

HOUSE CS FOR CS FOR SENATE BILL NO. 87(JUD)

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINETEENTH LEGISLATURE - FIRST SESSION

BY THE HOUSE JUDICIARY COMMITTEE

Offered: 5/8/95

Referred: Rules

Sponsor(s): SENATE JUDICIARY COMMITTEE

A BILL

FOR AN ACT ENTITLED

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

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

8 *** Section 1.** AS 04.06.020 is amended to read:

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

1 no member may hold a wholesale license or be an officer, agent, or employee of a
2 wholesale alcoholic beverage enterprise. No three members of the board may be
3 engaged in the same business, occupation, or profession. At least three members of
4 the board shall represent the general public. A board member representing the
5 general public or an immediate family member of a board member representing
6 the general public may not have any financial interest in the alcoholic beverage
7 industry. In this section, "immediate family member" means a spouse, child, or
8 parent.

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

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

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

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

1 presumption that the person possessed the alcoholic beverages for sale.

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

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

- 5 (1) beverage dispensary license;
- 6 (2) duplicate beverage dispensary license for additional rooms;
- 7 (3) restaurant or eating place license;
- 8 (4) club license;
- 9 (5) bottling works license;
- 10 (6) brewery license;
- 11 (7) package store license;
- 12 (8) general wholesale license;
- 13 (9) wholesale malt beverage and wine license;
- 14 (10) distillery license;
- 15 (11) common carrier dispensary license;
- 16 (12) retail stock sale license;
- 17 (13) recreational site license;
- 18 (14) [COMMUNITY LIQUOR LICENSE;
- 19 (15)] pub license;
- 20 (15) [(16)] winery license;
- 21 (16) [(17)] caterer's permit;
- 22 (17) [(18)] special events permit;
- 23 (18) [(19)] conditional contractor's permit;
- 24 (19) [(20)] brewpub license.

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

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

1 (1) issue or reissue a license as provided under this subsection if
2 (A) the issuance or reissuance would result in more than one
3 exempt restaurant or eating place license for every 10 restaurant or eating place
4 licenses allowed under the provisions of AS 04.11.400(a)(2) or (3);
5 (B) the premises would be located in a building having a public
6 entrance within 200 feet of the boundary line of a school or a church
7 building in which religious services are being regularly conducted; for purposes
8 of this subparagraph, the 200-foot prohibition is measured from the outer
9 boundary line of the school or the public entrance of the church building by the
10 shortest pedestrian route to the nearest public entrance of the restaurant or
11 eating place;
12 (2) reissue a restaurant or eating place license as exempt as provided
13 under the provisions of this subsection if the license was issued under the provisions
14 of AS 04.11.400(g); or
15 (3) transfer an exempt license issued under this subsection to another
16 person.
17 * **Sec. 6.** AS 04.11.135(a) is amended to read:
18 (a) A brewpub license authorizes the holder of a beverage dispensary license
19 to
20 (1) manufacture on premises licensed under the beverage dispensary
21 license not more than 75,000 [16,000] gallons of beer in a calendar year; and
22 (2) sell beer manufactured on premises licensed under the beverage
23 dispensary license for consumption only on the licensed premises.
24 * **Sec. 7.** AS 04.11.135(b) is amended to read:
25 (b) Except as provided under AS 04.11.360(10) [AS 04.11.360(12)], the
26 brewpub license is not transferable, shall remain the property of the state, and is not
27 subject to any form of alienation.
28 * **Sec. 8.** AS 04.11.150(a) is repealed and reenacted to read:
29 (a) Except as provided under (g) of this section, a package store license
30 authorizes the licensee to sell alcoholic beverages to a person present on the licensed
31 premises or to a person known to the licensee who makes a written solicitation to that

licensee for shipment. A licensee, agent, or employee may only ship alcoholic beverages to the purchaser. Before commencing the practice of shipping alcoholic beverages, and with each subsequent application to renew the license, a licensee shall notify the board in writing of the licensee's intention to ship alcoholic beverages in response to a written solicitation. The package store licensee, agent, or employee shall include written information on fetal alcohol syndrome and fetal alcohol effects resulting from a woman consuming alcohol during pregnancy in a shipment of alcoholic beverages sold in response to a written solicitation.

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

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

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

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

1 to 25 suppliers	\$ 500
26 to 50 suppliers	\$1,000
51 to 75 suppliers	\$1,500
over 75 suppliers	\$2,000

In this subsection, "distiller, brewer, vintner, or importer" includes an exclusive agent of the distiller, brewer, vintner, or importer if the agent's name appears on the label of the brand approved by the Federal Bureau of Alcohol, Tobacco, and Firearms.

(g) A person licensed under this section shall notify the board within 10 days of a change in a primary source of supply designation required under (f) of this section.

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

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

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

(2) AS 04.11.130, 04.11.140, or 04.11.170.

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

(b) A license shall be renewed as follows:

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

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

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

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

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

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

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

(2) issuance of the license is prohibited by AS 04.11.390, relating to

1 residency, or AS 04.11.410, relating to location of premises near churches and schools;

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

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

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

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

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

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

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

31 (8) [(10)] the application contains false statements of material fact;

1 (9) [(11)] the license is sought for the sale of alcoholic beverages in a
2 first or second class city where [IN WHICH] there are no licensed premises at the
3 time of application unless a majority of the voters have voted not to approve [IN] a
4 local option to restrict or prohibit the sale of alcoholic beverages under
5 AS 04.11.491, have voted to approve a local option to allow the type of premises
6 under AS 04.11.491(a)(2) or (3), or have voted to remove a restriction or
7 prohibition on the sale of alcoholic beverages under AS 04.11.495 [ELECTION
8 CONDUCTED IN ACCORDANCE WITH AS 04.11.502 HAVE VOTED "NO" ON
9 THE QUESTION SET OUT IN AS 04.11.490, OR HAVE VOTED "YES" ON A
10 QUESTION SET OUT IN AS 04.11.492 OR 04.11.500]; or

11 (10) [(12)] the license is sought for the sale of alcoholic beverages in
12 an established village where [IN WHICH] there are no licensed premises at the time
13 of application unless a majority of the voters have voted not to approve [IN] a local
14 option to restrict or prohibit the sale of alcoholic beverages under AS 04.11.491,
15 have voted to approve a local option to allow the type of premises under
16 AS 04.11.491(b)(2), or have voted to remove a restriction or prohibition on the
17 sale of alcoholic beverages under AS 04.11.495 [ELECTION CONDUCTED IN
18 ACCORDANCE WITH AS 04.11.502 HAVE VOTED "NO" ON THE QUESTION
19 SET OUT IN AS 04.11.490 OR HAVE VOTED "YES" ON THE QUESTION SET
20 OUT IN AS 04.11.500].

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

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

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

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

28 (4) the permit is sought for the sale of alcoholic beverages in a first or
29 second class city or established village where [IN WHICH] there are no licensed
30 premises at the time of application unless a majority of the voters have voted not to
31 approve [IN] a local option to restrict or prohibit the sale of alcoholic beverages

1 under AS 04.11.491, have voted to approve a local option to allow the type of
2 permit under AS 04.11.491(a)(2) or (b)(2), or have voted to remove a restriction
3 or prohibition on the sale of alcoholic beverages under AS 04.11.495 [ELECTION
4 CONDUCTED IN ACCORDANCE WITH AS 04.11.502 HAVE VOTED "NO" ON
5 THE QUESTION SET OUT IN AS 04.11.490].

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

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

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

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

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

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

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

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

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

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

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

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

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

31 (1) the board finds, after review of all relevant information, that

1 relocation of the license would not be in the best interests of the public;

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

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

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

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

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

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

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

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

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

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

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

31 (1) the board finds, after review of all relevant information, that transfer

1 of a license to another person would not be in the best interests of the public;

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

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

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

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

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

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

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

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

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

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

31 (10) THE AUTHORITY SOUGHT IS AUTHORITY TO OPERATE

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

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

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

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

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

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

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

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

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

29 (5) conviction of an [THE] agent or employee of a licensee of a
30 violation of this title, a regulation adopted under this title, or an ordinance adopted
31 under AS 04.21.010, if the licensee is found by the board to have either knowingly

1 allowed the violation or to have recklessly or with criminal negligence failed to act in
2 accordance with the duty prescribed under AS 04.21.030 with the result that the [AN]
3 agent or employee violates a law, regulation, or ordinance;

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

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

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

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

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

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

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

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

31 (c) If the board receives notice from the Department of Revenue that a licensee

1 or permittee has violated a provision of AS 05.15 related to gambling, the board

2 (1) may suspend the license or permit; and

3 (2) shall suspend the license or permit for a period of at least 30 days
4 if the offense is the person's second or subsequent violation of AS 05.15 related to
5 gambling.

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

7 Sec. 04.11.395. BOARD IMPOSED CONDITIONS OR RESTRICTIONS.

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

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

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

13 (1) outside an established village, incorporated city, unified
14 municipality, or organized borough if after the issuance or relocation there would be
15 (A) more than one restaurant or eating place license for each 1,500 population or
16 fraction of that [1,500] population, or (B) more than one license of each other type,
17 including licenses that have been issued under (d) or (e) of this section, for each 3,000
18 population or fraction of that [3,000] population, in a radius of five miles of the
19 licensed premises [OR LOCATION OF PREMISES SOUGHT TO BE LICENSED],
20 excluding the populations of established villages, incorporated cities, unified
21 municipalities, and organized boroughs that are wholly or partly included within the
22 radius;

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

26 (A) more than one restaurant or eating place license for each
27 1,500 population or fraction of that [1,500] population; or

28 (B) more than one license of each other type, including licenses
29 that have been issued under (d) or (e) of this section, for each 3,000 population
30 or fraction of that [3,000] population [INSIDE THE ESTABLISHED
31 VILLAGE, INCORPORATED CITY, OR UNIFIED MUNICIPALITY];

1 (3) inside an organized borough but outside an established village or
2 incorporated city located within the borough, if after the issuance or relocation there
3 would be inside the borough, but outside the established villages and incorporated
4 cities located within the borough,

5 (A) more than one restaurant or eating place license for each
6 1,500 population or fraction of that [1,500] population; or

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

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

16 (a) A [IF A] local governing body **may** [WISHES TO] protest the issuance,
17 renewal, **relocation,** [TRANSFER OF LOCATION,] or transfer to another person of
18 a license **by sending** [, IT SHALL FURNISH] the board and the applicant [WITH] a
19 protest and the reasons for the protest within **60** [30] days of receipt from the board
20 of notice of filing of the application. **A protest received after the 60-day period**
21 **may not be accepted by the board, and in no event may a protest cause the board**
22 **to reconsider an approved renewal, relocation, or transfer. The local governing**
23 **body may protest the continued operation of a license during the second year of**
24 **the biennial license period by sending the board and the licensee a protest and the**
25 **reasons for the protest by January 31 of the second year of the license. The**
26 **procedures for action on a protest of continued operation of a license are the**
27 **same as the procedures for action on a protest of a renewal application.** The
28 board shall consider a protest and testimony received at a hearing conducted under
29 AS 04.11.510(b)(2) or (4) when it considers the application **or continued operation,**
30 and the protest and the record of the hearing conducted under AS 04.11.510(b)(2) or
31 (4) shall be **kept** [RETAINED] as part of the board's permanent record of its review

1 [OF THE APPLICATION]. If an application or continued operation is protested, the
2 board shall deny [MAY NOT APPROVE] the application or continued operation
3 unless the board finds that the protest is arbitrary, capricious, and unreasonable.

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

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

8 (1) the sale of alcoholic beverages;

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

11 (A) a restaurant or eating place licensee;

12 (B) a beverage dispensary licensee;

13 (C) a package store licensee; or

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

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

20 (A) a restaurant or eating place license;

21 (B) a beverage dispensary license; or

22 (C) a package store license;

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

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

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

27 (1) the sale of alcoholic beverages;

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

30 (A) a restaurant or eating place licensee;

31 (B) a beverage dispensary licensee;

1 (C) a package store licensee; or
2 (D) a caterer holding a permit under AS 04.11.230 to sell
3 alcoholic beverages at a site within the established village who is also licensed
4 under a beverage dispensary license for premises outside of the established
5 village;
6 (3) the sale and importation of alcoholic beverages; or
7 (4) the sale, importation, and possession of alcoholic beverages.
8 (c) A ballot question to adopt a local option under this section must at least
9 contain language substantially similar to: "Shall (name of municipality or village)
10 adopt a local option to prohibit (local option under (a) or (b) of this section)? (yes or
11 no)."
12 (d) The ballot for an election on the option set out in (a)(2)(A), (a)(3)(A), or
13 (b)(2)(A) of this section must include a summary explanation of the authority to sell
14 alcoholic beverages given to a restaurant or eating place under AS 04.11.100(a). The
15 ballot for an election on the option set out in (a)(2)(B) or (D), (a)(3)(B), or (b)(2)(B)
16 or (D) of this section must include a statement that a beverage dispensary license is
17 commonly known as a "bar" and a summary explanation of the authority to sell
18 alcoholic beverages given to a beverage dispensary licensee under AS 04.11.090(a).
19 The ballot for an election on the option set out in (a)(2)(C), (a)(3)(C), or (b)(2)(C) of
20 this section must include a statement that a package store license is commonly known
21 as a "liquor store" and a summary explanation of the authority to sell alcoholic
22 beverages given to a package store licensee under AS 04.11.150(a).
23 (e) If a municipality dissolves under AS 29.06.450(a) or (b), a local option
24 adopted by the municipality under (a) of this section shall continue in effect as the
25 corresponding local option under (b) of this section for an established village having
26 the same perimeter as the previous boundaries of the municipality. A license for
27 premises operated by the municipality under AS 04.11.505 expires when the
28 municipality dissolves.
29 (f) A municipality or established village that has adopted a local option under
30 (a)(1), (2), or (3) or (b)(1) or (2) of this section may designate a site for the delivery
31 of alcoholic beverages to individuals in the area or a site for a person to bring

1 alcoholic beverages if the alcoholic beverages are imported into the area. This
2 subsection does not apply to the delivery or importation of

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

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

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

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

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

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

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

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

31 * **Sec. 24.** AS 04.11 is amended by adding a new section to read:

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

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

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

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

24 Sec. 04.11.501. PROHIBITION OF POSSESSION AFTER ELECTION. (a)
25 If a majority of the voters vote to prohibit the possession of alcoholic beverages under
26 AS 04.11.491(a)(5) or (b)(4), a person may not knowingly possess an alcoholic
27 beverage in the municipality or established village, unless the alcoholic beverage is
28 sacramental wine to be used for bona fide religious purposes based on tenets or
29 teachings of a church or religious body, is limited in quantity to the amount necessary
30 for religious purposes, and is dispensed only for religious purposes, by a person
31 recognized by the church or religious body as authorized to dispense the wine.

1 (b) If there are licensed premises within the municipality or established village,
2 the prohibition on possession is effective beginning 90 days after the results of the
3 election are certified. If there are no licensed premises within the municipality or
4 established village, the prohibition on possession is effective beginning 60 days after
5 the results of the election are certified.

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

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

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

12 Sec. 04.11.503. EFFECT ON LICENSES OF RESTRICTION ON SALE. If
13 a majority of the voters vote under AS 04.11.491(a)(2) or (b)(2) to prohibit sale of
14 alcoholic beverages except by the type or types of licensees or permit holders listed
15 on the ballot, the board may not issue, renew, or transfer between persons or locations
16 a license for premises located within the boundaries of the municipality and in
17 unincorporated areas within five miles of the boundaries of the municipality or within
18 the perimeter of the established village, except the type or types of licenses listed on
19 the ballot. A license in effect within the boundaries of the municipality or perimeter
20 of the established village, and in unincorporated areas within five miles of the
21 boundaries of the municipality, except the type of license listed on the ballot, is void
22 90 days after the results of the election are certified. A license that expires during the
23 90 days after the results of a local option election are certified may be extended, until
24 it is void under this section, by payment of a prorated portion of the biennial license
25 fee.

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

27 Sec. 04.11.505. LICENSING AFTER PROHIBITION ON SALE EXCEPT IN
28 PREMISES OPERATED BY MUNICIPALITY. (a) If a majority of the voters vote
29 under AS 04.11.491(a)(3) to prohibit the sale of alcoholic beverages except on
30 premises operated by the municipality, the board may not issue, renew, or transfer
31 between persons or locations a license for premises located within the boundaries of

1 a municipality and in unincorporated areas within five miles of the boundaries of the
2 municipality, with the exception of the type of license listed on the ballot and operated
3 under a license held by the municipality. A license in effect is void 90 days after the
4 results of the election are certified. A license that expires during the 90 days after the
5 results of a local option election are certified may be extended, until it is void under
6 this subsection, by payment of a prorated portion of the biennial license fee.

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

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

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

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

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

29 (d) A petition filed with the local governing body of a municipality under (b)
30 of this section, that places on the ballot the option set out in AS 04.11.491(a)(5),
31 constitutes a proposed ordinance of the municipality.

1 (e) AS 29.26.110 - 29.26.160 apply to a petition under (b) of this section in
2 a general law municipality except the

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

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

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

11 (f) Notwithstanding any other provisions of law, an election under (b) or (c)
12 of this section to remove a local option or to change to a less restrictive option than
13 the local option previously adopted under AS 04.11.491 may not be conducted during
14 the first 12 months after the local option was adopted or more than once in an
15 18-month period.

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

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

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

31 (1) the board shall notify, by certified mail, all package store licensees

1 who sell alcoholic beverages in response to a written solicitation of the local option;
2 and

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

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

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

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

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

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

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

30 (1) in which alcoholic beverages are manufactured, sold, offered for
31 sale, possessed for sale or barter, trafficked in, or bartered in violation of

1 (A) AS 04.11.010; or
2 (B) a municipal ordinance adopted under AS 04.21.010(a) or
3 (b); or

4 (2) licensed under this title during hours in which the person's presence
5 on the premises is a violation of a municipal ordinance adopted under authority of
6 AS 04.16.010(d) providing for hours of closure that are outside the hours of closure
7 prescribed by AS 04.16.010(c).

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

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

10 Sec. 04.16.110. SALE OF CERTAIN ALCOHOLIC BEVERAGES
11 PROHIBITED. A person may not sell an alcoholic beverage if it

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

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

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

15 (a) A person may not use a common carrier to transport alcoholic beverages
16 into an area that has restricted the sale of alcoholic beverages under
17 AS 04.11.491(a)(1), (2), or (3) or (b)(1) or (2) [AS 04.11.490, 04.11.492, OR
18 04.11.500] unless

19 (1) the shipping container holding the alcoholic beverages is clearly
20 labeled as containing alcoholic beverages with letters that contrast in color to the
21 shipping container and that are at least two inches in height; and

22 (2) an itemized invoice showing the quantity and purchase value of
23 distilled spirits, of wine, and of malt [THE ALCOHOLIC] beverages is attached to
24 the outside of the shipping container.

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

26 (b) This section does not apply to

27 (1) a person transporting not more than

28 (A) two liters of wine;

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

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

31 (2) the transportation of alcoholic beverages for use on premises

1 allowed under AS 04.11.491(a)(2) - (3) or (b)(2) or for use under a permit allowed
2 under AS 04.11.491(a)(2).

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

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

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

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

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

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

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

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

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

26 (a) A person who possesses alcoholic beverages in a municipality or
27 established village in violation of AS 04.11.501 [AS 04.11.498] or an ordinance
28 adopted under AS 04.11.501 [AS 04.11.498] may, upon conviction, be punished by a
29 fine not to exceed \$1,000 and shall forfeit the seized alcoholic beverages. When a
30 peace officer stops or contacts a person concerning a violation of AS 04.11.501
31 [AS 04.11.498] or an ordinance adopted [ENACTED] under AS 04.11.501

1 [AS 04.11.498], the peace officer **shall seize the alcoholic beverages and** may [, IN
2 THE OFFICER'S DISCRETION,] issue a citation to the person as provided in
3 AS 12.25.180.

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

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

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

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

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

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

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

29 (d) Community work shall be performed at the direction of the **local** governing
30 body of the municipality or the **local** governing body of the established village. **In the**
31 **absence of a local governing body for an established village, community work**

1 shall be performed at the direction of the body that has traditionally performed
2 public functions on behalf of the entire community. The value of community work
3 in lieu of a fine is \$5.00 per hour. When the community work is completed, the
4 person cited for the violation shall mail or personally deliver to the clerk of the court
5 in which the citation is filed by the peace officer

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

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

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

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

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

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

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

24 (a) The following are subject to forfeiture:

25 (1) alcoholic beverages manufactured, sold, offered for sale or
26 possessed for sale, bartered or exchanged for goods and services in this state in
27 violation of AS 04.11.010; alcoholic beverages possessed, stocked, warehoused, or
28 otherwise stored in violation of AS 04.21.060; alcoholic beverages sold, or offered for
29 sale in violation [IN AN AREA WHERE THE RESULTS] of a local option adopted
30 under AS 04.11.491 [ELECTION HAVE, UNDER AS 04.11.490 - 04.11.500,
31 PROHIBITED THE POSSESSION OF ALCOHOLIC BEVERAGES OR

1 PROHIBITED THE BOARD FROM ISSUING, RENEWING, OR TRANSFERRING
2 ONE OR MORE LICENSES OR PERMITS UNDER THIS TITLE IN THE AREA];
3 alcoholic beverages transported into the state and sold to persons not licensed under
4 this chapter in violation of AS 04.16.170(b);

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

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

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

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

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

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

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

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

28 (b) Property subject to forfeiture under this section may be actually or
29 constructively seized under an order issued by the superior court upon a showing of
30 probable cause that the property is subject to forfeiture under this section. Constructive
31 seizure is effected upon posting a signed notice of seizure on the item to be forfeited,

1 stating the violation and the date and place of seizure. Seizure without a court order
2 may be made if

3 (1) the seizure is incident to a valid arrest or search;

4 (2) the property subject to seizure is the subject of a prior judgment in
5 favor of the state; or

6 (3) there is probable cause to believe that the property is subject to
7 forfeiture under (a) of this section; except for alcoholic beverages possessed on
8 violation of AS 04.11.501 [AS 04.11.498] or an ordinance adopted under AS 04.11.501
9 [AS 04.11.498], property seized under this paragraph may not be held over 48 hours
10 or until an order of forfeiture is issued by the court, whichever is earlier.

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

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

13 (1) upon conviction of a person **for a violation of** [UNDER]
14 AS 04.11.010, 04.11.499, [04.11.496(b), OR] AS 04.21.060, or AS 04.11.501 [UPON
15 ENTRY OF JUDGMENT UNDER AS 04.11.498] or an ordinance adopted under
16 AS 04.11.501 [AS 04.11.498]; **or**

17 (2) upon judgment by the superior court in a proceeding in rem that the
18 property was used in a manner subjecting it to forfeiture under (a) of this section.

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

20 (g) It is no defense in an in rem forfeiture proceeding brought under (d)(2) of
21 this section that a criminal proceeding is pending or has resulted in conviction or
22 acquittal of a person charged with violating AS 04.11.010, 04.11.499 [04.11.496(b)],
23 or AS 04.21.060.

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

25 (h) Alcoholic beverages forfeited under (d) of this section shall be placed in
26 the custody of a peace officer of the state and destroyed no later than 30 days after
27 forfeiture. All other property forfeited under this section shall be placed in the custody
28 of the commissioner of public safety for disposition according to an order entered by
29 the court. The court shall order destroyed any property forfeited under this section that
30 is harmful to the public **and shall order any property forfeited under this section**
31 **that was seized in a municipality to be transferred to the municipality in which**

1 the property was seized. Other property shall be ordered sold and the proceeds used
2 for payment of expenses of the proceedings for forfeiture and sale, including expenses
3 of seizure, custody, and court costs. The remainder of the proceeds shall be deposited
4 in the general fund.

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

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

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

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

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

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

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

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

31 (c) A municipality may not impose taxes on alcoholic beverages except a

- 1 (1) property tax on alcoholic beverage inventories;
2 (2) sales tax on alcoholic beverage sales if sales taxes are imposed on
3 other sales within the municipality;
4 (3) sales tax on alcoholic beverage sales that was in effect before
5 July 1, 1985; and
6 (4) sales and use tax on alcoholic beverages if the sale of alcoholic
7 beverages within the municipality has been prohibited under AS 04.11.491(a)(1), (4),
8 or (5) [AS 04.11.490].

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

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

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

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

- 20 (1) beverage dispensary;
21 (2) restaurant or eating place;
22 (3) club;
23 (4) package store;
24 (5) [COMMON CARRIER DISPENSARY;
25 (6)] recreational site;
26 (6) [(7) COMMUNITY;
27 (8)] pub;
28 (7) [(9)] conditional contractor.

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

30 (e) A person licensed as a common carrier dispensary shall train agents and
31 employees who sell or serve alcoholic beverages or who check the identification of a

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

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

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

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

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

- (1) "alcoholic beverage" means a spirituous, vinous, malt, or other

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

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

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

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

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

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

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

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

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

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

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

31 **(A) the unorganized borough and that has 25 or more**

1 permanent residents; or

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

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

6 (ii) is not on a road system and is located more than
7 15 miles outside the boundary limits of a unified municipality

8 [HAS THE MEANING GIVEN IN AS 04.21.080].

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

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

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

19 (c) The Department of Public Safety may establish and administer a reward
20 program, and provide grants to municipalities, established villages, and, at the request
21 of a municipality or established village, to a nonprofit association that administers a
22 village public safety officer program, for reward programs leading to the apprehension
23 and conviction of persons who violate AS 04.11.010 by selling, importing, or
24 possessing alcoholic beverages in violation of a local option [AN ORDINANCE]
25 adopted by a municipality or established village under AS 04.11.491 [AS 04.11.490
26 - 04.11.500].

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

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

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

31 (d) This section does not apply to an ordinance proposed under

1 **AS 04.11.507(d)** [AS 04.11.502(c)].

2 * **Sec. 65.** AS 29.25.070(d) is amended to read:

3 (d) This section does not apply to an ordinance adopted under **AS 04.11.501(c)**
4 [AS 04.11.498(d) OR (e)].

5 * **Sec. 66.** AS 29.35.080(a) is amended to read:

6 (a) A municipality may regulate the possession, barter, sale, importation, and
7 consumption of alcoholic beverages **under AS 04.11.480 - 04.11.509** [IN
8 ACCORDANCE WITH AS 04.11.480 - 04.11.506] and AS 04.21.010.

9 * **Sec. 67.** AS 34.03.360(6) is amended to read:

10 (6) "illegal activity involving alcoholic beverages" means a person's
11 delivery of an alcoholic beverage in violation of AS 04.11.010(b) in an area where the
12 results of a local option election have, under **AS 04.11.491** [AS 04.11.490 -
13 04.11.500], prohibited the Alcoholic Beverage Control Board from issuing, renewing,
14 or transferring a liquor license or permit under AS 04;

15 * **Sec. 68.** AS 47.37.045(e) is amended to read:

16 (e) In this section,

17 (1) "established village" **means an unincorporated community that**

18 **is in**

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

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

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

25 **(ii) is not on a road system and is located more than**
26 **15 miles outside the boundary limits of a unified municipality**

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

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

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

31 * **Sec. 69.** AS 04.11.090(c), 04.11.190, 04.11.490, 04.11.492, 04.11.496, 04.11.498,

1 04.11.500, 04.11.502, 04.11.504, 04.11.506, and 04.11.510(d) are repealed.

2 * **Sec. 70.** TRANSITION: LOCAL OPTIONS EARLIER ADOPTED. Notwithstanding
3 the provisions of this Act, local options adopted by an area under AS 04.11.490, 04.11.492,
4 04.11.496, 04.11.498, 04.11.500, or previous local option laws before the effective date of
5 this section shall continue in effect until changed under AS 04.11.493 or removed under
6 AS 04.11.495. References in this Act to local option elections conducted under AS 04.11.491,
7 04.11.493, 04.11.495, 04.11.497, 04.11.499, 04.11.501, 04.11.503, 04.11.505, and 04.11.507
8 are to be interpreted to include local option elections conducted under AS 04.11.490,
9 04.11.492, 04.11.496, 04.11.498, 04.11.500, 04.11.502, or previous local option laws in effect
10 before the effective date of this section.

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

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

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

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

30 (b) Applicants whose licenses are not renewed under (a) of this section shall be
31 eligible for a two-year seasonal license. These licenses expire, unless renewed, on

1 December 31, 1997, and may be renewed biennially in odd-numbered years.

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

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

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

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

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

18 * **Sec. 79.** Except as provided in secs. 77 and 78 of this Act, this Act takes effect July 1,
19 1995.