; audit. A holder of a manufacturer direct shipment license under AS 04.09.370 who sells its product in the state or who consigns shipments of its product into the state shall

(1) be subject to the taxes provided under AS 43.60.010(a);

(2) provide monthly statements and other information required under AS 43.60.020 with the remittance of a tax collected under this section;

(3) allow the Department of Revenue to perform an audit of the holder's records upon request; and

(4) consent to the jurisdiction of a state court concerning enforcement of this section relating to the collection of taxes and other money owed by the holder, including interest and penalties.

*** Sec. 161.** AS 43.70.105(a) is amended to read:

(a) This chapter does not apply to

(1) a fisheries business;

(2) the sale of liquor under a license issued under **AS 04.09** [AS 04.11];

(3) an insurance business;

(4) a mining business;

(5) supplying services as an employee;

(6) furnishing goods or services by a person who does not represent to be regularly engaged in furnishing goods or services;

(7) the activities of an investment club; in this paragraph,

(A) "investment club" means a group of individuals, incorporated or otherwise organized, that engages primarily in investing in securities, that does not sell investment services to another person, that does not advertise, and the primary purpose of which is educational;

(B) "security" has the meaning given in AS 45.56.900.

*** Sec. 162.** AS 45.45.590(1) is amended to read:

(1) "business proprietor" means a person who owns a place of business in which the public may assemble and in which copyrighted musical works may be performed, broadcasted, or otherwise transmitted; in this paragraph, "place of business" includes a store, professional office, sports facility, entertainment facility, restaurant, hotel, or [AN] alcoholic beverage establishment licensed under **AS 04.09** [AS 04.11];

*** Sec. 163.** The uncodified law of the State of Alaska is amended by adding a new section to read:

DIRECT COURT RULE AMENDMENT. Rule 17(h), Alaska Rules of Minor Offense Procedure, is amended to read:

(h) **Joinder Limits.** A prosecutor may not join a violation of AS 04.16.049**,** [OR] 04.16.050**, or 04.16.060(g)** or a similar municipal ordinance with a related criminal charge.

*** Sec. 164.** AS 04.11.070, 04.11.080, 04.11.090, 04.11.100, 04.11.110, 04.11.115, 04.11.120, 04.11.130, 04.11.135, 04.11.140, 04.11.150, 04.11.160, 04.11.170, 04.11.180, 04.11.200, 04.11.210, 04.11.220, 04.11.225, 04.11.230, 04.11.240, 04.11.250, 04.11.255, 04.11.400(d), 04.11.400(h), 04.11.400(j); AS 04.16.070, 04.16.100, 04.16.180(a), 04.16.180(d), 04.16.210; and AS 04.21.080(b)(3) are repealed.

*** Sec. 165.** AS 04.11.400(e) and 04.11.400(g) are repealed.

*** Sec. 166.** AS 04.09.270(f) is repealed January 1, 2029.

*** Sec. 167.** The uncodified law of the State of Alaska is amended by adding a new section to read:

APPLICABILITY. (a) The provisions of secs. 13 - 24, 34, 85 - 88, 90 - 135, 140 - 143, 145, and 153 - 155 of this Act apply to offenses committed on or after the effective date

of each of those respective sections.

(b) References to previous convictions in AS 04.11.270(a), as amended by sec. 27 of this Act, AS 04.16.180(b), as amended by sec. 128 of this Act, AS 04.16.180(e), as amended by sec. 129 of this Act, and AS 04.16.220(i), as amended by sec. 134 of this Act, apply to convictions occurring before, on, or after the effective date of each of those respective sections.

*** Sec. 168.** The uncodified law of the State of Alaska is amended by adding a new section to read:

TRANSITION: IMPLEMENTATION. Notwithstanding sec. 177 of this Act, to timely provide for the issuance, renewal, and transfer of licenses, endorsements, and permits, beginning on January 1, 2024, the Alcoholic Beverage Control Board may begin to implement the changes that will be made under secs. 6, 7, 12, 13, 25, 27, 75, and 169 of this Act by sending out notices relating to, accepting applications for, and collecting fees for licenses, endorsements, and permits according to the changes that will be made when secs. 6, 7, 12, 13, 25, 27, 75, and 169 of this Act take effect. However, the Alcoholic Beverage Control Board may not issue licenses, endorsements, and permits under secs. 6, 7, 12, 13, 25, 27, 75, and 169 of this Act before January 1, 2024.

*** Sec. 169.** The uncodified law of the State of Alaska is amended by adding a new section to read:

TRANSITION: CONVERSION OF APPLICATIONS AND LICENSES. (a) Notwithstanding the population limits under AS 04.11.400(a) or (b), the Alcoholic Beverage Control Board shall convert, within 90 days after the effective date of this subsection,

(1) a license issued or renewed as necessary for the public convenience under former AS 04.11.400(e) or 04.11.400(g), repealed by sec. 165 of this Act, into a restaurant or eating place license under AS 04.11.100; if the license was issued as a restaurant or eating place license, or into a beverage dispensary license under AS 04.11.090, if the license was issued as a beverage dispensary license under former AS 04.11.400(j), as that subsection read on June 5, 1985;

(2) an application submitted to the board that meets all of the requirements under former AS 04.11.400(e) or 04.11.400(g), repealed by sec. 165 of this Act, into an application for a restaurant or eating place license under AS 04.11.100.

(b) Notwithstanding the population limits under AS 04.11.400(a) or (b), the Alcoholic Beverage Control Board shall convert, within 90 days after the effective date of this subsection,

(1) a license issued or renewed as a bottling works license under former AS 04.11.120, repealed by sec. 164 of this Act, into a brewery manufacturer license under AS 04.09.020, added by sec. 13 of this Act, or into a winery manufacturer license under AS 04.09.030, added by sec. 13 of this Act;

(2) a license issued or renewed as a brewpub license under former AS 04.11.135, repealed by sec. 164 of this Act, into a brewery manufacturer license under AS 04.09.020, added by sec. 13 of this Act;

(3) a license issued or renewed as a beverage dispensary license or restaurant or eating place license for a premises that is a theater under former AS 04.11.090 or AS 04.11.100, repealed by sec. 164 of this Act, into a theater license under AS 04.09.250, added by sec. 13 of this Act;

(4) a license issued or renewed as a wholesale license under former AS 04.11.160(a), repealed by sec. 164 of this Act, into a general wholesale license under AS 04.09.100, added by sec. 13 of this Act;

(5) a license issued or renewed as a wholesale license under former AS 04.11.160(b), repealed by sec. 164 of this Act, into a limited wholesale brewed beverage and wine license under AS 04.09.110, added by sec. 13 of this Act;

(6) a license issued or renewed as a beverage dispensary license under former AS 04.11.400(d), repealed by sec. 164 of this Act, into a beverage dispensary tourism license under AS 04.09.350, added by sec. 13 of this Act;

(7) a duplicate license issued or renewed as a duplicate beverage dispensary license under former AS 04.11.090(e), repealed by sec. 164 of this Act, into a multiple fixed counter endorsement under AS 04.09.420, added by sec. 13 of this Act.

(c) Notwithstanding the population limits under AS 04.11.400(a) or (b), the Alcoholic Beverage Control Board shall, upon application by the licensee, convert a license issued or renewed as a recreational site license under former AS 04.11.210, repealed by sec. 164 of this Act, into a sporting activity or event license under AS 04.09.270, added by sec. 13 of this Act, or another applicable license under AS 04.09.

(d) Notwithstanding the population limits under AS 04.11.400(a) or (b), the Alcoholic Beverage Control Board may

(1) convert a license issued or renewed as a brewery license under former AS 04.11.130, repealed by sec. 164 of this Act, into a brewery manufacturer license under AS 04.09.020, added by sec. 13 of this Act, and a brewery retail license under AS 04.09.320, added by sec. 13 of this Act, upon application by the licensee;

(2) convert an application submitted to the board that meets all of the requirements under former AS 04.11.130, repealed by sec. 164 of this Act, into an application for a brewery manufacturer license under AS 04.09.020, added by sec. 13 of this Act, and a brewery retail license under AS 04.09.320, added by sec. 13 of this Act;

(3) issue a brewery manufacturer license under AS 04.09.020, added by sec. 13 of this Act, and a brewery retail license under AS 04.09.320, added by sec. 13 of this Act, to an applicant who submits an application to the board under former AS 04.11.130, repealed by sec. 164 of this Act, if the board converts the application under (2) of this subsection;

(4) convert a license issued or renewed as a winery license under former AS 04.11.140, repealed by sec. 164 of this Act, into a winery manufacturer license under AS 04.09.030, added by sec. 13 of this Act, and a winery retail license under AS 04.09.330, added by sec. 13 of this Act, upon application by the licensee;

(5) convert an application submitted to the board that meets all of the requirements under former AS 04.11.140, repealed by sec. 164 of this Act, into an application for a winery manufacturer license under AS 04.09.030, added by sec. 13 of this Act, and a winery retail license under AS 04.09.330, added by sec. 13 of this Act;

(6) issue a winery manufacturer license under AS 04.09.030, added by sec. 13 of this Act, and a winery retail license under AS 04.09.330, added by sec. 13 of this Act, to an applicant who submits an application to the board under former AS 04.11.140, repealed by sec. 164 of this Act, if the board converts the application under (5) of this subsection;

(7) convert a license issued or renewed as a distillery license under former AS 04.11.170, repealed by sec. 164 of this Act, into a distillery manufacturer license under AS 04.09.040, added by sec. 13 of this Act, and a distillery retail license under AS 04.09.340, added by sec. 13 of this Act, upon application by the licensee;

(8) convert an application submitted to the board that meets all of the

requirements under former AS 04.11.170, repealed by sec. 164 of this Act, into an application for a distillery manufacturer license under AS 04.09.040, added by sec. 13 of this Act, and a distillery retail license under AS 04.09.340, added by sec. 13 of this Act;

(9) issue a distillery manufacturer license under AS 04.09.040, added by sec. 13 of this Act, and a distillery retail license under AS 04.09.340, added by sec. 13 of this Act, to an applicant who submits an application to the board under former AS 04.11.170, repealed by sec. 164 of this Act, if the board converts the application under (8) of this subsection;

(10) establish an application form and procedure for conversion applications under this subsection.

*** Sec. 170.** The uncodified law of the State of Alaska is amended by adding a new section to read:

TRANSITION: SEASONAL RESTAURANT OR EATING PLACE LICENSE. (a) Notwithstanding AS 04.11.080, the Alcoholic Beverage Control Board may issue a seasonal restaurant or eating place tourism license to a person who files an application under AS 04.11.260.

(b) A seasonal restaurant or eating place license authorizes a restaurant or eating place to sell brewed beverages and wine for consumption only on the licensed premises for a period not to exceed six months in each calendar year.

(c) The biennial seasonal restaurant or eating place tourism license fee is $1,250.

(d) The board may issue a license under this section only if

(1) the board determines that the licensed premises is a bona fide restaurant or eating place; and

(2) the sale and service of food and alcoholic beverages and any other business conducted on the licensed premises of the restaurant or eating place is under the sole control of the licensee.

(e) The board may issue a license under this section only in a municipality or established village that

(1) has a population of 40,000 or less; and

(2) receives more than 4,000 visitors a year, as determined by the board in regulation.

(f) The board may issue a license or approve an application for the transfer of

ownership of a license under this section if it appears that issuance or transfer will encourage the tourism trade.

(g) The holder of a seasonal restaurant or eating place tourism license shall ensure that gross receipts from the sale of food for consumption on the licensed premises are not less than the total amount of the gross receipts from the sale of alcoholic beverages for consumption on the licensed premises in each calendar year.

(h) The board shall adopt a regulation establishing a formula to limit the number of seasonal restaurant or eating place tourism licenses.

(i) The holder of a seasonal restaurant or eating place tourism license may provide entertainment on or adjacent to the licensed premises only between the hours of 11:00 a.m. and 11:00 p.m. unless additional hours are approved by the director upon the written request of the licensee for a specific occasion. The director may not grant approval for additional hours of entertainment on or adjacent to the licensed premises of an individual licensee more than three times in a calendar year. In this subsection, "entertainment" includes dancing, karaoke, live performances, or similar activities, but does not include recorded or broadcast performances without live participation.

(j) A license issued under this section may be renewed under AS 04.09.360, added by sec. 13 of this Act, on or after the effective date of sec. 13 of this Act.

(k) In this section, "bona fide restaurant" means an establishment or a portion of an establishment where, during all times alcoholic beverages are served or consumed,

(1) the patron's principal activity is consumption of food; and

(2) a variety of types of food items appropriate for meals is prepared on site and available for sale as shown on a menu provided to patrons and filed with the board.

*** Sec. 171.** The uncodified law of the State of Alaska is amended by adding a new section to read:

TRANSITION: REGULATIONS. The Department of Commerce, Community, and Economic Development and the Alcoholic Beverage Control Board may adopt regulations necessary to implement the changes made by this Act. The regulations take effect under AS 44.62 (Administrative Procedure Act), but not before the effective date of the law implemented by the regulation.

*** Sec. 172.** Sections 169(a) and 170 of this Act are repealed January 1, 2024.

*** Sec. 173.** The uncodified law of the State of Alaska is amended by adding a new section to read:

CONDITIONAL EFFECT. AS 04.16.060(k), enacted by sec. 109 of this Act, and sec. 163 of this Act take effect only if sec. 163 of this Act receives the two-thirds majority vote of each house required by art. IV, sec. 15, Constitution of the State of Alaska.

*** Sec. 174.** Sections 36, 41, 43, 49, 54, 59, 165, 169(a), 169(d)(8), 170, and 171 of this Act take effect immediately under AS 01.10.070(c).

*** Sec. 175.** Section 168 of this Act takes effect September 1, 2023.

*** Sec. 176.** Section 51 of this Act takes effect January 1, 2030.

*** Sec. 177.** Except as provided in secs. 174 and 176 of this Act, this Act takes effect January 1, 2024.