

SENATE BILL NO. 87

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINETEENTH LEGISLATURE - FIRST SESSION

BY THE SENATE JUDICIARY COMMITTEE

Introduced: 2/14/95

Referred: CRA, JUD, FIN

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to community local options for control of alcoholic beverages;
2 relating to the control of alcoholic beverages; relating to the definition of
3 'alcoholic beverage'; relating to purchase and sale of alcoholic beverages; relating
4 to alcohol server education courses; and providing for an effective date."

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

6 * **Section 1.** AS 04.11.010(b) is amended to read:

7 (b) A person may not solicit or receive orders for the delivery of an alcoholic
8 beverage if the person is in an area that has adopted a local option under
9 AS 04.11.491. If the area has adopted a local option under AS 04.11.491(a)(1), (2),
10 or (3), or (b)(1) or (2), a package store licensee outside of that local option area
11 may receive orders as provided under AS 04.11.150 but may not solicit in that
12 area or receive orders through an agent or employee in that area. This subsection
13 does not apply to a package store licensee who operates a package store in an
14 area that has adopted a local option under AS 04.11.491(a)(2)(C) or (3)(C) or

1 **(b)(2)(C)** [WHERE THE RESULTS OF A LOCAL OPTION ELECTION HAVE,
2 UNDER AS 04.11.490 - 04.11.500, PROHIBITED THE BOARD FROM ISSUING,
3 RENEWING, OR TRANSFERRING ONE OR MORE TYPES OF LICENSES OR
4 PERMITS UNDER THIS TITLE, UNLESS THE PERSON IS LICENSED UNDER
5 THIS TITLE AND THE ORDER IS ACTUALLY RECEIVED BY THAT PERSON
6 FROM THE PURCHASER OF THE ALCOHOLIC BEVERAGE]. A person who
7 violates this subsection is punishable upon conviction **as provided** under
8 AS 04.16.200(a) or (b).

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

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

16 * **Sec. 3.** AS 04.11.100 is amended by adding a new subsection to read:

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

23 (1) issue or reissue a license as provided under this subsection if

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

27 (B) the premises would be located in a building having a public
28 entrance within 200 feet of the boundary line of a school or a church
29 building in which religious services are being regularly conducted; for purposes
30 of this subparagraph, the 200-foot prohibition is measured from the outer
31 boundary line of the school or the public entrance of the church building by the

1 shortest pedestrian route to the nearest public entrance of the restaurant or
2 eating place;

3 (2) reissue a restaurant or eating place license as exempt as provided
4 under the provisions of this subsection if the license is being transferred under the
5 provisions of AS 04.11.400(f); or

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

8 * **Sec. 4.** AS 04.11.135(a) is amended to read:

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

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

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

15 * **Sec. 5.** AS 04.11.135(b) is amended to read:

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

19 * **Sec. 6.** AS 04.11.150(a) is repealed and reenacted to read:

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

31 * **Sec. 7.** AS 04.11.150(g) is repealed and reenacted to read:

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

6 * **Sec. 8.** AS 04.11.160 is amended by adding new subsections to read:

7 (f) A person who applies for issuance or renewal of a license under this
8 section shall file, on forms provided by the board, the following information regarding
9 each brand of alcoholic beverage that the person intends to purchase, offer for sale, or
10 sell: (1) the full and correct brand or trade name; (2) the nature and type of the brand;
11 (3) the name of the distiller, brewer, vintner, or importer of the brand; and (4) a
12 certification by the distiller, brewer, vintner, or importer of the brand that the person
13 is a primary source of supply for the brand. In addition to the fees imposed under (a)
14 and (b) of this section, a person filing under this subsection shall pay a biennial filing
15 fee of \$50 for each brand of alcoholic beverage the person intends to purchase, offer
16 for sale, or sell. In this subsection, "distiller, brewer, vintner, or importer" includes
17 an exclusive agent of the distiller, brewer, vintner, or importer if the agent's name
18 appears on the label of the brand approved by the Federal Bureau of Alcohol, Tobacco
19 and Firearms.

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

23 * **Sec. 9.** AS 04.16 is amended by adding a new section to read:

24 Sec. 04.16.172. RESTRICTIONS ON PURCHASE AND SALE OF
25 ALCOHOLIC BEVERAGES. A person licensed under AS 04.11.090, 04.11.100,
26 04.11.110, or 04.11.150 may not purchase, sell, or offer for sale an alcoholic beverage
27 unless the alcoholic beverage being purchased, sold, or offered for sale was obtained
28 from a person licensed under

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

31 (2) AS 04.11.130, 04.11.140, or 04.11.170.

1 * **Sec. 10.** AS 04.11.270(b) is amended to read:

2 (b) A license shall be renewed as follows:

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

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

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

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

14 * **Sec. 11.** AS 04.11.320 is amended to read:

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

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

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

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

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

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

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

31 (7) [THE LICENSED PREMISES ARE TO BE LOCATED IN A

1 MUNICIPALITY, THE TYPE OF LICENSE SOUGHT IS A BEVERAGE
2 DISPENSARY OR PACKAGE STORE LICENSE, AND THAT TYPE OF LICENSE
3 IS ALREADY IN EFFECT IN THE MUNICIPALITY UNDER A COMMUNITY
4 LIQUOR LICENSE, UNLESS THE NEW LICENSE IS TO BECOME EFFECTIVE
5 AFTER THE COMMUNITY LIQUOR LICENSE IS NO LONGER EFFECTIVE,
6 WHETHER AS THE RESULT OF A LOCAL OPTION ELECTION OR
7 OTHERWISE;

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

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

19 (8) [(10)] the application contains false statements of material fact;

20 (9) [(11)] the license is sought for the sale of alcoholic beverages in a
21 first or second class city where [IN WHICH] there are no licensed premises at the
22 time of application unless a majority of the voters **have voted not to approve** [IN] a
23 local option **to restrict or prohibit the sale of alcoholic beverages under**
24 **AS 04.11.491, have voted to approve a local option to allow the type of premises**
25 **under AS 04.11.491(a)(2) or (3), or have voted to remove a restriction or**
26 **prohibition on the sale of alcoholic beverages under AS 04.11.495** [ELECTION
27 CONDUCTED IN ACCORDANCE WITH AS 04.11.502 HAVE VOTED "NO" ON
28 THE QUESTION SET OUT IN AS 04.11.490, OR HAVE VOTED "YES" ON A
29 QUESTION SET OUT IN AS 04.11.492 OR 04.11.500]; **or**

30 (10) [(12)] the license is sought for the sale of alcoholic beverages in
31 an established village where [IN WHICH] there are no licensed premises at the time

1 of application unless a majority of the voters **have voted not to approve** [IN] a local
2 option **to restrict or prohibit the sale of alcoholic beverages under AS 04.11.491,**
3 **have voted to approve a local option to allow the type of premises under**
4 **AS 04.11.491(b)(2), or have voted to remove a restriction or prohibition on the**
5 **sale of alcoholic beverages under AS 04.11.495** [ELECTION CONDUCTED IN
6 ACCORDANCE WITH AS 04.11.502 HAVE VOTED "NO" ON THE QUESTION
7 SET OUT IN AS 04.11.490 OR HAVE VOTED "YES" ON THE QUESTION SET
8 OUT IN AS 04.11.500].

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

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

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

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

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

25 * **Sec. 12.** AS 04.11.330(a) is amended to read:

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

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

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

30 (3) the applicant has not operated the licensed premises for at least 30
31 eight-hour days during each of the two preceding calendar years, unless the board

1 determines that the licensed premises are under construction or cannot be operated
2 through no fault of the applicant;

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

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

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

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

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

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

16 * **Sec. 13.** AS 04.11.340 is amended to read:

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

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

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

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

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

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

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

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

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

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

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

15 * **Sec. 14.** AS 04.11.360 is amended to read:

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

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

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

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

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

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

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

1 the earlier transfer of the license;

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

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

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

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

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

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

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

28 (10) [AS 04.11.400(g); (12)] the license was issued under
29 AS 04.11.135, unless the transferor is also applying to transfer the beverage dispensary
30 license required under AS 04.11.135 to the same transferee.

31 * **Sec. 15.** AS 04.11.370 is amended to read:

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

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

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

9 (3) failure on the part of the licensee to correct **a defect** [DEFECTS]
10 that **constitutes a violation** [CONSTITUTE VIOLATIONS] of this title, **a condition**
11 **or restriction imposed under AS 04.11.395, a regulation** [REGULATIONS] adopted
12 under this title, or other laws [WITHIN A PRESCRIBED TIME] after receipt of notice
13 issued by the board or its agent;

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

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

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

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

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

31 (9) **the licensee permitted a** [PERMITTING ANY] public offense

1 involving moral turpitude to occur on the licensed premises;

2 (10) violation by a licensee of this title, **a condition or restriction**
3 **imposed under AS 04.11.395**, a regulation adopted under this title, or an ordinance
4 adopted under AS 04.21.010; **or**

5 (11) violation by an agent or employee of a licensee of a provision of
6 this title, **a condition or restriction imposed under AS 04.11.395**, a regulation
7 adopted under this title, or an ordinance adopted under AS 04.21.010, if the licensee
8 is found by the board to have either knowingly allowed the violation or to have
9 recklessly or with criminal negligence failed to act in accordance with the duty
10 prescribed under AS 04.21.030 with the result that the agent or employee violates the
11 law, **condition or restriction**, regulation, or ordinance.

12 * **Sec. 16.** AS 04.11 is amended by adding a new section to read:

13 Sec. 04.11.395. BOARD IMPOSED CONDITIONS OR RESTRICTIONS.

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

16 * **Sec. 17.** AS 04.11.400(a) is amended to read:

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

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

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

1 (A) more than one restaurant or eating place license for each
2 1,500 population or fraction of **that** [1,500] population; or

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

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

11 (A) more than one restaurant or eating place license for each
12 1,500 population or fraction of **that** [1,500] population; or

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

21 * **Sec. 18.** AS 04.11.480(a) is amended to read:

22 (a) **A** [IF A] local governing body **may** [WISHES TO] protest the issuance,
23 renewal, **relocation**, [TRANSFER OF LOCATION,] or transfer to another person of
24 a license **by sending** [, IT SHALL FURNISH] the board and the applicant [WITH] a
25 protest and the reasons for the protest within 30 days of receipt from the board of
26 notice of filing of the application. **The local governing body may protest the**
27 **continued operation of a license during the second year of the biennial license**
28 **period by sending the board and the licensee a protest and the reasons for the**
29 **protest by January 31 of the second year of the license. The procedures for**
30 **action on a protest of continued operation of a license are the same as the**
31 **procedures for action on a protest of a renewal application.** The board shall

1 consider a protest and testimony received at a hearing conducted under
2 AS 04.11.510(b)(2) or (4) when it considers the application **or continued operation**,
3 and the protest and the record of the hearing conducted under AS 04.11.510(b)(2) or
4 (4) shall be **kept** [RETAINED] as part of the board’s permanent record of its review
5 [OF THE APPLICATION]. If an application **or continued operation** is protested, the
6 board **shall deny** [MAY NOT APPROVE] the application **or continued operation**
7 unless the board finds that the protest is arbitrary, capricious, and unreasonable.

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

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

12 (1) the sale of alcoholic beverages;

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

15 (A) a restaurant or eating place licensee;

16 (B) a beverage dispensary licensee;

17 (C) a package store licensee; or

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

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

31 (1) the sale of alcoholic beverages;

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

3 (A) a restaurant or eating place licensee;

4 (B) a beverage dispensary licensee;

5 (C) a package store licensee; or

6 (D) a caterer holding a permit under AS 04.11.230 to sell
7 alcoholic beverages at a site within the established village who is also licensed
8 under a beverage dispensary license for premises outside of the established
9 village;

10 (3) the sale and importation of alcoholic beverages; or

11 (4) the sale, importation, and possession of alcoholic beverages.

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

16 (d) The ballot for an election on the option set out in (a)(2)(A), (a)(3)(A), or
17 (b)(2)(A) of this section must include an explanation of the authority to sell alcoholic
18 beverages given to a restaurant or eating place. The ballot for an election on the
19 option set out in (a)(2)(B) or (D), (a)(3)(B), or (b)(2)(B) or (D) of this section must
20 include a statement that a beverage dispensary license is commonly known as a "bar"
21 and an explanation of the authority to sell alcoholic beverages given to a beverage
22 dispensary licensee. The ballot for an election on the option set out in (a)(2)(C),
23 (a)(3)(C), or (b)(2)(C) of this section must include a statement that a package store
24 license is commonly known as a "liquor store" and an explanation of the authority to
25 sell alcoholic beverages given to a package store licensee.

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

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

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

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

10 * **Sec. 20.** AS 04.11 is amended by adding new sections to read:

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

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

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

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

29 (c) When issuing a license in the area that has removed a local option, the
30 board shall give priority to an applicant who was formerly licensed and whose license
31 was not renewed because of the results of the previous local option election. However,

1 an applicant described in this subsection does not have a legal right to a license and
2 the board is not required to approve the application.

3 * **Sec. 21.** AS 04.11 is amended by adding a new section to read:

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

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

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

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

27 Sec. 04.11.501. PROHIBITION OF POSSESSION AFTER ELECTION. (a)
28 If a majority of the voters vote to prohibit the possession of alcoholic beverages under
29 AS 04.11.491(a)(5) or (b)(4), a person may not knowingly possess an alcoholic
30 beverage in the municipality or established village, unless the alcoholic beverage is
31 sacramental wine to be used for bona fide religious purposes based on tenets or

1 teachings of a church or religious body, is limited in quantity to the amount necessary
2 for religious purposes, and is dispensed only for religious purposes, by a person
3 recognized by the church or religious body as authorized to dispense the wine.

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

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

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

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

15 Sec. 04.11.503. EFFECT ON LICENSES OF RESTRICTION ON SALE. If
16 a majority of the voters vote under AS 04.11.491(a)(2) or (b)(2) to prohibit sale of
17 alcoholic beverages except by the type or types of licensees or permit holders listed
18 on the ballot, the board may not issue, renew, or transfer between persons or locations
19 a license for premises located within the boundaries of the municipality and in
20 unincorporated areas within five miles of the boundaries of the municipality or within
21 the perimeter of the established village, except the type or types of licenses listed on
22 the ballot. A license in effect within the boundaries of the municipality or perimeter
23 of the established village, and in unincorporated areas within five miles of the
24 boundaries of the municipality, except the type of license listed on the ballot, is void
25 90 days after the results of the election are certified. A license that expires during the
26 90 days after the results of a local option election are certified may be extended, until
27 it is void under this section, by payment of a prorated portion of the biennial license
28 fee.

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

30 Sec. 04.11.505. LICENSING AFTER PROHIBITION ON SALE EXCEPT IN
31 PREMISES OPERATED BY MUNICIPALITY. (a) If a majority of the voters vote

1 under AS 04.11.491(a)(3) to prohibit the sale of alcoholic beverages except on
2 premises operated by the municipality, the board may not issue, renew, or transfer
3 between persons or locations a license for premises located within the boundaries of
4 a municipality and in unincorporated areas within five miles of the boundaries of the
5 municipality, with the exception of the type of license listed on the ballot and operated
6 under a license held by the municipality. A license in effect is void 90 days after the
7 results of the election are certified. A license that expires during the 90 days after the
8 results of a local option election are certified may be extended, until it is void under
9 this subsection, by payment of a prorated portion of the biennial license fee.

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

16 * **Sec. 26.** AS 04.11 is amended by adding new sections to read:

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

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

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

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

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

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

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

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

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

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

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

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

1 and

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

4 * **Sec. 27.** AS 04.11.540 is amended to read:

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

17 * **Sec. 28.** AS 04.11.680(a) is amended to read:

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

25 * **Sec. 29.** AS 04.16.110 is repealed and reenacted to read:

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

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

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

30 * **Sec. 30.** AS 04.16.125(a) is amended to read:

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

1 into an area that has restricted the sale of alcoholic beverages under
2 AS 04.11.491(a)(1), (2), or (3) or (b)(1) or (2) [AS 04.11.490, 04.11.492, OR
3 04.11.500] unless

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

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

10 * **Sec. 31.** AS 04.16.125(b) is amended to read:

11 (b) This section does not apply to

12 (1) a person transporting not more than

13 (A) two liters of wine;

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

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

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

19 * **Sec. 32.** AS 04.16.200(b) is amended to read:

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

26 * **Sec. 33.** AS 04.16.200(e) is amended to read:

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

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

1 beverages; or

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

5 * **Sec. 34.** AS 04.16.205(a) is amended to read:

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

15 * **Sec. 35.** AS 04.16.205(b) is amended to read:

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

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

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

26 * **Sec. 36.** AS 04.16.205(c) is amended to read:

27 (c) The supreme court shall establish by rule or order a schedule of bail
28 amounts that may be forfeited without a court appearance for a violation of
29 **AS 04.11.501** [AS 04.11.498] or an ordinance adopted under **AS 04.11.501**
30 [AS 04.11.498]. In establishing the bail schedule the supreme court may consider the
31 quantity of alcoholic beverages possessed and the number of prior violations of the

1 person cited. Before establishing or amending the schedule of bail amounts required
2 by this subsection, the supreme court shall appoint and consult with an advisory
3 committee consisting of the following seven persons: one superior court judge, one
4 magistrate from each judicial district in the state, a representative of the Department
5 of Law, and a representative of the Public Defender Agency. The maximum bail
6 amount may not exceed \$1,000, and the issuing officer shall write on the citation the
7 amount of bail applicable to the violation.

8 * **Sec. 37.** AS 04.16.205(d) is amended to read:

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

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

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

22 * **Sec. 38.** AS 04.16.205(g) is amended to read:

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

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

29 (h) A violation of **AS 04.11.501** [AS 04.11.498] or an ordinance adopted under
30 **AS 04.11.501** [AS 04.11.498] may not be considered a criminal offense and may not
31 result in imprisonment, nor is a fine imposed for a violation considered criminal

1 punishment. A person cited for a violation does not have a right to a jury trial or
2 court appointed counsel.

3 * **Sec. 40.** AS 04.16.220(a) is amended to read:

4 (a) The following are subject to forfeiture:

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

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

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

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

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

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

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

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

7 * **Sec. 41.** AS 04.16.220(b) is amended to read:

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

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

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

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

22 * **Sec. 42.** AS 04.16.220(d) is amended to read:

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

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

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

30 * **Sec. 43.** AS 04.16.220(g) is amended to read:

31 (g) It is no defense in an in rem forfeiture proceeding brought under (d)(2) of

1 this section that a criminal proceeding is pending or has resulted in conviction or
2 acquittal of a person charged with violating AS 04.11.010, 04.11.499 [04.11.496(b)],
3 or AS 04.21.060.

4 * **Sec. 44.** AS 04.21.010(a) is amended to read:

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

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

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

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

19 * **Sec. 45.** AS 04.21.010(b) is amended to read:

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

29 * **Sec. 46.** AS 04.21.010(c) is amended to read:

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

31 (1) property tax on alcoholic beverage inventories;

1 (2) sales tax on alcoholic beverage sales if sales taxes are imposed on
2 other sales within the municipality;

3 (3) sales tax on alcoholic beverage sales that was in effect before
4 July 1, 1985; and

5 (4) sales and use tax on alcoholic beverages if the sale of alcoholic
6 beverages within the municipality has been prohibited under AS 04.11.491(a)(1), (4),
7 or (5) [AS 04.11.490].

8 * **Sec. 47.** AS 04.21.015(b) is amended to read:

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

13 * **Sec. 48.** AS 04.21.025(a) is amended to read:

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

19 (1) beverage dispensary;

20 (2) restaurant or eating place;

21 (3) club;

22 (4) package store;

23 (5) [COMMON CARRIER DISPENSARY;

24 (6)] recreational site;

25 (6) [(7)] community;

26 (7) [(8)] pub;

27 (8) [(9)] conditional contractor.

28 * **Sec. 49.** AS 04.21.025 is amended by adding a new subsection to read:

29 (e) A person licensed as a common carrier dispensary shall train agents and
30 employees who sell or serve alcoholic beverages or who check the identification of a
31 patron on provisions of state law regarding sale of alcoholic beverages, including

1 AS 04.16.015, 04.16.020, 04.16.030, 04.16.051, 04.16.052, 04.16.120, 04.16.125,
2 AS 04.21.030, and 04.21.050. The training must include the subjects of the effects of
3 alcohol consumption, identifying a drunken person, determining valid identification,
4 intervention to prevent unlawful alcohol consumption, and penalties for unlawful acts
5 by agents and employees of licensees. A common carrier licensee shall, once every
6 three years, provide the board with a description of its training program including the
7 subjects taught, teaching method, and testing required.

8 * **Sec. 50.** AS 04.21.080(b)(1) is amended to read:

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

20 * **Sec. 51.** AS 04.21.080(b)(9) is amended to read:

21 (9) "established village" means **an area not containing any part of**
22 **an incorporated city or another established village, that has a perimeter no more**
23 **than 10 miles in diameter clearly designated on a map by the local governing**
24 **body or the board in the absence of a local governing body, and that is**

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

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

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

31 (ii) is not on a road system and is located more than 15

1 miles outside the boundary limits of a unified municipality;

2 * **Sec. 52.** AS 15.07.064(g) is amended to read:

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

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

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

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

11 **(ii) is not on a road system and is located more than**
12 **15 miles outside the boundary limits of a unified municipality**

13 [HAS THE MEANING GIVEN IN AS 04.21.080].

14 * **Sec. 53.** AS 18.65.085(a) is amended to read:

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

23 * **Sec. 54.** AS 18.65.085(c) is amended to read:

24 (c) The Department of Public Safety may establish and administer a reward
25 program, and provide grants to municipalities, established villages, and, at the request
26 of a municipality or established village, to a nonprofit association that administers a
27 village public safety officer program, for reward programs leading to the apprehension
28 and conviction of persons who violate AS 04.11.010 by selling, importing, or
29 possessing alcoholic beverages in violation of **a local option** [AN ORDINANCE]
30 adopted by a municipality or established village under **AS 04.11.491** [AS 04.11.490
31 - 04.11.500].

1 * **Sec. 55.** AS 29.20.270(e) is amended to read:
2 (e) The veto does not extend to an ordinance adopted under AS 04.11.501
3 [AS 04.11.498]. This subsection applies to home rule and general law municipalities.

4 * **Sec. 56.** AS 29.25.020(d) is amended to read:
5 (d) This section does not apply to an ordinance proposed under
6 AS 04.11.507(d) [AS 04.11.502(c)].

7 * **Sec. 57.** AS 29.25.070(d) is amended to read:
8 (d) This section does not apply to an ordinance adopted under AS 04.11.501(c)
9 [AS 04.11.498(d) OR (e)].

10 * **Sec. 58.** AS 29.35.080(a) is amended to read:
11 (a) A municipality may regulate the possession, barter, sale, importation, and
12 consumption of alcoholic beverages under AS 04.11.480 - 04.11.509 [IN
13 ACCORDANCE WITH AS 04.11.480 - 04.11.506] and AS 04.21.010.

14 * **Sec. 59.** AS 34.03.360(6) is amended to read:
15 (6) "illegal activity involving alcoholic beverages" means a person's
16 delivery of an alcoholic beverage in violation of AS 04.11.010(b) in an area where the
17 results of a local option election have, under AS 04.11.491 [AS 04.11.490 -
18 04.11.500], prohibited the Alcoholic Beverage Control Board from issuing, renewing,
19 or transferring a liquor license or permit under AS 04;

20 * **Sec. 60.** AS 47.37.045(e) is amended to read:
21 (e) In this section,
22 (1) "established village" means an unincorporated community that
23 is in
24 (A) the unorganized borough and that has 25 or more
25 permanent residents; or
26 (B) an organized borough, has 25 or more permanent
27 residents, and
28 (i) is on a road system and is located more than 50
29 miles outside the boundary limits of a unified municipality, or
30 (ii) is not on a road system and is located more than
31 15 miles outside the boundary limits of a unified municipality

1 [HAS THE MEANING GIVEN IN AS 04.21.080(b)];
2 (2) "local governing body" has the meaning given in AS 04.21.080(b);
3 (3) "nonprofit organization" means an organization that qualifies for
4 exemption from taxation under 26 U.S.C. 501(c)(3) or (4) (Internal Revenue Code).

5 * **Sec. 61.** AS 04.11.090(c), 04.11.190, 04.11.490, 04.11.492, 04.11.496, 04.11.498,
6 04.11.500, 04.11.502, 04.11.504, 04.11.506, and 04.11.510(d) are repealed.

7 * **Sec. 62.** TRANSITION: LOCAL OPTIONS EARLIER ADOPTED. Notwithstanding
8 the provisions of this Act, local options adopted by an area under AS 04.11.490, 04.11.492,
9 04.11.496, 04.11.498, or 04.11.500 or previous local option laws before the effective date of
10 this Act shall continue in effect until changed under AS 04.11.493 or removed under
11 AS 04.11.495. References in this Act to local option elections conducted under AS 04.11.491,
12 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
13 are to be interpreted to include local option elections conducted under AS 04.11.490,
14 04.11.492, 04.11.496, 04.11.498, 04.11.500, or 04.11.502 or previous local option laws in
15 effect before the effective date of this Act.

16 * **Sec. 63.** TRANSITION: COMMUNITY LIQUOR LICENSES. A community liquor
17 license issued under AS 04.11.190 before the effective date of this Act to operate a beverage
18 dispensary shall continue as a beverage dispensary license under AS 04.11.090. A community
19 liquor license issued under AS 04.11.190 before the effective date of this Act to operate a
20 package store shall continue as a package store license under AS 04.11.150.

21 * **Sec. 64.** TRANSITION. A person licensed under AS 04.11.160 on the effective date of
22 this section shall submit the information required under AS 04.11.160(f), added by sec. 8 of
23 this Act, by September 30, 1995.

24 * **Sec. 65.** TRANSITION: IMPLEMENTATION OF BIENNIAL SEASONAL LICENSES.
25 (a) Approximately one-half of the applicants for 1996 renewal of a seasonal license issued
26 by the Alcoholic Beverage Control Board, as determined by the director of the Alcoholic
27 Beverage Control Board, shall be eligible for a one-year seasonal license. These licenses
28 expire, unless renewed, on December 31, 1996, and may be renewed biennially in even-
29 numbered years after that. The 1996 renewal fee for these licenses is one-half of the seasonal
30 biennial license fee.

31 (b) Applicants whose licenses are not renewed under (a) of this section shall be

1 eligible for a two-year seasonal license. These licenses expire, unless renewed, on
2 December 31, 1997, and may be renewed biennially in odd-numbered years.

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

9 * **Sec. 66.** TRANSITION: REGULATIONS. Notwithstanding sec. 69 of this Act, the
10 Alcoholic Beverage Control Board may proceed to adopt regulations necessary to implement
11 this Act. The regulations take effect under AS 44.62 (Administrative Procedure Act), but not
12 before July 1, 1995.

13 * **Sec. 67.** PROHIBITION ON PURCHASE OR CERTAIN ALCOHOLIC BEVERAGES.
14 Beginning July 1, 1995, and ending June 30, 1996, a person licensed as a wholesaler under
15 AS 04.11.160 may not purchase an alcoholic beverage that contains more than 76 percent
16 alcohol by volume.

17 * **Sec. 68.** AS 04.16.110(2), enacted in sec. 29 of this Act, takes effect July 1, 1996.

18 * **Sec. 69.** Except as provided in secs. 66 and 68 of this Act, this Act takes effect July 1,
19 1995.