

Introduced: 2/21/77  
Referred: Judiciary and  
Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY  
REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 240

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to alcoholic beverages; and providing  
7 for an effective date."

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

9 \*Section 1. AS 04.05.010(b) is amended to read:

10 (b) The governor shall appoint a director [, SUBJECT TO CON-  
11 FIRMATION BY THE LEGISLATURE,] who is the executive officer of the  
12 board. The director shall enforce this title and the [RULES AND]  
13 regulations adopted [PROMULGATED] by the board. The director is not a  
14 member of the board but may cast a tie-breaking vote. He shall issue  
15 all licenses provided for under this title.

16 \* Sec. 2. AS 04.10.020(m) is amended to read:

17 (m) unlimited community liquor license; [.]

18 \* Sec. 3. AS 04.10.020 is amended by adding new subsections to read:

19 (p) limited community liquor license;

20 (q) in-flight catering license.

21 \* Sec. 4. AS 04.10.100 is amended to read:

22 Sec. 04.10.100. RETAIL LICENSE. The holder of a retail license  
23 may sell for cash in his establishment intoxicating liquor in the  
24 original packages and wine in bulk. He may not sell intoxicating  
25 liquor which has been ordered by mail or telephone from (1) an incor-  
26 porated city, organized borough, unified municipality or election pre-  
27 inct which has prohibited the sale of intoxicating liquor if the  
28 governing body by resolution or the precinct voters by election have  
29 expressed opposition to mail and telephone orders and notified the

1 board; (2) an incorporated city, organized borough, or unified municipi-  
2 pality which has been issued a limited community liquor license;  
3 or (3) an incorporated city, organized borough, or unified municipality  
4 which has no licensed premises and has not authorized the sale of  
5 intoxicating liquor if its governing body has expressed by resolution  
6 its opposition to mail and telephone orders and notified the board.  
7 The board shall regularly furnish retail license holders with a current  
8 list of these municipalities and precincts. All liquor requiring  
9 internal revenue strip stamps shall have the stamps intact upon the  
10 packages. The consumption of intoxicating liquor on premises licensed  
11 under this provision is prohibited. Sales under a retail license are  
12 limited to less than 20 wine gallons to any one person in any one  
13 sale. The retail license fee is \$600, but the retail license fee for  
14 a retail liquor store having gross sales from the sale of intoxicating  
15 liquors not exceeding \$20,000 in any calendar year is \$300.

16 \* Sec. 5. AS 04.10 is amended by adding a new section to read:

17       Sec. 04.10.135. IN-FLIGHT CATERING LICENSE. The holder of an  
18 in-flight catering license may sell intoxicating liquors in the origi-  
19 nal package and wine in bulk with prepared meals catered to certifi-  
20 cated domestic and international air carriers. The holder of an in-  
21 flight catering license may not sell to a consumer and must purchase  
22 intoxicating liquor, wine, and beer from a wholesaler licensed under  
23 sec. 110 of this chapter. The in-flight catering license fee is \$600.

24 \* Sec. 6. AS 04.10.139 is amended to read:

25       Sec. 04.10.139. COMMUNITY LIQUOR LICENSES. (a) The holder of  
26 an unlimited [A] community liquor license must be an incorporated  
27 city, unified municipality, or organized borough in which the majority  
28 of voters has authorized unlimited community sale of intoxicating  
29 liquor by a local-option election under secs. 430 or 433 of this

1 chapter [A FIRST OR SECOND CLASS CITY]. [A CITY WHICH HAS WITHIN ITS  
2 MUNICIPAL BOUNDARIES A LIQUOR LICENSE COMING UNDER SEC. 20(a) OR (g)  
3 OF THIS CHAPTER AND ISSUED TO A PRIVATE PERSON WITHIN THE CITY BEFORE  
4 JUNE 1, 1970 IS NOT ELIGIBLE FOR A COMMUNITY LIQUOR LICENSE, EXCEPT  
5 THAT A CITY HAVING HELD A LIQUOR LICENSE THROUGH A LOCAL CORPORATION  
6 OR OTHERWISE BEFORE JUNE 1, 1970 IS ELIGIBLE FOR THE LICENSE.]

7 Unlimited community [COMMUNITY] liquor licenses issued under this  
8 subsection [SECTION] are restricted to the types of licenses authorized  
9 under sec. 20(a) and (g) of this chapter. [THIS SECTION DOES NOT  
10 CHANGE THE PROVISIONS OF SEC. 430 OF THIS CHAPTER PROVIDING FOR LOCAL  
11 OPTION ELECTIONS.]

12 \* Sec. 7. AS 04.10.139 is amended by adding new subsections to read:

13 (b) The holder of a limited community liquor license must be an  
14 incorporated city, unified municipality, or organized borough in which  
15 the majority of voters has authorized limited community sale of intoxi-  
16 cating liquor by a local-option election under secs. 430 or 433 of  
17 this chapter. It may conduct only retail sales of intoxicating liquor  
18 as provided by sec. 100 of this chapter for a license under sec.  
19 20(g), except that sales shall be limited to no more than 2.4 wine  
20 gallons to any one person in any one day, and sales may be made only  
21 by advance orders placed at least two weeks before delivery.

22 (c) Upon the issuance of a limited or unlimited community liquor  
23 license the board may not issue or renew a privately held liquor  
24 license as long as the community liquor license is in effect. All  
25 existing privately held liquor licenses will remain in effect for  
26 three months after the local-option election or until the current  
27 period of licensure expires, whichever is later. No fees may be  
28 imposed for this extension of existing licenses beyond their normal  
29 expiration date.

1 (d) A community liquor license remains in effect for the  
2 period specified in sec. 320 of this chapter. Subject to local-option  
3 election results, a community liquor license may be renewed.

4 (e) A community liquor license issued before the effective  
5 date of this Act is considered an unlimited community liquor license.  
6 If a majority of the voters at an election in an incorporated  
7 city, unified municipality, or organized borough holding an  
8 unlimited community liquor license approves application for a limited  
9 community liquor license, or reject both classes of community  
10 liquor license, it may not be reissued by the board after it has  
11 expired. A new community liquor license may be issued following  
12 voter approval at a new election under secs. 430 or 433 of this  
13 chapter.

14 \* Sec. 8. AS 04.10.200 is repealed and re-enacted to read:

15 Sec. 04.10.200. PUBLIC NOTICE. (a) Notice shall be given by  
16 the applicant for a new license or for the renewal, reissuance, or  
17 transfer of an existing license by posting at the premises for a  
18 period of at least 10 days a true copy of the application. If the  
19 application is for a location in the unorganized borough, the appli-  
20 cant shall, in addition to posting at the premises, post notice at the  
21 nearest post office.

22 (b) When it determines that the public interest requires, the  
23 board shall require the applicant to cause announcements to be made to  
24 inform the public of the proposed issuance, renewal, or transfer of  
25 licenses in newspapers and on radio or television stations beginning  
26 not later than 10 days after the application is filed. Announcements  
27 must be bilingual when necessary, and the board may direct or require  
28 that the announcement be published or delivered in a language other  
29 than English that serves to inform the public.

1 \* Sec. 9. AS 04.10.270 is amended to read:

2 Sec. 04.10.270. [HEARING ON] PROTEST OF LOCAL GOVERNING BODY.

3 An application for a transfer, renewal or new license [COMING FROM]  
4 within a municipality shall be transmitted directly to the board and  
5 need not bear a recommendation of the governing body of the municipality.  
6 Upon receipt of [DECIDING TO APPROVE] an application, the board shall  
7 transmit a copy of the application to the city council [WRITTEN NOTICE  
8 OF ITS INTENT TO APPROVE THE TRANSFER, RENEWAL OR NEW LICENSE REQUESTED  
9 TO THE CITY GOVERNING BODY], if the application is for premises within  
10 an incorporated city, or to the borough assembly, if the application  
11 is for premises within the area of an organized borough outside the  
12 boundaries of an incorporated city. If the [LOCAL] governing body  
13 wishes to protest the application [APPROVAL], it shall furnish the  
14 board with a notice of protest within 30 days after [OF] receipt of  
15 the copy of the application provided by the board [NOTICE OF INTENT TO  
16 APPROVE THE APPLICATION]. Upon receipt of the [A] protest by the  
17 local governing body, the board may not take final action on the  
18 application until it has provided for a hearing on the protest in  
19 accordance with the administrative adjudication provisions [REQUIRE-  
20 MENTS] of the Administrative Procedure Act (AS 44.62).

21 \* Sec. 10. AS 04.10.300 is repealed and re-enacted to read:

22 Sec. 04.10.300. PROTEST IN AREAS OUTSIDE MUNICIPALITIES. An  
23 adult resident of the unorganized borough outside incorporated cities  
24 who resides within a 10-mile radius of an establishment may protest  
25 the issuance of a new license or the renewal or transfer of an existing  
26 license within that area. Within 30 days after a copy of an application  
27 is first posted, an adult resident may protest by delivering or mailing  
28 to the applicant and the board a written statement of the reasons for  
29 his protest. In considering the application, the board shall consider

1 every protest duly received. The board may give notice and hold a  
2 hearing within the area at which all persons residing there may be  
3 heard. The board may, if in its opinion the public interest would be  
4 served by the refusal, refuse to issue, renew, or transfer the license.

5 \* Sec. 11. AS 04.10.330(b) is amended to read:

6 (b) Application for the transfer of ownership of an existing  
7 license shall be accompanied by a statement, under oath, executed by  
8 the transferor in which he lists all debts and the amounts which he  
9 owes to a creditor of the business and the taxes due. The board shall  
10 promptly inform each creditor of the application and of the amount  
11 owed that creditor. The board shall determine those debts and taxes  
12 which must be paid or for which satisfactory security must be given  
13 before an application for transfer may be approved. The board may  
14 [SHALL] not approve the application for transfer unless all of the  
15 debts and taxes which it determines must be paid are in fact paid, or  
16 the transferor gives security for the payment of them satisfactory to  
17 the creditor or taxing authority prior to approval of the application.

18 \* Sec. 12. AS 04.10.350(c)(4)(A) is amended to read:

19 (A) upon application filed during the 30-day [SIX-  
20 MONTH] period beginning with February 28;

21 \* Sec. 13. AS 04.10.430 is repealed and re-enacted to read:

22 Sec. 04.10.430. ELECTION IN INCORPORATED CITIES OR UNIFIED  
23 MUNICIPALITIES. (a) Whenever 35 per cent of the total number of  
24 voters at the last general municipal election held in an incorporated  
25 city or unified municipality petition the governing body to do so, the  
26 governing body shall conduct an election on the following questions:

27 (1) Do you favor allowing the sale of intoxicating YES [ ]  
28 liquor within this municipality? NO [ ]

29 (2) If the results of this election show a majority

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in favor of the sale of intoxicating liquor PRIVATE [ ]  
would you favor having private licenses or COMMUNITY [ ]  
only a community license?

(3) If the results of this election show a  
majority in favor of a community license, LIMITED [ ]  
would you favor an unlimited community UNLIMITED [ ]  
license or limited community license?

(4) If the results of this election show a majority  
against the sale of intoxicating liquor, would YES [ ]  
you also favor prohibiting purchases of intoxi-  
cating liquor by mail or telephone order from NO [ ]  
other areas by residents of this municipality?

(b) The election shall be conducted in accordance with standard  
election procedures in the city or unified municipality not later than  
60 days after receipt of a proper petition. The regular election  
officials for the city or unified municipality shall canvass the  
ballots and certify the election results to the board. The board  
shall proceed as follows:

(1) if a majority of the votes cast on question 1 is against  
the sale of intoxicating liquor in the city or unified municipality,  
the board shall reject all applications for a new license or to  
transfer or renew a license for an establishment within the city or  
unified municipality or within five miles of it;

(2) if a majority of the votes cast on question 1 favors  
the sale of intoxicating liquor in the city or unified municipality,  
the board may issue, renew, or transfer licenses within the city or  
unified municipality or within five miles of it solely on the basis of  
the election results on questions (2) and (3).

(c) If, at an election under (a) of this section, a majority is

1 against the sale of intoxicating liquor but is not against mail or  
2 telephone orders, question 4 alone may be presented to the voters at a  
3 subsequent date, upon following the procedures set out in (a) of this  
4 section.

5 (d) If, following an election resulting in a prohibition against  
6 or a limitation upon the sale of intoxicating liquor in the municipality,  
7 a majority of the voters at a subsequent election conducted for the  
8 purpose and in accordance with (a) of this section favor a change from  
9 the then existing status of the sale of intoxicating liquor, the board  
10 may issue licenses solely on the basis of the election results on  
11 questions 2 and 3, and, if no restrictions are adopted, may, upon  
12 application, issue the number and type of license to the same or other  
13 premises within the municipality as were in existence at the time of  
14 the last election at which a majority of the voters favored prohibit-  
15 ing or restricting the sale of intoxicating liquor. Those applicants  
16 who were licensees and whose licenses were not reissued by reason of  
17 the last election conducted under the provisions of this section have  
18 a preference over other applicants.

19 (e) No new license for the sale of intoxicating liquor may be  
20 issued under this title for an establishment in an incorporated city  
21 or unified municipality in which, on the effective date of this Act,  
22 there are no licensed premises, unless an election under this section  
23 is first conducted.

24 \* Sec. 14. AS 04.10 is amended by adding new sections to read:

25 Sec. 04.10.433. ELECTION IN ORGANIZED BOROUGHES. (a) Whenever  
26 35 per cent of the total number of voters at the last general munic-  
27 ipal election held in an organized borough outside incorporated cities  
28 within that borough petition the governing body to do so, the govern-  
29 ing body shall conduct an election on the following questions:

1 (1) Do you favor allowing the sale of intoxicating YES [ ]  
2 liquor within this borough outside incorporated NO [ ]  
3 cities?

4 (2) If the results of this election show a  
5 majority in favor of the sale of intoxicating PRIVATE [ ]  
6 liquor, would you favor having private COMMUNITY [ ]  
7 licenses or only a community license?

8 (3) If the results of this election show a majority  
9 in favor of a community license, would you LIMITED [ ]  
10 favor an unlimited community license or a UNLIMITED [ ]  
11 limited community license?

12 (4) If the results of this election show a majority  
13 against the sale of intoxicating liquor, would YES [ ]  
14 you also favor prohibiting purchases of intoxi-  
15 cating liquor by mail or telephone order from NO [ ]  
16 other areas by residents of this borough outside  
17 incorporated cities?

18 (b) The election shall be conducted in accordance with standard  
19 election procedures in the borough not later than 60 days after re-  
20 ceipt of a proper petition. The regular election officials for the  
21 borough shall canvass the ballots and certify the election results to  
22 the board. The board shall proceed as follows:

23 (1) if a majority of the votes cast on question 1 is against  
24 the sale of intoxicating liquor in the borough outside incorporated  
25 cities, the board shall reject all applications for a new license or  
26 to transfer or renew a license for an establishment within that area,  
27 or within five miles of it outside the borough;

28 (2) if a majority of the votes cast on question 1 favors  
29 the sale of intoxicating liquor in the borough outside incorporated

1 cities, the board may issue, renew, or transfer licenses within that  
2 area or within five miles of it outside the borough solely on the  
3 basis of the election results on questions (2) and (3).

4 (c) The provisions of this section apply to an organized borough  
5 on an areawide basis if 35 per cent of the voters at the last general  
6 election in the borough, with proportionate representation of incor-  
7 porated cities within the borough and of the area outside those  
8 cities, petition the governing body of the borough under this section.

9 (d) If, at an election under (a) of this section, a majority is  
10 against the sale of intoxicating liquor but is not against mail or  
11 telephone orders, question 4 may be presented alone to the voters at a  
12 subsequent date, upon following the procedures set out in (a) of this  
13 section.

14 (e) If, following an election resulting in a prohibition against  
15 or a limitation upon the sale of intoxicating liquor within an organized  
16 borough outside incorporated cities, a majority of the voters at a  
17 subsequent election conducted for the purpose and in accordance with  
18 (a) of this section favor a change from the then existing status of  
19 the sale of intoxicating liquor within that area, the board may issue  
20 licenses solely on the basis of the election results on questions 2  
21 and 3, and, if no restrictions are adopted, may, upon application,  
22 issue the number and type of license to the same or other premises  
23 within that area as were in existence at the time of the last election  
24 at which a majority of the voters favored prohibiting or restricting  
25 the sale of intoxicating liquor. Those applicants who were licensees  
26 and whose licenses were not reissued by reason of the last election  
27 conducted under the provisions of this section have a preference over  
28 other applicants.

29 (f) No new license for the sale of intoxicating liquor may be

1 issued under this title for an establishment in an organized borough  
2 outside an incorporated city in which area, on the effective date of  
3 this Act, there are no licensed premises unless an election under this  
4 section is first conducted.

5 Sec. 04.10.436. ELECTION IN THE UNORGANIZED BOROUGH. (a)

6 Whenever 35 per cent of the total number of voters at the last general  
7 election within an election precinct of the unorganized borough  
8 outside incorporated cities petition the lieutenant governor to do so,  
9 he shall conduct a special election within the election precinct on  
10 the following questions:

- 11 (1) Do you favor allowing the sale of intoxicating YES [ ]  
12 liquor within this election precinct? NO [ ]
- 13 (2) If the results of this election show a majority  
14 against the sale of intoxicating liquor, would YES [ ]  
15 you also favor prohibiting purchases of intoxi-  
16 cating liquor by mail or telephone order from NO [ ]  
17 other areas by residents of this election  
18 precinct?

19 (b) The lieutenant governor shall conduct the election substan-  
20 tially in accordance with the provisions of the Alaska Election Code  
21 (AS 15.05 - 15.60), except that the election shall be conducted not  
22 later than 60 days after the receipt of a proper petition. The lieu-  
23 tenant governor shall canvass the ballots and certify the election  
24 results to the board. If a majority of the votes is against the sale  
25 of intoxicating liquor in the precinct, the board shall reject all  
26 applications for new licenses or to transfer or renew licenses for  
27 establishments within the precinct.

28 (c) If, at an election under (a) of this section, a majority is  
29 against the sale of intoxicating liquor but is not against mail or

1 telephone orders, question 2 may be presented alone to the voters at  
2 a subsequent date, upon following the procedures set out in (a) of  
3 this section.

4 (d) If, following an election resulting in a prohibition against  
5 the sale of intoxicating liquor in the precinct, a majority of the  
6 voters at a subsequent election conducted for the purpose and in  
7 accordance with (a) of this section favor the sale of intoxicating  
8 liquor within the precinct, the board may issue the number and type of  
9 license to the same or other premises within the precinct as were in  
10 existence at the time of the last election at which a majority of the  
11 voters prohibited the sale of intoxicating liquor. Those applicants  
12 who were licensees and whose licenses were not reissued by reason of  
13 the last election conducted under the provisions of this section have  
14 a preference over other applicants.

15 (e) No new license for the sale of intoxicating liquor may be  
16 issued under this title for an establishment in a precinct in the  
17 unorganized borough outside incorporated cities in which precinct, on  
18 the effective date of this Act, there are no licensed premises unless  
19 an election under this section is first conducted.

20 Sec. 04.10.439. COMPENSATION FOR LOST REVENUE. (a) A munici-  
21 pality with a population of fewer than 12,000 which has prohibited the  
22 sale of intoxicating liquor is eligible for and may apply to the  
23 Department of Community and Regional Affairs for payment to compensate  
24 the municipality for any revenue which it may have lost or foregone as  
25 a result of prohibiting the sale of intoxicating liquor. The muni-  
26 cipality is eligible for payment of \$10 per resident for Fiscal Year  
27 1978. The commissioner of community and regional affairs shall adjust  
28 the payment rate for future fiscal years in accordance with changes in  
29 the Consumer Price Index for Anchorage, Alaska, published by the

1 Bureau of Labor Statistics, United States Department of Labor. The  
2 Consumer Price Index for October 1976 is considered the initial  
3 Consumer Price Index. No payment may be made for any fiscal year  
4 preceding Fiscal Year 1978.

5 (b) In making the adjustments under (a) of this section, the  
6 commissioner of community and regional affairs shall comply with the  
7 following procedure:

8 (1) before December 31 of each year, the commissioner shall  
9 calculate the change in the October Consumer Price Index for the  
10 current year from the October Consumer Price Index for the previous  
11 year;

12 (2) the commissioner shall then

13 (A) compute the percentage increase or decrease for  
14 that period; and

15 (B) adjust the payment rate by the same percentage  
16 increase or decrease, rounded to the nearest tenth of a dollar.

17 (c) The determination of the Department of Community and Regional  
18 Affairs on the adjustment to be made, if any, is final and not subject  
19 to judicial review.

20 (d) In this section, "municipality" means an incorporated city,  
21 organized borough, and municipality unified under AS 29.68.240 -  
22 29.68.440.

23 \* Sec. 15. AS 04.15 is amended by adding a new section to read:

24 Sec. 04.15.015. RESTRICTION ON ADVERTISING. No holder of a  
25 license issued by the board, with the exception of those authorized by  
26 AS 04.10.080, 04.10.090, and 04.10.120, may advertise intoxicating  
27 liquor in any newspaper or magazine, or on any broadcasting station or  
28 community cable system, in the State of Alaska. As used in this  
29 section, "newspaper" includes shopping news and local television

1 program guides carrying advertisements for various businesses.

2 \* Sec. 16. AS 04.15.090 is amended to read:

3 Sec. 04.15.090. PROHIBITION WITH RESPECT TO CERTAIN PERSONS

4 [FEMALES] IN CONNECTION WITH THE SALE OF BEVERAGES UPON LICENSED PRE-  
5 MISES. (a) No [FEMALE] person employed in any capacity or for any  
6 purpose by the holder of a license for a beverage dispensary establish-  
7 ment, club, roadhouse, restaurant, or common carrier dispensary, or by  
8 the operator or manager thereof may solicit or encourage the purchase  
9 of any beverage, alcoholic or otherwise, by patrons of the licensed  
10 premises for consumption by the patrons or by the [FEMALE] person; nor  
11 may the [FEMALE] person accept a beverage, alcoholic or otherwise,  
12 purchased by a patron of the establishment.

13 (b) No [FEMALE] person, whether an employee or patron of a  
14 licensed beverage dispensary establishment, club, roadhouse, restau-  
15 rant, or common carrier dispensary may remain about the premises of  
16 the establishment and solicit any beverage, alcoholic or otherwise,  
17 from a patron of the establishment, whether the beverage is for that  
18 person [HERSELF], the patron, or another.

19 (c) No holder of a license for a beverage dispensary establish-  
20 ment, club, roadhouse, restaurant, or common carrier dispensary, or an  
21 operator or manager thereof may permit a [FEMALE] person employed by  
22 him, in any capacity or for any purpose, to solicit or encourage the  
23 purchase of any beverage, alcoholic or otherwise, by patrons of the  
24 licensed premises for consumption by the patron or by the [FEMALE]  
25 person; nor may the holder, operator, or manager permit an [A FEMALE]  
26 employee to accept any beverage, alcoholic or otherwise, purchased or  
27 offered by a patron of the licensed premises.

28 (d) No holder of a license for a beverage dispensary establish-  
29 ment, club, roadhouse, restaurant, or common carrier dispensary, or an

1 operator or manager thereof may permit any [FEMALE] person to remain  
2 about the premises of the establishment and solicit any beverage,  
3 alcoholic or otherwise, from a patron of the licensed premises,  
4 whether the said beverage be for that person [HERSELF], the patron, or  
5 another.

6 (e) A holder of a license for a beverage dispensary establish-  
7 ment, club, roadhouse, restaurant, or common carrier dispensary, or  
8 the operator or manager thereof, or an [A FEMALE] employee thereof who  
9 violates this section is guilty of a misdemeanor.

10 (f) A [FEMALE] person, not an employee of any licensed premises  
11 described in this section, who violates (b) of this section is guilty  
12 of a misdemeanor.

13 \* Sec. 17. AS 04.15.100(b) is amended to read:

14 (b) Upon conviction of a licensee for a violation under (a) of  
15 this section, or for violation of a municipal ordinance adopted by a  
16 municipality in conformity with sec. 70 of this chapter, the judge  
17 having jurisdiction shall send a notification of conviction together  
18 with a certified copy of the record of conviction to the board and to  
19 the city or unified municipality, if any, in which the licensed estab-  
20 lishment is located or to the organized borough, if the licensed  
21 establishment is located outside a city in an organized borough. The  
22 board, council, or assembly may, upon the direction of a majority of  
23 its members, thereupon suspend the license as hereinafter provided for  
24 the first and second violations and upon a third violation, the board,  
25 but not a council or assembly, may revoke the license and declare the  
26 bond forfeited. For the purpose of this section, the terms "second  
27 violation" and "third violation" include only those violations which  
28 occur within five years of the first violation, but are not limited to  
29 repeated violations of the same statutory provision or municipal

1 ordinance.

2 (1) First Violation. The license of the premises involved  
3 may be suspended for not less than 10 nor more than 45 days;

4 (2) Second Violation. The license of the premises involved  
5 may be suspended for a period of not less than 30 days nor more than  
6 90 days.

7 \* Sec. 18. AS 04.15 is amended by adding new sections to read:

8 Sec. 04.15.105. POSSESSION OF ALCOHOLIC BEVERAGES FOR COMMERCIAL  
9 PURPOSES. No person may, for commercial purposes and without a  
10 license, possess or bring into the state intoxicating liquor in excess  
11 of 20 wine gallons. A person who violates this section is guilty of a  
12 misdemeanor and, upon conviction, is punishable in accordance with  
13 sec. 100 of this chapter.

14 Sec. 04.15.107. POSSESSION IN VIOLATION OF LOCAL OPTION. (a)  
15 No person may possess more than 2.4 wine gallons of intoxicating  
16 liquor other than beer and wine, and 4.5 wine gallons of beer and  
17 wine, in a municipality or election precinct which has prohibited the  
18 sale of intoxicating liquor or a municipality which holds a limited  
19 community liquor license unless he has obtained a permit from the  
20 board for possession for special occasions. The board may issue a  
21 permit that allows a person to possess up to 20 wine gallons of in-  
22 toxicating liquor in a municipality or election district which has  
23 prohibited the sale of intoxicating liquor or a municipality which  
24 holds a limited community license, for a restricted period of time so  
25 that it may be served to a large group of persons at a wedding or  
26 similar special occasion. A person who violates this section is  
27 guilty of a misdemeanor and, upon conviction, is punishable in accord-  
28 ance with sec. 100 of this chapter.

29 (b) In this section, "municipality" means an incorporated city,

1 organized borough, or municipality unified under AS 29.68.240 -  
2 29.68.440.

3 \* Sec. 19. AS 04.15.110 is amended to read:

4 Sec. 04.15.110. SALE IN VIOLATION OF LOCAL OPTION. Notwith-  
5 standing any other provision of this chapter, a person who unlawfully  
6 sells or offers for sale an intoxicating liquor in an area where the  
7 local option election has made these activities illegal is, upon  
8 conviction, guilty of a felony [MISDEMEANOR] and punishable by imprison-  
9 ment for a period not to exceed six years [ONE YEAR], or a fine not to  
10 exceed \$30,000 [\$5,000], or by both.

11 \* Sec. 20. AS 04.15 is amended by adding new sections to read:

12 Sec. 04.15.120. SEIZURE OF CONVEYANCE. A conveyance used, or  
13 intended for use, to transport or in any manner to facilitate the  
14 transportation, sale, receipt, possession or concealment of an alcoholic  
15 beverage sold in an area where a local option election has made its  
16 sale or offering for sale illegal may be seized when the seizure is  
17 incident to an arrest or a search under a search warrant.

18 Sec. 04.15.130. FORFEITURE AND SALE OF CONVEYANCE. Upon con-  
19 viction of the offender or upon judgment of the court having jurisdic-  
20 tion that a conveyance was used or intended for use to transport or in  
21 any manner to facilitate the transportation, sale, receipt, possession  
22 or concealment of an alcoholic beverage illegally sold in an area  
23 described in sec. 120, it is forfeited and shall be disposed of to the  
24 community in the local-option area most directly affected by the sale  
25 of the intoxicating liquor or to the state, as directed by the court.  
26 If the conveyance is sold for the benefit of the state, the proceeds  
27 of the sale shall be transmitted to the proper state officer for  
28 deposit in the general fund. If not ordered disposed of by the court,  
29 any seized conveyance shall be returned after completion of the case

1 and payment of the fine, if any.

2 Sec. 04.15.140. LIMITATIONS ON SEIZURE AND FORFEITURE. (a) No  
3 conveyance used as a common carrier in the transaction of business as  
4 a common carrier is forfeited under sec. 130 of this chapter unless  
5 the owner or other person legally in charge of the conveyance consented  
6 to or knew of the illegal conduct.

7 (b) No conveyance is forfeited under sec. 130 of this chapter  
8 because of conduct of a person, other than the owner, having unlawful  
9 possession of it.

10 Sec. 04.15.150. APPEARANCE BY PERSON HAVING INTEREST IN CONVEYANCE.  
11 A person holding a lien, mortgage, or conditional sales contract on a  
12 conveyance seized under sec. 120 of this chapter may appear before the  
13 court in the proceeding involving the forfeiture to petition for  
14 remittance or mitigation of the forfeiture. The court shall remit or  
15 mitigate the forfeiture if it finds that the petitioner has an interest  
16 in the conveyance which he acquired in good faith and without knowledge  
17 or reason to believe that the conveyance was being used or would be  
18 used in the transportation of an illegally sold alcoholic beverage.

19 Sec. 04.15.160. DEFINITIONS. In secs. 120 - 160 of this chapter

20 (1) "conveyance" means a vessel, motor vehicle, trailer,  
21 aircraft or other means, except animals, of transporting goods or  
22 people;

23 (2) "illegally sold alcoholic beverage" means any intoxicat-  
24 ing liquor as defined in AS 04.20.010 which is sold in the manner  
25 described in AS 04.15.110.

26 \* Sec. 21. AS 04.10.310 and 04.10.440 are repealed.

27 \* Sec. 22. This Act takes effect immediately in accordance with AS 01.-  
28 10.070(c).