

Original sponsor: Rules Committee (for Title 4  
Code Revision Committee)

Offered: 5/28/80  
Referred: Rules

1 IN THE SENATE BY THE JUDICIARY COMMITTEE  
2 HOUSE CS FOR CS FOR SPONSOR SUBSTITUTE FOR SENATE BILL NO. 239  
3 IN THE LEGISLATURE OF THE STATE OF ALASKA  
4 ELEVENTH LEGISLATURE - SECOND SESSION  
5 A BILL

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

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

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

10 CHAPTER 06. ALCOHOLIC BEVERAGE CONTROL BOARD.

11 Sec. 04.06.010. ESTABLISHMENT OF BOARD. The Alcoholic Beverage  
12 Control Board is established as a regulatory and quasi-judicial agency.  
13 The board is in the Department of Revenue, but for administrative pur-  
14 poses 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. No three members of the  
23 board may be engaged in the same business, occupation, or profession.

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

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

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

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

4           Sec. 04.06.050. MEETINGS. The board shall meet at the call of the  
5 chairman. The board shall also meet at least once each year in each  
6 judicial district of the state to study this title and to modify exist-  
7 ing board regulations in light of statewide and local problems.

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

15           Sec. 04.06.070. APPOINTMENT AND REMOVAL OF DIRECTOR. The governor  
16 shall appoint a director to serve as the executive officer of the board.  
17 The board may remove the director at its pleasure, and the governor may  
18 remove the director for misconduct, misfeasance or malfeasance in office.  
19 The governor may not remove the director unless the director is given a  
20 copy of the charges against him and afforded an opportunity to be  
21 publicly heard, in person or by counsel, in his own defense upon at  
22 least 10 days notice. If the director is removed for cause, the governor  
23 shall file with the lieutenant governor a complete statement of all  
24 charges made against the director and the findings based on the charges,  
25 together with a complete record of any hearing.

26           Sec. 04.06.075. AUTHORITY OF DIRECTOR. The director shall enforce  
27 this title and regulations adopted by the board.

28           Sec. 04.06.080. DELEGATION OF AUTHORITY. The director shall  
29 issue, renew, transfer, suspend, or revoke all licenses and permits at

1 the direction of the board. However, notwithstanding AS 04.11.070, the  
2 board may delegate authority to the director to temporarily grant or  
3 deny the issuance, renewal, or transfer, of licenses and permits. The  
4 director's temporary grant or denial of the issuance, renewal, or trans-  
5 fer of a license or permit is not binding on the board. The board may  
6 delegate to the director any duty imposed by this title except its power  
7 to propose and adopt regulations.

8 Sec. 04.06.090. POWERS AND DUTIES. (a) The board shall control  
9 the manufacture, barter, and sale of alcoholic beverages in the state.  
10 The board is vested with the powers, duties, and responsibilities neces-  
11 sary for the control of alcoholic beverages, including the power to  
12 propose and adopt regulations and to hear appeals from actions of the  
13 director, and from actions of officers and employees charged with en-  
14 forcing the alcoholic beverage control laws and the regulations of the  
15 board.

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

19 (c) When considering an application, the board may reduce the area  
20 to be designated the licensed premises below the area applied for when,  
21 in the judgment of the board, a reduction in area is necessary to insure  
22 control over the sale and consumption of alcoholic beverages on the  
23 premises or is otherwise in the best interests of the public.

24 (d) The board may employ, directly or through contracts with other  
25 departments and agencies of the state, enforcement agents and staff it  
26 considers necessary to carry out the purposes of this title. The  
27 salaries of personnel of the board in the exempt service shall be set by  
28 the Department of Administration.

29 (e) The board shall promptly notify all licensees and municipali-

1 ties of major changes to this title and to regulations adopted under  
2 this title. However, if changes only affect specific classifications of  
3 licenses and permits, the board need only notify those licensees and  
4 municipalities directly affected by the changes. Current copies of this  
5 title and current copies of the regulations adopted under it shall be  
6 made available at all offices of the Department of Revenue and the  
7 detachment headquarters and posts maintained by the division of Alaska  
8 state troopers, Department of Public Safety, in the state.

9 Sec. 04.06.100. REGULATIONS. (a) The board shall adopt regula-  
10 tions governing the manufacture, barter, sale, consumption, and posses-  
11 sion of alcoholic beverages in the state which are consistent with this  
12 title and necessary to carry out the purpose of this title in a manner  
13 that will protect the public health, safety, and welfare. The regula-  
14 tions shall be adopted in accordance with the Administrative Procedure  
15 Act (AS 44.62).

16 (b) The subjects covered by regulations adopted under (a) of this  
17 section may include, but are not limited to, the following matters:

18 (1) employment, conduct, and duties of the director and of  
19 regular and contractual employees of the board;

20 (2) procedures for the issuance, denial, renewal, transfer,  
21 revocation, and suspension of licenses and permits;

22 (3) terms and conditions of licenses and permits issued;

23 (4) fees for licenses and permits issued for which no fees  
24 are prescribed by statute;

25 (5) conduct of regular and special meetings of the board;

26 (6) delegation to the director of routine administrative  
27 functions and powers;

28 (7) the temporary granting or denial of issuance, transfer,  
29 and renewal of licenses;

1 (8) manner of giving any notice required by law or regulation  
2 when not provided for by statute;

3 (9) requirements relating to the qualifications of licensees,  
4 the conditions upon which a license may be issued, the accommodations of  
5 licensed premises, and board inspection of those premises;

6 (10) making of reports by wholesalers;

7 (11) purchase of fidelity bonds by the state for the director  
8 and the employees of the board;

9 (12) prohibition of possession of alcoholic beverages by  
10 intoxicated persons and by minors on licensed premises;

11 (13) required reports from corporations licensed under this  
12 title, including reports of stock ownership and transfers and changes of  
13 officers and directors;

14 (14) creation of classifications of licenses or permits not  
15 provided for in this title;

16 (15) establishment and collection of fees to be paid on appli-  
17 cation for a license or permit.

18 Sec. 04.06.110. PEACE OFFICER POWERS. The director and the per-  
19 sons employed for the administration and enforcement of this title may,  
20 with the concurrence of the commissioner of public safety, exercise the  
21 powers of peace officers when those powers are specifically granted by  
22 the board. Powers granted by the board under this section may be exer-  
23 cised only when necessary for the enforcement of the criminally punish-  
24 able provisions of this title, regulations of the board, and other  
25 criminally punishable laws and regulations governing the manufacture,  
26 barter, sale, consumption, and possession of alcoholic beverages in the  
27 state.

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

29 CHAPTER 11. LICENSING.

1                   ARTICLE 1. LICENSING AND REPORTING REQUIREMENTS.

2                   Sec. 04.11.010. LICENSE OR PERMIT REQUIRED. (a) Except as pro-  
3                   vided in AS 04.11.020, a person may not manufacture, sell, offer for  
4                   sale, possess for sale or barter, traffic in, or barter an alcoholic  
5                   beverage unless under license or permit issued under this title.

6                   (b) A person may not solicit or receive orders for the delivery of  
7                   an alcoholic beverage in an area where the results of a local option  
8                   election have, under AS 04.11.490 - 04.11.502, prohibited the board from  
9                   issuing, renewing or transferring any licenses or permits under this  
10                  title, unless the person is licensed under this title and the order is  
11                  actually received by that person from the purchaser of the alcoholic  
12                  beverage. A person who violates this subsection is punishable upon  
13                  conviction under AS 04.16.200(a) or (b).

14                  Sec. 04.11.020. EXCEPTIONS: LICENSE OR PERMIT NOT REQUIRED. (a)  
15                  A license or permit is not required to authorize sales made by a person  
16                  under a judgment and decree of foreclosure, under the bankruptcy law of  
17                  the United States (11 U.S.C. 1101 et seq), or under order of the board  
18                  or a court under AS 04.16.220.

19                  (b) A license or permit is not required to serve alcoholic bever-  
20                  ages in exchange for valuable contributions at a private gathering of a  
21                  bona fide group of co-workers or of a professional, social, or fraternal  
22                  organization if equal contributions are made by all in attendance and  
23                  only the amount required to purchase the alcoholic beverages is contri-  
24                  buted. All other applicable provisions of this title and regulations  
25                  under this title shall be observed at these private gatherings.

26                  Sec. 04.11.030. DEATH OF LICENSEE. (a) The executor or adminis-  
27                  trator of the estate of a person who was operating a business as a sole  
28                  licensee under a license authorized by this title may continue to oper-  
29                  ate the licensed business until an application for transfer of a license

1 to another person is approved or until the license is forfeited under  
2 (b) of this section.

3 (b) If an application for the transfer of ownership of a license  
4 from the deceased licensee is not made within 90 days of the death of  
5 the licensee or within an additional 90 days if an application for  
6 transfer of ownership made by the executor is denied, or no petition is  
7 made to the board for an extension of time under (c) of this section  
8 within that time, the license shall be forfeited.

9 (c) The board may extend the time limits in (b) of this section on  
10 petition of the executor or administrator.

11 (d) This section does not authorize the transfer of a liquor  
12 license by an administrator or executor to the estate of a decedent.

13 (e) The board may transfer a license to an executor or adminis-  
14 trator only in the executor's or administrator's individual capacity.

15 Sec. 04.11.040. BOARD APPROVAL OF TRANSFERS. (a) A license  
16 issued under this title may not be transferred to another person except  
17 with the written consent of the board.

18 (b) A license or permit issued under this title may not be trans-  
19 ferred to a new location except with the written consent of the board.

20 (c) A person may not receive or transfer controlling interest in a  
21 liquor license issued to a corporation under this title except with the  
22 written consent of the board.

23 Sec. 04.11.050. REPORTS REQUIRED OF CORPORATIONS. (a) A corpora-  
24 tion issued a license under this title shall report to the board when 10  
25 per cent or more of its corporate stock is transferred and shall also  
26 report any change in its corporate officers or in the membership of its  
27 board of directors.

28 (b) The report to the board shall be made in writing in duplicate  
29 and must be sent within 10 days after the transfer of the stock or the

1 change in officers or directors.

2 (c) This section does not apply to a corporation whose stock is  
3 listed on a stock exchange, a corporation which is required by law to  
4 file periodic reports with the United States Securities Exchange Commis-  
5 sion, or to a bank, trust company, financial institution, or title  
6 company to which a license is issued in a fiduciary capacity.

7 Sec. 04.11.060. NONRESIDENT DISTILLER, BREWER, WINERY OR WHOLE-  
8 SALER. A distiller, brewer, winery or wholesaler whose plant or prin-  
9 cipal place of business is outside the state may not sell products  
10 directly to licensees in the state without

11 (1) obtaining a general wholesale license under AS 04.11.-  
12 160(a) for each wholesale distributing point in the state;

13 (2) appointing an agent upon whom process can be served; and

14 (3) obtaining other applicable licenses under the provisions  
15 of this title.

16 Sec. 04.11.070. POWER LIMITED TO THE BOARD. Only the board may  
17 issue, renew, transfer, suspend, or revoke a license under this title.

18 ARTICLE 2. LICENSES AND PERMITS.

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

21 (1) beverage dispensary license;

22 (2) duplicate beverage dispensary license for additional

23 rooms;

24 (3) restaurant or eating place license;

25 (4) club license;

26 (5) bottling works license;

27 (6) brewery license;

28 (7) package store license;

29 (8) general wholesale license;

- 1 (9) wholesale malt beverage and wine license;
- 2 (10) distillery license;
- 3 (11) common carrier dispensary license;
- 4 (12) retail stock sale license;
- 5 (13) recreational site license;
- 6 (14) pub license;
- 7 (15) winery license;
- 8 (16) caterer's permit;
- 9 (17) special events permit;
- 10 (18) conditional contractor's permit.

11 Sec. 04.11.090. BEVERAGE DISPENSARY LICENSE. (a) A beverage  
12 dispensary license authorizes the holder to sell or serve on the li-  
13 censed premises alcoholic beverages for consumption on the licensed  
14 premises only.

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

16 (c) An applicant for a beverage dispensary license must file  
17 with the application a cash bond or a surety bond executed by a surety  
18 company approved by the board. The bond shall be in the sum of \$2,500.  
19 Upon revocation of the license under AS 04.11.370(4), the bond shall  
20 be forfeited and the amount deposited in the general fund of the  
21 state.

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

27 (e) A holder of a beverage dispensary license may not maintain  
28 upon the licensed premises more than one room in which there is regu-  
29 larly maintained a fixed counter or service bar at which alcoholic

1 beverages are sold or served to members of the public for consumption  
2 unless he is issued by the board, after investigation, a duplicate of  
3 the original license for each of the rooms. The holder of the beverage  
4 dispensary license shall pay to the board with each application for a  
5 duplicate license an amount equal to the fee payable for the original  
6 beverage dispensary license under (b) of this section. If the licensed  
7 premises are located within a municipality, a duplicate beverage dis-  
8 pensary license may not be issued unless approved by the council or  
9 assembly, as appropriate.

10 (f) The area designated as the licensed premises under a beverage  
11 dispensary license issued to a bowling alley may include the concourse  
12 or lane areas of the bowling alley. Notwithstanding AS 04.16.049, the  
13 board may, upon application, authorize access by persons under 19 years  
14 of age to the concourse or lane areas designated part of the bowling  
15 alley's licensed premises during hours when no alcoholic beverages are  
16 being sold, served, or consumed.

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

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

23 (c) A license may be issued under this section only if the sale  
24 and service of food and alcoholic beverages and any other business  
25 conducted on the licensed premises of the restaurant or eating place is  
26 under the sole control of the licensee.

27 (d) The annual fee for a restaurant or eating place license is  
28 \$300.

29 Sec. 04.11.110. CLUB LICENSE. (a) A club license authorizes a

1 club or organization to sell alcoholic beverages for consumption only on  
2 the licensed premises.

3 (b) A club license may only be issued to a club, fraternal organi-  
4 zation, patriotic organization, or social organization chartered by a  
5 state or national organization for a period of two consecutive years  
6 before application for a license under this section. The organization  
7 licensed under this section must be operated for social, recreational,  
8 political, benevolent or athletic purposes and not for profit. A club  
9 license may only be issued to an organization if none of the income  
10 from the sale of alcoholic beverages is distributed to its members,  
11 directors, or officers. Soliciting of public patronage of the club  
12 premises except as approved by the board is a violation of this section.

13 (c) The annual club license fee is \$600.

14 (d) Alcoholic beverages sold under a club license may be purchased  
15 only by (1) members of the club and their families, (2) widows or  
16 widowers of deceased members who have been accorded club privileges, and  
17 (3) military personnel in uniform on active duty who are extended the  
18 privilege by patriotic organizations upon special occasions. Alcoholic  
19 beverages may be purchased only in the portion of the club rooms which  
20 are part of the licensed premises.

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

25 (f) Alcoholic beverages purchased by a club or organization li-  
26 censed under this section may not be used or consumed off the licensed  
27 premises of the club or organization by any person, including club  
28 members and employees.

29 (g) Notwithstanding AS 04.16.049, the board may authorize access

1 by persons under 19 years of age to a club's licensed premises during  
2 hours when no alcoholic beverages are sold, served or consumed.

3 (h) In this section, "member" means a holder of paid-up membership  
4 entitling the holder to all voting rights and privileges of membership  
5 under the constitution or bylaws of the club or organization.

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

9 (b) A sale under a bottling works license may be made only to a  
10 person licensed under this title and only in quantities of more than  
11 five wine gallons.

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

13 Sec. 04.11.130. BREWERY LICENSE. (a) A brewery license autho-  
14 rizes the holder to operate a brewery where beer is manufactured and  
15 bottled or barreled for sale.

16 (b) A brewery license authorizes the holder to sell beer in  
17 quantities of more than five wine gallons to persons licensed to sell  
18 beer under this title.

19 (c) The holder of a brewery license may permit a person to sample  
20 small portions of the brewery's product free of charge unless prohibited  
21 by AS 04.16.030.

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

23 Sec. 04.11.140. WINERY LICENSE. (a) A winery license authorizes  
24 the holder to operate a winery where wine is manufactured and bottled or  
25 barreled for sale.

26 (b) A winery license authorizes the holder to sell wine to persons  
27 licensed under this title in quantities of more than five wine gallons.

28 (c) The holder of a winery license may permit a person to sample  
29 small portions of the wine on the premises free of charge unless pro-

1 hibited by AS 04.16.030.

2 (d) The annual winery license fee is \$250.

3 Sec. 04.11.150. PACKAGE STORE LICENSE. (a) A package store  
4 license authorizes the holder to sell alcoholic beverages to a person in  
5 response to a verbal solicitation for purchase received from the person  
6 present on the licensed premises or in response to a written sollicita-  
7 tion made by a person known to the licensee for a purchase to be re-  
8 ceived by the person making the solicitation.

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

10 (c) The holder of a package store license may not sell alcoholic  
11 beverages requiring Internal Revenue strip stamps unless the stamps are  
12 intact on the packages.

13 (d) The consumption of alcoholic beverages on premises licensed  
14 under this section is prohibited.

15 (e) The business premises occupied by a holder of a package store  
16 license may not be connected by a door, opening, or other means of  
17 passage intended for the access of the general public to an adjacent  
18 retail business not licensed under this title.

19 (f) When the holder of a package store license is also a holder of  
20 a beverage dispensary license and the package store premises are con-  
21 tained within or are adjacent to the premises of the beverage dispensary  
22 and the only public entrance to the package store is by a door or other  
23 means within the premises of the beverage dispensary, the board shall  
24 determine if additional entrances to the package store are necessary for  
25 enforcement purposes, to meet health and fire safety standards, or for  
26 the convenience of the public.

27 (g) "Business premises" means that part of the licensed premises  
28 to which the public has access.

29 Sec. 04.11.160. WHOLESALE LICENSES. (a) A general wholesale

1 license authorizes the holder to sell alcoholic beverages in the origi-  
 2 nal package, and wine in bulk, in quantities of not less than five  
 3 gallons. A holder of a general wholesale license may not sell to a  
 4 person not licensed under this title, except as provided in AS 04.21.-  
 5 040. A holder of a general wholesale license may not sell alcoholic  
 6 beverages requiring Internal Revenue strip stamps unless the alcoholic  
 7 beverages have the stamps intact on the package. A wholesaler must  
 8 obtain a general wholesale license for each distributing point. The  
 9 annual general wholesale license fee is \$1,000 for the first \$100,000 of  
 10 business transacted, payable at the time of making an original applica-  
 11 tion or an application for renewal. In addition, the following annual  
 12 fees shall be paid by a holder of a general wholesale license:

Business Transacted During Year	Fee
over \$100,000 and not over \$150,000 .....	\$ 500
over \$150,000 and not over \$200,000 .....	\$ 1,000
over \$200,000 and not over \$250,000 .....	\$ 1,500
over \$250,000 and not over \$300,000 .....	\$ 2,000
over \$300,000 and not over \$350,000 .....	\$ 2,500
over \$350,000 and not over \$400,000 .....	\$ 3,000
over \$400,000 and not over \$500,000 .....	\$ 4,000
over \$500,000 and not over \$600,000 .....	\$ 5,000
over \$600,000 and not over \$700,000 .....	\$ 6,000
over \$700,000 and not over \$800,000 .....	\$ 7,000
over \$800,000 and not over \$1,000,000 .....	\$ 9,000
over \$1,000,000 .....	\$10,000

26 (b) A wholesale malt beverage and wine license authorizes the  
 27 holder to sell malt beverages and wine in the original packages in  
 28 quantities of not less than five wine gallons. The holder of a whole-  
 29 sale malt beverage and wine license may not sell to a person not

1 licensed under this title except as provided in AS 04.21.040. The  
2 annual wholesale malt beverage and wine license fee is \$200 for the  
3 first \$20,000 of business transacted during a year, payable at the time  
4 of making an original application or application for renewal. In addi-  
5 tion, the following annual fees shall be paid by a holder of a wholesale  
6 malt beverage and wine license:

7 Business Transacted During Year	Fee
8 over \$20,000 and not over \$50,000 .....	\$ 300
9 over \$50,000 and not over \$100,000 .....	\$ 1,000
10 over \$100,000 and not over \$150,000 .....	\$ 1,500
11 over \$150,000 and not over \$200,000 .....	\$ 2,000
12 over \$200,000 and not over \$400,000 .....	\$ 4,000
13 over \$400,000 and not over \$600,000 .....	\$ 6,000
14 over \$600,000 and not over \$800,000 .....	\$ 8,000
15 over \$800,000 .....	\$10,000

16 (c) In this section, the "total business transacted" means the  
17 total value of business transacted by the wholesale business, including  
18 the excise tax imposed by AS 43.60.010.

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

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

29 Sec. 04.11.170. DISTILLERY LICENSE. (a) A distillery license

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authorizes the holder to operate a distillery where alcoholic beverages are distilled and bottled or barreled for sale.

(b) A distillery license authorizes the holder to sell alcoholic beverages to persons licensed under this chapter in quantities of more 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 beverages for consumption aboard a vehicle, boat, aircraft, or railroad buffet car licensed by a state or federal agency for passenger travel.

(b) The annual fee for a common carrier dispensary license is \$350 for each vehicle, boat, aircraft, or railroad buffet car in which alcoholic beverages are served.

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

(b) A sale by a holder of a retail stock sale license may only be in quantities of five wine gallons or more per sale and may only be to persons licensed under this chapter.

(c) The retail stock sale license shall be issued for a period of 90 days from the expiration or forfeiture of the package store license and is not renewable.

(d) The retail stock sale license shall be issued only if the owner of the package store business does not have a current package store license. However, if the owner had a package store license which was suspended or revoked, the retail stock sale license may not be issued.

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

1           Sec. 04.11.210. RECREATIONAL SITE LICENSE. (a) The holder of a  
2 recreational site license may sell beer and wine at a recreational site  
3 during and one hour before and after a recreational event which is not a  
4 school event, for consumption on designated areas at the site.

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

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

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

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

14           (c) A pub license may not be issued or renewed without the written  
15 approval of the governing body of the college or university.

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

17           (e) In this section, an "accredited college or university" means a  
18 college or university accredited by the Northwest Association of Sec-  
19 dary and Higher Schools.

20           Sec. 04.11.230. CATERER'S PERMIT. (a) A caterer's permit autho-  
21 rizes the holder of a beverage dispensary license to sell or dispense  
22 alcoholic beverages at conventions, picnics, social gatherings, sporting  
23 events, or similar affairs held off the holder's licensed premises. The  
24 permit may only be issued for designated premises for a specific occa-  
25 sion and for a limited period of time.

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

29           (c) A caterer's permit may not be transferred or renewed.

1 (d) A caterer's permit must be surrendered to the board, its  
2 agent, or the law enforcement agency approving the permit within 48  
3 hours of its expiration time. Failure to surrender the permit is cause,  
4 in the discretion of the board, for denial of applications for permits  
5 made in the future by the permittee.

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

8 Sec. 04.11.240. SPECIAL EVENTS PERMIT. (a) A special events  
9 permit authorizes the holder to sell or dispense beer or wine for con-  
10 sumption at designated premises for a specific occasion and limited  
11 period of time. Only nonprofit fraternal, civic, or patriotic organiza-  
12 tions active for a period of at least two years before application and  
13 incorporated under AS 10.20 are eligible for a special events permit,  
14 and only if all profits derived from the sale of beer or wine are paid  
15 to the organization and not to an individual.

16 (b) An application for a special events permit must be received in  
17 the main office of the board at least 10 days before the date for which  
18 the permit is requested. The application must be signed by both the  
19 president and secretary of the organization applying for the permit. A  
20 sworn affidavit showing the length of time the organization has been in  
21 existence must accompany the application, together with a certified copy  
22 of the resolution of the board of directors authorizing the application.  
23 The written approval of the law enforcement agency having jurisdiction  
24 over the designated premises of the occasion for which the permit is  
25 sought must also be obtained and accompany the application.

26 (c) The special events permit must be surrendered to the board,  
27 its agent, or the law enforcement agency approving the permit, within 48  
28 hours of its expiration time. Failure to surrender the permit is cause,  
29 in the discretion of the board, for denial of applications for permits

1 made in the future by the organization. No more than five special  
2 events permits may be granted to an organization, including its auxili-  
3 ary, in any one calendar year.

4 (d) A special events permit may not be transferred or renewed.

5 (e) The fee for a special events permit is \$50 a day.

6 Sec. 04.11.250. CONDITIONAL CONTRACTOR'S PERMIT. (a) A condi-  
7 tional contractor's permit authorizes the holder to sell beer or wine  
8 for consumption and sale only on designated premises for one year from  
9 the date of issuance of the permit at construction sites which are  
10 located outside a city and inside the boundaries of a military or naval  
11 reservation.

12 (b) An applicant for a conditional contractor's permit must obtain  
13 and file with the board written permission from the commanding officer  
14 of the military or naval reservation and the prime contractor of the  
15 remotely situated project for the conduct of the activities authorized  
16 by the permit. A conditional contractor's permit may be renewed annu-  
17 ally upon reapplication for a permit and may be revoked or suspended at  
18 the discretion of the commanding officer or the prime contractor.

19 (c) A conditional contractor's permit may not be transferred and  
20 is not valid after the completion of the holder's contract or the clos-  
21 ing of the military or naval reservation.

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

23 ARTICLE 3. APPLICATION FOR LICENSE OR PERMIT.

24 Sec. 04.11.260. APPLICATION FOR NEW LICENSE OR PERMIT. (a) An  
25 applicant for a new license or permit shall file with the director a  
26 written application, signed and sworn to by the applicant, giving his  
27 name and address. If the applicant is a corporation, the application  
28 shall be executed by the authorized officers of the corporation. The  
29 application shall include:

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(1) the type of license or permit desired;

(2) a description of the premises for which the license or permit is desired, giving the address by street and number, or other information, so that the location of the premises can be definitely determined;

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

(4) the license fee;

(5) the duration of the license or permit desired;

(6) any other information required by the board.

(b) A corporation applying for a license or permit shall provide the names and addresses of the president, vice-president, secretary, managing officer, and all stockholders who own 10 percent or more of the stock in the corporation, together with any other information required by the board.

(c) An applicant for a new license or permit must include with his application

(1) proof that notice required by AS 04.11.310 has been given;

(2) any petitions required to be secured under AS 04.11.460 before a license may be issued;

(3) evidence of any approval by public authorities required to be obtained under AS 04.11.090(e), 04.11.220(c), 04.11.230(b), 04.-11.240(b), or 04.11.250(b), before a license may be issued.

Sec. 04.11.270. APPLICATION FOR RENEWAL OF LICENSE OR PERMIT. (a) Each application for renewal of a license or renewal of a conditional contractor's permit shall include:

(1) the information required for a new license under AS 04.-11.260 except that proof of notice under AS 04.11.310 is not required; and

1 (2) a list of all convictions of the applicant of violations  
2 of this title, a regulation adopted under this title, or an ordinance  
3 adopted under AS 04.21.010, which occurred in the preceding year.

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

5 (1) On or before November 1 of each year, the director shall  
6 mail an application to renew the license to each licensee at his li-  
7 censed premises or at a mailing address furnished by the licensee.

8 (2) An application to renew a license may be filed on or  
9 before December 31 and shall be accompanied by the annual fee required  
10 for the license. An application to renew the license may be filed after  
11 December 31 and on or before February 28 if accompanied by the annual  
12 fee for the license, plus a penalty equal to the annual fee or \$100,  
13 whichever is less.

14 Sec. 04.11.280. APPLICATION FOR TRANSFER OF A LICENSE TO ANOTHER  
15 PERSON. (a) An application for transfer of a license to another person  
16 shall contain the same information about the transferee as is required  
17 of an applicant for a new license under AS 04.11.260 and shall include  
18 other information required by the board.

19 (b) An application for the transfer of a license to another person  
20 shall be accompanied by a statement, under oath, executed by the trans-  
21 feror, listing all debts of the business and all taxes due by the busi-  
22 ness. The board shall promptly inform each listed creditor of the  
23 application and the amount shown as owed to that creditor.

24 Sec. 04.11.290. APPLICATION FOR TRANSFER OF LICENSE LOCATION. An  
25 application for a transfer of a license to a new location shall contain  
26 the information required by the board and shall be accompanied by proof  
27 that the notice required in AS 04.11.310 has been given and by any peti-  
28 tions required to be secured under AS 04.11.460 before a license may be  
29 transferred.

1           Sec. 04.11.300. STATE TROOPER INVESTIGATION. The state troopers  
2 shall assist the director in the investigation of applicants for new  
3 licenses and applicants for the transfer of existing licenses before the  
4 applications are considered by the board.

5           Sec. 04.11.310. NOTICE OF APPLICATION. Before a new license is  
6 issued, or transfer of location or transfer of a license to another  
7 person is approved, the applicant must post a copy of the application  
8 for 10 days at the location of the proposed licensed premises and at any  
9 additional locations designated by the board. The board may require the  
10 applicant (1) to provide a copy of the application to newspapers, radio  
11 and television stations for public service announcement or (2) to pro-  
12 vide paid notice of the application once each week for three successive  
13 weeks in a newspaper or by radio. The notice required in this subsec-  
14 tion shall be in more than one language when the board decides it is  
15 necessary.

16                   ARTICLE 4. DENIAL, SUSPENSION, OR REVOCATION  
17                                   OF LICENSES AND PERMITS.

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

20                   (1) the board finds, after review of all relevant informa-  
21 tion, that issuance of the license would not be in the best interests of  
22 the public;

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

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

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

1 (5) issuance of the license is prohibited under this title as  
2 a result of an election conducted in accordance with AS 04.11.490 -  
3 04.11.508;

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

7 (7) the licensed premises are to be located in a first or  
8 second class city, the type of license sought is a beverage dispensary  
9 or package store license, and the type of license sought is already held  
10 by the city, unless the new license is to become effective after the  
11 license held by the city is no longer effective, whether as the result  
12 of a local option election or otherwise;

13 (8) a first or second class city is to be the holder of the  
14 license, if the license sought is a beverage dispensary or package store  
15 license and the licensed premises will be located in a city where the  
16 type of license sought is already held by a private licensee, unless the  
17 new license is to become effective after the privately held license is  
18 no longer effective, whether as the result of a local option election or  
19 otherwise;

20 (9) issuance of the license is prohibited under AS 04.11.-  
21 400(a) or prohibition of issuance is found necessary under AS 04.11.-  
22 400(f);

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

25 (11) the license is sought for the sale of alcoholic beverages  
26 on premises to be located in a first or second class city in which there  
27 are no licensed premises at the time of application unless a majority of  
28 the voters in a local option election conducted in accordance with  
29 AS 04.11.504 have voted "no" on the question set out in AS 04.11.490, or

1 have voted "yes" on a question set out in AS 04.11.492 or 04.11.502;

2 (12) the license is sought for the sale of alcoholic beverages  
3 on premises to be located in an established village in which there are  
4 no licensed premises at the time of application unless a majority of the  
5 voters in a local option election conducted in accordance with AS 04.11.-  
6 504 have voted "no" on the question set out in AS 04.11.490 or have  
7 voted "yes" on the question set out in AS 04.11.502.

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

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

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

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

17 (4) the permit is sought for the sale of alcoholic beverages  
18 on premises to be located in a first or second class city or established  
19 village in which there are no licensed premises at the time of applica-  
20 tion unless a majority of the voters in a local option election con-  
21 ducted in accordance with AS 04.11.504 have voted "no" on the question  
22 set out in AS 04.11.490.

23 Sec. 04.11.330. DENIAL OF LICENSE OR PERMIT RENEWAL. (a) An  
24 application requesting renewal of a license shall be denied if

25 (1) the board finds, after review of all relevant informa-  
26 tion, that renewal of the license would not be in the best interests of  
27 the public;

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

29 (3) the applicant has not operated the licensed premises for

1 at least 30 eight-hour days during the immediately preceding calendar  
2 year, unless the board determines that the licensed premises are under  
3 construction or cannot be operated through no fault of the applicant;

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

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

9 (6) renewal of the license would violate the restrictions  
10 pertaining to the particular license under this title;

11 (7) renewal of the license is prohibited under this title as  
12 a result of an election conducted in accordance with AS 04.11.490 - 04.-  
13 11.508;

14 (8) the application has not been completed in accordance with  
15 AS 04.11.270.

16 (b) An application for renewal of a license may be denied if the  
17 applicant is delinquent in the payment of taxes if the tax liability  
18 arises in whole or in part out of the licensed business.

19 (c) An application requesting renewal of a conditional contrac-  
20 tor's permit shall be denied if

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

24 (2) the application has not been completed in accordance with  
25 AS 04.11.270.

26 Sec. 04.11.340. DENIAL OF TRANSFER OF LOCATION. An application  
27 requesting approval of a transfer of location of licensed premises shall  
28 be denied if

29 (1) the board finds, after review of all relevant informa-

1 tion, that transfer of location of the license would not be in the best  
2 interests of the public;

3 (2) the transfer of location of the license is prohibited  
4 under AS 04.11.400(a) or prohibition of transfer is found necessary  
5 under AS 04.11.400(f);

6 (3) the license would be transferred out of the election  
7 district within which it was originally issued, unless the election  
8 district into which the license would be transferred is within the  
9 incorporated city, organized borough or unified municipality within  
10 which the license was originally issued;

11 (4) transfer of ownership is to be made concurrently with the  
12 transfer of the location of the licensed premises and a ground for  
13 denial of the transfer of ownership under AS 04.11.360 is presented;

14 (5) the application has not been completed in accordance with  
15 AS 04.11.290;

16 (6) transfer of location of the license would result in  
17 violation of a local zoning law;

18 (7) transfer of location of the license would violate the  
19 restrictions pertaining to the particular license imposed by this title;

20 (8) transfer of location of the license is prohibited under  
21 this title as a result of an election conducted in accordance with  
22 AS 04.11.490 - 04.11.508;

23 (9) the licensed premises are to be located in a first or  
24 second class city, the type of license sought to be transferred is a  
25 beverage dispensary or package store license, and the type of license  
26 sought to be transferred is already held by the city, unless the transfer  
27 is to become effective after the license held by the city is no longer  
28 effective, whether as the result of a local option election or otherwise.

29 Sec. 04.11.360. DENIAL OF TRANSFER OF A LICENSE TO ANOTHER PERSON.

1 An application requesting approval of a transfer of a license to another  
2 person under this title shall be denied if

3 (1) the board finds, after review of all relevant informa-  
4 tion, that transfer of a license to another person would not be in the  
5 best interests of the public;

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

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

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

12 (A) he gives security for the payment of the debts or  
13 taxes satisfactory to the creditor or taxing authority; or

14 (B) the transfer is pursuant to a promise given as  
15 collateral by the transferor to the transferee in the course of an  
16 earlier transfer of the license under which promise the transferor  
17 is obliged to transfer the license back to the transferee in the  
18 event of default in payment for property conveyed as part of the  
19 earlier transfer of the license;

20 (5) transfer of the license to another person would result in  
21 violation of the provisions of this title relating to identity of li-  
22 censees and financing of licensees;

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

25 (7) transfer of the license to another person is prohibited  
26 under the provisions of this title as a result of an election conducted  
27 in accordance with AS 04.11.490 - 04.11.508;

28 (8) the prospective transferee does not have the qualifica-  
29 tions required under this title of an original applicant;

1 (9) the licensed premises are located in a first or second  
2 class city, the type of license sought to be transferred is a beverage  
3 dispensary or package store license, and the type of license sought to  
4 be transferred is already held by the city, unless the transfer is to  
5 become effective after the license held by the city is no longer effec-  
6 tive, whether as the result of a local option election or otherwise;

7 (10) a first or second class city is to be the holder of the  
8 license, if the license sought to be transferred is a beverage dispen-  
9 sary or package store license, and the licensed premises will be located  
10 in a city where the type of license sought to be transferred is already  
11 held by a private licensee, unless the transfer is to become effective  
12 after the privately held license is no longer effective, whether as the  
13 result of a local option election or otherwise.

14 Sec. 04.11.370. SUSPENSION AND REVOCATION OF LICENSES AND PERMITS.

15 A license or permit shall be suspended or revoked if the board finds  
16 that one or more of the following grounds exists:

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

19 (2) continuation of activities authorized under a license or  
20 permit would be contrary to the best interests of the public;

21 (3) failure on the part of the licensee to correct defects  
22 which constitute violations of this title, regulations adopted under  
23 this title, or other laws within a prescribed time after receipt of  
24 notice issued by the board or its agent;

25 (4) conviction of a licensee of a violation of a provision of  
26 this title, a regulation adopted under this title, or an ordinance  
27 adopted under AS 04.21.010;

28 (5) conviction of the agent or employee of a licensee of a  
29 violation of this title, a regulation adopted under this title, or an

1 ordinance adopted under AS 04.21.010, if the licensee is found by the  
2 board to have either knowingly allowed the violation or to have reck-  
3 lessly or with criminal negligence failed to act in accordance with the  
4 duty prescribed under AS 04.21.030 with the result that an agent or  
5 employee violates a law, regulation, or ordinance;

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

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

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

16 (9) permitting any public offense involving moral turpitude  
17 to occur on the licensed premises;

18 (10) violation by a licensee of this title, a regulation  
19 adopted under this title, or an ordinance adopted under AS 04.21.010;

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

27 **ARTICLE 5. RESTRICTIONS ON ISSUANCE AND TRANSFER OF LICENSES.**

28 **Sec. 04.11.390. RESIDENCE.** A beverage dispensary license or  
29 package store license may not be issued to a person or association of

1 persons who have not resided in the state for at least one year before  
2 the date of application. A beverage dispensary license or package store  
3 license may not be issued to either a domestic corporation which has not  
4 been issued a certificate of incorporation or a foreign corporation  
5 which has not been issued a certificate of authority to transact busi-  
6 ness in the state at least one year before the date of the application.

7 Sec. 04.11.400. POPULATION LIMITATIONS. (a) Except as provided  
8 in (g) and (h) of this section, a new license may not be issued or an  
9 existing license transferred to a new location

10 (1) outside an incorporated city, a unified municipality, or  
11 an established village if after the issuance or transfer there would be  
12 more than one license of each type for each 1,500 population or fraction  
13 of 1,500 population, including licenses which have been issued under (g)  
14 or (h) of this section, in a radius of five miles of the licensed prem-  
15 ises or location of premises sought to be licensed;

16 (2) inside an established village, an incorporated city, or a  
17 unified municipality if after the issuance or transfer there would be  
18 more than one license of each type for each 1,500 population or fraction  
19 of 1,500 population, including licenses which have been issued under (g)  
20 or (h) of this section, inside the boundaries of the village, city or  
21 municipality.

22 (b) If the application is for a license outside of an established  
23 village, incorporated city, or unified municipality and the radius  
24 described in (a)(1) of this section encompasses all of the established  
25 village, incorporated city, or unified municipality and the population  
26 resident inside and outside the village, city, or municipality but  
27 inside the radius described in (a)(1) of this section is less than  
28 1,500, the board may deny the issuance or transfer of the license.

29 (c) In this section "unified municipality" means a unified muni-

1        ciproality established under AS 29.68.

2            (d) In this section "radius" means the circular area or distance  
3 limited by the sweep of a straight line originating at the proposed  
4 licensed premises and extending outward.

5            (e) In (a)(1) of this section, "population" includes only those  
6 persons residing inside the radius but outside of an established village,  
7 an incorporated city, or a unified municipality as of December 31 of the  
8 year preceding the date of application.

9            (f) In (a)(2) of this section, "population" includes only those  
10 persons residing inside an established village, an incorporated city, or  
11 a unified municipality as of December 31 of the year preceding the date  
12 of application.

13            (g) The board may, in its discretion, approve the issuance or  
14 transfer of location of a beverage dispensary or restaurant or eating  
15 place license without regard to (a) of this section if it appears that  
16 the issuance or transfer will encourage the tourist trade by encouraging  
17 the construction or improvement of

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

20                    (A) a minimum of 10 rental rooms, and

21                    (B) a dining facility, which requirement may be waived  
22 if most of the rental rooms have kitchen facilities; or

23            (2) an airport terminal.

24            (h) A restaurant or eating place license may be issued or trans-  
25 ferred notwithstanding (a) of this section if

26            (1) the premises of the restaurant or eating place are more  
27 than 18 miles from the corporate limits of a city or unified municipali-  
28 ty;

29            (2) the premises will serve food to the traveling public; and

1 (3) the board finds that the public convenience will be  
2 served by the issuance or transfer.

3 (i) An application requesting a transfer of location of licensed  
4 premises shall be granted notwithstanding (a) of this section if the new  
5 location is less than one mile from the original location and

6 (1) no ground for denial exists under AS 04.11.340(1) or (3);  
7 and

8 (2) relocation of the licensed premises is necessary due to

9 (A) termination of a lease or rental agreement;

10 (B) condemnation of the premises;

11 (C) the substantial destruction of the premises by any  
12 cause.

13 Sec. 04.11.410. RESTRICTION OF LOCATION NEAR CHURCHES AND SCHOOLS.

14 (a) A beverage dispensary or package store license may not be issued  
15 and the location of an existing license may not be transferred if the  
16 licensed premises would be located in a building the public entrance of  
17 which is within 200 feet of a school ground or a church building in  
18 which religious services are regularly conducted, measured by the  
19 shortest pedestrian route from the outer boundaries of the school ground  
20 or the public entrance of the church building. However, a license  
21 issued before the occurrence of either cause of restriction may be  
22 renewed or transferred to a person notwithstanding this subsection.

23 (b) If a beverage dispensary or package store license for premises  
24 located within 200 feet of a school ground or church building in which  
25 religious services are regularly conducted is revoked, expires or is  
26 transferred to another location, a beverage dispensary or package store  
27 license may not be issued or transferred to the formerly licensed pre-  
28 mises until the removal of either cause of restriction.

29 Sec. 04.11.420. ZONING LIMITATIONS. (a) A person may not be

1 issued a license or permit in a municipality if a zoning regulation or  
2 ordinance prohibits the sale or consumption of alcoholic beverages  
3 unless a variance of the regulation or ordinance has been approved.

4 (b) The municipality shall inform the board of zoning regulations  
5 or ordinances which prohibit the sale or consumption of alcoholic bever-  
6 ages.

7 Sec. 04.11.430. PERSON AND LOCATION. Each license shall be issued  
8 to a specific individual or individuals, a city, or to a corporation.  
9 If the license is issued to a corporation, the registered agent of the  
10 corporation must be an individual resident of the state. Except for a  
11 license authorizing the sale of alcoholic beverages on a common carrier,  
12 a specific location shall be indicated on the license or permit as the  
13 licensed premises, the principal address of which shall be indicated on  
14 the license or permit. The mailing address of a licensee or, if the  
15 licensee is a corporation, the address of the registered office of the  
16 corporation must be kept current and on file in the main office of the  
17 board.

18 Sec. 04.11.450. PROHIBITED FINANCIAL INTEREST. (a) No person  
19 other than a licensee may have a direct or indirect financial interest  
20 in the business for which the license is issued.

21 (b) A person who is a representative or owner of a wholesale  
22 business, brewery, winery, bottling works, or distillery may not be  
23 issued, solely or together with others, a beverage dispensary license or  
24 package store license.

25 (c) In this section, "direct or indirect financial interest" means  
26 holding a legal or equitable interest in the operation of a business  
27 licensed under this title. However, credit extended by a distiller, a  
28 brewery or a winery to a wholesaler, or credit extended by a wholesaler  
29 to persons licensed under this title, is not considered a financial

1 interest in a business licensed under this title.

2 (d) A license may not be leased by a licensee to another person or  
3 corporation.

4 (e) For the purposes of this section, a lessor under a graduated  
5 or percentage lease-rent agreement involving premises licensed under  
6 this title does not hold a financial interest in the business.

7 (f) A holder of a wholesale license may not be employed by or act  
8 as the agent or employee of the holder of a beverage dispensary or  
9 package store license.

10 Sec. 04.11.460. PRIOR PUBLIC APPROVAL. (a) A new license or the  
11 transfer of location of an existing license may not be approved by the  
12 board in an area outside but within 50 miles of the boundaries of a  
13 municipality unless a petition asking that the license be issued or  
14 transferred within the area containing signatures of a majority of the  
15 permanent residents residing within one mile of the proposed premises is  
16 filed with the board.

17 (b) A license may not be issued in an area which is 50 miles or  
18 more from the boundaries of a municipality unless a petition asking that  
19 the license be issued within the area containing the signatures of  
20 two-thirds of the permanent residents residing within a radius of five  
21 miles of the United States post office station nearest to the proposed  
22 licensed premises, is filed with the board. A petition is not required  
23 for the renewal of a license issued in accordance with this subsection  
24 unless specifically required by the board. If

25 (1) there are two or more United States post office stations  
26 in the vicinity of the proposed licensed premises, the nearest to the  
27 premises constitutes the point of beginning under this subsection;

28 (2) there is no United States post office station within a  
29 radius of five miles of the proposed licensed premises, the applicant

1 must obtain the signatures of two-thirds of the permanent residents  
2 residing within a five mile radius of the proposed licensed premises.

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

6 ARTICLE 6. PROCEDURES FOR PUBLIC INFLUENCE.

7 Sec. 04.11.470. OBJECTION. A person may object to an application  
8 for issuance, renewal, transfer of location, or transfer to another  
9 person of a license, or for issuance of a permit by serving upon the  
10 applicant and the board the reasons for the objection. The board may  
11 consider the objections and testimony received at a hearing conducted  
12 under AS 04.11.510(b)(2) when it considers the application. An objec-  
13 tion and the record of a hearing conducted under AS 04.11.510(b)(2)  
14 shall be retained as part of the board's permanent record of its review  
15 of the application.

16 Sec. 04.11.480. PROTEST. (a) If a local governing body wishes to  
17 protest the issuance, renewal, transfer of location or transfer to  
18 another person of a license, it shall furnish the board and the appli-  
19 cant with a protest within 30 days of receipt from the board of notice  
20 of filing of the application. The board shall consider a protest and  
21 testimony received at a hearing conducted under AS 04.11.510(b)(2) or  
22 (4) when it considers the application, and the protest and the record of  
23 the hearing conducted under AS 04.11.510(b)(2) or (4) shall be retained  
24 as part of the board's permanent record of its review of the applica-  
25 tion. If an application is protested, the board may not approve the  
26 application unless the board finds that the protest is arbitrary,  
27 capricious, or unreasonable.

28 (b) If the permanent residents residing outside of but within two  
29 miles of an incorporated city or an established village wish to protest

1 the issuance, renewal, or transfer of a license within the city or  
2 village, they shall file with the board a petition meeting the require-  
3 ments of AS 04.11.510(b)(3) requesting a public hearing within 30 days  
4 of the posting of notice required under AS 04.11.310, or by December 31  
5 of the year application is made for renewal of a license. The board  
6 shall consider testimony received at a hearing conducted under AS 04.-  
7 11.510(b)(3) when it considers the application, and the record of a  
8 hearing conducted under AS 04.11.510(b)(3) shall be retained as part of  
9 the board's permanent record of its review of the application.

10 Sec. 04.11.490. PROHIBITION OF THE SALE OF ALCOHOLIC BEVERAGES.

11 (a) The following question, alone or with the questions set out in  
12 AS 04.11.498 and 04.11.500, may be placed before the voters of a first  
13 or second class city or an established village in accordance with AS 04.-  
14 11.504: "Shall the sale of alcoholic beverages in .....(name of city or  
15 village) be prohibited? (yes or no)".

16 (b) If a majority of the voters vote "yes" on the question set out  
17 in (a) of this section, the board shall be notified immediately after  
18 certification of the results of the election and thereafter may not  
19 issue, renew, or transfer between holders or locations a license for  
20 licensed premises located within the boundaries or perimeter of a city  
21 or an established village or in an unincorporated area outside of but  
22 within five miles of the boundaries of a city. As of midnight on the  
23 day the results of the election are certified, licenses in effect within  
24 the boundaries or perimeter of a city or an established village, and in  
25 an unincorporated area outside of but within five miles of the boundaries  
26 of a city, are void. If a package store license is voided under this  
27 subsection, the holder of the package store license shall be issued,  
28 upon application, a retail stock sale license without the payment of the  
29 retail stock sale license fee if he fulfills all other requirements for

1 the issuance of a retail stock sale license.

2 (c) If a majority of the voters vote "no" on the question set out  
3 in (a) of this section or vote "yes" on a question set out in AS 04.11.-  
4 492 or 04.11.502 in an election conducted in accordance with AS 04.11.-  
5 504 after an election in which the voters voted "yes" on the question  
6 set out in (a) of this section, the board shall be notified immediately  
7 after certification of the results of the election. Thereafter, the  
8 prohibitions imposed under (b) of this section on the issuance, renewal,  
9 or transfer of licenses between holders and location as a result of the  
10 earlier election in which the voters voted "yes" on the question set out  
11 in (a) of this section are removed.

12 Sec. 04.11.492. COMMUNITY HELD LICENSE. (a) The following ques-  
13 tion, alone or with the questions set out in AS 04.11.498 and 04.11.500,  
14 may be placed before the voters of a first or second class city in  
15 accordance with AS 04.11.504: "Shall the sale of alcoholic beverages be  
16 prohibited in .....(name of city) unless sold under a .....(either a  
17 beverage dispensary or package store, or both) license held by the city?  
18 (yes or no)"

19 (b) If a majority of the voters vote "yes" on the question set out  
20 in (a) of this section, the board shall be notified immediately after  
21 certification of the results of the election and thereafter may not  
22 issue, renew, or transfer between holders or locations a license for  
23 licensed premises located within the boundaries of a city or in an  
24 unincorporated area outside of but within five miles of the boundaries  
25 of a city, with the exception of beverage dispensary or package store  
26 licenses held by the city. As of midnight on the day the results of the  
27 election are certified, licenses in effect within the boundaries of a  
28 city and in an unincorporated area outside of but within five miles of  
29 the boundaries of a city are void. If a package store license is voided

1 under this subsection, the holder of the package store license shall be  
2 issued, upon application, a retail stock sale license without payment of  
3 the retail stock sale license fee if he fulfills all other requirements  
4 for the issuance of a retail stock sale license.

5 (c) If a majority of the voters vote "yes" on the question set out  
6 in (a) of this section, the city council of the city shall apply for a  
7 beverage dispensary or package store license, or both, depending on the  
8 terms of the question.

9 (d) If a majority of the voters vote "no" on the question set out  
10 in (a) of this section or vote "yes" on a question set out in AS 04.11.-  
11 490, 04.11.494, 04.11.496, or 04.11.502 in an election conducted in  
12 accordance with AS 04.11.504 after an election in which the voters voted  
13 "yes" on the question set out in (a) of this section, the board shall be  
14 notified immediately after a certification of the results of the elec-  
15 tion. As of midnight on the day the results of the election are certi-  
16 fied, a beverage dispensary or package store license held by a city is  
17 void and thereafter the prohibitions imposed under (b) of this section  
18 on the issuance, renewal, or transfer of licenses between holders and  
19 locations as a result of the earlier election are removed. If a package  
20 store license is voided under this subsection, the holder of the package  
21 store license shall be issued, upon application, a retail stock sale  
22 license without payment of the retail stock sale licensee fee if he  
23 fulfills all other requirements for the issuance of a retail stock sale  
24 license.

25 **Sec. 04.11.494. PROHIBITION OF POSSESSION AND IMPORTATION OF**  
26 **ALCOHOLIC BEVERAGES.** (a) The following question may be placed before  
27 the voters of a first or second class city or an established village in  
28 accordance with AS 04.11.504: "Shall the possession and importation of  
29 alcoholic beverages be prohibited in .....(name of city or village)?

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(yes or no)"

(b) If a majority of the voters vote "yes" on the question set out in (a) of this section, a person, beginning on the first day of the month following certification of the results of the election, may not possess alcoholic beverages in the city or established village or knowingly send, transport, or bring alcoholic beverages into the city or established village. The board shall be notified immediately after certification of the results of the election and thereafter may not issue, renew, or transfer between holders or locations a license for licensed premises located within the boundaries or perimeter of a city or established village or in an unincorporated area outside of but within five miles of the boundaries of the city. As of midnight on the day the results of the election are certified, licenses in effect within the boundaries of a city and in an unincorporated area outside of but within five miles of the boundaries of a city are void. If a package store license is voided under this subsection, the holder of the package store license shall be issued, upon application, a retail stock sale license without the payment of the retail stock sale license fee if he fulfills all other requirements for the issuance of a retail stock sale license.

(c) If a majority of the voters vote "no" on the question set out in (a) of this section or vote "yes" on the questions set out in AS 04.11.492 or 04.11.498 - 04.11.502 in an election conducted in accordance with AS 04.11.504 after an election in which the voters voted "yes" on the question set out in (a) of this section, the prohibition on the possession and importation of alcoholic beverages and the prohibition on the issuance, renewal, or transfers of licenses between holders and locations, imposed as a result of the earlier election in which the voters voted "yes" on the question set out in (a) of this section are

1 removed effective on the first day of the month following certification  
2 of the results of the election.

3 Sec. 04.11.496. PROHIBITION OF IMPORTATION OF ALCOHOLIC BEVERAGES.

4 (a) The following question may be placed before the voters of a first  
5 or second class city or an established village in accordance with AS 04.-  
6 11.504: "Shall the importation of alcoholic beverages into ..... (name  
7 of city or village) be prohibited? (yes or no)"

8 (b) If a majority of the voters vote "yes" on the question set out  
9 in (a) of this section, a person may not knowingly send, transport, or  
10 bring alcoholic beverages into the city or established village, be-  
11 ginning on the first day of the month following certification of the  
12 results of the election. The board shall be notified immediately after  
13 certification of the results of the election and thereafter may not  
14 issue, renew, or transfer between holders or locations a license for  
15 licensed premises located within the boundaries or perimeter of the city  
16 or established village or in an unincorporated area outside of but  
17 within five miles of the boundaries the city. If a package store license  
18 may not be renewed under this subsection, the holder of the package  
19 store license shall be issued, upon application, a retail stock sale  
20 license without the payment of the retail stock sale license fee if he  
21 fulfills all other requirements for the issuance of a retail stock sale  
22 license.

23 (c) If a majority of the voters vote "no" on the question set out  
24 in (a) of this section or vote "yes" on the question set out in AS 04.-  
25 11.492, 04.11.498, or 04.11.502, in an election conducted in accordance  
26 with AS 04.11.504 after an election in which the voter voted "yes" on  
27 the question set out in (a) of this section, the prohibition on impor-  
28 tation of alcoholic beverages and the prohibition on the issuance,  
29 renewal, or transfer of licenses between holders and locations, imposed

1 as a result of the earlier election are removed effective the first day  
2 of the month following certification of the results of the election.

3 Sec. 04.11.498. PROHIBITION OF IMPORTATION OF ALCOHOLIC BEVERAGES  
4 EXCEPT DURING HOLIDAY PERIODS. (a) The following question, alone or  
5 with the question set out under AS 04.11.500 if the same holiday periods  
6 are listed on the ballot, or with one of the questions set out in AS 04.-  
7 11.490, 04.11.492, or 04.11.500 if the same holiday periods are listed  
8 on the ballot, or under AS 04.11.502, may be placed before the voters of  
9 a first or second class city or an established village in accordance  
10 with AS 04.11.504: "Shall the importation of alcoholic beverages into  
11 .....(name of city or village) be prohibited, except during .....  
12 (listing of holiday periods during which the importation of alcoholic  
13 beverages would be permitted if the measure passes)? (yes or no)"

14 (b) If a majority of the voters vote "yes" on the question set out  
15 in (a) of this section, a person, except during the holiday periods  
16 listed in the question, may not knowingly send, transport, or bring  
17 alcoholic beverages into the city or established village, beginning on  
18 the first day of the month following certification of the results of the  
19 election. The board shall be notified immediately after certification  
20 of the results of the election and thereafter may not issue, renew, or  
21 transfer between holders or locations a license for licensed premises  
22 located within the boundaries or perimeter of a city or established  
23 village, or in an unincorporated area outside of but within five miles  
24 of the boundaries of a city, unless the duration of the license is  
25 limited to those periods listed on the ballot.

26 (c) If a majority of the voters vote "no" on the question set out  
27 in (a) of this section or vote "yes" on the question set out in AS 04.-  
28 11.494, 04.11.496, or 04.11.498 if different holiday periods are listed,  
29 in an election conducted in accordance with AS 04.11.504 after an elec-

1 tion in which the voters voted "yes" on the question set out in (a) of  
2 this section, the prohibition on importation of alcoholic beverages and  
3 the prohibition on the issuance, renewal, or transfer of licenses be-  
4 tween holders and locations imposed as a result of the earlier election  
5 is removed effective on the first day of the month following certifica-  
6 tion of the results of the election.

7 Sec. 04.11.500. PROHIBITION OF POSSESSION AND IMPORTATION OF  
8 ALCOHOLIC BEVERAGES EXCEPT DURING HOLIDAY PERIODS. (a) The following  
9 question, alone or with the questions set out under either AS 04.11.492  
10 or 04.11.502, and 04.11.498 if the same holiday periods are listed on  
11 the ballot, may be placed before the voters of a first or second class  
12 city or an established village in accordance with AS 04.11.504: "Shall  
13 the possession and importation of alcoholic beverages be prohibited in  
14 .....(name of city or village), except during ..... (listing of holiday  
15 periods during which the possession and importation of alcoholic bever-  
16 ages would be permitted if the measure passes)? (yes or no)"

17 (b) If a majority of the voters vote "yes" on the question set out  
18 in (a) of this section, a person, except during the holiday periods  
19 listed on the ballot, may not possess alcoholic beverages in the city or  
20 established village or knowingly send, transport, or bring alcoholic  
21 beverages into the city or established village, beginning on the first  
22 day of the month following certification of the results of the election.  
23 The board shall be notified immediately after certification of the  
24 results of the election and thereafter may not issue, renew, or transfer  
25 between holders or location a license for licensed premises located  
26 within the boundaries or perimeter of a city or established village, or  
27 in an unincorporated area outside of but within five miles of the boun-  
28 daries of a city, unless the duration of the license is limited to the  
29 holiday periods listed on the ballot. Beginning on the first day of the

1 month following certification of the results of the election, licenses  
2 in effect within the boundaries or perimeter of the city or established  
3 village, and in an unincorporated area outside but within five miles of  
4 the boundaries of a city are effective only during the holiday periods  
5 listed on the ballot. If a package store license is voided under this  
6 subsection, the holder of the package store license shall be issued,  
7 upon application, a retail stock sale license without payment of the  
8 retail stock sale license fee if he fulfills all other requirements for  
9 the issuance of a retail stock sale license.

10 (c) If a majority of the voters vote "no" on the question set out  
11 in (a) of this section or vote "yes" on the question set out in AS 04.-  
12 11.494, 04.11.496, or 04.11.498, and 04.11.500 if different holiday  
13 periods are listed on the ballot in an election conducted in accordance  
14 with AS 04.11.504 after an election in which the voters voted "yes" on  
15 the question set out in (a) of this section, the prohibition on posses-  
16 sion and importation of alcoholic beverages and the prohibition on the  
17 issuance, renewal, or transfer of licenses between holders and locations  
18 imposed as a result of the earlier election are removed effective on the  
19 first day of the month following certification of the results of the  
20 election.

21 Sec. 04.11.502. PROHIBITION OF THE SALE OF ALCOHOLIC BEVERAGES  
22 EXCEPT BY SELECTED LICENSES. (a) The following question, alone or with  
23 the questions set out in AS 04.11.498 and 04.11.500, may be placed  
24 before the voters of a first or second class city or an established  
25 village in accordance with AS 04.11.504: "Shall the sale of alcoholic  
26 beverages be prohibited in .....(name of city or village) except by  
27 ..... (listing of the types of licenses which premises would be exempted  
28 from the prohibition on the sale of liquor if the measure passes)? (yes  
29 or no)"

1 (b) If a majority of the voters vote "yes" on the question set out  
2 in (a) of this section, the board shall be notified immediately after  
3 certification of the results of the election and thereafter may not  
4 issue, renew, or transfer between holders or locations a license for  
5 licensed premises located within the boundaries or perimeter of a city  
6 or established village, or in an unincorporated area outside of but  
7 within five miles of the boundaries of the city, except those types of  
8 licenses listed on the ballot. As of midnight on the day the results of  
9 the election are certified, licenses in effect within the boundaries or  
10 perimeter of the city or established village, and in an unincorporated  
11 area outside of but within five miles of the boundaries of a city,  
12 except those types of licenses listed on the ballot, are void. If a  
13 package store license is voided under this subsection, the holder of the  
14 package store license shall be issued, upon application, a retail stock  
15 sale license without the payment of the retail stock sale license fee if  
16 he fulfills all other requirements for the issuance of a retail stock  
17 sale license.

18 (c) If a majority of the voters vote "no" on the question set out  
19 in (a) of this section or vote "yes" on the questions set out in AS 04.-  
20 11.490 - 04.11.496 or 04.11.502 if different types of licenses are  
21 listed on the ballot in an election conducted in accordance with AS 04.-  
22 11.504 after an election in which the voters voted "yes" on the question  
23 set out in (a) of this section, the board shall be notified immediately  
24 after certification of the results of the election. As of midnight on  
25 the date the results of the election are certified, licenses in effect  
26 in the city or established village which were excepted from the prohib-  
27 ition on sale in accordance with the results of the earlier election are  
28 void. Thereafter the board may not issue, renew, or transfer between  
29 holders or locations a license for licensed premises located within the

1 boundaries or perimeter of the city or established village, or in an  
2 unincorporated area outside of but within five miles of the boundaries  
3 of a city, except a license which may be issued to a first or second  
4 class city or to one of the types of licenses listed on the ballot as a  
5 result of a majority of the voters voting "yes" on the question set out  
6 in AS 04.11.492 or this section.

7 Sec. 04.11.504. PROCEDURE FOR LOCAL OPTION ELECTIONS. (a) The  
8 city council of a first or second class city, whenever a number of  
9 registered voters equal to at least 35 percent of the number of votes  
10 cast at the last regular city election petition the city council to do  
11 so, shall place upon a separate ballot at the next regular election  
12 whichever question or combination of questions set out in AS 04.11.490 -  
13 04.11.502 constitute the subject of the petition. The votes shall be  
14 canvassed in accordance with election ordinances adopted under AS 29.28.-  
15 010 and the vote certified.

16 (b) The lieutenant governor, whenever 35 percent of the registered  
17 voters residing within an established village petition the lieutenant  
18 governor to do so, shall place upon a separate ballot at a special  
19 election that question or combination of questions set out in AS 04.11.-  
20 490, or 04.11.494 - 04.11.502 which constitutes the subject of the  
21 petition. The lieutenant governor shall conduct the election in the  
22 general manner prescribed by the Alaska Election Code (AS 15.05 - 15.60).

23 Sec. 04.11.506. REINSTATEMENT OF LICENSES. If a prohibition  
24 imposed on the issuance, renewal, or transfer of licenses between holders  
25 and locations under AS 04.11.490 - 04.11.502 is removed by a vote of  
26 "no" on a question for which the majority of the people voted "yes" in  
27 an earlier election, the board shall, upon application, issue the same  
28 number and type of licenses which were in effect in the city or estab-  
29 lished village on the date of certification of the earlier election. If

1 the prohibition imposed on issuance, renewal, or transfer of licenses  
2 between holders and locations is removed by a "yes" vote on a question  
3 set out in AS 04.11.490 - 04.11.502, the board may issue the types of  
4 licenses specified in the question presented to the voters in the sub-  
5 sequent election. Licenses may be issued for the same or other premises  
6 within the city or established village which were licensed on the date  
7 of certification of the earlier election. In issuing licenses, the  
8 board shall accord priority to those applicants who held licenses which  
9 were voided on the date of certification of the earlier election. The  
10 director of the board shall notify persons who held licenses in the city  
11 or village on the date of certification of the earlier election of their  
12 priority under this section.

13 Sec. 04.11.508. NOTICE OF THE RESULTS OF A LOCAL OPTION ELECTION.

14 (a) If a majority of the voters vote "yes" on a question set out in  
15 AS 04.11.490 - 04.11.502, the board shall immediately notify the Depart-  
16 ment of Law and the Department of Public Safety of the results of the  
17 election.

18 (b) If a majority of the voters vote "yes" on a question set out  
19 in AS 04.11.494 - 04.11.500, the following actions, in addition to those  
20 prescribed in (a) of this section, shall be undertaken before the date  
21 the prohibition on importation or possession becomes effective:

22 (1) the board shall notify by registered mail all licensees  
23 of the prohibition;

24 (2) the first or second class city or established village  
25 shall post notice of the prohibition in the city or village.

26 ARTICLE 7. BOARD PROCEDURES.

27 Sec. 04.11.510. PROCEDURE FOR ACTION ON LICENSE APPLICATIONS,  
28 SUSPENSIONS, AND REVOCATIONS. (a) Unless a legal action relating to  
29 the license, applicant or premises to be licensed is pending, the board

1 shall decide whether to grant or deny an application within 90 days of  
2 receipt of the application at the main office of the board. However,  
3 the decision may not be made before the 30 days allowed for protest  
4 under AS 04.11.480 have elapsed unless received by the municipality.

5 (b) The board may review an application for the issuance, renewal,  
6 transfer of location, or transfer to another person, of a license with-  
7 out affording the applicant notice or hearing, except

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

19 (2) the board may, on its own initiative or in response to an  
20 objection or protest, hold a hearing to ascertain the reaction of the  
21 public or a local governing body to an application if a hearing is not  
22 required under (1), (3), or (4) or this subsection;

23 (3) if a petition containing the signatures of 35 percent of  
24 the adult residents having a permanent place of abode outside of but  
25 within two miles of an incorporated city or an established village is  
26 filed with the board, the board shall hold a public hearing on the  
27 question of whether the issuance, renewal, or transfer of the license in  
28 the city or village would be in the public interest;

29 (4) if a protest to the issuance, renewal, transfer of loca-

1 tion or transfer to another person of a license made by a local govern-  
2 ing body is based on a question of law, the board shall hold a public  
3 hearing.

4 (c) Unless the grounds for the suspension or revocation are under  
5 AS 04.11.370(4), board proceedings to suspend or revoke a license shall  
6 be conducted in accordance with AS 44.62.330 - 44.62.630 (Administrative  
7 Procedure Act), except that the licensee is entitled to an opportunity  
8 to informally confer with the director or the board within 10 days after  
9 the accusation is served upon him. Notice of the opportunity for an  
10 informal conference shall be served upon the licensee along with the  
11 accusation. If an informal conference is requested, the running of the  
12 period of time specified in AS 44.62.380 for filing a notice of defense  
13 is tolled from the date of receipt of the request for the conference  
14 until the day following the date of the conference unless extended by  
15 the board. After the conference, the licensee, if not satisfied by the  
16 results of the conference, may obtain a hearing by filing a notice of  
17 defense as provided in AS 44.62.390. If the grounds for suspension or  
18 revocation are under AS 04.11.370(4), the licensee is not entitled to  
19 notice and hearing under AS 44.62.330 - 44.62.630 on the merits of the  
20 suspension or revocation. However, the board shall afford the licensee  
21 notice and hearing on the issue of what administrative sanction to  
22 impose under AS 04.16.180.

23 Sec. 04.11.520. NOTICE. After receipt of an application from  
24 within (1) an established village, (2) an incorporated city, (3) an  
25 organized borough, or (4) a unified municipality, the board shall trans-  
26 mit written notice to the local governing body within 10 days so that  
27 the local governing body may protest under AS 04.11.480.

28 Sec. 04.11.530. CONSIDERATION OF REPORTS. A license may not be  
29 suspended or revoked under AS 04.11.370(4) unless the board considers

1 the reports prepared by arresting and investigating officers and the  
2 sentencing report sent to the board under AS 12.55.025(b).

3 Sec. 04.11.535. SUSPENSION AND REVOCATION BASED ON ACTS OF EM-  
4 PLOYEES. (a) In a proceeding to suspend or revoke a license under  
5 AS 04.11.370(5), the board may consider a sentencing report sent to the  
6 board under AS 12.55.025(b) or reports prepared by the investigating or  
7 arresting officers in connection with the violation which contain infor-  
8 mation which if uncontradicted or unexplained would provide a ground for  
9 suspension or revocation under AS 04.11.370(5).

10 (b) If the board suspends or revokes a license on grounds that a  
11 licensee knowingly allowed or recklessly or with criminal negligence  
12 failed to act in accordance with the duty prescribed under AS 04.21.030  
13 resulting in unlawful action of an agent or employee, the board shall  
14 file a criminal complaint charging the licensee with violation of AS  
15 04.16.150.

16 Sec. 04.11.537. APPLICATION OF PRECEDENT. In determining whether  
17 issuance, renewal, transfer, suspension, or revocation of a license is  
18 in the best interests of the public, the board need not conform to or  
19 distinguish its decision from any action it has taken in the past on  
20 applications presenting similar facts, but may instead base its decision  
21 only on the particular facts before it.

22 ARTICLE 8. EXPIRATION OF LICENSES.

23 Sec. 04.11.540. LICENSE RENEWAL AND EXPIRATION. Notwithstanding  
24 AS 04.11.680, an application for renewal of a license issued for the  
25 calendar year ending December 31 or issued for a six-month period ending  
26 in the previous year may be submitted up until the next February 28 but  
27 the authority granted under the license may not be exercised until the  
28 license is renewed. If the application for renewal and applicable  
29 affidavits have not been filed by February 28 or the required fees and

1 the penalty fees have not been paid by that date, the license expires at  
2 12:00 midnight February 28. A new license may not be issued to the  
3 holder of an expired license for the same premises except on proof  
4 satisfactory to the board of good cause for the failure to file and pay.

5 Sec. 04.11.550. NOTICE OF EXPIRATION. On or before February 15,  
6 the director shall mail a notice of expiration to each licensee who has  
7 not either (1) filed an application to renew his license, along with any  
8 applicable affidavits and all fees due, or (2) notified the director of  
9 his intent not to do so. Failure of the director to mail this notice of  
10 expiration does not waive the requirement that the application for  
11 renewal be filed by February 28.

12 ARTICLE 9. MISCELLANEOUS PROVISIONS.

13 Sec. 04.11.560. APPEALS. (a) An action of an officer, employee  
14 or agent of the board relating to the administration or enforcement of  
15 this title may be appealed to the board by the aggrieved party.

16 (b) A decision by the board relating to the issuance, renewal,  
17 transfer, suspension, or revocation of a license under this title may be  
18 appealed to the superior court under AS 44.62.560.

19 Sec. 04.11.570. REFUND AND FORFEITURE OF FEES. (a) If an appli-  
20 cation for a license is denied, the board shall refund the license fee  
21 less the application fee.

22 (b) A license fee may not be refunded after the license has been  
23 issued unless the board determines it has erred in the issuance through  
24 no fault of the applicant.

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

28 Sec. 04.11.580. SURRENDER OR DESTRUCTION OF LICENSE. (a) A  
29 license issued under this title shall, if the board so directs, be sur-

1 rendered on demand to a peace officer, agent, or officer of the board.

2 (b) The licensee shall surrender his current license to the board  
3 within 10 days after the loss or vacation of his licensed premises.

4 (c) If the license is destroyed, the licensee shall so notify the  
5 board.

6 Sec. 04.11.590. DISPOSITION OF FUNDS. (a) Money collected from  
7 licenses under this title shall be transferred by the board to the  
8 Department of Revenue and deposited in the general fund.

9 (b) A fee prescribed by the board in addition to fees authorized  
10 under this title shall be transferred to the Department of Revenue and  
11 deposited in the general fund.

12 Sec. 04.11.610. REFUND TO MUNICIPALITIES. (a) Annual license  
13 fees, excluding annual wholesale license fees, collected within a mu-  
14 nicipality shall be refunded semi-annually to the municipality.

15 (b) If the officers of a municipality fail to actively enforce  
16 local ordinances, laws of the United States and the state, and the  
17 regulations relating to the manufacture and sale of alcoholic beverages  
18 in the state, the commissioner of revenue may deny the refund provided  
19 for under (a) of this section until the board finds the enforcement of  
20 the ordinances, laws and regulations is resumed.

21 (c) The Department of Revenue shall recover any amounts errone-  
22 ously refunded under (a) of this section. The Department of Revenue  
23 shall schedule repayments of erroneously refunded amounts over a suffi-  
24 cient period of time to minimize financial hardship to the municipality  
25 involved.

26 Sec. 04.11.630. ACCESSIBILITY OF LICENSE AND LICENSED PREMISES TO  
27 INSPECTION. (a) A licensee shall, upon request, make his licensed pre-  
28 mises and places authorized for storage under AS 04.21.060 available for  
29 inspection by officers charged with the enforcement of this title,

1 including members of the board and the director or his employee, during  
2 all regular business hours.

3 (b) A license issued under this title shall be posted within the  
4 licensed premises so as to be easily available for inspection upon  
5 request by a peace officer or other person during regular business  
6 hours.

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

9 (b) The privilege conferred upon the licensee is personal in  
10 nature and affords protection to the licensee only.

11 Sec. 04.11.670. FORECLOSURE. A license issued under this title is  
12 not subject to foreclosure, and may not be used as collateral to secure  
13 a debt. However, if a license is transferred to another person, the  
14 transferor may secure payment for real and personal property conveyed to  
15 the transferee upon the promise of the transferee to transfer the license  
16 back to the transferor upon default in payment.

17 Sec. 04.11.680. DURATION OF LICENSES AND PERMITS. (a) Upon  
18 application and payment of one-half of the annual fee, the board may  
19 issue a license under this title which will be effective for a continuous  
20 six-month period. Otherwise, all licenses issued under this title other  
21 than a retail stock sale license shall be effective for the calendar  
22 year ending December 31, unless a shorter period is prescribed by the  
23 board or required as a result of a local option election on questions  
24 set out in AS 04.11.498 and 04.11.500.

25 (b) A permit issued under this title shall be for the period  
26 prescribed by the board, which period shall be clearly designated on the  
27 permit.

28 Sec. 04.11.690. DISCOURAGEMENT OF MONOPOLIES. (a) In a general  
29 sense, it is against the public interest that the issuance, renewal or

1 transfer of licenses issued under this title will create, or assist in  
2 the creation of, a monopoly.

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

5 (c) The board may not by regulation adopt a definition of a mono-  
6 poly.

7 Sec. 04.11.700. REFUSAL OF SERVICE. A licensee, his agent, or  
8 employee may refuse to sell, give, or serve alcoholic beverages to a  
9 person if the licensee, his agent, or employee reasonably believes that  
10 the consumption of alcohol by that person may result in serious harm to  
11 that person or to others.

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

13 CHAPTER 16. REGULATION OF SALES AND DISTRIBUTION.

14 ARTICLE 1. PROHIBITED ACTS.

15 Sec. 04.16.010. HOURS OF SALE AND PRESENCE ON LICENSED PREMISES  
16 (STANDARD CLOSING HOURS). (a) A person may not sell, offer for sale,  
17 give, furnish, deliver or consume an alcoholic beverage on premises  
18 licensed under this title between the hours of 5:00 a.m. and 8:00 a.m.  
19 each day.

20 (b) A licensee, his agent, or employee may not permit a person to  
21 consume alcoholic beverages on the licensed premises between the hours  
22 of 5:00 a.m. and 8:00 a.m. each day.

23 (c) A licensee, his agent, or employee may not permit a person to  
24 and a person may not enter premises licensed under this title between  
25 the hours of 5:00 a.m. and 8:00 a.m. each day. This subsection does not  
26 apply to common carriers, as defined in AS 42.10.420(2), or to an em-  
27 ployee of the licensee who is on the premises to prepare for the next  
28 day's business or to persons remaining on the premises of a restaurant  
29 or eating place licensed under this title to consume food or nonalco-

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holic beverages.

(d) A municipality may provide for additional hours of closure under AS 04.21.010.

Sec. 04.16.020. SOLICITATION OF ALCOHOLIC BEVERAGES. (a) A person may not pay or receive from another a salary, percentage or commission to solicit or encourage a patron of licensed premises to purchase alcoholic or other beverages for consumption by a person other than the patron.

(b) A licensee, his agent, or employee may not knowingly permit a person to loiter within or about premises licensed under this title for the purpose of begging or soliciting a patron or visitor to purchase alcoholic or other beverages for the person who is begging or soliciting.

Sec. 04.16.030. SALE OR DISPOSITION OF ALCOHOLIC BEVERAGES TO INTOXICATED PERSONS. A licensee, his agent, or employee may not with criminal negligence

(1) sell, give, or barter alcoholic beverages to an intoxicated person;

(2) allow another person to sell, give, or barter an alcoholic beverage to an intoxicated person within a licensed premises;

(3) allow an intoxicated person to enter and remain within licensed premises or to consume an alcoholic beverage within a licensed premises;

(4) permit an intoxicated person to sell or serve alcoholic beverages.

Sec. 04.16.040. ACCESS OF INTOXICATED PERSONS TO LICENSED PREMISES. An intoxicated person may not knowingly enter or remain on premises licensed under this title.

Sec. 04.16.041. OBLIGATION TO ENFORCE RESTRICTIONS IN LICENSED

1 PREMISES. A licensee, his agent or employee may not permit the consump-  
2 tion of alcoholic beverages by any person within licensed premises  
3 unless it is permitted by the license.

4 Sec. 04.16.049. ACCESS OF PERSONS UNDER THE AGE OF 19 TO LICENSED  
5 PREMISES. (a) A person under the age of 19 years may not knowingly  
6 enter or remain in premises licensed under this title unless

7 (1) accompanied by a parent, guardian or spouse who has at-  
8 tained the age of 19 years;

9 (2) accompanied by a person over the age of 19 years and with  
10 the consent of the person's parent or guardian if the premises are  
11 licensed as a restaurant or eating place and the persons enter and  
12 remain only for dining.

13 (b) Notwithstanding (a) of this section, a licensee, his agent, or  
14 employee may refuse entry to a person under the age of 19 years to that  
15 part of licensed premises in which alcoholic beverages are sold, served  
16 or consumed, may refuse service to a person under the age of 19 years,  
17 or may require a person under the age of 19 years to leave the portion  
18 of the licensed premises in which alcoholic beverages are sold, served,  
19 or consumed.

20 (c) Notwithstanding this section, a person between 16 and 19 years  
21 of age may enter and remain within the licensed premises of a hotel,  
22 restaurant, or eating place in the course of his employment if (1) the  
23 employment does not involve the serving, mixing, delivering, or dis-  
24 pensing of alcoholic beverages; (2) the person has the written consent  
25 of a parent or guardian; and (3) an exemption from the prohibition of  
26 AS 23.10.355 is granted by the Department of Labor. The board, with the  
27 approval of the governing body having jurisdiction and at the licensee's  
28 request, shall designate which premises are hotels, restaurants or  
29 eating places for the purposes of this subsection.

1           Sec. 04.16.050. POSSESSION OR CONSUMPTION BY PERSONS UNDER THE AGE  
2 OF 19. A person under the age of 19 years may not knowingly consume,  
3 possess, or control alcoholic beverages except those furnished persons  
4 under AS 04.16.051(b).

5           Sec. 04.16.051. FURNISHING OF ALCOHOLIC BEVERAGES TO PERSONS UNDER  
6 THE AGE OF 19. (a) A person may not knowingly furnish an alcoholic  
7 beverage to a person under the age of 19 years.

8           (b) This section does not prohibit the furnishing of an alcoholic  
9 beverage

10           (1) by a parent to his child, by a guardian to his ward, or  
11 by a spouse to his or her legal spouse if the furnishing occurs off  
12 licensed premises; or

13           (2) by a licensed physician or nurse to a patient in the  
14 course of administering medical treatment.

15           (c) Acts unlawful under AS 11.51.130 are not made legal by (b) of  
16 this section.

17           Sec. 04.16.052. FURNISHING OF ALCOHOLIC BEVERAGES TO PERSONS UNDER  
18 THE AGE OF 19 BY LICENSEES. A licensee, his agent, or employee may not  
19 with criminal negligence

20           (1) allow another person to sell, barter, or give an alco-  
21 holic beverage to a person under the age of 19 years within a licensed  
22 premises;

23           (2) allow a person under the age of 19 years to enter and  
24 remain within licensed premises except as provided in AS 04.16.049(c);

25           (3) allow a person under the age of 19 years to consume an  
26 alcoholic beverage within a licensed premises;

27           (4) allow a person under the age of 19 years to sell or serve  
28 alcoholic beverages.

29           Sec. 04.16.060. PURCHASE BY PERSONS UNDER THE AGE OF 19. (a) A

1 person under the age of 19 years may not purchase alcoholic beverages or  
2 solicit another to purchase alcoholic beverages on his behalf.

3 (b) A person may not influence the sale, gift, or service of an  
4 alcoholic beverage to a person under the age of 19 years, by misrepresenting  
5 the age of that person.

6 (c) A person may not order or receive an alcoholic beverage from a  
7 licensee, his agent, employee, or another person, for the purpose of  
8 selling, giving, or serving it to a person under the age of 19 years.

9 (d) A person under the age of 19 years may not enter licensed  
10 premises where alcoholic beverages are sold and offer or present to a  
11 licensee, his agent, or employee a birth certificate or other written  
12 evidence of age, which is fraudulent or false or which is not actually  
13 his own, or otherwise misrepresent his age, for the purpose of inducing  
14 the licensee, his agent, or employee to sell, give, serve, or furnish  
15 alcoholic beverages contrary to law.

16 (e) A person who has attained the age of 19 years accompanying a  
17 person under the age of 19 who is seeking to enter and remain in a  
18 licensed premises under AS 04.16.049(a)(2) may not misrepresent having  
19 obtained the consent of the parent or guardian of the person under the  
20 age of 19 years.

21 Sec. 04.16.080. SALES OR CONSUMPTION AT SCHOOL EVENTS. It is  
22 unlawful to sell or consume alcoholic beverages during a school event at  
23 the site of the event.

24 Sec. 04.16.090. PROHIBITION OF BOTTLE CLUBS. (a) A person may  
25 not maintain a place in which alcoholic beverages are received or kept,  
26 or to which alcoholic beverages are brought, for consumption by members  
27 of the public or by members of a club, corporation, or association,  
28 unless the person is authorized to do so under this title.

29 (b) A person may not maintain, operate, or lease premises for the

1 purpose of providing, for a consideration, a place for drinking alco-  
2 holic beverages by members of the public or other persons, unless the  
3 person is authorized to do so under this title.

4 (c) For the purposes of this section, "consideration" includes but  
5 is not limited to cover charge, the sale of food, ice, mixers, or other  
6 liquids used with alcoholic beverage drinks, or the furnishing of glass-  
7 ware or other containers for use in the consumption of alcoholic bever-  
8 ages.

9 Sec. 04.16.100. RESTRICTION ON SIZE OF CONTAINERS. A person may  
10 not sell alcoholic beverages in 1/6 gallon or 1/10 gallon containers,  
11 nor may a person sell alcoholic beverages in a container deceptively  
12 similar in appearance to a container of a different volume.

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

16 Sec. 04.16.120. REMOVAL OR INTRODUCTION OF ALCOHOLIC BEVERAGES.

17 (a) A person may not remove from a licensed premises alcoholic bever-  
18 ages which have been sold or furnished for consumption only on the  
19 premises.

20 (b) A person may not bring an alcoholic beverage into licensed  
21 premises for use or consumption by himself or another person on the  
22 premises unless that person is a licensee, his agent, employee, or  
23 common carrier in the regular course of employment.

24 Sec. 04.16.130. STOCK CONFINED TO LICENSED PREMISES. (a) Unless  
25 authorized under AS 04.21.060, a licensee may not store before sale any  
26 alcoholic beverages elsewhere than on the premises indicated on his  
27 license.

28 (b) This section does not apply to stocks of beer carried on a  
29 delivery truck by a licensed wholesaler if carried for the purpose of

1 sale and delivery to persons licensed under this title in quantities of  
2 not less than 10 wine gallons for each sale.

3 Sec. 04.16.140. SALE OR CONSUMPTION OF ALCOHOLIC BEVERAGES IN A  
4 WAREHOUSE. Alcoholic beverages may not be sold or consumed on premises  
5 approved for storage under AS 04.21.060.

6 Sec. 04.16.150. LICENSEE RESPONSIBLE FOR VIOLATIONS. A licensee  
7 may neither knowingly allow his agents or employees to violate this  
8 title or regulations adopted under this title nor recklessly or with  
9 criminal negligence fail to act in accordance with the duty prescribed  
10 under AS 04.21.030 with the result that an agent or employee of the  
11 licensee violates a law or regulation.

12 Sec. 04.16.170. SOURCE OF ALCOHOLIC BEVERAGES. (a) Alcoholic  
13 beverages for consumption by the purchaser may not be sold unless ob-  
14 tained from a person licensed under this title.

15 (b) A person transporting alcoholic beverages into the state may  
16 not sell those alcoholic beverages to a person not licensed under this  
17 title, unless the alcoholic beverages are used for religious, industrial,  
18 pharmaceutical, or medical purposes.

19 Sec. 04.16.175. FURNISHING ALCOHOLIC BEVERAGES IN AID OF GAMBLING  
20 ENTERPRISE. An agent or employee of a gambling enterprise as defined by  
21 AS 11.66.280(4) may not furnish an alcoholic beverage to a player as  
22 defined by AS 11.66.280(6).

23 ARTICLE 2. PENALTIES AND FORFEITURES.

24 Sec. 04.16.180. PENALTIES FOR VIOLATION. (a) Except as provided  
25 in AS 04.16.200 - 04.16.210, a person who violates a provision of this  
26 title or a regulation adopted by the board is guilty, upon conviction,  
27 of a class A misdemeanor. Each violation is a separate offense.

28 (b) A suspension or revocation of a license ordered by the board  
29 under AS 04.11.370(4) and (5) shall be as follows:

1 (1) On first conviction: the license of the premises involved  
2 may not be revoked, but may be suspended for not more than 45 days.

3 (2) On second conviction: the license of the premises in-  
4 volved may not be revoked, but may be suspended for not more than 90  
5 days.

6 (3) On third conviction: the license of the premises involved  
7 may be suspended or revoked.

8 (c) In this section, the terms "second conviction" and "third  
9 conviction" include only convictions for violations which occur within  
10 five years of the first conviction. The terms refer to the cumulative  
11 number of convictions of a licensee of any combination of violations of  
12 the provisions of this title, regulations adopted under this title, or  
13 ordinances adopted under AS 04.21.010. The terms "second conviction"  
14 and "third conviction" include a conviction of the agent or employee of  
15 a licensee of a violation of a law, regulation, or ordinance if the  
16 conviction constitutes a ground for suspension or revocation under  
17 AS 04.11.370(5).

18 (d) This section does not affect the authority of the board to  
19 suspend or revoke a license when the board determines that continuance  
20 of activities under a license would not be in the best interests of the  
21 public.

22 Sec. 04.16.200. UNLICENSED PERSONS. (a) A person who violates  
23 AS 04.11.010 is, upon conviction, guilty of a class A misdemeanor.

24 (b) A person who violates AS 04.11.010 in an area where the re-  
25 sults of a local option election have, under AS 04.11.490 - 04.11.502,  
26 prohibited the board from issuing, renewing, or transferring any licenses  
27 or permits under this title in the area is, upon conviction, guilty of a  
28 class C felony, if

29 (1) he has previously been convicted of a violation of AS 04.-

1 11.010;

2 (2) the sale or offer for sale was made to a person under 19  
3 years of age; or

4 (3) the quantity of alcoholic beverages sold or offered for  
5 sale is 12 liters or more of distilled spirits, 24 liters or more of  
6 wine, or 45 liters or more of malt beverages.

7 (c) It is an affirmative defense to a prosecution under (a) of  
8 this section that no profit was involved in the solicitation or receipt  
9 of an order for the delivery of an alcoholic beverage.

10 (d) Upon conviction of a person of a violation under (a) of this  
11 section, the court shall impose a minimum sentence of imprisonment of  
12 not less than 10 consecutive days. The execution of the sentence may  
13 not be suspended and probation or parole may not be granted until the  
14 minimum imprisonment provided in this subsection has been served.  
15 Imposition of sentence may not be suspended except upon the condition  
16 that the defendant be imprisoned for no less than the minimum period  
17 provided in this subsection.

18 (e) A person who possesses alcoholic beverages in violation of  
19 AS 04.11.494(b) and 04.11.500(b) is, upon conviction, guilty of a class B  
20 misdemeanor.

21 (f) A person who sends, transports, or brings alcoholic beverages  
22 into a city or established village in violation of AS 04.11.496 or  
23 04.11.498 is, upon conviction,

24 (1) guilty of a class A misdemeanor if the quantity imported  
25 is less than 12 liters of distilled spirits, 24 liters of wine, or 45  
26 liters of malt beverages; or

27 (2) guilty of a class C felony if the quantity imported is 12  
28 liters or more of distilled spirits, 24 liters or more of wine, or 45  
29 liters or more of malt beverages.

1           Sec. 04.16.210. PENALTY FOR MAKING FALSE STATEMENT. If a false  
2 statement is made in an application under AS 04.11.260, the applicant is  
3 guilty of perjury and, upon conviction, is subject to the penalty pro-  
4 vided by law for the crime of perjury under AS 11.56.200.

5           Sec. 04.16.220. FORFEITURES. (a) The following are subject to  
6 forfeiture:

7           (1) alcoholic beverages manufactured, sold, offered for sale  
8 or possessed for sale, bartered or exchanged for goods and services in  
9 this state in violation of AS 04.11.010; alcoholic beverages stocked,  
10 warehoused, or otherwise stored in violation of AS 04.21.060; alcoholic  
11 beverages sold or offered for sale in an area where the results of a  
12 local option election have, under AS 04.11.490 - 04.11.502, prohibited  
13 the board from issuing, renewing, or transferring any licenses or permits  
14 under this title in the area; alcoholic beverages transported into the  
15 state and sold to persons not licensed under this chapter in violation  
16 of AS 04.16.170(b);

17           (2) materials and equipment used in the manufacture, sale,  
18 offering for sale, possession for sale, barter or exchange of alcoholic  
19 beverages for goods and services in this state in violation of AS 04.11.-  
20 010; materials and equipment used in the stocking, warehousing, or  
21 storage of alcoholic beverages in violation of AS 04.21.060; materials  
22 and equipment used in the sale or offering for sale of an alcoholic  
23 beverage in an area where the results of a local option election have,  
24 under AS 04.11.490 - 04.11.502, prohibited the board from issuing,  
25 renewing, or transferring any licenses or permits under this title in  
26 the area;

27           (3) aircraft, vehicles, or vessels used to transport, or  
28 facilitate the transportation of

29           (A) alcoholic beverages manufactured, sold, offered for

1 sale or possessed for sale, bartered or exchanged for goods and  
2 services in this state in violation of AS 04.11.010;

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

5 (C) alcoholic beverages imported or possessed in a city  
6 or established village in violation of AS 04.11.494(b) and 04.11.-  
7 500(b);

8 (D) alcoholic beverages transported or imported into a  
9 city or established village in violation of AS 04.11.496 and  
10 04.11.498;

11 (4) alcoholic beverages found on licensed premises which do  
12 not bear federal excise stamps if excise stamps are required under  
13 federal law;

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

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

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

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

26 (3) there is probable cause to believe that the property is  
27 subject to forfeiture under (a) of this section; property seized under  
28 this paragraph may not be held over 48 hours or until an order of for-  
29 feiture is issued by the court, whichever is earlier.

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

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

16 (1) upon conviction of a person under AS 04.11.010, 04.11.-  
17 494(b), 04.11.496(b), 04.11.498(b), 04.11.500(b), or AS 04.21.060;

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

21 (e) The owner of property subject to forfeiture under (a) of this  
22 section is entitled to relief from the forfeiture in the nature of  
23 remission of the forfeiture if in an action under (d) of this section  
24 the owner shows that he was not a party to the violation and had no  
25 actual knowledge that the property was used or was to be used in viola-  
26 tion of the law.

27 (f) A person, other than the owner, holding or the assignee of a  
28 lien, mortgage, conditional sales contract on, or the right to posses-  
29 sion to property subject to forfeiture under (a) of this section is

1 entitled to relief from the forfeiture in the nature of remission of the  
2 forfeiture if in an action under (d) of this section the person shows  
3 that he was not a party to the violation subjecting the property to  
4 forfeiture and had no actual knowledge that the property was used or was  
5 to be used in violation of the law.

6 (g) It is no defense in an in rem forfeiture proceeding brought  
7 under (d)(2) of this section that a criminal proceeding is pending or  
8 has resulted in conviction or acquittal of a person charged with violat-  
9 ing AS 04.11.010, 04.11.494(b), 04.11.496(b), 04.11.498(b), 04.11.500(b),  
10 or AS 04.21.060.

11 (h) Property forfeited under this section shall be placed in the  
12 custody of the commissioner of public safety for disposition according  
13 to an order entered by the court. The court shall order destroyed any  
14 property forfeited under this section which is harmful to the public.  
15 Other property shall be ordered sold and the proceeds used for payment  
16 of expenses of the proceedings for forfeiture and sale, including ex-  
17 penses of seizure, custody and court costs. The remainder of the pro-  
18 ceeds shall be deposited in the general fund.

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

20 CHAPTER 21. GENERAL PROVISIONS.

21 Sec. 04.21.010. MUNICIPAL REGULATION. (a) A municipality may  
22 adopt an ordinance or ordinances governing the barter, sale, consumption,  
23 and possession of alcoholic beverages within the municipality as neces-  
24 sary for the orderly conduct of the business of selling alcoholic  
25 beverages within the municipality.

26 (b) If, as a result of an election held in accordance with AS 04.-  
27 11.504 within a first or second class city, the board is prohibited from  
28 issuing, renewing, or transferring between holders or locations a license  
29 within the city or the possession or importation of alcoholic beverages

1 is prohibited within the city, the city may adopt an ordinance making  
2 the sale, possession, or importation of alcoholic beverages a mis-  
3 demeanor, whether the sale, possession, or importation is under a license  
4 or otherwise. The ordinance may not be inconsistent with this title or  
5 the regulations adopted under this title.

6 (c) A municipality may not impose taxes on alcoholic beverages  
7 except (1) property taxes on alcoholic beverage inventories and (2)  
8 sales taxes on alcoholic beverage sales.

9 Sec. 04.21.030. RESPONSIBILITY OF LICENSEES, AGENTS AND EMPLOYEES.  
10 The licensee has a duty to exercise that degree of care which a reason-  
11 able person would observe to insure that a business under his control is  
12 lawfully conducted. This duty of the licensee includes, but is not  
13 limited to,

14 (1) insuring the compliance by agents or employees with this  
15 title and regulations adopted under this title, including acting with  
16 reasonable diligence to determine that his agents or employees are  
17 advised of the provisions of this title and the regulations adopted  
18 under this title, either by securing the agent's or employee's written  
19 acknowledgement of posted instructions or otherwise; and

20 (2) insuring the compliance of the premises with public  
21 health, fire, and safety codes and ordinances of the state or munici-  
22 pality having jurisdiction.

23 Sec. 04.21.040. SALES ON FEDERAL RESERVATIONS. (a) A wholesaler  
24 of alcoholic beverages may sell alcoholic beverages to a person who does  
25 not have a license under this title who has a fixed place of business on  
26 land in the state maintained by the United States government as a mili-  
27 tary or naval reservation, a national park, or other federal reserva-  
28 tion. A sale may be made under this section only if the purchaser is a  
29 ship's service store, officers club, officers mess, post exchange, or

1 similar organization. The wholesaler may deliver alcoholic beverages  
2 only to persons specified and at places designated in a written order  
3 issued by the federal organization for which the purchase is made. A  
4 licensee making sales and deliveries under this section shall keep the  
5 original order attached to the copy of the invoice on file at his prem-  
6 ises.

7 (b) Alcoholic beverages received on federal reservations under  
8 this section may not be removed for resale or public use outside the  
9 federal reservation.

10 (c) A wholesaler who sells alcoholic beverages on a federal reser-  
11 vation under this section shall pay the state excise tax imposed by  
12 AS 43.60.010 on the alcoholic beverages sold and may subsequently claim  
13 credit for the excise taxes paid if the sale is made to an organization  
14 which is an instrumentality of the federal government.

15 Sec. 04.21.050. PROOF OF AGE. (a) If a licensee, or an agent or  
16 employee of the licensee questions or has reason to question whether a  
17 person entering a licensed premises, or ordering, purchasing, attempting  
18 to purchase, or otherwise procuring or attempting to procure alcoholic  
19 beverages has attained the age of 19 years, that licensee, agent, or  
20 employee shall require the person to furnish proof of age acceptable  
21 under (b) of this section. If the person questioned does not furnish  
22 proof of age acceptable under (b) of this section, or if a licensee,  
23 agent, or employee questions or has reason to question the validity of  
24 the proof of age furnished, the licensee, employee or agent shall re-  
25 quire the person to sign a statement that he is over the age of 19  
26 years. This statement shall be made upon a form prepared by and furn-  
27 ished to the licensee by the board.

28 (b) A valid driver's license or a valid identification card is  
29 acceptable as proof of age when used for identification in the purchase

1 of alcoholic beverages and for securing entry to and remaining on  
2 premises where alcoholic beverages are sold if the license or identi-  
3 fication card is made of or encased in plastic and contains a photo-  
4 graph of the license or card holder and a statement of his age or date  
5 of birth.

6 (c) A licensee, or an agent or employee of the licensee, may not  
7 be charged for a violation of AS 04.16.051 - 04.16.052 if a signed  
8 statement as provided in (b) of this section is secured in good faith,  
9 or a valid driver's license or identification card is presented indi-  
10 cating that the owner and possessor of the presented driver's license or  
11 identification card is 19 years of age or over.

12 Sec. 04.21.060. WAREHOUSING OF ALCOHOLIC BEVERAGES. A licensee  
13 may stock, warehouse, or otherwise store alcoholic beverages in a place  
14 elsewhere than premises indicated on his license if

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

17 (2) the use of the premises for storage is authorized by  
18 local zoning ordinances; and

19 (3) the premises are accessible for inspection as provided in  
20 AS 04.11.630.

21 Sec. 04.21.070. ENFORCEMENT. Peace officers shall investigate and  
22 report to the board violations of this title.

23 Sec. 04.21.080. DEFINITIONS. (a) In this title

24 (1) a person acts with "criminal negligence" with respect to  
25 a result or to a circumstance described by a provision of law defining  
26 an offense when he fails to perceive a substantial and unjustifiable  
27 risk that the result will occur or that the circumstance exists; the  
28 risk must be of such a nature and degree that the failure to perceive it  
29 constitutes a gross deviation from the standard of care that a reason-

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able person would observe in the situation;

(2) a person acts "knowingly" with respect to conduct or to a circumstance described by a provision of law defining an offense when he is aware that his conduct is of that nature or that the circumstance exists; when knowledge of the existence of a particular fact is an element of an offense, that knowledge is established if a person is aware of a substantial probability of its existence, unless he actually believes it does not exist; a person who is unaware of conduct or a circumstance of which he would have been aware had he not been intoxicated acts knowingly with respect to that conduct or circumstance;

(3) a person acts "recklessly" with respect to a result or to a circumstance described by a provision of law defining an offense when he is aware of and consciously disregards a substantial and unjustifiable risk that the result will occur or that the circumstance exists; the risk must be of such a nature and degree that disregard of it constitutes a gross deviation from the standard of conduct that a reasonable person would observe in the situation; a person who is unaware of a risk of which he would have been aware had he not been intoxicated acts recklessly with respect to that risk.

(b) In this title

(1) "alcoholic beverage" includes, but is not limited to, whiskey, brandy, rum, gin, wine, ale, porter, beer, and all other spiritous, vinous, malt and other fermented or distilled liquors intended for human consumption and containing more than one percent alcohol by volume;

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

(3) "bottling" means to put into a bottle, can, or other container;

(4) "designated premises" means any or all designated por-

1 tions of a building or structure, rooms or enclosures in the building or  
2 structure, or real estate leased, used, controlled, or operated by a  
3 licensee for the purpose for which the permit is issued by the board at  
4 the location of the site for which the permit is issued;

5 (5) "director" means the director of the Alcoholic Beverage  
6 Control Board;

7 (6) "distributing point" means a location where alcoholic  
8 beverages are distributed from a warehouse;

9 (7) "established village" means an unincorporated area that

10 (A) is within the circumference of a circle described by  
11 drawing a five-mile radius around a post office station;

12 (B) has 25 or more permanent residents;

13 (8) "intoxicated person" means a person whose physical or  
14 mental conduct is substantially impaired as a result of the introduction  
15 of an alcoholic beverage into his body and who exhibits those plain and  
16 easily observed or discovered outward manifestations of behavior commonly  
17 known to be produced by the use of alcoholic beverages;

18 (9) "licensed premises" means any or all designated portions  
19 of a building or structure, rooms or enclosures in the building or  
20 structure, or real estate leased, used, controlled, or operated by a  
21 licensee in the conduct of business for which he is licensed by the  
22 board at the specific address for which the license is issued;

23 (10) "local governing body" means, as appropriate, a city  
24 council, a borough assembly, or a traditional village council, but does  
25 not include a corporation established under the Alaska Native Claims  
26 Settlement Act;

27 (11) "municipality" means an incorporated city, an organized  
28 borough, or a unified municipality established under AS 29.68.

29 \* Sec. 5. AS 09.35.087 is amended to read:

1           Sec. 09.35.087. EXEMPTION FOR LIQUOR LICENSES. In addition to the  
2 exemptions set out in AS 09.35.080 and 09.35.085, the liquor license of  
3 a judgment debtor is exempt from attachment, garnishment, and execution.

4 \* Sec. 6. AS 09.65 is amended by adding a new section to read:

5           Sec. 09.65.097. CIVIL LIABILITY OF PERSONS PROVIDING ALCOHOLIC  
6 BEVERAGES. A person who provides alcoholic beverages to another person  
7 may not be held civilly liable for injuries resulting from the intoxica-  
8 tion of that person unless

9           (1) the person who provides the alcoholic beverages holds a  
10 license authorized under AS 04.11.080 - 04.11.220, or is an agent or  
11 employee of such a licensee; and

12           (2) the alcoholic beverages are provided to a person under  
13 the age of 19 years in violation of AS 04.16.051, unless the licensee,  
14 agent, or employee secures in good faith from the person a signed state-  
15 ment, liquor identification card, or driver's license meeting the re-  
16 quirements of AS 04.21.050(a) and 04.21.050(b), which indicates that the  
17 person is 19 years of age or older; or

18           (3) the alcoholic beverages are provided to an intoxicated  
19 person in violation of AS 04.16.030.

20 \* Sec. 7. AS 12.55.025(a) is amended to read:

21           (a) When imposing a sentence of imprisonment exceeding 90 [180]  
22 days or upon a conviction of a violation of AS 04, a regulation adopted  
23 under AS 04, or an ordinance adopted in conformity with AS 04.21.010,  
24 the court, shall prepare, as a part of the record, a sentencing report  
25 which includes the following:

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

28           (2) findings on material issues of fact and on factual ques-  
29 tions required to be determined as a prerequisite to the selection of

1 the sentence imposed;

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

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

6 \* Sec. 8. AS 12.55.025(b) is repealed and re-enacted to read:

7 (b) The sentencing report required under (a) of this section shall  
8 be furnished within 30 days after imposition of sentence to the Depart-  
9 ment of Law, the defendant, the division of corrections, the state Board  
10 of Parole if the defendant will be eligible for parole, and to the Alco-  
11 holic Beverage Control Board if the defendant is to be sentenced for a  
12 conviction of a violation of AS 04, a regulation adopted under AS 04, or  
13 an ordinance adopted under AS 04.21.010.

14 \* Sec. 9. AS 29.33.090 is amended by adding a new subsection to read:

15 (e) A zoning ordinance adopted or amended under (a) of this sec-  
16 tion may not preclude an activity authorized under a license or permit  
17 issued under AS 04 if the activity was licensed or permitted by the  
18 Alcoholic Beverage Control Board before the adoption of the zoning  
19 ordinance or zoning ordinance amendment.

20 \* Sec. 10. AS 39.25.110 is amended by adding a new paragraph to read:

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

24 \* Sec. 11. AS 04.05, AS 04.10, AS 04.15, AS 04.20, and AS 44.62.330(17)  
25 are repealed.

26 \* Sec. 12. Notwithstanding AS 04.06, members of the Alcoholic Beverage  
27 Control Board serving on the board on the effective date of this Act continue  
28 in office until the expiration of their terms.

29 \* Sec. 13. Sections 7 and 8 of this Act take effect January 1, 1981.

1 \* Sec. 14. Sections 1 - 5 and secs. 9 - 14 of this Act take effect on the  
2 effective date of an Act amending AS 44.66.010(a)(1) to continue the existence  
3 of the Alcoholic Beverage Control Board beyond June 30, 1979.

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