

**HOUSE CS FOR CS FOR SENATE BILL NO. 128(FIN)**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIFTH LEGISLATURE - FIRST SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered: 5/16/07

Referred: Today's Calendar

Sponsor(s): SENATOR OLSON

**A BILL**

**FOR AN ACT ENTITLED**

1 **"An Act relating to the sale, distribution, and purchase of alcoholic beverages; relating**  
2 **to a state database for records of certain purchases of alcoholic beverages; relating to**  
3 **the relocation of a license to sell alcoholic beverages; relating to procedures for local**  
4 **option elections for control of alcoholic beverages; and providing for an effective date."**

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

6 \* **Section 1.** AS 04.06 is amended by adding a new section to read:

7 **Sec. 04.06.095. Statewide database.** The board, after consulting with package  
8 store licensees, shall create and maintain a statewide database that contains a monthly  
9 record of the alcohol purchased by, and shipped to, a person who resides in a  
10 municipality or established village that has restricted the sale of alcoholic beverages  
11 under AS 04.11.491(a)(1), (2), or (3) or (b)(1) or (2). Except as otherwise specifically  
12 provided in this section, the information contained in the database is confidential and  
13 is not subject to inspection or copying under AS 40.25.110 - 40.25.220. Information in  
14 the database is available only to

1 (1) a package store licensee, agent, or employee to consult before  
2 shipping alcohol to a purchaser in a restricted area as provided in AS 04.11.150(g);

3 (2) a law enforcement officer;

4 (3) a probation or parole officer; and

5 (4) the board.

6 \* **Sec. 2.** AS 04.11.010(a) is amended to read:

7 (a) Except as provided in AS 04.11.020, a person may not **knowingly**  
8 manufacture, sell, offer for sale, possess for sale or barter, traffic in, or barter an  
9 alcoholic beverage unless under license or permit issued under this title.

10 \* **Sec. 3.** AS 04.11.150(g) is amended to read:

11 (g) If a shipment is to an area that has restricted the sale of alcoholic  
12 beverages under AS 04.11.491(a)(1), (2), or (3) or (b)(1) or (2), a package store  
13 licensee, agent, or employee may not ship to a purchaser more than 10 and one-half  
14 liters of distilled spirits, 24 liters or more of wine, or 12 gallons or more of malt  
15 beverages in a calendar month, or a lower amount of distilled spirits, wine, or malt  
16 beverages if the municipality or established village has adopted the lower amount by  
17 local option under AS 04.11.491(g). **Before shipping alcohol to a purchaser in a**  
18 **restricted area, a package store licensee, agent, or employee shall consult the**  
19 **database maintained by the board under AS 04.06.095 for any alcoholic beverage**  
20 **shipments made to the purchaser during that calendar month by a package store**  
21 **licensee, agent, or employee. A package store licensee, agent, or employee may**  
22 **not ship an amount of alcoholic beverages to a purchaser in a restricted area**  
23 **that, when added to the amount already shipped, exceeds the amount authorized**  
24 **by this subsection. A package store licensee, agent, or employee shall immediately**  
25 **enter into the database the date and the amount of alcoholic beverages shipped to**  
26 **the purchaser. Failure to enter into the database the date and amount of alcoholic**  
27 **beverages shipped to the purchaser as required by this subsection is a class B**  
28 **misdemeanor.**

29 \* **Sec. 4.** AS 04.11.150(h) is amended to read:

30 (h) A package store licensee, agent, or employee may not

31 **(1)** divide or combine shipments of alcoholic beverages so as to

1 circumvent the limitation imposed under (g) of this section; or

2 (2) in response to a written order, ship alcohol to a purchaser at an  
 3 address other than the address where the purchaser resides or, if the purchaser  
 4 resides in a municipality or established village that has adopted a local option  
 5 under AS 04.11.491(a)(1), (2), or (3) or (b)(1) or (2) for which a community  
 6 delivery site has been designated under AS 04.11.491(f), to an address other than  
 7 that community delivery site except as provided by AS 04.11.491(f)(1) and (2).

8 \* **Sec. 5.** AS 04.11.400(a) is amended to read:

9 (a) Except as provided in (d) - (h), (k), [AND] (l), and (n) of this section, a  
 10 new license may not be issued and the board may prohibit relocation of an existing  
 11 license

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

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

24 (A) more than one restaurant or eating place license for each  
 25 1,500 population or fraction of that population; or

26 (B) more than one license of each other type, including licenses  
 27 that have been issued under (d) or (e) of this section, for each 3,000 population  
 28 or fraction of that population;

29 (3) inside an organized borough but outside an established village or  
 30 incorporated city located within the borough [,] if, after the issuance or relocation  
 31 there would be inside the borough, but outside the established villages and

1 incorporated cities located within the borough,

2 (A) more than one restaurant or eating place license for each  
3 1,500 population or fraction of that population; or

4 (B) more than one license of each other type, including licenses  
5 that have been issued under (d) or (e) of this section, for each 3,000 population  
6 or fraction of that population excluding the population of those established  
7 villages that have adopted a local option under AS 04.11.491(b)(1), (3), or (4),  
8 and excluding the population of incorporated cities located within the  
9 organized borough.

10 \* **Sec. 6.** AS 04.11.400 is amended by adding a new subsection to read:

11 (n) The board may allow the relocation of an existing beverage dispensary  
12 license under AS 04.11.090 to a restaurant, eating place, or hotel, motel, resort, or  
13 similar business that contains a restaurant or eating place, in a borough with a  
14 population of 60,000 or more if the governing body of the borough approves the  
15 relocation. However, if the relocation of the license is into or within an incorporated  
16 city in the borough, the board may not approve the relocation unless the governing  
17 bodies of both the borough and the incorporated city approve the relocation. The board  
18 may allow not more than three relocations in a borough under this subsection each  
19 decade. In this subsection, "decade" means each 10-year period beginning April 1 in a  
20 year ending in zero.

21 \* **Sec. 7.** AS 04.11.499 is amended to read:

22 **Sec. 04.11.499. Prohibition of importation after election.** If a majority of the  
23 voters vote to prohibit the importation of alcoholic beverages under  
24 AS 04.11.491(a)(4) or (5) or (b)(3) or (4), a person, beginning on the first day of the  
25 month following certification of the results of the election, may not knowingly send,  
26 transport, or bring an alcoholic beverage into the municipality or established village,  
27 unless the alcoholic beverage is sacramental wine to be used for bona fide religious  
28 purposes based on tenets or teachings of a church or religious body, is limited in  
29 quantity to the amount necessary for religious purposes, and is dispensed only for  
30 religious purposes by a person authorized by the church or religious body to dispense  
31 the sacramental wine. [IN THIS SECTION,

1 (1) "BRING" MEANS TO CARRY OR CONVEY OR TO ATTEMPT  
2 OR SOLICIT TO CARRY OR CONVEY;

3 (2) "SEND" MEANS TO CAUSE TO BE TAKEN OR  
4 DISTRIBUTED OR TO ATTEMPT OR SOLICIT TO CAUSE TO BE TAKEN OR  
5 DISTRIBUTED, AND INCLUDES USE OF THE UNITED STATES POSTAL  
6 SERVICE;

7 (3) "TRANSPORT" MEANS TO SHIP BY ANY METHOD, AND  
8 INCLUDES DELIVERING OR TRANSFERRING OR ATTEMPTING OR  
9 SOLICITING TO DELIVER OR TRANSFER AN ALCOHOLIC BEVERAGE TO  
10 BE SHIPPED TO, DELIVERED TO, OR LEFT OR HELD FOR PICK UP BY ANY  
11 PERSON.]

12 \* **Sec. 8.** AS 04.11.499 is amended by adding new subsections to read:

13 (b) A person who resides in a municipality or established village that has  
14 adopted a local option under AS 04.11.491(a) or (b) may not purchase alcohol from  
15 another person who has sent, transported, or brought an alcoholic beverage into the  
16 municipality or established village in violation of the local option.

17 (c) In this section,

18 (1) "bring" means to carry or convey or to attempt or solicit to carry or  
19 convey;

20 (2) "send" means to cause to be taken or distributed or to attempt or  
21 solicit to cause to be taken or distributed, and includes use of the United States Postal  
22 Service;

23 (3) "transport" means to ship by any method, and includes delivering  
24 or transferring or attempting or soliciting to deliver or transfer an alcoholic beverage  
25 to be shipped to, delivered to, or left or held for pickup by any person.

26 \* **Sec. 9.** AS 04.11.507(f) is amended to read:

27 (f) Notwithstanding any other provisions of law, an election under (b) or (c) of  
28 this section to remove a local option or to change to a less restrictive option than the  
29 local option previously adopted under AS 04.11.491 may not be conducted during the  
30 first 24 [12] months after the local option was adopted or more than once in a 36-  
31 month [AN 18-MONTH] period.

1 \* **Sec. 10.** AS 04.16.020 is amended by adding a new subsection to read:

2 (c) A person may not purchase alcohol by written order on behalf of another  
3 person who resides in a municipality or established village that has adopted a local  
4 option under AS 04.11.491(a)(5) or (b)(4).

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

6 **Sec. 04.16.035. Possession of ingredients for homebrew in certain areas.** A  
7 person residing in an area that has adopted a local option to prohibit the sale,  
8 importation, and possession of alcoholic beverages under AS 04.11.491(a)(5) or (b)(4)  
9 may not possess sugar, artificial sugar, malt, yeast, or any other material or equipment  
10 with the intent to use the material or equipment to create an alcoholic beverage.

11 \* **Sec. 12.** AS 04.16.180(a) is amended to read:

12 (a) Except as provided in AS 04.11.015, 04.11.150(g), AS 04.16.025,  
13 04.16.050, 04.16.051, 04.16.200 - 04.16.210, and AS 04.21.065, a person who violates  
14 a provision of this title or a regulation adopted by the board is guilty, upon conviction,  
15 of a class A misdemeanor. Each violation is a separate offense.

16 \* **Sec. 13.** AS 04.16.200(e) is amended to read:

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

20 (1) guilty of a class A misdemeanor if the quantity of alcoholic  
21 beverages is less than 10 and one-half liters of distilled spirits, 24 liters of wine, or 12  
22 gallons of malt beverages; or

23 (2) guilty of a class C felony if the quantity of alcoholic beverages is  
24 10 and one-half liters or more of distilled spirits, 24 liters or more of wine, or 12  
25 gallons or more of malt beverages.

26 \* **Sec. 14.** AS 04.16.200 is amended by adding a new subsection to read:

27 (f) A person who purchases alcohol in violation of AS 04.11.499(b) is guilty  
28 of a class A misdemeanor.

29 \* **Sec. 15.** AS 04.16.220(a) is amended to read:

30 (a) The following are subject to forfeiture:

31 (1) alcoholic beverages manufactured, sold, offered for sale, possessed

1 for sale, or bartered or exchanged for goods and services in this state in violation of  
 2 AS 04.11.010; alcoholic beverages possessed, stocked, warehoused, or otherwise  
 3 stored in violation of AS 04.21.060; alcoholic beverages sold or offered for sale in  
 4 violation of a local option adopted under AS 04.11.491; alcoholic beverages  
 5 transported into the state and sold to persons not licensed under this chapter in  
 6 violation of AS 04.16.170(b); alcoholic beverages transported in violation of  
 7 AS 04.16.125;

8 (2) materials and equipment used in the manufacture, sale, offering for  
 9 sale, possession for sale, or barter or exchange of alcoholic beverages for goods and  
 10 services in this state in violation of AS 04.11.010; materials and equipment used in the  
 11 stocking, warehousing, or storage of alcoholic beverages in violation of AS 04.21.060;  
 12 materials and equipment used in the sale or offering for sale of an alcoholic beverage  
 13 in an area in violation of a local option adopted under AS 04.11.491;

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

16 (A) alcoholic beverages manufactured, sold, offered for sale,  
 17 possessed for sale, or 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(a) [AS 04.11.499];

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 (6) money, securities, negotiable instruments, or other things of value  
 28 used in financial transactions or items of value purchased from the proceeds derived  
 29 from activity prohibited under AS 04.11.010 or in violation of a local option adopted  
 30 under AS 04.11.491;

31 (7) a firearm used in furtherance of a violation of this title.

1 \* **Sec. 16.** AS 04.16.220(i) is amended to read:

2 (i) Upon conviction for a violation of AS 04.11.010 or **04.11.499(a)**  
 3 [04.11.499], if an aircraft, vehicle, or watercraft is subject to forfeiture under (a) of  
 4 this section, the court shall, subject to remission to innocent parties under this section,

5 (1) order the forfeiture of an aircraft to the state;

6 (2) order the forfeiture of a vehicle or watercraft if

7 (A) the defendant has a prior felony conviction for a violation  
 8 of AS 11.41 or a similar law in another jurisdiction;

9 (B) the defendant is on felony probation or parole;

10 (C) the defendant has a prior conviction for violating  
 11 AS 04.11.010 or **04.11.499(a)** [04.11.499]; or

12 (D) the quantity of alcohol transported in violation of this title  
 13 was twice the presumptive amounts in AS 04.11.010(c).

14 \* **Sec. 17.** The uncodified law of the State of Alaska is amended by adding a new section to  
 15 read:

16 ALCOHOLIC BEVERAGE DELIVERY SITE PILOT PROJECT. (a) The Alcoholic  
 17 Beverage Control Board established by AS 04.06.010 shall, if requested by the local  
 18 governing body of Bethel, establish a site in Bethel and, if requested by the local governing  
 19 body of Kotzebue, establish a site in Kotzebue for delivery of alcoholic beverages. The  
 20 delivery sites shall be operated as sites designated under AS 04.11.491(f) are operated. Each  
 21 site shall, if established, begin operation on July 1, 2008, and shall continue in operation as  
 22 long as a local option under AS 04.11.491(a)(1), (2), or (3) or (b)(1) or (2) is in effect in each  
 23 community. However, each site shall stop operation on June 30, 2011, regardless of whether a  
 24 local option is in effect in each community on that date.

25 (b) The delivery site established in Bethel under (a) of this section shall serve as the  
 26 delivery site under AS 04.11.494 for Bethel and shall be established after consultation with  
 27 public, private, and nonprofit agencies in Bethel.

28 (c) The delivery site established in Kotzebue under (a) of this section shall serve as  
 29 the delivery site under AS 04.11.494 for Kotzebue and shall be established after consultation  
 30 with public, private, and nonprofit agencies in Kotzebue.

31 \* **Sec. 18.** The uncodified law of the State of Alaska is amended by adding a new section to

1 read:

2 TRANSITIONAL PROVISION. For purposes of the limitation on relocation of  
3 licenses under AS 04.11.400(n), enacted by sec. 6 of this Act, the first "decade" shall extend  
4 from the effective date of sec. 7 of this Act through March 31, 2010.

5 \* **Sec. 19.** The uncodified law of the State of Alaska is amended by adding a new section to  
6 read:

7 REVISOR'S INSTRUCTIONS. The revisor of statutes is instructed to change the  
8 heading of AS 04.11.499 from "Prohibition of importation after election" to "Prohibition of  
9 importation or purchase after election."

10 \* **Sec. 20.** Section 17 of this Act is repealed.

11 \* **Sec. 21.** Section 3 of this Act takes effect July 1, 2008.

12 \* **Sec. 22.** Section 20 of this Act takes effect June 30, 2011.

13 \* **Sec. 23.** Except as provided in secs. 21 and 22 of this Act, this Act takes effect  
14 immediately under AS 01.10.070(c).