

Introduced: 3/14/79
Referred: Code Revision
Committee, Judiciary
and Finance

BY THE RULES COMMITTEE BY
REQUEST OF THE TITLE 4
CODE REVISION COMMITTEE

1 IN THE SENATE

2 SENATE BILL NO. 239

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act revising Title 4, Alcoholic Beverages; and
7 providing for an effective date."

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

9 * Section 1. AS 04 is amended by adding a new chapter to read:

10 CHAPTER 06. ALCOHOLIC BEVERAGE CONTROL BOARD.

11 Sec. 04.06.010. ESTABLISHMENT OF BOARD. There is established the
12 Alcoholic Beverage Control Board as a regulatory and quasi-judicial
13 agency. The board is part of the Department of Revenue, but for admin-
14 istrative purposes only.

15 Sec. 04.06.020. APPOINTMENT AND QUALIFICATIONS. The board con-
16 sists of five members appointed by the governor and confirmed by a
17 majority of the members of the legislature in joint session. A member
18 of the board may not hold any other state or federal office, either
19 elective or appointive. Two members of the board shall be persons
20 actively engaged in the alcoholic beverage industry, except that no
21 member may hold a wholesale license or be an officer, agent, or employee
22 of a wholesale alcoholic beverage enterprise. Three members of the
23 board may not be engaged in the same business, occupation, or profes-
24 sion.

25 Sec. 04.06.030. TERMS OF OFFICE. (a) Members of the board shall
26 be appointed for overlapping terms of three years.

27 (b) A vacancy occurring in the membership of the board shall be
28 filled within 30 days by appointment of the governor for the unexpired
29 portion of the vacated term.

1 (c) The board shall select a chairman from among its members.

2 Sec. 04.06.040. COMPENSATION, PER DIEM, AND EXPENSES. Members of
3 the board receive no salary, but are entitled to per diem and travel
4 expenses authorized by law for other boards and commissions.

5 Sec. 04.06.050. MEETINGS. The board shall meet at the call of the
6 chairman, except that the board shall meet at least once each year in
7 each judicial district of the state to study and consider this title or
8 to modify existing board regulations in light of statewide and local
9 problems.

10 Sec. 04.06.060. QUORUM AND MAJORITY. Three members of the board
11 constitute a quorum for the conduct of business, except that a majority
12 of the whole membership of the board must approve all applications for
13 new licenses, and all renewals, transfers, suspensions and revocations
14 of existing licences. If a majority of the board is present and voting,
15 the director, with the consent of the members present, may cast a tie-
16 breaking vote.

17 Sec. 04.06.070. DIRECTOR. The governor shall appoint a director
18 to serve as the executive officer of the board but only at the pleasure
19 of the board. However, the governor may remove the director upon proof
20 of charges of misconduct, misfeasance or malfeasance of office. The
21 director shall enforce this title and regulations adopted by the board.

22 Sec. 04.06.080. DELEGATION OF AUTHORITY. The director shall
23 issue, renew, transfer, suspend, or revoke all licences and permits at
24 the direction of the board. However, the board may delegate authority
25 to the director to temporarily, in his discretion, approve the issuance,
26 renewal, transfer, or denial of completed applications for licenses and
27 permits. The director's temporary approval or denial of a license or
28 permit is not binding on the board. The board may delegate to the
29 director any duty imposed by this title except its power to propose and

1 adopt regulations.

2 Sec. 04.06.090. POWERS, AUTHORITY AND CONTROL. (a) The board may
3 control the manufacture, barter, sale, and possession of alcoholic
4 beverages in the state. The board is vested with the powers, duties,
5 and responsibilities involved in the control of alcoholic beverages,
6 including the power to propose and adopt regulations and to hear appeals
7 from actions of the director, and of officers and employees charged with
8 enforcing the alcoholic beverage control laws and the regulations of the
9 board.

10 (b) The board shall review all applications for licenses made
11 under this title and may order the director to issue, renew, revoke,
12 transfer or suspend licenses and permits authorized under this title.

13 (c) The board may employ, directly or through contractual arrange-
14 ments with other agencies of the state, enforcement agents, assistants,
15 and clerical staff as it considers necessary in carrying out the pur-
16 poses of this title. The salaries of personnel in the exempt service
17 shall be set by the Department of Administration.

18 (d) The board shall promptly notify all licensees and municipali-
19 ties of major changes to this title and regulations adopted under this
20 title. However, if the changes only affect specific classifications of
21 licenses and permits, the board need only notify those licensees and
22 municipalities directly affected by the changes. Current copies of this
23 title and regulations adopted under it shall be made available at all
24 offices of the Department of Revenue and the Department of Public Safety
25 in the state.

26 (e) The board may reduce the area of the licensed premises de-
27 scribed in a application when, in the judgment of the board, a reduction
28 in area is necessary to insure adequate control over the sale and con-
29 sumption of alcoholic beverages on the premises or is otherwise in the

1 best interests of the public.

2 Sec. 04.06.100. REGULATIONS. (a) The board shall, in accordance
3 with the Administrative Procedure Act (AS 44.62), adopt regulations

4 (1) consistent with this title, governing the manufacture,
5 barter, sale, consumption, and possession of alcoholic beverages in the
6 state;

7 (2) necessary to carry out the purpose of this title in a
8 manner that will protect the public health, safety, and welfare.

9 (b) Regulations adopted under (a) of this section may include, but
10 are not limited to, the following matters:

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

13 (2) prescribing the form of applications, reports, and other
14 forms;

15 (3) prescribing the terms and conditions of licenses and
16 permits issued;

17 (4) prescribing the fees to be paid for licenses and permits
18 issued for which no fees are prescribed by statute, and prescribing the
19 fees for anything permitted to be done under the regulations;

20 (5) providing for regular and special meetings of the board;

21 (6) providing for the delegation to the director of routine
22 administrative functions and powers, including the temporary issuance,
23 transfer, and renewal of licenses;

24 (7) prescribing the manner of giving and serving of any
25 notice required by law or regulation when it is not provided for by
26 statute;

27 (8) prescribing the conditions, accommodations, qualifica-
28 tions, and inspections of each type of permit, license, licensee, or
29 licensed premises;

1 (9) providing for the making of returns and reports by whole-
2 salers;

3 (10) providing for the purchase of fidelity bonds by the state
4 for the director and any or all of the employees of the board;

5 (11) providing procedures to be followed for the issuance,
6 renewal, transfer, revocation and suspension of licenses and permits;

7 (12) prohibiting possession of alcoholic beverages by intoxi-
8 cated persons and by minors;

9 (13) requiring reports from licensee corporations, including
10 reports of stock ownership and transfers and changes of officers and
11 directors;

12 (14) creating classifications of licenses or permits not
13 provided for in this title.

14 Sec. 04.06.110. PEACE OFFICER POWERS. The director and the per-
15 sons employed for the administration and enforcement of this title may
16 exercise the powers of peace officers, but only when that power is
17 specifically granted by the board and only insofar as necessary for the
18 enforcement of the criminally punishable provisions of this title, regu-
19 lations of the board, and all other criminally punishable laws and
20 regulations governing the manufacture, barter, sale, consumption, and
21 possession of alcoholic beverages in the state.

22 * Sec. 2. AS 04 is amended by adding a new chapter to read:

23 CHAPTER 11. LICENSING.

24 ARTICLE 1. ACTIVITIES SUBJECT TO THE BOARD;

25 LICENSING AND REPORTING REQUIREMENTS.

26 Sec. 04.11.010. CONTROL OF LIQUOR MANUFACTURE AND TRAFFIC. Except
27 as provided in AS 04.11.020, no person may manufacture, sell, offer for
28 sale or possess for sale, or barter, traffic in, barter or exchange for
29 goods or services in this state, an alcoholic beverage unless under

1 license or permit issued under this title.

2 Sec. 04.11.020. WHEN LICENSE OR PERMIT NOT REQUIRED. (a) A
3 license or permit is not required to authorize sales made by a person
4 under a judgment and decree of foreclosure, under the bankruptcy law of
5 the United States (11 U.S.C. 1101 et seq), or under order of the board
6 or a court under AS 04.16.220.

7 (b) A license or permit is not required to serve alcoholic
8 beverages in exchange for valuable consideration at a private gathering
9 of a bonafide group of co-workers or of a professional, social, or
10 fraternal organization if equal contributions are made by all in atten-
11 dance and only the amount of contributions required to purchase the
12 alcoholic beverages is collected. All other applicable provisions of
13 law and regulations shall be observed at these private gatherings.

14 Sec. 04.11.030. DEATH OF LICENSEE. (a) An executor or adminis-
15 trator of the estate of a person operating a business as a sole licensee
16 under a license authorized by this title may not continue to operate the
17 business, unless within 90 days of the death of the licensee or before
18 December 31 of the year for which the license was issued, whichever date
19 first occurs, he makes application to the board for transfer of the
20 license or the license shall be forfeited under (d) of this section.

21 (b) The executor or administrator may continue to operate the
22 licensed business until the transfer of the license is approved or until
23 the license is forfeited under (d) of this section.

24 (c) The board may extend the time limits in (a) of this section on
25 petition of the executor or administrator.

26 (d) If no application for the transfer of ownership of a license
27 from the deceased licensee to the executor or administrator of his
28 estate is made within the time allowed by (a) of this section or no
29 petition is made to the board for an extension of time, the license

1 shall be forfeited.

2 (e) This section does not permit the transfer of a liquor license
3 from a decedent to his estate.

4 Sec. 04.11.040. TRANSFERS: WHEN BOARD APPROVAL REQUIRED. (a)
5 Activities authorized under a license may not be transferred to the
6 ownership or control of any other person except with the written consent
7 of the board.

8 (b) Activities authorized under a license issued under this title
9 may not be transferred to a new location without first securing the
10 consent of the board.

11 (c) No person may receive or transfer controlling interest in
12 activities authorized under a liquor license issued to a corporation
13 without the written consent and approval of the board.

14 Sec. 04.11.050. TRANSFERS OF STOCK BY CORPORATE LICENSEES. (a)
15 No corporation issued a license under this title may, without reporting
16 to the board, transfer 10 per cent or more of its corporate stock and
17 any change in its corporate officers or members of its board of direc-
18 tors.

19 (b) The report to the board shall be made in writing in duplicate
20 and must be sent to the main office of the board within 10 days after
21 the transfer of the stock or the change in officers or directors.

22 (c) The provisions of this section do not apply to a corporation
23 whose stock is listed on a stock exchange, a corporation which is re-
24 quired by law to file periodic reports with the Securities Exchange
25 Commission, or to a bank, trust company, financial institution, or title
26 company to which a license is issued in a fiduciary capacity.

27 Sec. 04.11.060. NONRESIDENT DISTILLER, BREWER, WINERY OR WHOLE-
28 SALER. No distiller, brewer, winery or wholesaler whose plant or prin-
29 cipal place of business is outside the state may sell products directly

1 to licensees in the state without

2 (1) obtaining a general wholesale license under AS 04.11.-
3 160(a) for each wholesale distributing point in the state;

4 (2) designating a location in the state where all records
5 shall be located;

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

7 (4) obtaining other applicable licenses under the provisions
8 of this title.

9 Sec. 04.11.070. POWER LIMITED TO THE BOARD. Only the board may
10 issue, renew, transfer, suspend, or revoke a license. Any others
11 attempting to do so are in violation of this title.

12 ARTICLE 2. LICENSES AND PERMITS.

13 Sec. 04.11.080. TYPES OF LICENSES AND PERMITS. Licenses are
14 classified as follows:

15 (1) beverage dispensary license;

16 (2) restaurant or eating place license;

17 (3) club license;

18 (4) bottling works license;

19 (5) brewery license;

20 (6) package store license;

21 (7) wholesale license

22 (A) general wholesale license,

23 (B) wholesale malt beverage and wine license;

24 (8) distillery license;

25 (9) common carrier dispensary license;

26 (10) retail stock sale license;

27 (11) recreational site license;

28 (12) community liquor license;

29 (13) pub license;

- 1 (14) winery license;
2 (15) duplicate beverage dispensary license for additional
3 rooms;
4 (16) caterer's permit;
5 (17) special events permit;
6 (18) conditional contractor's permit.

7 Sec. 04.11.090. BEVERAGE DISPENSARY LICENSE. (a) A beverage
8 dispensary license authorizes the holder to sell or serve on the li-
9 censed premises alcoholic beverages for consumption on the licensed
10 premises only.

11 (b) The annual beverage dispensary license fee is \$1,250.

12 (c) Each applicant for a beverage dispensary license must file
13 with the application a cash bond or a surety bond executed by a surety
14 company approved by the board. The bond shall be in the sum of \$2,500.
15 Upon revocation of the license under AS 04.11.370(5), the bond shall be
16 forfeited and the amount deposited in the general fund of the state.

17 (d) The area designated as the licensed premises under a beverage
18 dispensary license issued to a hotel, motel, resort or similar business
19 which caters to the traveling public as a substantial part of its busi-
20 ness may include it's dining room, banquet room, guests' rooms, and
21 other public areas approved by the board.

22 (e) A holder of a beverage dispensary license may not maintain
23 upon or within the premises for which the license is issued more than
24 one room in which there is regularly maintained a fixed counter or
25 service bar at which alcoholic beverages are sold or served to members
26 of the public for consumption unless he is issued by the board, after
27 investigation and approval, a duplicate of his original license for each
28 of the rooms. The licensee shall pay to the board at the time of appli-
29 cation for each duplicate license an amount equal to that payable for

1 the same period for his original beverage dispensary license. If the
2 licensed premises are located within a municipality, no duplicate
3 beverage dispensary license may be issued unless approved by the council
4 or assembly, as appropriate.

5 Sec. 04.11.100. RESTAURANT OR EATING PLACE LICENSE. (a) A res-
6 taurant or eating place license authorizes a restaurant or eating place
7 to sell beer and wine for consumption only on the licensed premises.

8 (b) A license may be issued under this section only if the board
9 determines that the premises to be licensed is a bona fide restaurant or
10 eating place.

11 (c) A license may be issued under this section only if the sale
12 and service of food and alcoholic beverages, as well as any other busi-
13 ness which is to be conducted on the licensed premises of a restaurant
14 or eating place is under the sole operation and control of the licensee.

15 (d) The annual fee for a restaurant or eating place license is
16 \$300.

17 Sec. 04.11.110. CLUB LICENSE. (a) A club license authorizes a
18 club or organization to sell alcoholic beverages for consumption only on
19 the licensed premises.

20 (b) The annual club license fee is \$400.

21 (c) Alcoholic beverages sold under authority of a club license may
22 be purchased only by members and their families, widows or widowers of
23 deceased members who have been accorded club privileges, and military
24 personnel in uniform on active duty who are extended the privilege by
25 patriotic organizations upon special occasions, and only in that portion
26 of the club rooms designated as licensed premises.

27 (d) In this section, "membership" in a club means a paid-up mem-
28 bership entitling the member to all voting rights and privileges of
29 membership under the constitution or bylaws of the club or organization.

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

5 (f) Alcoholic beverages purchased by a club or organization li-
6 censed under this section may not be used or consumed off the licensed
7 premises of the club or organization by any person, including club
8 members, officers, or employees of the club.

9 (g) A club license may only be issued to a club, fraternal organi-
10 zation, patriotic organization, or social organization chartered by a
11 state or national organization for a period of two consecutive years
12 before application under this section.

13 (h) A club license may only be issued to an organization that does
14 not traffic in alcoholic beverages for profit and which is operated
15 solely for social, recreational, political, benevolent, or athletic
16 purposes and not for pecuniary gain. The soliciting of public patronage
17 except under circumstances approved by the board is inconsistent with
18 the provisions of this section.

19 (i) The board may upon application authorize minors access to
20 rooms designated part of a club's licensed premises during hours when no
21 alcoholic beverages are being sold, served or consumed.

22 (j) In determining whether issuance of a license under this sec-
23 tion would be in the best interests of the public, the board need not
24 conform to or distinguish its decision from any action it has taken in
25 the past on applications presenting similar facts, but may instead base
26 its decision wholly on the particular facts before it.

27 Sec. 04.11.120. BOTTLING WORKS LICENSE. (a) A bottling works
28 license authorizes the holder to operate a bottling works where beer and
29 wine may be bottled and sold.

1 (b) No sale of beer or wine authorized by this section may be made
2 to a person not licensed under this title or in quantities less than
3 five wine gallons.

4 (c) The annual bottling works license fee is \$250.

5 Sec. 04.11.130. BREWERY LICENSE. (a) A brewery license autho-
6 rizes the holder to operate a brewery where beer is manufactured,
7 brewed, prepared, and bottled or barreled for sale.

8 (b) No sale authorized by this section may be made to a person not
9 licensed under this chapter or in quantities less than five wine
10 gallons.

11 (c) The holder of a brewery license may permit a person qualified
12 to purchase alcoholic beverages under this title to sample small por-
13 tions of the brewery's product free of charge.

14 (d) The annual brewery license fee is \$500.

15 Sec. 04.11.140. WINERY LICENSE. (a) A winery license authorizes
16 the holder to operate a winery where wine may be produced, prepared,
17 bottled or barreled for sale.

18 (b) No sale authorized by this section may be made to a person not
19 licensed to sell wine under this chapter.

20 (c) No sale may be made in quantities less than five wine gallons
21 for use or consumption off the licensed premises.

22 (d) The holder of a winery license may permit a person qualified
23 to purchase alcoholic beverages under this title to sample small por-
24 tions of the wine produced free of charge.

25 (e) The annual winery license fee is \$250.

26 Sec. 04.11.150. PACKAGE STORE LICENSE. (a) A package store
27 license authorizes the holder to transfer ownership of alcoholic bever-
28 ages to a person ascertained to be a legally qualified purchaser in
29 accordance with AS 04.11.710 in response to a verbal or written solici-

1 tation for purchase received within the licensed premises.

2 (b) The annual package store license fee is \$750.

3 (c) A package store licensed under this section may not sell alco-
4 holic beverages requiring Internal Revenue strip stamps unless the
5 stamps are intact on the packages.

6 (d) The consumption of alcoholic beverages on the premises li-
7 censed under this section is prohibited whether or not the alcoholic
8 beverages were purchased on the premises.

9 (e) A sale made under a package store license may not be in excess
10 of 20 wine gallons to any one person in any one sale.

11 (f) The business premises occupied by a holder of a package store
12 license may not be connected by a door, opening, or other means of
13 passage intended for the access of the general public to another immedi-
14 ately adjacent retail business other than one licensed under this title.

15 (g) When the holder of a beverage dispensary license is also the
16 holder of a package store license and his premises are contained within
17 or adjacent to the premises of the beverage dispensary and the only
18 public entrance is by a door or other means within the premises of the
19 beverage dispensary, the board shall determine if additional entrances
20 are necessary for enforcement purposes, health and fire safety stand-
21 ards, or the convenience of the public.

22 Sec. 04.11.160. WHOLESALE LICENSE. (a) A general wholesale
23 license authorizes the holder to sell alcoholic beverages in the origi-
24 nal package, and wine in bulk, in quantities of not less than five
25 gallons. The holder of a general wholesale license may not sell to a
26 person not licensed under this title, except as provided in AS 04.11.-
27 700. No holder of a wholesale license may sell alcoholic beverages
28 requiring Internal Revenue strip stamps unless the alcoholic beverages
29 have the stamps intact on the package. A wholesaler is required to

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29

obtain a general wholesale license for each distributing point. The annual general wholesale license fee is \$1,000 for the first \$100,000 of business transacted, payable at the time of making an original application or an application for renewal. In addition, payable in accordance with (d) of this section on the business transacted during any year,

above \$100,000 and not over \$150,000is a fee of \$500
above \$150,000 and not over \$200,000is a fee of \$1,000
above \$200,000 and not over \$250,000is a fee of \$1,500
above \$250,000 and not over \$300,000is a fee of \$2,000
above \$300,000 and not over \$350,000is a fee of \$2,500
above \$350,000 and not over \$400,000is a fee of \$3,000
above \$400,000 and not over \$500,000is a fee of \$4,000
above \$500,000 and not over \$600,000is a fee of \$5,000
above \$600,000 and not over \$700,000is a fee of \$6,000
above \$700,000 and not over \$800,000is a fee of \$7,000
above \$800,000 and not over \$1,000,000is a fee of \$9,000
above \$1,000,000is a fee of \$10,000

(b) A wholesale malt beverage and wine license authorizes the holder to sell malt beverages and wine in the original packages and malt beverages and wine in quantities of not less than five wine gallons. The holder of a wholesale malt beverage and wine license may not sell to a person not licensed under this title except as provided in AS 04.11.-700. The annual wholesale malt beverage and wine license fee is \$200 for the first \$20,000 of business transacted, payable at the time of making an original application or application for renewal. In addition, payable in accordance with (d) of this section on the business transacted during any year,

above \$20,000 and not over \$50,000is a fee of \$300
above \$50,000 and not over \$100,000is a fee of \$1,000

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29

above \$100,000 and not over \$150,000is a fee of \$1,500
above \$150,000 and not over \$200,000is a fee of \$2,000
above \$200,000 and not over \$400,000is a fee of \$4,000
above \$400,000 and not over \$600,000is a fee of \$6,000
above \$600,000 and not over \$800,000is a fee of \$8,000
above \$800,000is a fee of \$10,000

(c) The "total amount of business transacted" refers to the total business transacted, and the excise tax imposed by AS 43.60.010 is not excludable.

(d) No later than February 28 of each year following that for which a license has been issued to a licensee under this section, the licensee shall file with the board an affidavit showing the total amount of business transacted during the preceding year under his license and the location of the licensed premises from which the business was done. At the time of filing the affidavit, the licensee shall pay to the board the license fees accrued under (a) and (b) of this section during the preceding year.

(e) The failure to file an affidavit under (d) of this section or the expiration of the license under AS 04.11.540 does not relieve a licensee from paying the prescribed fees.

Sec. 04.11.170. DISTILLERY LICENSE. (a) A distillery license authorizes the holder to operate a distillery where alcoholic beverages are distilled, prepared, bottled or barreled for sale.

(b) No sale may be made in the state except to those persons who are licensed under this chapter, or in a quantity less than five gallons.

(c) The annual distillery license fee is \$500.

Sec. 04.11.180. COMMON CARRIER DISPENSARY LICENSE. (a) A common carrier dispensary license authorizes the holder to sell alcoholic

1 beverages for consumption aboard any vehicle, boat, aircraft, or rail-
2 road buffet car licensed by a state or federal agency for passenger
3 travel.

4 (b) A license issued under this section authorizes sale or con-
5 sumption of alcoholic beverages only between 8:00 a.m. and 5:00 a.m.
6 each day of the week the common carrier is in transit, and on the days
7 when the common carrier is not in transit unless prohibited by local
8 ordinance.

9 (c) In determining whether issuance of a license under this sec-
10 tion would be in the best interests of the public, the board need not
11 conform to or distinguish its decision from any action it has taken in
12 the past on applications presenting similar facts, but may instead base
13 its decision wholly on the particular facts before it.

14 (d) The annual fee for a common carrier dispensary license is \$350
15 for each vehicle, boat, aircraft, or railroad buffet car.

16 Sec. 04.11.190. COMMUNITY LIQUOR LICENSE. (a) A community liquor
17 license authorizes a first or second class city to undertake those
18 privileges authorized under a beverage dispensary or package store
19 license, subject to the terms and conditions incident to those licenses,
20 including the payment of fees.

21 (b) A city which has within its municipal boundaries either a
22 beverage dispensary or package store license which was issued to a
23 person or corporation within the city before June 1, 1970, and under
24 which premises have operated continuously since that date, is not eli-
25 gible for a community liquor license, except that a city which held a
26 liquor license through a municipal corporation or otherwise before
27 June 1, 1970, and under which premises have been operated continuously
28 since that date, is eligible for the community liquor license.

29 (c) No community liquor license may be issued within the bound-

1 aries of an incorporated area if beverage dispensary or package store
2 licenses in effect in the city authorize activities of the same class to
3 be authorized under the community liquor license unless the community
4 liquor license is to become effective after the expiration or termina-
5 tion of the package store or beverage dispensary license.

6 (d) Neither a beverage dispensary license nor a or package store
7 license may be issued within the boundaries of an incorporated city if a
8 community liquor license is in effect authorizing activities which would
9 be authorized under the beverage dispensary or package store license,
10 respectively, unless the beverage dispensary license or package store
11 license is to become effective after the expiration or termination of
12 the community liquor license.

13 (e) A city council shall apply for a community liquor license
14 whenever the majority of the voters at a local option election favor the
15 issuance of a community liquor license. Moreover, unless prohibited by
16 the results of an earlier local option election, the city council may
17 apply on its own initiative for a community liquor license.

18 Sec. 04.11.200. RETAIL STOCK SALE LICENSE. (a) A retail stock
19 sale license authorizes the holder to sell the remaining stock of a
20 package liquor store when the owner wishes to close out or terminate the
21 business of the store.

22 (b) A sale authorized under this section may only be in quantities
23 of not less than five wine gallons per sale and may only be to persons
24 licensed under this chapter.

25 (c) The license shall be issued for a period of 90 days from the
26 expiration or forfeiture of the package store license and is not renew-
27 able.

28 (d) The license shall be issued only if the owner of the package
29 store business does not have a current package store license; however,

1 if the owner had a package store license which was suspended or revoked
2 because of a violation of any law of the state, the license may not be
3 issued.

4 (e) The retail stock sale license fee is \$100.

5 Sec. 04.11.210. RECREATIONAL SITE LICENSE. (a) The holder of a
6 recreational site license may sell beer and wine at the site of a recre-
7 ational event not a school event, during and one hour before and after
8 the event, for consumption on designated areas at the site.

9 (b) The annual fee for a recreational site license is \$400.

10 (c) In determining whether issuance of a license under this sec-
11 tion would be in the best interests of the public, the board need not
12 conform to or distinguish its decision from any action it has taken in
13 the past on applications presenting similar facts, but may instead base
14 its decision wholly on the particular facts before it.

15 (d) In this section, "recreational site" means, but is not limited
16 to, a location where baseball games, car races, hockey games, dog sled
17 racing events, or curling matches are regularly held during a season.

18 Sec. 04.11.220. PUB LICENSE. (a) A pub license authorizes the
19 holder to sell beer and wine for consumption only at a designated pre-
20 mises located on the campus of an accredited college or university.

21 (b) Only one pub license may be issued or renewed for each college
22 or university campus in the state.

23 (c) No pub license may be issued or renewed without the written
24 approval of the governing body of the college or university.

25 (d) The annual fee for a pub license is \$400.

26 (e) In this section, an "accredited college or university" means a
27 college or university accredited by the Northwest Association of Sec-
28 ndary and Higher Schools.

29 Sec. 04.11.230. CATERER'S PERMIT. (a) A caterer's permit autho-

1 rizes the holder of a beverage dispensary license to sell or dispense
2 alcoholic beverages at designated premises at conventions, picnics,
3 social gatherings, sporting events, or similar affairs held off the
4 holder's licensed premises. The permit may only be issued for a speci-
5 fic occasion and for a limited period of time.

6 (b) The written approval of the law enforcement agency having
7 jurisdiction over the site of the occasion for which the permit is
8 sought must be obtained and accompany the application.

9 (c) A caterer's permit is not transferable.

10 (d) A caterer's permit authorizes sale and consumption of alco-
11 holic beverages only in the designated premises at the site of the
12 occasion for which the permit is issued. The permit must be surrendered
13 to the board, its agent, or the law enforcement agency approving the
14 permit within 48 hours of its expiration time. Failure to surrender the
15 permit is cause, in the discretion of the board, for denial of applica-
16 tions for permits made in the future by the organization.

17 (e) The fee for a caterer's permit is \$50 and shall accompany the
18 application for a permit.

19 Sec. 04.11.240. SPECIAL EVENTS PERMIT. (a) A special events
20 permit authorizes the holder to sell or dispense beer, champagne, or
21 wine for consumption at designated premises for a specific occasion and
22 limited period of time. Only nonprofit fraternal, civic, or patriotic
23 organizations incorporated under AS 10.20 and active for a period of at
24 least two years before application are eligible for a special events
25 permit, and only if all profits derived from the sale of beer or wine go
26 to the organization itself and not to any individual.

27 (b) An application for a special events permit must be received in
28 the main office of the board at least 10 days before the date for which
29 the permit is desired. The application must be signed and notarized by

1 both the president and secretary of the organization applying for the
2 permit. A sworn affidavit showing the length of time the organization
3 has been in existence must accompany the application, together with a
4 certified copy of the resolution of the board of directors authorizing
5 the application. The written approval of the law enforcement agency
6 having jurisdiction over the designated premises of the occasion for
7 which the permit is sought must also be obtained and accompany the
8 application.

9 (c) The special events permit authorizes the sale and consumption
10 of beer, wine, and champagne only at the premises designated on the
11 permit. The permit must be surrendered to the board, its agent, or the
12 law enforcement agency approving the permit, within 48 hours of its
13 expiration time. Failure to surrender the permit is cause, in the
14 discretion of the board, for denial of applications for permits made in
15 the future by the organization. No more than five special events per-
16 mits may be granted to an organization, including its auxiliary, in any
17 one calendar year.

18 (d) The fee for a special events permit is \$50 a day.

19 Sec. 04.11.250. CONDITIONAL CONTRACTOR'S PERMIT. (a) A condi-
20 tional contractor's permit authorizes the holder to sell beer or wine
21 for consumption and sale only on designated premises for one year from
22 the date of issuance of the permit at construction sites in remote areas
23 located inside the boundaries of a military or naval reservation.

24 (b) An applicant for a conditional contractor's permit must obtain
25 and file with the board written permission from the commanding officer
26 of the military or naval reservation and the prime contractor of the
27 remotely situated project for the conduct of the activities authorized
28 by the permit. A conditional contractor's permit may be renewed annu-
29 ally upon reapplication for a permit and may be cancelled or suspended

1 at the discretion of the board, the commanding officer, or the prime
2 contractor.

3 (c) A conditional contractor's permit is not transferable, nor is
4 it valid after the completion of the holder's contract or the closing of
5 the military or naval reservation.

6 (d) The annual conditional contractor's permit fee is \$600.

7 ARTICLE 3. APPLICATION FOR LICENSE.

8 Sec. 04.11.260. CONTENTS OF APPLICATION FOR NEW LICENSE OR PERMIT.

9 (a) An applicant for a new license or permit shall file with the direc-
10 tor a written application, signed and sworn to by the applicant, giving
11 his name and address, or if a corporation, executed by the authorized
12 officers of the corporation, containing the following:

13 (1) the kind of license or permit desired;

14 (2) a description of the premises sought to be designated as
15 licensed premises or the designated premises at which alcoholic bever-
16 ages are to be sold or served under permit, the limits of the proposed
17 premises, and the address by street number or other identifying informa-
18 tion, so that the location can be definitely determined;

19 (3) a statement of the residency of the applicant;

20 (4) the license fee;

21 (5) any information required by the provisions pertaining to
22 particular classifications of licenses or permits;

23 (6) any other information required by the board.

24 (b) A corporation applying for a license shall provide the names
25 and addresses of the president, vice-president, secretary, managing
26 officer, and all stockholders who own 10 per cent or more of the stock
27 in the corporation, together with all other information considered
28 necessary by the board.

29 (c) The applicant for a new license must include with his applica-

1 tion proof that the notice required by AS 04.11.310 has been provided,
2 and that petitions required under this title as a prerequisite to issu-
3 ance and evidence that any approval required to be obtained under the
4 terms and conditions incident to the particular classifications of
5 licenses and permits have been obtained.

6 Sec. 04.11.270. FILING AND CONTENTS OF APPLICATION FOR LICENSE
7 RENEWAL. (a) Each application for a renewal of license shall contain
8 (1) the information required for a new license, excluding the proof of
9 providing notice required of new applications under this title, and (2)
10 a statement listing all convictions of the applicant of violation of
11 law, regulation or ordinance arising out of the operation of a business
12 licensed under this title during the term of the preceding license.

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

14 (1) On or before November 1, the director shall mail to each
15 licensee at his licensed premises or at a mailing address designated by
16 the licensee, an application to renew the license.

17 (2) An application to renew the license may be filed on or
18 before December 31 if accompanied by payment of the annual fee appli-
19 cable to the classification of the license. An application to renew the
20 license may be filed after December 31 and on or before February 28 if
21 accompanied by payment of the annual renewal fee applicable depending on
22 the classification of the license, plus a penalty which shall be equal
23 to the annual fee or \$100, whichever is less.

24 Sec. 04.11.280. CONTENTS OF APPLICATION FOR TRANSFER OF OWNERSHIP
25 OF LICENSE. (a) An application for a transfer of ownership of a li-
26 cense shall contain the same information about the transferee as is
27 required of a new applicant, as well as any other information required
28 by the board.

29 (b) Application for the transfer of ownership of license shall be

1 accompanied by proof that the notice required by AS 04.11.310 has been
2 provided, as well as a statement, under oath, executed by the trans-
3 feror, in which he lists all debts to creditors of the business and
4 taxes due. The board shall promptly inform each creditor of the appli-
5 cation and the amount shown as owed that creditor.

6 Sec. 04.11.290. FILING, FORM, AND CONTENTS OF APPLICATION FOR
7 TRANSFER OF LICENSE LOCATION. An application for a transfer of a
8 license to a new location shall contain the information required by the
9 board and shall be accompanied by proof that the notice required in
10 AS 04.11.310 has been provided.

11 Sec. 04.11.300. STATE POLICE INVESTIGATION. (a) The state police
12 shall assist in the investigation of applicants and applications for new
13 licenses and applicants for the transfer of existing licenses before
14 these applications are considered or reviewed by the board.

15 (b) Peace officers shall investigate and report to the board any
16 violations of the provisions of this title.

17 Sec. 04.11.310. NOTICE OF APPLICATION. Before a new license may
18 be issued, or a transfer of location or transfer of ownership of an
19 existing license may be approved, the applicant must post a true copy of
20 the application for a period of 10 days at the location of the proposed
21 licensed premises and, if required by the board, provide a true copy of
22 the application to newspapers, radio and television stations for public
23 service announcement or provide paid notice of the application for a
24 period not exceeding 30 days in a newspaper, or by radio or television.
25 The notices required in this subsection shall be bilingual when deter-
26 mined necessary by the board.

27 **ARTICLE 4. GROUNDS FOR SUSPENSION, REVOCATION, OR DENIAL**
28 **OF THE ISSUANCE, RENEWAL, OR TRANSFER OF LICENSES.**

29 Sec. 04.11.320. ISSUANCE: GROUNDS FOR DENIAL. (a) An applica-

1 tion requesting issuance of a new license shall be denied if

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

5 (2) issuance is prohibited by the provisions of this title
6 relating to residency, ratio of population to licensed premises, and
7 location of premises near churches and schools;

8 (3) the applicant fails to file with the board a petition
9 containing the number of signatures required under this title as a
10 prerequisite to issuance;

11 (4) granting of the application would be violative, result in
12 the violation, or be in excess of terms, conditions, or permissible uses
13 specified in the provisions pertaining to the various classifications of
14 licenses;

15 (5) issuance is prohibited under the provisions of this title
16 upon board receipt of the notification of the results of a local option
17 election unless the board, in its discretion, approves the transfer of a
18 license to encourage the tourist trade;

19 (6) at a public hearing the majority of the adult residents
20 having a permanent place of abode outside of but within two miles of an
21 incorporated city or the recognized boundaries of an established village
22 in which the licensed premises will be located object to the issuance,
23 but only if in the opinion of the board the local public interest is
24 best served by the denial;

25 (7) the requirements relating to zoning, ownership and loca-
26 tion of license, and identity and financing of a licensee enumerated in
27 AS 04.11.420 - 04.11.450 have not been satisfied.

28 (b) An application requesting issuance of a new license or permit
29 may be denied if it appears to the board that any of the statements

1 required in the application are untrue at the time of application for
2 the license.

3 (c) A new license or permit for the sale of alcoholic beverages
4 may not be issued in an incorporated city in which, on June 19, 1976,
5 there was no licensed premises unless the city council has first con-
6 ducted a local option election on the sale of alcoholic beverages in the
7 city as provided in AS 04.11.490(a).

8 Sec. 04.11.330. RENEWAL: GROUNDS FOR DENIAL. (a) An application
9 requesting renewal of a license already issued shall be denied if

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

13 (2) the license has been revoked for violation by a licensee,
14 his agent or employee of any law, regulation or ordinance, or for any
15 other cause;

16 (3) judicial determination as to the legality of issuing the
17 license is pending;

18 (4) the licensee has not operated a premises for at least 30
19 8-hour days in the calendar year unless the board determines that the
20 licensed premises are under construction or are inoperable through no
21 fault of the licensee;

22 (5) the applicant for renewal fails to file with the board a
23 petition containing the requisite number of signatures when a petition
24 is specifically required by the board as a prerequisite to issuance
25 under AS 04.11.460;

26 (6) the board finds that issuance of a license under AS 04.-
27 11.400(g) has not encouraged tourist trade;

28 (7) the requirements relating to zoning, ownership of a
29 license, and financing of a licensee enumerated in AS 04.11.420 - 04.-

1 11.450 have not been satisfied;

2 (8) granting of the application would be violative, result in
3 the violation, or be in excess of terms, conditions, or permissible uses
4 specified in the provisions relating to the various classifications of
5 licenses;

6 (9) renewal is prohibited under the provisions of this title
7 upon board receipt of notification of the results of a local option
8 election unless the the board, in its discretion, approves the transfer
9 of a license to encourage the tourist trade;

10 (10) at a public hearing the majority of the adult residents
11 having a permanent place of abode outside but within two miles of the
12 incorporated city or the recognized boundaries of an established village
13 in which the licensed premises are to be located object to the renewal,
14 but only if in the opinion of the board, the local public interest is
15 best served by the denial.

16 (b) An application requesting renewal of a license already issued
17 may be denied if the applicant is delinquent in the payment of any taxes
18 when the tax liability arises in whole or in part out of the exercise of
19 the privilege of an alcoholic beverage license.

20 Sec. 04.11.340. TRANSFER OF LOCATION: GROUNDS FOR DENIAL. An
21 application requesting approval of a transfer of location of licensed
22 premises shall be denied if

23 (1) the board finds, after review of all relevant information
24 that transfer of location would not be in the best interests of the
25 public;

26 (2) the transfer is prohibited under the language prescribing
27 the acceptable ratio of population to licensed premises in AS 04.11.-
28 400(a) regardless of whether the license was issued to encourage the
29 tourist trade under AS 04.11.400(g);

1 (3) the license would be transferred out of the election
2 district within which it was granted, unless the election district into
3 which the license would be transferred is within the incorporated city,
4 organized borough or unified municipality within which the license was
5 granted;

6 (4) transfer of ownership is to be made concurrently with the
7 transfer of the location of the licensed premises, and the new owner
8 does not have all the qualifications required under this title of an
9 original applicant or the application contains any false statements of
10 material fact;

11 (5) the application for transfer does not contain all the
12 information required by the board;

13 (6) the applicant for transfer fails to file with the board a
14 petition containing the number of signatures required as a prerequisite
15 to transfer under this title;

16 (7) transfer would result in violation of a local zoning law;

17 (8) granting of the application would be violative, result in
18 the violation, or be in excess of terms, conditions, or permissible uses
19 specified in the provisions relating to the various classifications of
20 licenses in AS 04.11.080 - 04.11.250;

21 (9) at a public hearing the majority of the adult residents
22 having a permanent place of abode outside but within two miles of an
23 incorporated city or the recognized boundaries of the established
24 village object to the transfer, if, in the opinion of the board, the
25 local public interest is best served by the denial;

26 (10) transfer is prohibited under the provisions of this title
27 upon board receipt of notification of the results of a local option
28 election unless the board, in its discretion, approves the transfer of a
29 license to encourage the tourist trade.

1 Sec. 04.11.350. TRANSFER OF LOCATION: REQUIRED APPROVAL. An
2 application requesting approval of a transfer of location of licensed
3 premises, whether made concurrently with an application for renewal or
4 alone, shall be approved if no grounds for denial exist under AS 04.11.-
5 340 and (1), (2) and (3) of this section and if relocation of the
6 licensed premises is necessary due to

- 7 (1) termination of a lease or rental agreement;
- 8 (2) condemnation of the premises;
- 9 (3) the substantial destruction of the premises by any cause.

10 Sec. 04.11.360. TRANSFER OF OWNERSHIP: GROUNDS FOR DENIAL. An
11 application requesting approval of a transfer of ownership of activities
12 authorized under a license shall be denied if

13 (1) the board finds, after review of all relevant information
14 that transfer of ownership would not be in the best interests of the
15 public;

16 (2) the application for transfer does not contain all the
17 information required by the board;

18 (3) the application contains any false statements of material
19 fact;

20 (4) the transferor has not paid all debts and taxes arising
21 from the conduct of the business licensed under this title unless the
22 transferor gives security for the payment of them satisfactory to the
23 creditor or taxing authority before approval of the application;

24 (5) transfer would result in violation of the provisions of
25 this title relating to ownership of a license and financing of a li-
26 censee;

27 (6) granting of the application would be violative, result in
28 the violation, or be in excess of terms, conditions, or permissible uses
29 specified in the provisions relating to the various classifications of

1 licenses;

2 (7) transfer is prohibited under the provisions of this title
3 upon board receipt of the results of a local option election unless the
4 board, in its discretion, approves the transfer of a license to en-
5 courage the tourist trade;

6 (8) at a public hearing the majority of the adult residents
7 having a permanent place of abode outside but within two miles of an
8 incorporated city or the recognized boundaries of the established
9 village in which the licensed premises is to be located object to the
10 transfer, but only if in the opinion of the board the local public
11 interest is best served by the denial;

12 (9) the prospective transferee does not have all the quali-
13 fications required under this title of an original applicant.

14 Sec. 04.11.370. SUSPENSION AND REVOCATION OF LICENSES AND PERMITS:
15 GROUNDS. Grounds for the suspension or revocation of a license include,
16 but are not limited to, the following:

17 (1) misrepresentation of a material fact on an application
18 for a license or permit;

19 (2) it appears to the board after the granting of a license
20 that any of the statements made in the application are untrue;

21 (3) continuation of operations under a license or permit
22 would be contrary to the best interests of the public;

23 (4) failure on the part of the licensee to correct objection-
24 able conditions within a prescribed time after receipt of notice issued
25 by the board or its agent to make the correction;

26 (5) violation by a licensee of this title, a regulation
27 adopted under this title, or an ordinance adopted under AS 04.11.620,
28 arising out of the operation of a business licensed or permitted under
29 this title, or violation by a licensee's agent or employee of this

1 title, a regulation adopted under this title, or an ordinance adopted
2 under AS 04.11.620, and the licensee is found to have knowingly allowed
3 the violation or to have acted with such negligence that he may be held
4 to have allowed the violation under AS 04.11.650;

5 (6) failure on the part of the licensee to comply with the
6 laws and regulations pertaining to public health in the state;

7 (7) use of the premises of the licensee as a resort for
8 illegal possessors or users of narcotics, prostitutes, pimps, or pan-
9 derers; in addition to any other legally competent evidence, the char-
10 acter of the premises may be proved by the general reputation of the
11 premises in the community as a resort for illegal possessors or users of
12 narcotics, prostitutes, pimps, or panderers;

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

15 (9) disciplinary action has been taken against a licensed
16 premises by military or naval authorities;

17 (10) occurrence of any public offense involving moral turpi-
18 tude on the licensed premises.

19 Sec. 04.11.380. ISSUANCE OF PERMITS; GROUNDS FOR DENIAL. An
20 application requesting issuance of any permit, including a re-applica-
21 tion for a conditional contractor's permit, shall be denied if the board
22 finds, after review of all relevant information, that renewal of the
23 permit would not be in the best interests of the public.

24 ARTICLE 5. RESTRICTIONS ON ISSUANCE, RENEWAL, AND TRANSFER
25 OF OWNERSHIP OR LOCATION OF LICENSES.

26 Sec. 04.11.390. RESIDENCE. No beverage dispensary license or
27 package store license may be issued to a person or association of per-
28 sons who have not resided in the state for at least one year before the
29 date of application, to a corporation which has not been issued a certi-

1 ficate of incorporation by the Department of Commerce and Economic
2 Development, for at least one year before the date of the application,
3 nor to a foreign corporation not issued a certificate of authority to
4 transact business in the state.

5 Sec. 04.11.400. POPULATION LIMITATIONS ON ISSUANCE OF LICENSES.

6 (a) Except as provided in (g) and (h) of this section, no new license
7 may be issued nor may a license already issued be transferred to a new
8 location

9 (1) outside an incorporated city or unified municipality if
10 by the issuance or transfer there would be more than one license of each
11 classification for each 1,500 population or fraction of 1,500 inside a
12 radius of five miles of the proposed location counting any licenses
13 which have been issued notwithstanding this subsection under (g) of this
14 section;

15 (2) inside an unincorporated village, an incorporated city or
16 unified municipality if by the issuance or transfer there would be more
17 than one license of each classification for each 1,500 population or
18 fraction of 1,500 inside the boundaries of a village, city or unified
19 municipality counting any licenses which have been issued notwithstand-
20 ing this section under (g) of this section.

21 (b) In this section "unified municipality" means a unified muni-
22 cipality established under the provisions of AS 29.68.240.

23 (c) In this section "radius" means a straight line extending
24 outward from the proposed licensed premises which is the origin.

25 (d) In (a)(1) of this section, "population" includes only those
26 persons residing inside the radius but outside any portion of an unin-
27 corporated village, an incorporated city, or a unified municipality as
28 of December 31 of the preceding year.

29 (e) In (a)(2) of this section, "population" includes only those

1 persons residing inside any portion of the radius that is inside the
2 limits of an unincorporated village, an incorporated city or a munici-
3 pality as of December 31 of the preceding year.

4 (f) If the radius encompasses all of an unincorporated village, an
5 incorporated city, or a unified municipality and the population resident
6 inside and outside the village, city, or municipality but inside the
7 radius is less than 1,500, the board may deny the issuance or transfer
8 of a license.

9 (g) The board may, in its discretion, approve the issuance or
10 transfer of a beverage dispensary or restaurant or eating place license
11 without regard to the requirements of (a) of this section if it appears
12 that the issuance or transfer will encourage the tourist trade by en-
13 couraging the construction or improvement of

14 (1) a hotel, motel, resort, or similar business relating to
15 the tourist trade having

16 (A) a minimum accommodation of 10 rental rooms, and

17 (B) a dining facility, which requirement may be waived
18 if the majority of the rooms have kitchen facilities; or

19 (2) an airport terminal.

20 (h) A restaurant or eating place license may be issued notwith-
21 standing the requirements of (a) of this section if

22 (A) the premises of the restaurant or eating place are
23 more than 18 miles from the corporate limits of a city;

24 (B) the premises will serve food to the traveling pub-
25 lic;

26 (C) the public convenience is better served in the
27 opinion of the board.

28 **Sec. 04.11.410. RESTRICTION OF LOCATION OF LICENSED PREMISES NEAR**
29 **CHURCHES AND SCHOOLS. (a) No beverage dispensary or package store**

1 license may be issued or renewed, nor may the location of an existing
2 license be transferred if the licensed premises are to be located in any
3 building in which the public entrance is within 200 feet of a school
4 ground or church building, measured by the shortest pedestrian route
5 from the outer boundaries of the school ground or the public entrance of
6 a church building in which religious services are regularly conducted.
7 However, a license may be renewed or transferred to another person
8 notwithstanding this subsection if the premises were licensed before
9 April 25, 1960.

10 (b) If a beverage dispensary or retail license for premises lo-
11 cated within 200 feet of a school ground or church building in which
12 religious services are regularly conducted is revoked, expires or is
13 transferred to other premises, no beverage dispensary or retail license
14 may be issued or transferred to the formerly licensed premises. How-
15 ever, the premises may be relicensed upon the removal of either cause of
16 the restriction under (a) of this section.

17 Sec. 04.11.420. ZONING LIMITATIONS. (a) No person may be issued
18 a new license or permit in any portion of a city, organized borough, or
19 unified municipality where the zoning regulations or ordinances prohibit
20 the sale or consumption of alcoholic beverages.

21 (b) The municipality having jurisdiction shall inform the board of
22 restrictions under this section and notify the board when a licensee is
23 out of conformity with zoning regulations or ordinances or a variance
24 has been approved.

25 Sec. 04.11.430. PERSON AND LOCATION. Each license must be issued
26 to a specific person or persons unless to a corporation, in which case a
27 person on whom service of process may be made must be designated.
28 Except for licenses authorizing the sale of alcoholic beverages on
29 common carriers, a license or permit must designate a specific location

1 as the licensed premises, the principal address of which must be indi-
2 cated on the license or permit. The mailing address of a licensee must
3 be kept current and on file in the main office of the board.

4 Sec. 04.11.440. INTEREST IN PREMISES. No person who is a repre-
5 sentative or owner of a wholesale business, brewery, winery, bottling
6 works, or distillery may own any interest in a beverage dispensary or
7 package store or finance or assist in any other way, directly or in-
8 directly, a licensee in procuring premises or obtaining equipment,
9 furnishings, stock or inventory in order to conduct business.

10 Sec. 04.11.450. FINANCIAL INTEREST. (a) No person other than the
11 licensee may have a direct or indirect financial interest in the busi-
12 ness for which the license is issued.

13 (b) In this section, "direct or indirect financial interest" means
14 to hold a legal or equitable interest in the operation of a business
15 licensed under this title.

16 (c) No license may be leased by the licensee to another person or
17 corporation.

18 (d) The lessor under a graduated or percentage lease-rent agree-
19 ment involving premises licensed under this title does not hold a
20 financial interest in the business for the purposes of this section.

21 (e) Credit extended by a distiller, brewery or winery to a whole-
22 saler, or credit extended by a wholesaler to persons licensed under this
23 title, is not considered a financial interest for purposes of this
24 section.

25 Sec. 04.11.460. PRIOR PUBLIC APPROVAL. (a) No new license or
26 transfer of location of an existing license may be approved by the board
27 in areas outside but within 50 miles of the boundaries of municipalities
28 unless a petition asking that a license be issued or transferred within
29 the area and containing signatures of a majority of the permanent resi-

1 dents residing within one mile of the proposed premises is filed with
2 the board. A petition is not necessary for the renewal of a license
3 issued or transferred under this section unless specifically required by
4 the board.

5 (b) No license for the sale of alcoholic beverages may be issued
6 in any area which is 50 miles or more from the boundaries of a munici-
7 pality unless a petition asking that a license be issued within the area
8 and containing the signatures of two-thirds of the permanent residents,
9 19 years of age or over, residing within a radius of five miles of the
10 United States post office station nearest to the site of the proposed
11 licensed premises, is filed with the board. A petition is not necessary
12 for the renewal of a license granted under this section unless specifi-
13 cally required by the board. However,

14 (1) if there are two or more United States post office sta-
15 tions in the vicinity of the premises applied for, the nearest station
16 to the premises constitutes the point of beginning;

17 (2) if no post office exists within a radius of five miles of
18 the premises applied for, then the applicant must obtain the signatures
19 of two-thirds of the permanent residents, 19 years of age or over,
20 residing within a five mile radius of the proposed premises.

21 (c) For the purposes of this section, "permanent resident" means a
22 person 19 years of age or older who has established a permanent place of
23 abode.

24 **ARTICLE 6. PROCEDURES FOR PUBLIC INFLUENCE ON BOARD DECISIONS.**

25 **Sec. 04.11.470. OBJECTION.** An application for issuance, renewal,
26 transfer of location, or transfer of ownership of a license, or issuance
27 of any permit may be objected to by any person by serving upon the
28 applicant and the board the reasons for the objection. The board shall
29 consider the reasons submitted with an objection in the course of its

1 consideration of an application, and the objection and supporting
2 reasons shall be retained as part of the board's permanent record of its
3 review of the application.

4 Sec. 04.11.480. PROTEST. If a local governing body wishes to
5 protest approval for issuance, renewal, transfer of location or transfer
6 of ownership of a license, it shall furnish the board and the applicant
7 with a notice of protest within 30 days of receipt of the board notice
8 of intent to approve the application. The board shall consider a pro-
9 test in the course of its consideration of an application, and the pro-
10 test shall be retained as part of the board's permanent record of its
11 review of the application.

12 Sec. 04.11.490. LOCAL OPTION ELECTION. (a) The local governing
13 body shall, whenever 35 per cent of the total number of voters at the
14 last general municipal election held in the incorporated area petition
15 the local governing body to do so, place upon a separate ballot at the
16 next municipal election one or the other of the following questions,
17 whichever is the subject of the petition:

18 (1) "Should the sale of alcoholic beverages in (name
19 of incorporated area) be prohibited?" (yes or no);

20 (2) "Should the sale of alcoholic beverages by persons be
21 prohibited in (name of incorporated area) unless sold by a
22 (either a beverage dispensary or a package store operated under a com-
23 munity liquor license)?" (yes or no);

24 (3) "Should the sale of alcoholic beverages be allowed in a
25 (either a beverage dispensary or a package store operated under a
26 community liquor license)?" (yes or no);

27 (4) "Should the sale of alcoholic beverages be prohibited in
28 (either a beverage dispensary or a package store) unless under a
29 community liquor license?" (yes or no);

1 (5) "Should the sale of alcoholic beverages be prohibited in
2 (name of incorporated area) unless sold under a restaurant or
3 eating place license?" (yes or no).

4 (b) The division of elections shall conduct the election, canvass
5 the ballots, and publish the results.

6 (c) When the division of elections certifies that a majority of
7 those voting are in favor of either (a)(1), (2), (3), (4) or (5) of
8 this section, the division shall immediately notify the board and the
9 local governing body.

10 (d) Upon receipt of the notification of the results of the vote on
11 the question in (a)(1) of this section, the board may not issue, renew,
12 or transfer any license or permit provided for under this title within
13 the incorporated area affected.

14 (e) Upon receipt of the notification of the results of the vote on
15 the question in (a)(2) of this section, the board shall proceed in the
16 manner prescribed under (d) of this section except with regard to com-
17 munity liquor licenses; instead the board may consider the city's appli-
18 cation for a community liquor license and, if statutory requirements are
19 met, may issue the license.

20 (f) Upon receipt of the notification of the results of the vote on
21 the question in (a)(3) of this section, the board may consider the
22 application for a community liquor license of a city which previously
23 prohibited the sale of alcoholic beverages in a local option election,
24 and, if all statutory requirements are met, may issue the license;

25 (g) Upon receipt of the notification of the results of the vote on
26 the question in (a)(4) of this section, the board shall proceed in the
27 manner prescribed under (d) of this section with regard to either
28 beverage dispensary or package store licenses in effect in the com-
29 munity, whichever authorize activities sought to be authorized under the

1 community liquor license. Moreover, the board may consider the appli-
2 cation for a community liquor license from a city which before the
3 election was ineligible for a license because beverage dispensary or
4 package store licenses authorizing activities which would be authorized
5 under the community liquor license were in effect. If all other statu-
6 tory requirements are met, the board may issue the license.

7 (h) Upon receipt of the notification of the results of the vote on
8 the question in (a)(5) of this section, the board shall proceed in the
9 manner prescribed under (d) of this section except with regard to a
10 restaurant or eating place license.

11 (i) If the division of elections certifies that a majority of
12 those voting are in favor of the question in (a)(1), (2), (3), (4) or
13 (5) of this section, licenses and permits in effect shall be void as of
14 midnight December 31, and the provisions of AS 04.11.540 providing for
15 continuation in effect of a license through February 28 do not apply.
16 The results of an election held under this section are not grounds for
17 the suspension of a license during the year for which it was issued.

18 (j) Upon receipt of notification under (d), (e), (f), (g) and (h)
19 of this section, the board may not issue a new beverage dispensary or
20 package store license in an unincorporated area outside but within a
21 radius of five miles of the recognized boundaries of the incorporated
22 area, and may not renew or transfer an existing beverage dispensary or
23 package store license issued after September 10, 1972 within that radius
24 if the board considers such action would be against the best interests
25 of the public. An applicant may request a hearing in accordance with
26 AS 04.11.510(b).

27 (k) If, after an election prohibiting the sale of alcoholic
28 beverages under one or more classifications of licenses, a majority of
29 the voters in an election conducted in accordance with (a) of this

1 section favor the sale of alcoholic beverages by private persons under
2 one or more classifications of licenses, the board shall consider all
3 applications and may issue licenses in the same number in each classifi-
4 cation that was terminated as a result of the last election prohibiting
5 the sale of alcoholic beverages. Licenses may be issued for the same
6 or other designated premises. However, if upon application of the
7 provisions prescribing the acceptable ratio of population to licensed
8 premises in AS 04.11.400(a) fewer licenses could be issued and the local
9 governing body requests that those provisions be applied, only the
10 number of licenses authorized by those provisions may be issued.

11 (1) Priority shall be given those applicants who were licensees
12 and whose licenses were not renewed by reason of the results of the last
13 election conducted under the provisions of this section; however, these
14 applicants have no legally vested interest and the board is not required
15 to approve their application.

16 Sec. 04.11.500. ELECTION IN UNINCORPORATED AREAS. When a com-
17 bination of at least 35 per cent of the adult residents having a per-
18 manent place of abode within an established village and within a radius
19 of two miles of the recognized boundaries of an established village
20 petition the board to do so, the board shall provide for a special
21 election conducted by the division of elections. If at the election the
22 majority of the combination of adult residents having a permanent place
23 of abode within the established village and within a radius of two miles
24 of the recognized boundaries of the village object to the sale of alco-
25 holic beverages, the board may not issue, renew or transfer a license
26 in, into, or within a radius of two miles of the recognized boundaries
27 of, the established village.

28 ARTICLE 7. PROCEDURE FOR BOARD ACTION.

29 Sec. 04.11.510. REQUIRED PROCEDURE FOR BOARD ACTION REGARDING

1 APPLICATIONS, SUSPENSIONS AND REVOCATIONS OF LICENSES. (a) Unless
2 legal action is pending, the board shall adopt a decision on an appli-
3 cation within 90 days of receipt of the application by the main office
4 of the board but not before the 30 days allowed governing bodies to
5 protest under AS 04.11.480 have elapsed, starting from the date notice
6 of intent to approve the application is furnished local governing bodies
7 under AS 04.11.520.

8 (b) The board may review applications for the issuance, renewal,
9 transfer of location, or transfer of ownership, of a license without
10 affording the applicant notice or hearing, except

11 (1) that if an application is denied, the notice of denial
12 shall be made immediately in writing stating the reason for the denial
13 in clear and concise language; the notice of denial shall further inform
14 the applicant that he is entitled to an informal conference with either
15 the director or the board, and that, if not satisfied by the informal
16 conference, he is then entitled to a formal hearing; if the applicant
17 requests a formal hearing, the board shall adhere to AS 44.62.330 -
18 44.62.630 in the Administrative Procedure Act; unless waived by the
19 applicant and the board, a formal hearing shall be held in the area for
20 which the application is requested and all interested persons may be
21 heard at the hearing;

22 (2) The board may, on its own initiative or in response to an
23 objection or protest, hold a hearing to ascertain the reaction of the
24 public or a local governing body to an application.

25 (c) The board shall undertake to suspend or revoke a license in
26 accordance with AS 44.62.330 - 44.62.630, except that the licensee is
27 entitled to an opportunity to informally confer with the director within
28 10 days after the accusation is served upon him. Notice of the oppor-
29 tunity for an informal conference shall be served upon the licensee

1 along with the accusation. If a request for an informal conference is
2 requested, the running of the period of time specified under AS 44.62.-
3 380 for filing a notice of defense is tolled from the date of receipt of
4 the request until the day following the date of the conference unless
5 extended by the board. After the conference, the licensee, if not
6 satisfied by the results of the conference, may still request a hearing
7 by filing a notice of defense as provided in AS 44.62.390.

8 Sec. 04.11.520. NOTICE TO MUNICIPALITIES. After receipt of an
9 application coming from within (1) an established village, (2) an incor-
10 porated city, (3) an organized borough, (4) a unified municipality, the
11 board shall transmit written notice to the local governing body having
12 jurisdiction so as to enable the local governing body to protest under
13 AS 04.11.480.

14 Sec. 04.11.530. BASIS ON WHICH PROCEEDINGS TO SUSPEND OR REVOKE A
15 LICENSE MAY BE INITIATED. (a) The board may consider any available
16 information in determining whether to initiate a proceeding to suspend
17 or revoke a license except

18 (1) no license may be suspended or revoked on grounds that a
19 licensee was convicted of violating any provision of this title, a
20 regulation adopted under this title, or an ordinance adopted in confor-
21 mity with AS 04.11.620, unless the board takes into consideration the
22 sentencing report sent to the board under AS 12.55.025(b) and 12.55.-
23 075(b); and

24 (2) no license may be suspended or revoked on grounds that a
25 licensee's agent or employee was convicted of violating any provision of
26 this title, a regulation adopted under this title, or an ordinance
27 adopted in conformity with AS 04.11.620, unless the board finds that the
28 licensee knowingly allowed or may be held to have allowed under AS 04.-
29 11.650, the actions of the agent or employee, determined in light of the

1 information contained in the sentencing report sent to the board under
2 AS 12.55.025(b) and 12.44.075(b).

3 (b) If the board finds that the licensee knowingly allowed unlaw-
4 ful action of an agent or employee, the board shall file with the appro-
5 priate authorities a criminal complaint charging him with violation of
6 AS 04.16.150.

7 ARTICLE 8. EXPIRATION OF LICENSE.

8 Sec. 04.11.540. EXPIRATION OF LICENSE: GROUNDS. Unless otherwise
9 terminated, a license which is in effect on December 31 continues in
10 effect through the next February 28 notwithstanding AS 04.11.680.
11 However, if on or before February 28 the renewal application and appli-
12 cable affidavits have not been filed or the fees applicable to the
13 classification of the license and the penalty fees have not been paid,
14 the license shall expire at 12:00 a.m. February 28 and may only be
15 renewed upon proof satisfactory to the board of good cause for the
16 failure to file and pay.

17 Sec. 04.11.550. EXPIRATION OF LICENSE: PROCEDURE. On or before
18 February 15, the director shall mail a notice of expiration to each
19 licensee who has not either filed an application to renew his license or
20 notified the director of his intent not to do so; failure to mail this
21 notice or the renewal application does not continue the license in
22 effect.

23 ARTICLE 9. MISCELLANEOUS PROVISIONS.

24 Sec. 04.11.560. APPEALS. (a) Any action of an officer, employee
25 or agent of the board relating to the administration or enforcement of
26 this title is subject to review by the board at the instance of the
27 aggrieved party.

28 (b) A decision by the board relating to the issuance, renewal,
29 transfer, suspension, or revocation of a license under this title is

1 subject to review by the superior court under AS 44.62.560.

2 Sec. 04.11.570. REFUND OF FEES. (a) If an application for a
3 license is denied, the board shall refund the application fee less the
4 amount required for filing.

5 (b) No license fee may be refunded after the license has been
6 issued unless the board determines it has erred in the issuance through
7 no fault of the applicant.

8 (c) If a license is revoked on grounds that statements made in the
9 application are untrue, the license fee paid by the applicant is for-
10 feited to the state.

11 Sec. 04.11.580. PHYSICAL PRESENCE OF LICENSE. (a) A license
12 issued under this title shall be posted within the licensed premises in
13 a manner so as to be easily available for inspection upon request by any
14 peace officer or other person during regular business hours and shall
15 be, upon direction of the board, surrendered on demand to a peace offi-
16 cer, agent, or administrative officer of the board.

17 (b) The licensee shall surrender his current license to the board
18 within 10 days after the loss or vacation of his licensed premises. The
19 licensee is entitled to the return of the license upon resumption of
20 approved operations.

21 (c) If the license is destroyed by any cause, the licensee shall
22 so notify the board.

23 Sec. 04.11.590. DISPOSITION OF FUNDS. Money collected from licen-
24 ses under the provisions of this title shall be transferred to the
25 Department of Revenue and deposited in the general fund.

26 Sec. 04.11.600. ADDITIONAL FEES. Any fee prescribed by the board
27 is in addition to any other fee authorized under this title, and shall
28 be transferred to the Department of Revenue and deposited in the general
29 fund.

1 Sec. 04.11.610. REFUND TO MUNICIPALITIES. (a) Annual license
2 fees, excluding annual wholesale license fees, collected within incor-
3 porated cities, organized boroughs, or unified municipalities shall be
4 refunded semi-annually to the cities, boroughs, and unified municipali-
5 ties.

6 (b) If the officers of a city, borough, or unified municipality
7 fail to actively enforce local ordinances, laws of the United States and
8 the state, and the regulations relating to the manufacture and sale of
9 alcoholic beverages in the state, the commissioner of revenue may deny
10 the refund provided for under (a) of this section until the board finds
11 the enforcement of the ordinances, laws and regulations is actively
12 resumed.

13 (c) The Department of Revenue may not waive the state's claim to
14 any amounts erroneously refunded under (a) of this section. When making
15 such recoveries, the department shall schedule repayments over a suffi-
16 cient period of time to minimize financial hardship to those involved.

17 Sec. 04.11.620. MUNICIPAL REGULATION BY ORDINANCE. (a) An incor-
18 porated city, organized borough, or unified municipality may adopt ordi-
19 nances governing the barter, sale, consumption and possession of alco-
20 holic beverages within its area necessary to the orderly conduct of the
21 business of selling alcoholic beverages. The ordinance may not be
22 inconsistent with this title or the regulations adopted under this
23 title.

24 (b) An incorporated city, organized borough, or unified munici-
25 pality may impose no taxes other than property taxes on alcoholic
26 beverage inventories and sales taxes on alcoholic beverage sales and
27 only when these taxes are levied on other property and sales within the
28 area.

29 Sec. 04.11.630. LICENSED PREMISES TO BE EASILY ACCESSIBLE FOR

1 INSPECTION. The licensee shall, upon request, make his licensed pre-
2 mises available for inspection by officers charged with the enforcement
3 of the provisions of this title, including members of the board and the
4 director or his employees, during all regular hours of transaction of
5 business within the premises.

6 Sec. 04.11.640. LIMITATIONS ON CIVIL LIABILITY OF BEVERAGE SER-
7 VERS. A licensee, or the employee or agent of a licensee, who lawfully
8 furnishes an alcoholic beverage to an individual on premises licensed
9 under this title may not be held civilly liable for injuries resulting
10 from the intoxication of that individual.

11 Sec. 04.11.650. RESPONSIBILITY OF LICENSEES, THEIR AGENTS OR EM-
12 PLOYEES. (a) In determining whether a licensee, in those circumstances
13 when the licensee has no actual knowledge of the violation, has acted
14 with such negligence that he may be held to have allowed an employee or
15 agent to violate this title, the board shall consider that the licensee
16 has a duty to insure that the laws are observed, but only to the extent
17 permitted by the licensee's opportunity to manage and control the busi-
18 ness. This duty of the licensee includes, but is not limited to,

19 (1) acting with reasonable diligence in determining that his
20 agent or employee has been advised of all applicable provisions of this
21 title and regulations adopted under this title, either by securing the
22 agent's or employee's written acknowledgement of posted instructions or
23 otherwise; and

24 (2) complying with public health, fire, and safety codes and
25 ordinances of the state or municipality having jurisdiction, to the
26 extent that compliance or noncompliance is within the control of the
27 licensee.

28 (b) For the purposes of this section, "negligence" means failure
29 to exercise that degree of care which a reasonable person would observe

1 in insuring that the business under his management and control is con-
2 ducted in a lawful fashion.

3 Sec. 04.11.660. LICENSE A PRIVILEGE. (a) A license issued under
4 this title is a personal privilege, not a property right.

5 (b) The privilege conferred upon the licensee is personal in
6 nature and affords protection to the licensee of record only and to no
7 others.

8 Sec. 04.11.670. FORECLOSURE. A license issued under this title is
9 not subject to forfeiture, nor may it be given as collateral for
10 security on a debt.

11 Sec. 04.11.680. DURATION OF EXISTING LICENSES AND PERMITS. (a)
12 Every license issued under this title shall be issued for the calendar
13 year ending midnight December 31 unless a lesser period is prescribed by
14 the board.

15 (b) Every permit issued under this title shall be for the period
16 prescribed by the board, which period shall be clearly designated on the
17 permit.

18 Sec. 04.11.690. DISCOURAGEMENT OF MONOPOLIES. (a) In a general
19 sense, it is against the public interest that the issuance, renewal or
20 transfer of licenses issued under this title will create, or assist in
21 the creation of, a monopoly.

22 (b) The board may submit proposals to the governor and the legis-
23 lature addressed to the discouragement of the creation of monopolies.

24 (c) The board may not by regulation adopt a definition of mono-
25 polies.

26 Sec. 04.11.700. SALES ON FEDERAL RESERVATIONS. (a) A wholesaler
27 of alcoholic beverages may sell alcoholic beverages to non-licensees
28 having a fixed place of business or resident on territory within the
29 state which is maintained by the United States government as a military

1 or naval reservation, a national park, or other federal reservation, but
2 only if the purchaser is a ship's service store, officers club, officers
3 mess, post exchange, or similar organization. The wholesaler may
4 deliver alcoholic beverages only to persons specified and at places
5 designated in a written order issued by the federal organization for
6 which the purchase is made. A licensee making these sales and deliver-
7 ies shall keep the original order attached to the copy of the invoice on
8 file at the licensee's premises.

9 (b) Alcoholic beverages received on federal reservations under
10 this section may not be removed for use outside the area which comprises
11 the federal reservation.

12 (c) A wholesaler who delivers or causes to be delivered alcoholic
13 beverages on federal reservations under this section shall pay the state
14 excise tax on intoxicating liquors imposed by AS 43.60.010 on the alco-
15 holic beverages so delivered and may subsequently claim credit for all
16 excise taxes paid when the delivery is made to an organization which is
17 an instrumentality of the federal government upon proof of delivery
18 invoice.

19 Sec. 04.11.710. PROOF OF AGE. (a) If a licensee, or an agent or
20 employee of the licensee questions or has reason to question whether a
21 person entering a licensed premises, or ordering, purchasing, attempting
22 to purchase, or otherwise procuring or attempting to procure the serving
23 or delivery of alcoholic beverages has attained the age of 19 years,
24 that licensee, agent, or employee shall require the person to furnish
25 proof of age acceptable under (b) of this section. If the person ques-
26 tioned does furnish proof acceptable under (b) of this section, or if a
27 licensee, agent, or employee questions or has reason to question the
28 validity of the proof furnished, the licensee, employee or agent shall
29 require the person to sign a statement that he is over the age of 19

1 years. This statement shall be made upon a form prepared by and furn-
2 ished to the licensee by the board.

3 (b) A valid driver's license or a valid identification card is
4 acceptable as proof of age when used for identification in the purchase
5 of alcoholic beverages and for securing entry to and remaining on pre-
6 mises where alcoholic beverages are sold if the license or identifica-
7 tion card is made of or encased in plastic and contains a photograph of
8 the license or card holder and a statement of his age or date of birth.

9 (c) A licensee, or an agent or employee of the licensee, may not
10 be held criminally liable for violations of AS 04.16.030 if a signed
11 statement as provided in (b) of this section is secured in good faith,
12 or a valid driver's license or identification card is presented indi-
13 cating that the owner and possessor of the presented driver's license or
14 identification card is 19 years of age or over.

15 Sec. 04.11.720. WAREHOUSING OF ALCOHOLIC BEVERAGES. A licensee
16 may stock, warehouse, or otherwise store alcoholic beverages in a place
17 elsewhere than premises indicated on his license if

18 (1) the premises to be used for storage are inspected and
19 approved by the board before their use;

20 (2) the use of the premises for storage is authorized by
21 applicable zoning ordinances; and

22 (3) the premises are accessible for inspection as provided in
23 AS 04.11.630.

24 * Sec. 3. AS 04 is amended by adding a new chapter to read:

25 CHAPTER 16. REGULATION OF SALES AND DISTRIBUTION.

26 ARTICLE 1. PROHIBITED ACTS.

27 Sec. 04.16.010. HOURS OF SALE AND PRESENCE ON LICENSED PREMISES
28 (STANDARD CLOSING HOURS). (a) No person may sell, offer for sale,
29 give, furnish, deliver or consume an alcoholic beverage on any premises

1 licensed under this title between the hours of 5:00 a.m. and 8:00 a.m.
2 each day.

3 (b) No licensee, his agent, or employee may permit a person to
4 consume alcoholic beverages on the licensed premises, or within premises
5 in which licensees, agents, or employees are employed, between the hours
6 of 5:00 a.m. and 8:00 a.m. each day.

7 (c) No licensee, his agent, or employee may permit a person to,
8 and no person may, enter any premises licensed under this title between
9 the hours of 5:00 a.m. and 8:00 a.m. each day. This subsection does not
10 apply to common carriers or to bona fide employees of the licensee who
11 are on the premises for the specific purpose of preparing for the next
12 day's business or to persons remaining on the premises of a restaurant
13 or eating place licensed under this title for the purpose of consuming
14 food or nonalcoholic beverages.

15 (d) Incorporated cities, organized boroughs, and unified munici-
16 palities may provide for additional hours of closure under authority of
17 AS 04.11.620.

18 Sec. 04.16.020. RESTRICTIONS ON SOLICITATION OF ALCOHOLIC BEVER-
19 AGES. (a) No person may receive or pay another a salary, percentage or
20 commission, to loiter in or about a licensed premises for the purpose of
21 soliciting or encouraging a patron to purchase beverages, alcoholic or
22 otherwise.

23 (b) No licensee, his agent, or employee may knowingly permit any
24 person to loiter within or about any premises licensed under this title
25 for the purpose of begging, or directly soliciting a patron or visitor
26 to purchase any beverage, alcoholic or otherwise, for the one begging or
27 directly soliciting.

28 (c) This section does not deprive the board of the authority to
29 adopt regulations providing that a licensee, his agent, or employee may

1 not accept beverages, alcoholic or otherwise, purchased for him by a
2 patron within premises licensed under this title.

3 (d) In this section,

4 (1) "encourage", "soliciting or encouraging", and "directly
5 soliciting" mean a direct solicitation by a licensee, his agent, em-
6 ployee, or other person to request a patron within licensed premises to
7 purchase a beverage for the use or consumption by another not the
8 patron.

9 (2) "loiter" means to linger idly by the way, to idle, or to
10 loaf.

11 Sec. 04.16.030. RESTRICTIONS ON SALE OR DISPOSITION OF ALCOHOLIC
12 BEVERAGES TO MINORS OR INTOXICATED PERSONS BY LICENSEES, AGENTS, OR
13 EMPLOYEES. It is unlawful for a licensee, his agent, or employee to

14 (1) give, barter, or sell alcoholic beverages to a person
15 under the age of 19 years regardless of the provisions of AS 04.16.-
16 160(b);

17 (2) give, barter, or sell alcoholic beverages to a person who
18 is intoxicated;

19 (3) allow another person to give, barter, or sell an alco-
20 holic beverage to a person under the age of 19 years, or to a person who
21 is intoxicated, within his licensed premises or within premises in which
22 employed;

23 (4) allow a person under the age of 19 years, or a person who
24 is intoxicated, to enter and remain, except as provided in AS 04.16.-
25 040(a) or to consume an alcoholic beverage within his licensed premises
26 or within premises in which employed;

27 (5) permit the consumption of hard or distilled liquor by any
28 person within licensed premises unless it is permitted by the classi-
29 fication of the license;

1 (6) permit a person under the age of 19 years to sell or
2 serve alcoholic beverages.

3 Sec. 04.16.040. RESTRICTIONS ON ACCESS TO LICENSED PREMISES. (a)
4 An intoxicated person may not enter or remain on premises licensed under
5 this title.

6 (b) A person under the age of 19 years may not enter or remain in
7 premises licensed under this title except as provided in (c), (d) and
8 (e) of this section.

9 (c) A person under the age of 19 years may enter or remain within
10 licensed premises when accompanied by a parent, guardian or spouse who
11 has attained the age of 19 years.

12 (d) A person under the age of 19 years may enter and remain within
13 premises licensed as a restaurant or eating place for the purpose of
14 dining or dancing and if accompanied by an adult with the consent of the
15 minor's parent or guardian.

16 (e) A licensee, his agent, or employee, at his discretion, may
17 refuse entry to a person under the age of 19 years to that part of
18 licensed premises in which alcoholic beverages are being sold, served or
19 consumed, even though the person is accompanied by a parent, guardian,
20 spouse or adult over the age of 19 years. Moreover, the licensee, his
21 agent, or employee may refuse service to a person under the age of 19
22 years and may require the person to leave the portion of the licensed
23 premises in which alcoholic beverages are sold, served, or consumed.

24 (f) A person 16 - 18 years of age may enter and remain within the
25 licensed premises of a hotel, restaurant, or eating place in the course
26 of his employment if the employment does not require or involve the
27 serving, mixing, delivering, or dispensing of alcoholic beverages and if
28 the person has the written consent of a parent or guardian and an exemp-
29 tion by the Department of Labor for the employment.

1 (g) The board, with the approval of the governing body having
2 jurisdiction and at the licensee's request, may designate which premises
3 are restaurants or eating places for the purposes of this section.

4 (h) No adult accompanying a person under the age of 19 who is
5 seeking to enter and remain in a licensed premises under (c) of this
6 section may misrepresent having obtained the consent of the minor's
7 parent or guardian;

8 Sec. 04.16.050. POSSESSION OR CONSUMPTION BY MINORS. A person
9 under the age of 19 years may not consume, possess, or control alcoholic
10 beverages, excluding alcoholic beverages obtained in a manner lawful
11 under AS 04.16.160.

12 Sec. 04.16.060. PURCHASE BY MINORS. (a) No person under the age
13 of 19 years may attempt the purchase of alcoholic beverages or solicit
14 another to purchase on his behalf alcoholic beverages.

15 (b) No person may influence the sale, giving, or serving of an
16 alcoholic beverage to a person under the age of 19 years, by misrepre-
17 senting the age of that person.

18 (c) No person may order, request, receive, or procure an alcoholic
19 beverage from a licensee, his agent, employee, or another person, for
20 the purpose of selling, giving, or serving it to a person under the age
21 of 19 years.

22 (d) No person under the age of 19 years may enter a licensed
23 premises where alcoholic beverages are sold and offer or present to a
24 licensee, his agent, or employee a fraudulent or false certificate of
25 birth or other written evidence of age, which is not actually his own,
26 or may otherwise misrepresent his age, for the purpose of inducing the
27 licensee, his agent, or employee to sell, give, serve, or furnish alco-
28 holic beverages contrary to law.

29 Sec. 04.16.070. SALES ON ELECTION DAY. (a) It is unlawful to

1 give, barter, sell, consume, or dispose of alcoholic beverages within
2 licensed premises

3 (1) in the state on a day on which a statewide special,
4 primary, or general election is held for the purpose of voting for a
5 candidate for public office, until the polls have closed;

6 (2) in a political subdivision of the state on a day on which
7 a local option election or an election is held for the purpose of voting
8 for a candidate for public office, until the polls are closed.

9 (b) The governing body of a political subdivision of the state may
10 provide by ordinance that the provisions of (a) of this section do not
11 apply in the political subdivision when elections are being held.

12 Sec. 04.16.080. SALES AT SCHOOL EVENTS. It is unlawful to sell or
13 consume alcoholic beverages during a school event at the site of the
14 event.

15 Sec. 04.16.090. RESTRICTION AGAINST BOTTLE CLUBS. (a) No person
16 may maintain a place in which alcoholic beverages are received or kept,
17 or to which alcoholic beverages are brought, for consumption by members
18 of the public or of any club, corporation, or association, unless the
19 person is authorized to do so under this title.

20 (b) No person may keep, maintain, operate, or lease any premises
21 for the purpose of providing, for a consideration, a place for drinking
22 alcoholic beverages by members of the public or other persons, unless
23 the person is authorized to do so under this title.

24 (c) For the purposes of this section, "consideration" includes but
25 is not limited to cover charge, the sale of food, ice, mixers, or other
26 liquids used with alcoholic beverage drinks, or the furnishing of glass-
27 ware or other containers for use in the consumption of alcoholic
28 beverage drinks.

29 Sec. 04.16.100. RESTRICTION ON SIZE OF CONTAINERS. No person may

1 sell alcoholic beverages in 1/6 gallon or 1/10 gallon containers, nor
2 may a person sell alcoholic beverages in a container deceptively similar
3 in appearance to a container of a different volume. This section does
4 not apply to 1/10 gallon or 1/6 gallon containers sold in the state
5 before August 15, 1962.

6 Sec. 04.16.110. SALE OF POWDERED ALCOHOL PROHIBITED. No substance
7 having alcoholic content and intended for human consumption may be sold
8 in the state unless in liquid form.

9 Sec. 04.16.120. RESTRICTION ON REMOVAL OR INTRODUCTION OF ALCO-
10 HOLIC BEVERAGES FROM OR INTO LICENSED PREMISES. (a) It is unlawful for
11 a person to remove from a licensed premises alcoholic beverages which
12 have been sold or furnished for consumption only on the premises.

13 (b) It is unlawful for a person to bring an alcoholic beverage
14 into licensed premises for personal use or consumption by himself or
15 another person on the premises. This subsection does not apply to a
16 licensee, his agent, or employee in the regular course of employment.

17 Sec. 04.16.130. STOCK CONFINED TO LICENSED PREMISES. (a) Unless
18 authorized under AS 04.11.720 it is unlawful for a licensee to store
19 before sale elsewhere than on the premises indicated on his license any
20 stock of alcoholic beverages.

21 (b) This section does not apply to stocks of beer carried on a
22 delivery truck by a licensed wholesaler if carried for the purpose of
23 sale and delivery to persons licensed under this title in quantities of
24 not less than 10 wine gallons for each sale.

25 Sec. 04.16.140. SALE OR CONSUMPTION OF ALCOHOLIC BEVERAGES IN A
26 WAREHOUSE. Alcoholic beverages may not be sold or consumed on premises
27 approved for storage under AS 04.11.720.

28 Sec. 04.16.150. LICENSEE RESPONSIBLE. (a) No licensee may know-
29 ingly allow his agents or employees to violate this title.

1 (b) In this section, "knowingly" means to fail to act with actual
2 knowledge of the occurrence of violations or to fail to act with an
3 awareness of the substantial probability of the occurrence of viola-
4 tions, but does not include a failure to act with an actual belief that
5 violations do not occur.

6 (c) In this section, "allow" means a failure to act to insure that
7 the laws are observed.

8 Sec. 04.16.160. FURNISHING OF ALCOHOLIC BEVERAGE TO PERSONS UNDER
9 AGE OF 19. (a) No person may sell, barter, give, or deliver to a
10 person under the age of 19 years an alcoholic beverage.

11 (b) The prohibition contained in (a) of this section is inappli-
12 cable if alcoholic beverages are furnished by a parent to his own child,
13 a guardian to his ward, a spouse to his or her legal spouse, or a
14 licensed physician or nurse in giving medical treatment.

15 (c) Acts otherwise unlawful under AS 11.40.130 are not justified
16 under (b) of this section.

17 Sec. 04.16.170. SOURCE OF ALCOHOLIC BEVERAGES. (a) No licensee
18 may sell alcoholic beverages for consumption by the purchaser unless the
19 alcoholic beverages have been obtained from a person licensed under this
20 title.

21 (b) It is unlawful for a person transporting alcoholic beverages
22 into the state from outside the state to sell those alcoholic beverages
23 to a person not licensed under this title, unless the alcoholic bever-
24 ages are used for religious, industrial, pharmaceutical, or medical
25 purposes.

26 ARTICLE 2. PENALTIES AND FORFEITURES.

27 Sec. 04.16.180. PENALTIES FOR VIOLATION OF TITLE, REGULATION, AND
28 MUNICIPAL ORDINANCE. (a) Except as provided in AS 04.16.190 - 04.16.-
29 210, a person who violates a provision of this title or regulation

1 adopted by the board is guilty of a misdemeanor and, upon conviction, is
2 punishable by imprisonment for not more than one year, or by a fine of
3 not more than \$1,000, or by both. Each violation is a separate offense.

4 (b) Suspension and revocation of licenses ordered by the board
5 upon conviction of a licensee for violation of any law, regulation, or
6 ordinance arising out of the operation of a business licensed under this
7 title, or upon the conviction of a licensee's agent a employee of any
8 law, regulation or ordinance and the licensee is found to have knowingly
9 allowed or may be held to have knowingly allowed violations shall be as
10 follows:

11 (1) First violation: The license of the premises involved
12 may be suspended for not more than 45 days.

13 (2) Second violation: The license of the premises involved
14 may be suspended for not more than 90 days.

15 (3) Third violation: The license of the premises involved
16 may be revoked. The board may also order any cash or surety bonds
17 forfeited.

18 (c) For the purposes of this section, the terms "second violation"
19 and "third violation" include only those violations which occur within
20 five years of the first violation, but are not limited to repeated
21 violations of the same statutory provision or municipal ordinance.

22 (d) No provision of this section denies the board authority to
23 suspend or revoke a license when it is the board's determination that
24 the continuance of a license would be against the best interest of the
25 public health, safety, or welfare.

26 **Sec. 04.16.190. SALE IN VIOLATION OF LOCAL OPTION.** Notwithstand-
27 ing the penalties prescribed in AS 04.16.180, a person who unlawfully
28 sells or offers for sale an alcoholic beverage in an area where the
29 local option election has made these sales illegal is, upon conviction,

1 guilty of a misdemeanor and is punishable by imprisonment for not more
2 than one year, or by a fine of not more than \$5,000, or by both.

3 Sec. 04.16.200. UNLICENSED PERSONS. A person who violates AS 04.-
4 11.010 is, upon conviction, guilty of

5 (1) a misdemeanor and punishable by imprisonment for not more
6 than one year, or by a fine of not more than \$5,000, or by both;

7 (2) a felony and punishable by imprisonment for not more than
8 six years, or by a fine of not more than \$30,000, or by both, if, in
9 addition to the sale,

10 (A) the sale, barter, or giving was made to a person
11 under the age of 19 years;

12 (B) the person had previously been convicted under this
13 section.

14 Sec. 04.16.210. PENALTY FOR MAKING FALSE STATEMENT. If a false
15 statement is made in an application under AS 04.11.260, the applicant is
16 guilty of perjury and, upon conviction, is subject to the penalty pro-
17 vided by law for the crime of perjury.

18 Sec. 04.16.220. FORFEITURES. (a) The following are subject to
19 forfeiture:

20 (1) alcoholic beverages manufactured, sold, offered for sale
21 or possessed for sale, trafficked in, bartered or exchanged for goods
22 and services in this state in violation of AS 04.11.010; alcoholic
23 beverages stocked, warehoused, or otherwise stored in violation of
24 AS 04.11.720; alcoholic beverages sold or offered for sale in an area
25 where a local option election has made these sales illegal; alcoholic
26 beverages transported into the state and sold to persons not licensed
27 under this chapter in violation of AS 04.16.170(b);

28 (2) materials and equipment used in the manufacture, sale,
29 offer for sale or possession for sale, trafficking in, barter or ex-

1 change of alcoholic beverages for goods and services in this state in
2 violation of AS 04.11.010; materials and equipment used in the stocking,
3 warehousing, or storage of alcoholic beverages in violation of AS 04.-
4 11.720; materials and equipment used in the sale or offering for sale of
5 an alcoholic beverage in an area where the local option election has
6 made these sales illegal;

7 (3) conveyances used to transport, or in any manner used to
8 facilitate the transportation of alcoholic beverages manufactured, sold,
9 offered for sale or possessed for sale, bartered or exchanged for goods
10 and services in this state in violation of AS 04.11.010, including but
11 not limited to aircraft, vehicles, or vessels; conveyances used to
12 transport or in any manner facilitate transportation of property
13 stocked, warehoused, or otherwise stored in violation of AS 04.11.720,
14 including but not limited to aircraft, vehicles, or vessels; conveyances
15 used to transport or in any manner facilitate transportation of alco-
16 holic beverages sold or offered for sale in an area where a local option
17 election has made these sales illegal;

18 (4) alcoholic beverages found on licensed premises and not
19 bearing federal excise stamps.

20 (b) Property subject to forfeiture under this section may be
21 seized actually or constructively under an order issued by the superior
22 court upon a showing of probable cause that the property is subject to
23 forfeiture under (a) of this section. Constructive seizure is effected
24 upon posting a signed notice of seizure on the item, stating the viola-
25 tion and the date and place of seizure. Seizure without a court order
26 may be made if

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

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

1 (3) there is probable cause to believe that the property is
2 subject to forfeiture under (a) of this section; property seized under
3 this paragraph may not be held over 48 hours or until an order may be
4 applied for and issued by the court, whichever is earlier.

5 (c) Within 30 days of a seizure under this section the state shall
6 make reasonable efforts to ascertain the identity and whereabouts of any
7 person holding an interest or assignee of a person holding an interest
8 in the property seized, including a right to possession, a lien, mort-
9 gage, or conditional sales contract. The state shall notify any person
10 ascertained to have an interest in property seized of the impending
11 forfeiture, and before forfeiture the state shall publish, once a week
12 for four consecutive calendar weeks, a notice of the impending forfei-
13 ture in a newspaper of general circulation in the district in which the
14 seizure was made, or if no newspaper is published in that district, in a
15 newspaper published in the state and distributed in that district.

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

18 (1) upon conviction of a person under AS 04.11.010, 04.-
19 11.720, or AS 04.16.190;

20 (2) upon judgment of a court of competent jurisdiction in a
21 proceeding in rem that the property was used in a manner subjecting it
22 to forfeiture under (a) of this section.

23 (e) The owner of property subject to forfeiture under (a) of this
24 section is entitled to relief from the forfeiture in the nature of
25 remission of the forfeiture if in an action under (d) of this section
26 the owner shows that he was neither a party to the violation subjecting
27 the property to forfeiture nor had actual knowledge that the property
28 was used or was to be used in violation of the law.

29 (f) A person, other than the owner, holding or the assignee of a

1 lien, mortgage, conditional sales contract on, or the right to posses-
2 sion to property subject to forfeiture under (a) of this section is
3 entitled to relief from the forfeiture in the nature of remission of the
4 forfeiture if in an action under (d) of this section the person shows
5 that he was neither a party to the violation subjecting the property to
6 forfeiture nor had actual knowledge that the property was used or was to
7 be used in violation of the law.

8 (g) It is no defense in an in rem forfeiture action under (d)(2)
9 of this section that a criminal proceeding is pending or has resulted in
10 conviction or acquittal of a person charged with violating AS 04.11.010,
11 04.11.720, or AS 04.16.190.

12 (h) A bona fide wholesaler's bill of lading describing the pro-
13 perty may be asserted in defense to forfeiture of property subject to
14 forfeiture under (a)(4) of this section.

15 (i) Property forfeited under this section shall be placed in the
16 custody of the commissioner of public safety for disposition according
17 to any order entered by the court. The court shall order destroyed any
18 property forfeited under this section which is harmful to the public.
19 Other property shall be ordered sold and the proceeds used for payment
20 of proper expenses of the proceedings for forfeiture and sale, including
21 expenses of seizure, custody and court costs. The remainder of the
22 proceeds shall be deposited in the general fund.

23 * Sec. 4. AS 04 is amended by adding a new chapter to read:

24 CHAPTER 21. GENERAL PROVISIONS.

25 Sec. 04.21.010. GENERAL DEFINITIONS. In this title

26 (1) "alcoholic beverage" includes, but is not limited to,
27 whiskey, brandy, rum, gin, wine, ale, porter, beer, and all other spiri-
28 tous, vinous, malt and other fermented or distilled liquors intended for
29 human consumption and containing more than one per cent alcohol by

1 volume;

2 (2) "board" means the Alcoholic Beverage Control Board;

3 (3) "designated premises" means any or all so designated
4 portions of a building or structure, rooms or enclosures in the building
5 or structure, or real estate leased, used, controlled, or operated by a
6 licensee for the purpose for which the permit is issued by the board at
7 the location of the site for which the permit is issued;

8 (4) "director" means the executive officer of the Alcoholic
9 Beverage Control Board;

10 (5) "established village" means an unincorporated area where
11 at least 25 people permanently reside as a social unit and which boun-
12 daries are determined by the Department of Community and Regional
13 Affairs;

14 (6) "incorporated area" means the area encompassed within the
15 boundaries of a municipality;

16 (7) "licensed premises" means any or all so designated por-
17 tions of a building or structure, rooms or enclosures in the building or
18 structure, or real estate leased, used, controlled, or operated by a
19 licensee in the conduct of business for which he is licensed by the
20 board at the specific address for which the license is issued;

21 (8) "local governing body" means, as appropriate, a city
22 council, a borough assembly, or a traditional village council, but does
23 not include corporations established under the Native Claims Settlement
24 Act;

25 (9) "municipality" means an incorporated city, organized
26 borough, or unified municipality established under AS 29.68.240 - 29.-
27 68.440.

28 * Sec. 5. AS 09.35.087 is amended to read:

29 Sec. 09.35.087. EXEMPTION FOR LIQUOR LICENSES. In addition to the

1 exemptions set out in AS 09.35.080 and 09.35.085, the liquor license of
2 a judgment debtor is exempt from attachment, garnishment, and execution.

3 * Sec. 6. AS 12.55.025(a) is amended to read:

4 (a) When imposing a sentence of imprisonment exceeding 180 days
5 or for violation of AS 04, or a regulation adopted under AS 04 or an
6 ordinance adopted in conformity with AS 04.11.620, the court, shall
7 prepare, as a part of the record, a sentencing report which includes the
8 following:

9 (1) a verbatim record of the sentencing hearing and any other
10 in-court sentencing procedures;

11 (2) findings on material issues of fact and on factual ques-
12 tions required to be determined as a prerequisite to the selection of
13 the sentence imposed;

14 (3) a clear statement of the terms of the sentence imposed;
15 and

16 (4) recommendations as to the place of confinement or the
17 manner of treatment.

18 * Sec. 7. AS 12.55.025(b) is repealed and re-enacted to read:

19 (b) The sentencing report required under (a) of this section shall
20 be furnished within 30 days after imposition of sentence to the Depart-
21 ment of Law, the defendant, the division of corrections, the state Board
22 of Parole if the defendant will be eligible for parole, and the Alco-
23 holic Beverage Control Board if the defendant is convicted of a viola-
24 tion of AS 04 or a regulation adopted under AS 04.

25 * Sec. 8. AS 12.55.075 is amended to read:

26 Sec. 12.55.075. IMPOSITION OF SENTENCES. (a) In addition to any
27 other requirement of law relating to the imposition of sentences, at the
28 time of imposing sentence for the conviction of a felony or for viola-
29 tion of AS 04 or a regulation adopted under AS 04, the court shall

1 prepare a sentencing report as part of the record, to include the
2 following:

3 (1) a verbatim record of any sentencing hearing, including
4 statements made by witnesses, the prosecuting attorney, the defense
5 attorney, and the defendant;

6 (2) the reasons for selecting the particular sentence im-
7 posed;

8 (3) specific findings on all material issues of fact and on
9 all factual questions required as a prerequisite to the selection of the
10 sentence imposed;

11 (4) a precise statement of the terms of the sentence imposed,
12 and the purpose the sentence is intended to serve.

13 (b) The sentencing report required under (a) of this section shall
14 be furnished to the Department of Law, the defendant, the division of
15 corrections, [AND] the Alaska Parole Board, Department of Health and
16 Social Services, and, if the conviction is for a violation of AS 04, a
17 regulation adopted or an ordinance adopted in conformity with AS 04.11.-
18 620 under AS 04, the Alcoholic Beverage Control Board.

19 * Sec. 9. AS 39.25.110 is amended by adding a new paragraph to read:

20 (22) officers, agents, and employees of the Alcoholic Beverage
21 Control Board granted certain peace officer powers by the Alcoholic
22 Beverage Control Board under AS 04.06.110.

23 * Sec. 10. AS 04.05, AS 04.10, AS 04.15, AS 04.20, and AS 44.62.330(17)
24 are repealed.

25 * Sec. 11. Notwithstanding the provisions of this Act, members of the
26 Alcoholic Beverage Control Board on the effective date of this Act continue
27 in office until the expiration of their terms.

28 * Sec. 12. Section 8 of this Act terminates on December 31, 1979.

29 * Sec. 13. Sections 6 and 7 of this Act take effect January 1, 1980.