

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

Offered: 6/1/80  
For Today's Calendar

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 HOUSE CS FOR CS FOR SPONSOR SUBSTITUTE FOR SENATE BILL NO. 239 (Finance)

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. FINDINGS AND INTENT. The legislature finds that the abuse  
10 of alcoholic beverages is inflicting very deleterious effects on individuals,  
11 families, and the public at large. The legislature intends that the manufac-  
12 ture, distribution, and sale of alcoholic beverages be controlled and regu-  
13 lated under the police power of the state in a manner that will mitigate the  
14 deleterious effects of alcoholic beverages on the health, safety and welfare  
15 of the people of the state.

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

17 CHAPTER 06. ALCOHOLIC BEVERAGE CONTROL BOARD.

18 Sec. 04.06.010. ESTABLISHMENT OF BOARD. The Alcoholic Beverage  
19 Control Board is established as a regulatory and quasi-judicial agency.  
20 The board is in the Department of Revenue, but for administrative pur-  
21 poses only.

22 Sec. 04.06.020. APPOINTMENT AND QUALIFICATIONS. The board con-  
23 sists of six members appointed by the governor and confirmed by a major-  
24 ity of the members of the legislature in joint session. A member of the  
25 board may not hold any other state or federal office, either elective or  
26 appointive. Two members of the board shall be persons actively engaged  
27 in the alcoholic beverage industry, except that no member may hold a  
28 wholesale license or be an officer, agent, or employee of a wholesale  
29 alcoholic beverage enterprise. One member of the board shall have

1 training or experience in the epidemiology of alcoholism. No three  
2 members of the board may be engaged in the same business, occupation, or  
3 profession.

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

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

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

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

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

17 Sec. 04.06.060. QUORUM AND MAJORITY. Four members of the board  
18 constitute a quorum for the conduct of business, except that a majority  
19 of the whole membership of the board must approve all applications for  
20 new licenses, and all renewals, transfers, suspensions and revocations  
21 of existing licences. If a majority of the board is present and voting,  
22 the director, with the consent of the members present, may cast a tie-  
23 breaking vote.

24 Sec. 04.06.070. APPOINTMENT AND REMOVAL OF DIRECTOR. The governor  
25 shall appoint a director to serve as the executive officer of the board.  
26 The board may remove the director at its pleasure, and the governor may  
27 remove the director for misconduct, misfeasance or malfeasance in office.  
28 The governor may not remove the director unless the director is given a  
29 copy of the charges against him and afforded an opportunity to be pub-

1 licly heard, in person or by counsel, in his own defense upon at least  
2 10 days notice. If the director is removed for cause, the governor  
3 shall file with the lieutenant governor a complete statement of all  
4 charges made against the director and the findings based on the charges,  
5 together with a complete record of any hearing.

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

8 Sec. 04.06.080. DELEGATION OF AUTHORITY. The director shall  
9 issue, renew, transfer, suspend, or revoke all licenses and permits at  
10 the direction of the board. However, notwithstanding AS 04.11.070, the  
11 board may delegate authority to the director to temporarily grant or  
12 deny the issuance, renewal, or transfer, of licenses and permits. The  
13 director's temporary grant or denial of the issuance, renewal, or trans-  
14 fer of a license or permit is not binding on the board. The board may  
15 delegate to the director any duty imposed by this title except its power  
16 to propose and adopt regulations.

17 Sec. 04.06.090. POWERS AND DUTIES. (a) The board shall control  
18 the manufacture, barter, and sale of alcoholic beverages in the state.  
19 The board is vested with the powers, duties, and responsibilities neces-  
20 sary for the control of alcoholic beverages, including the power to  
21 propose and adopt regulations and to hear appeals from actions of the  
22 director, and from actions of officers and employees charged with en-  
23 forcing the alcoholic beverage control laws and the regulations of the  
24 board.

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

28 (c) When considering an application, the board may reduce the area  
29 to be designated the licensed premises below the area applied for when,

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in the judgment of the board, a reduction in area is necessary to insure control over the sale and consumption of alcoholic beverages on the premises or is otherwise in the best interests of the public.

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

(e) The board shall promptly notify all licensees and municipalities of major changes to this title and to regulations adopted under this title. However, if changes only affect specific classifications of licenses and permits, the board need only notify those licensees and municipalities directly affected by the changes. Current copies of this title and current copies of the regulations adopted under it shall be made available at all offices of the Department of Revenue and the detachment headquarters and posts maintained by the division of Alaska state troopers, Department of Public Safety, in the state.

Sec. 04.06.100. REGULATIONS. (a) The board shall adopt regulations governing the manufacture, barter, sale, consumption, and possession of alcoholic beverages in the state which are consistent with this title and necessary to carry out the purpose of this title in a manner that will protect the public health, safety, and welfare. The regulations shall be adopted in accordance with the Administrative Procedure Act (AS 44.62).

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

- (1) employment, conduct, and duties of the director and of regular and contractual employees of the board;
- (2) procedures for the issuance, denial, renewal, transfer,

1 revocation, and suspension of licenses and permits;

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

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

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

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

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

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

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

15 (10) making of reports by wholesalers;

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

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

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

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

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

27 Sec. 04.06.110. PEACE OFFICER POWERS. The director and the per-  
28 sons employed for the administration and enforcement of this title may,  
29 with the concurrence of the commissioner of public safety, exercise the

1 powers of peace officers when those powers are specifically granted by  
2 the board. Powers granted by the board under this section may be exer-  
3 cised only when necessary for the enforcement of the criminally punish-  
4 able provisions of this title, regulations of the board, and other  
5 criminally punishable laws and regulations governing the manufacture,  
6 barter, sale, consumption, and possession of alcoholic beverages in the  
7 state.

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

9 CHAPTER 11. LICENSING.

10 ARTICLE 1. LICENSING AND REPORTING REQUIREMENTS.

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

15 (b) A person may not solicit or receive orders for the delivery of  
16 an alcoholic beverage in an area where the results of a local option  
17 election have, under AS 04.11.490 - 04.11.502, prohibited the board from  
18 issuing, renewing or transferring any licenses or permits under this  
19 title, unless the person is licensed under this title and the order is  
20 actually received by that person from the purchaser of the alcoholic  
21 beverage. A person who violates this subsection is punishable upon  
22 conviction under AS 04.16.200(a) or (b).

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

28 (b) A license or permit is not required to serve alcoholic bever-  
29 ages in exchange for valuable contributions at a private gathering of a

1 bona fide group of co-workers or of a professional, social, or fraternal  
2 organization if equal contributions are made by all in attendance and  
3 only the amount required to purchase the alcoholic beverages is contri-  
4 buted. All other applicable provisions of this title and regulations  
5 under this title shall be observed at these private gatherings.

6 Sec. 04.11.030. DEATH OF LICENSEE. (a) The executor or adminis-  
7 trator of the estate of a person who was operating a business as a sole  
8 licensee under a license authorized by this title may continue to oper-  
9 ate the licensed business until an application for transfer of a license  
10 to another person is approved or until the license is forfeited under  
11 (b) of this section.

12 (b) If an application for the transfer of ownership of a license  
13 from the deceased licensee is not made within 90 days of the death of  
14 the licensee or within an additional 90 days if an application for  
15 transfer of ownership made by the executor is denied, or no petition is  
16 made to the board for an extension of time under (c) of this section  
17 within that time, the license shall be forfeited.

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

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

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

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

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

29 (c) A person may not receive or transfer controlling interest in a

1 liquor license issued to a corporation under this title except with the  
2 written consent of the board.

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

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

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

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

20 (1) obtaining a general wholesale license under AS 04.11.-  
21 160(a) for each wholesale distributing point in the state;

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

23 (3) obtaining other applicable licenses under the provisions  
24 of this title.

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

27 **ARTICLE 2. LICENSES AND PERMITS.**

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

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- (1) beverage dispensary license;
- (2) duplicate beverage dispensary license for additional rooms;
- (3) restaurant or eating place license;
- (4) club license;
- (5) bottling works license;
- (6) brewery license;
- (7) package store license;
- (8) general wholesale license;
- (9) wholesale malt beverage and wine license;
- (10) distillery license;
- (11) common carrier dispensary license;
- (12) retail stock sale license;
- (13) recreational site license;
- (14) pub license;
- (15) winery license;
- (16) caterer's permit;
- (17) special events permit;
- (18) conditional contractor's permit.

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

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

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

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

6 (e) A holder of a beverage dispensary license may not maintain  
7 upon the licensed premises more than one room in which there is regu-  
8 larly maintained a fixed counter or service bar at which alcoholic  
9 beverages are sold or served to members of the public for consumption  
10 unless he is issued by the board, after investigation, a duplicate of  
11 the original license for each of the rooms. The holder of the beverage  
12 dispensary license shall pay to the board with each application for a  
13 duplicate license an amount equal to the fee payable for the original  
14 beverage dispensary license under (b) of this section. If the licensed  
15 premises are located within a municipality, a duplicate beverage dis-  
16 pensary license may not be issued unless approved by the council or  
17 assembly, as appropriate.

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

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

28 (b) A license may be issued under this section only if the board  
29 determines that the premises to be licensed is a bona fide restaurant or

1 eating place.

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

6 (d) The annual fee for a restaurant or eating place license is  
7 \$300.

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

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

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

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

29 (e) Guests who enter the club premises on the invitation of a

1 member and in the company of the member may be served but not sold  
2 alcoholic beverages. A guest must leave the premises immediately upon  
3 the departure of the member who extended the invitation to enter.

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

8 (g) Notwithstanding AS 04.16.049, the board may authorize access  
9 by persons under 19 years of age to a club's licensed premises during  
10 hours when no alcoholic beverages are sold, served or consumed.

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

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

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

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

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

24 (b) A brewery license authorizes the holder to sell beer in quan-  
25 tities of more than five wine gallons to persons licensed to sell beer  
26 under this title.

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

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

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

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

(c) The holder of a winery license may permit a person to sample small portions of the wine on the premises free of charge unless prohibited by AS 04.16.030.

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

Sec. 04.11.150. PACKAGE STORE LICENSE. (a) A package store license authorizes the holder to sell alcoholic beverages to a person in response to a verbal solicitation for purchase received from the person present on the licensed premises or in response to a written solicitation made by a person known to the licensee for a purchase to be received by the person making the solicitation.

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

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

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

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

(f) When the holder of a package store license is also a holder of a beverage dispensary license and the package store premises are contained within or are adjacent to the premises of the beverage dispensary

1 and the only public entrance to the package store is by a door or other  
2 means within the premises of the beverage dispensary, the board shall  
3 determine if additional entrances to the package store are necessary for  
4 enforcement purposes, to meet health and fire safety standards, or for  
5 the convenience of the public.

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

8 Sec. 04.11.160. WHOLESALE LICENSES. (a) A general wholesale  
9 license authorizes the holder to sell alcoholic beverages in the origi-  
10 nal package, and wine in bulk, in quantities of not less than five  
11 gallons. A holder of a general wholesale license may not sell to a  
12 person not licensed under this title, except as provided in AS 04.21.-  
13 040. A holder of a general wholesale license may not sell alcoholic  
14 beverages requiring Internal Revenue strip stamps unless the alcoholic  
15 beverages have the stamps intact on the package. A wholesaler must  
16 obtain a general wholesale license for each distributing point. The  
17 annual general wholesale license fee is \$1,000 for the first \$100,000 of  
18 business transacted, payable at the time of making an original applica-  
19 tion or an application for renewal. In addition, the following annual  
20 fees shall be paid by a holder of a general wholesale license:

21 Business Transacted During Year	Fee
22 over \$100,000 and not over \$150,000 .....	\$ 500
23 over \$150,000 and not over \$200,000 .....	\$ 1,000
24 over \$200,000 and not over \$250,000 .....	\$ 1,500
25 over \$250,000 and not over \$300,000 .....	\$ 2,000
26 over \$300,000 and not over \$350,000 .....	\$ 2,500
27 over \$350,000 and not over \$400,000 .....	\$ 3,000
28 over \$400,000 and not over \$500,000 .....	\$ 4,000
29 over \$500,000 and not over \$600,000 .....	\$ 5,000

1	over \$600,000 and not over \$700,000 .....	\$ 6,000
2	over \$700,000 and not over \$800,000 .....	\$ 7,000
3	over \$800,000 and not over \$1,000,000 .....	\$ 9,000
4	over \$1,000,000 .....	\$10,000

5 (b) A wholesale malt beverage and wine license authorizes the  
6 holder to sell malt beverages and wine in the original packages in  
7 quantities of not less than five wine gallons. The holder of a whole-  
8 sale malt beverage and wine license may not sell to a person not licensed  
9 under this title except as provided in AS 04.21.040. The annual whole-  
10 sale malt beverage and wine license fee is \$200 for the first \$20,000 of  
11 business transacted during a year, payable at the time of making an  
12 original application or application for renewal. In addition, the  
13 following annual fees shall be paid by a holder of a wholesale malt  
14 beverage and wine license:

15	Business Transacted During Year	Fee
16	over \$20,000 and not over \$50,000 .....	\$ 300
17	over \$50,000 and not over \$100,000 .....	\$ 1,000
18	over \$100,000 and not over \$150,000 .....	\$ 1,500
19	over \$150,000 and not over \$200,000 .....	\$ 2,000
20	over \$200,000 and not over \$400,000 .....	\$ 4,000
21	over \$400,000 and not over \$600,000 .....	\$ 6,000
22	over \$600,000 and not over \$800,000 .....	\$ 8,000
23	over \$800,000 .....	\$10,000

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

27 (d) No later than February 28 of each year following that for  
28 which a license has been issued under this section, the licensee shall  
29 file with the board an affidavit showing the total amount of business

1 transacted during the preceding year under his license and the location  
2 of the licensed premises at which the business was transacted. At the  
3 time of filing the affidavit, the licensee shall pay the license fees  
4 accrued under (a) and (b) of this section during the preceding year.

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

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

11 (b) A distillery license authorizes the holder to sell alcoholic  
12 beverages to persons licensed under this chapter in quantities of more  
13 than five gallons.

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

15 Sec. 04.11.180. COMMON CARRIER DISPENSARY LICENSE. (a) A common  
16 carrier dispensary license authorizes the holder to sell alcoholic  
17 beverages for consumption aboard a vehicle, boat, aircraft, or railroad  
18 buffet car licensed by a state or federal agency for passenger travel.

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

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

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

29 (c) The retail stock sale license shall be issued for a period of

1 90 days from the expiration or forfeiture of the package store license  
2 and is not renewable.

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

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

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

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

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

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

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

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

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

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

28 Sec. 04.11.230. CATERER'S PERMIT. (a) A caterer's permit autho-  
29 rizes the holder of a beverage dispensary license to sell or dispense

1 alcoholic beverages at conventions, picnics, social gatherings, sporting  
2 events, or similar affairs held off the holder's licensed premises. The  
3 permit may only be issued for designated premises for a specific occa-  
4 sion and for a limited period of time.

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

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

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

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

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

24 (b) An application for a special events permit must be received in  
25 the main office of the board at least 10 days before the date for which  
26 the permit is requested. The application must be signed by both the  
27 president and secretary of the organization applying for the permit. A  
28 sworn affidavit showing the length of time the organization has been in  
29 existence must accompany the application, together with a certified copy

1 of the resolution of the board of directors authorizing the application.  
2 The written approval of the law enforcement agency having jurisdiction  
3 over the designated premises of the occasion for which the permit is  
4 sought must also be obtained and accompany the application.

5 (c) The special events permit must be surrendered to the board,  
6 its agent, or the law enforcement agency approving the permit, within 48  
7 hours of its expiration time. Failure to surrender the permit is cause,  
8 in the discretion of the board, for denial of applications for permits  
9 made in the future by the organization. No more than five special  
10 events permits may be granted to an organization, including its aux-  
11 iliary, in any one calendar year.

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

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

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

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

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

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

2 ARTICLE 3. APPLICATION FOR LICENSE OR PERMIT.

3 Sec. 04.11.260. APPLICATION FOR NEW LICENSE OR PERMIT. (a) An  
4 applicant for a new license or permit shall file with the director a  
5 written application, signed and sworn to by the applicant, giving his  
6 name and address. If the applicant is a corporation, the application  
7 shall be executed by the authorized officers of the corporation. The  
8 application shall include:

9 (1) the type of license or permit desired;

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

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

15 (4) the license fee;

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

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

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

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

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

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

29 (3) evidence of any approval by public authorities required

1 to be obtained under AS 04.11.090(e), 04.11.220(c), 04.11.230(b), 04.-  
2 11.240(b), or 04.11.250(b), before a license may be issued.

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

6 (1) the information required for a new license under AS 04.-  
7 11.260 except that proof of notice under AS 04.11.310 is not required;  
8 and

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

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

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

16 (2) An application to renew a license may be filed on or  
17 before December 31 and shall be accompanied by the annual fee required  
18 for the license. An application to renew the license may be filed after  
19 December 31 and on or before February 28 if accompanied by the annual  
20 fee for the license, plus a penalty equal to the annual fee or \$100,  
21 whichever is less.

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

27 (b) An application for the transfer of a license to another person  
28 shall be accompanied by a statement, under oath, executed by the trans-  
29 feror, listing all debts of the business and all taxes due by the busi-

1       ness. The board shall promptly inform each listed creditor of the  
2       application and the amount shown as owed to that creditor.

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

9               Sec. 04.11.300. STATE TROOPER INVESTIGATION. The state troopers  
10       shall assist the director in the investigation of applicants for new  
11       licenses and applicants for the transfer of existing licenses before the  
12       applications are considered by the board.

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

24                   ARTICLE 4. DENIAL, SUSPENSION, OR REVOCATION  
25                   OF LICENSES AND PERMITS.

26              Sec. 04.11.320. DENIAL OF NEW LICENSES AND PERMITS. (a) An  
27       application requesting issuance of a new license shall be denied if  
28       (1) the board finds, after review of all relevant informa-  
29       tion, that issuance of the license would not be in the best interests of

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the public;

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

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

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

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

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

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

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

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

1 400(f);

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

4 (11) the license is sought for the sale of alcoholic beverages  
5 on premises to be located in a first or second class city in which there  
6 are no licensed premises at the time of application unless a majority of  
7 the voters in a local option election conducted in accordance with  
8 AS 04.11.504 have voted "no" on the question set out in AS 04.11.490, or  
9 have voted "yes" on a question set out in AS 04.11.492 or 04.11.502;

10 (12) the license is sought for the sale of alcoholic beverages  
11 on premises to be located in an established village in which there are  
12 no licensed premises at the time of application unless a majority of the  
13 voters in a local option election conducted in accordance with AS 04.11.  
14 504 have voted "no" on the question set out in AS 04.11.490 or have  
15 voted "yes" on the question set out in AS 04.11.502.

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

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

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

23 (3) the application has not been completed in accordance with  
24 AS 04.11.260;

25 (4) the permit is sought for the sale of alcoholic beverages  
26 on premises to be located in a first or second class city or established  
27 village in which there are no licensed premises at the time of applica-  
28 tion unless a majority of the voters in a local option election con-  
29 ducted in accordance with AS 04.11.504 have voted "no" on the question

1 set out in AS 04.11.490.

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

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

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

8 (3) the applicant has not operated the licensed premises for  
9 at least 30 eight-hour days during the immediately preceding calendar  
10 year, unless the board determines that the licensed premises are under  
11 construction or cannot be operated through no fault of the applicant;

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

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

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

19 (7) renewal of the license is prohibited under this title as  
20 a result of an election conducted in accordance with AS 04.11.490 - 04.-  
21 11.508;

22 (8) the application has not been completed in accordance with  
23 AS 04.11.270.

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

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

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

1 tion, that issuance of the permit would not be in the best interests of  
2 the public;

3 (2) the application has not been completed in accordance with  
4 AS 04.11.270.

5 Sec. 04.11.340. DENIAL OF TRANSFER OF LOCATION. An application  
6 requesting approval of a transfer of location of licensed premises shall  
7 be denied if

8 (1) the board finds, after review of all relevant informa-  
9 tion, that transfer of location of the license would not be in the best  
10 interests of the public;

11 (2) the transfer of location of the license is prohibited  
12 under AS 04.11.400(a) or prohibition of transfer is found necessary  
13 under AS 04.11.400(f);

14 (3) the license would be transferred out of the election  
15 district within which it was originally issued, unless the election  
16 district into which the license would be transferred is within the  
17 incorporated city, organized borough or unified municipality within  
18 which the license was originally issued;

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

22 (5) the application has not been completed in accordance with  
23 AS 04.11.290;

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

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

28 (8) transfer of location of the license is prohibited under  
29 this title as a result of an election conducted in accordance with

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AS 04.11.490 - 04.11.508;

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

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

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

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

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

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

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

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

(5) transfer of the license to another person would result in violation of the provisions of this title relating to identity of li-

1 censees and financing of licensees;

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

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

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

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

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

22 Sec. 04.11.370. SUSPENSION AND REVOCATION OF LICENSES AND PERMITS.  
23 A license or permit shall be suspended or revoked if the board finds  
24 that one or more of the following grounds exists:

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

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

29 (3) failure on the part of the licensee to correct defects

1 which constitute violations of this title, regulations adopted under  
2 this title, or other laws within a prescribed time after receipt of  
3 notice issued by the board or its agent;

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

7 (5) conviction of the agent or employee of a licensee of a  
8 violation of this title, a regulation adopted under this title, or an  
9 ordinance adopted under AS 04.21.010, if the licensee is found by the  
10 board to have either knowingly allowed the violation or to have reck-  
11 lessly or with criminal negligence failed to act in accordance with the  
12 duty prescribed under AS 04.21.030 with the result that an agent or  
13 employee violates a law, regulation, or ordinance;

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

16 (7) use of the licensed premises as a resort for illegal  
17 possessors or users of narcotics, prostitutes, or pimps; in addition to  
18 any other legally competent evidence, the character of the premises may  
19 be proved by the general reputation of the premises in the community as  
20 a resort for illegal possessors or users of narcotics, prostitutes, or  
21 pimps;

22 (8) occurrence of illegal gambling within the limits of the  
23 licensed premises;

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

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

28 (11) violation by an agent or employee of a licensee of a  
29 provision 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 the agent or  
5 employee violates the law, regulation, or ordinance.

6 ARTICLE 5. RESTRICTIONS ON ISSUANCE AND TRANSFER OF LICENSES.

7 Sec. 04.11.390. RESIDENCE. A beverage dispensary license or  
8 package store license may not be issued to a person or association of  
9 persons who have not resided in the state for at least one year before  
10 the date of application. A beverage dispensary license or package store  
11 license may not be issued to either a domestic corporation which has not  
12 been issued a certificate of incorporation or a foreign corporation  
13 which has not been issued a certificate of authority to transact busi-  
14 ness in the state at least one year before the date of the application.

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

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

24 (2) inside an established village, an incorporated city, or a  
25 unified municipality if after the issuance or transfer there would be  
26 more than one license of each type for each 1,500 population or fraction  
27 of 1,500 population, including licenses which have been issued under (g)  
28 or (h) of this section, inside the boundaries of the village, city or  
29 municipality.

1 (b) If the application is for a license outside of an established  
2 village, incorporated city, or unified municipality and the radius  
3 described in (a)(1) of this section encompasses all of the established  
4 village, incorporated city, or unified municipality and the population  
5 resident inside and outside the village, city, or municipality but  
6 inside the radius described in (a)(1) of this section is less than  
7 1,500, the board may deny the issuance or transfer of the license.

8 (c) In this section "unified municipality" means a unified muni-  
9 cipality established under AS 29.68.

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

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

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

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

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

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

29 (B) a dining facility, which requirement may be waived

1 if most of the rental rooms have kitchen facilities; or

2 (2) an airport terminal.

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

5 (1) the premises of the restaurant or eating place are more  
6 than 18 miles from the corporate limits of a city or unified municipal-  
7 ity;

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

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

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

14 (1) no ground for denial exists under AS 04.11.340(1) or (3);  
15 and

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

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

18 (B) condemnation of the premises;

19 (C) the substantial destruction of the premises by any  
20 cause.

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

22 (a) A beverage dispensary or package store license may not be issued  
23 and the location of an existing license may not be transferred if the  
24 licensed premises would be located in a building the public entrance of  
25 which is within 200 feet of a school ground or a church building in  
26 which religious services are regularly conducted, measured by the  
27 shortest pedestrian route from the outer boundaries of the school ground  
28 or the public entrance of the church building. However, a license  
29 issued before the occurrence of either cause of restriction may be

1 renewed or transferred to a person notwithstanding this subsection.

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

8 Sec. 04.11.420. ZONING LIMITATIONS. (a) A person may not be  
9 issued a license or permit in a municipality if a zoning regulation or  
10 ordinance prohibits the sale or consumption of alcoholic beverages  
11 unless a variance of the regulation or ordinance has been approved.

12 (b) The municipality shall inform the board of zoning regulations  
13 or ordinances which prohibit the sale or consumption of alcoholic bever-  
14 ages.

15 Sec. 04.11.430. PERSON AND LOCATION. Each license shall be issued  
16 to a specific individual or individuals, a city, or to a corporation.  
17 If the license is issued to a corporation, the registered agent of the  
18 corporation must be an individual resident of the state. Except for a  
19 license authorizing the sale of alcoholic beverages on a common carrier,  
20 a specific location shall be indicated on the license or permit as the  
21 licensed premises, the principal address of which shall be indicated on  
22 the license or permit. The mailing address of a licensee or, if the  
23 licensee is a corporation, the address of the registered office of the  
24 corporation must be kept current and on file in the main office of the  
25 board.

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

29 (b) A person who is a representative or owner of a wholesale

1 business, brewery, winery, bottling works, or distillery may not be  
2 issued, solely or together with others, a beverage dispensary license or  
3 package store license.

4 (c) In this section, "direct or indirect financial interest" means  
5 holding a legal or equitable interest in the operation of a business  
6 licensed under this title. However, credit extended by a distiller, a  
7 brewery or a winery to a wholesaler, or credit extended by a wholesaler  
8 to persons licensed under this title, is not considered a financial  
9 interest in a business licensed under this title.

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

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

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

18 Sec. 04.11.460. PRIOR PUBLIC APPROVAL. (a) A new license or the  
19 transfer of location of an existing license may not be approved by the  
20 board in an area outside but within 50 miles of the boundaries of a  
21 municipality unless a petition asking that the license be issued or  
22 transferred within the area containing signatures of a majority of the  
23 permanent residents residing within one mile of the proposed premises is  
24 filed with the board.

25 (b) A license may not be issued in an area which is 50 miles or  
26 more from the boundaries of a municipality unless a petition asking that  
27 the license be issued within the area containing the signatures of  
28 two-thirds of the permanent residents residing within a radius of five  
29 miles of the United States post office station nearest to the proposed

1 licensed premises, is filed with the board. A petition is not required  
2 for the renewal of a license issued in accordance with this subsection  
3 unless specifically required by the board. If

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

7 (2) there is no United States post office station within a  
8 radius of five miles of the proposed licensed premises, the applicant  
9 must obtain the signatures of two-thirds of the permanent residents  
10 residing within a five mile radius of the proposed licensed premises.

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

14 ARTICLE 6. PROCEDURES FOR PUBLIC INFLUENCE.

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

24 Sec. 04.11.480. PROTEST. (a) If a local governing body wishes to  
25 protest the issuance, renewal, transfer of location or transfer to  
26 another person of a license, it shall furnish the board and the appli-  
27 cant with a protest within 30 days of receipt from the board of notice  
28 of filing of the application. The board shall consider a protest and  
29 testimony received at a hearing conducted under AS 04.11.510(b)(2) or

1 (4) when it considers the application, and the protest and the record of  
2 the hearing conducted under AS 04.11.510(b)(2) or (4) shall be retained  
3 as part of the board's permanent record of its review of the applica-  
4 tion. If an application is protested, the board may not approve the  
5 application unless the board finds that the protest is arbitrary, capri-  
6 cious, or unreasonable.

7 (b) If the permanent residents residing outside of but within two  
8 miles of an incorporated city or an established village wish to protest  
9 the issuance, renewal, or transfer of a license within the city or  
10 village, they shall file with the board a petition meeting the require-  
11 ments of AS 04.11.510(b)(3) requesting a public hearing within 30 days  
12 of the posting of notice required under AS 04.11.310, or by December 31  
13 of the year application is made for renewal of a license. The board  
14 shall consider testimony received at a hearing conducted under AS 04.-  
15 11.510(b)(3) when it considers the application, and the record of a  
16 hearing conducted under AS 04.11.510(b)(3) shall be retained as part of  
17 the board's permanent record of its review of the application.

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

19 (a) The following question, alone or with the questions set out in  
20 AS 04.11.498 and 04.11.500, may be placed before the voters of a first  
21 or second class city or an established village in accordance with AS 04.-  
22 11.504: "Shall the sale of alcoholic beverages in .....(name of city or  
23 village) be prohibited? (yes or no)".

24 (b) If a majority of the voters vote "yes" on the question set out  
25 in (a) of this section, the board shall be notified immediately after  
26 certification of the results of the election and thereafter may not  
27 issue, renew, or transfer between holders or locations a license for  
28 licensed premises located within the boundaries or perimeter of a city  
29 or an established village or in an unincorporated area outside of but

1 within five miles of the boundaries of a city. As of midnight on the  
2 day the results of the election are certified, licenses in effect within  
3 the boundaries or perimeter of a city or an established village, and in  
4 an unincorporated area outside of but within five miles of the boundaries  
5 of a city, are void. 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 the 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 a question set out in AS 04.11.-  
12 492 or 04.11.502 in an election conducted in accordance with AS 04.11.-  
13 504 after an election in which the voters voted "yes" on the question  
14 set out in (a) of this section, the board shall be notified immediately  
15 after certification of the results of the election. Thereafter, the  
16 prohibitions imposed under (b) of this section on the issuance, renewal,  
17 or transfer of licenses between holders and location as a result of the  
18 earlier election in which the voters voted "yes" on the question set out  
19 in (a) of this section are removed.

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

27 (b) If a majority of the voters vote "yes" on the question set out  
28 in (a) of this section, the board shall be notified immediately after  
29 certification of the results of the election and thereafter may not

1 issue, renew, or transfer between holders or locations a license for  
2 licensed premises located within the boundaries of a city or in an  
3 unincorporated area outside of but within five miles of the boundaries  
4 of a city, with the exception of beverage dispensary or package store  
5 licenses held by the city. As of midnight on the day the results of the  
6 election are certified, licenses in effect within the boundaries of a  
7 city and in an unincorporated area outside of but within five miles of  
8 the boundaries of a city are void. If a package store license is voided  
9 under this subsection, the holder of the package store license shall be  
10 issued, upon application, a retail stock sale license without payment of  
11 the retail stock sale license fee if he fulfills all other requirements  
12 for the issuance of a retail stock sale license.

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

17 (d) If a majority of the voters vote "no" on the question set out  
18 in (a) of this section or vote "yes" on a question set out in AS 04.11.-  
19 490, 04.11.494, 04.11.496, or 04.11.502 in an election conducted in  
20 accordance with AS 04.11.504 after an election in which the voters voted  
21 "yes" on the question set out in (a) of this section, the board shall be  
22 notified immediately after a certification of the results of the elec-  
23 tion. As of midnight on the day the results of the election are certi-  
24 fied, a beverage dispensary or package store license held by a city is  
25 void and thereafter the prohibitions imposed under (b) of this section  
26 on the issuance, renewal, or transfer of licenses between holders and  
27 locations as a result of the earlier election are removed. If a package  
28 store license is voided under this subsection, the holder of the package  
29 store license shall be issued, upon application, a retail stock sale

1 license without payment of the retail stock sale licensee fee if he  
2 fulfills all other requirements for the issuance of a retail stock sale  
3 license.

4 Sec. 04.11.494. PROHIBITION OF POSSESSION AND IMPORTATION OF  
5 ALCOHOLIC BEVERAGES. (a) The following question may be placed before  
6 the voters of a first or second class city or an established village in  
7 accordance with AS 04.11.504: "Shall the possession and importation of  
8 alcoholic beverages be prohibited in .....(name of city or village)?  
9 (yes or no)"

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

29 (c) If a majority of the voters vote "no" on the question set out

1 in (a) of this section or vote "yes" on the questions set out in AS 04.-  
2 11.492 or 04.11.498 - 04.11.502 in an election conducted in accordance  
3 with AS 04.11.504 after an election in which the voters voted "yes" on  
4 the question set out in (a) of this section, the prohibition on the  
5 possession and importation of alcoholic beverages and the prohibition on  
6 the issuance, renewal, or transfers of licenses between holders and  
7 locations, imposed as a result of the earlier election in which the  
8 voters voted "yes" on the question set out in (a) of this section are  
9 removed effective on the first day of the month following certification  
10 of the results of the election.

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

12 (a) The following question 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 importation of alcoholic beverages into ..... (name  
15 of city or 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, a person may not knowingly send, transport, or  
18 bring alcoholic beverages into the city or established village, be-  
19 ginning on the first day of the month following certification of the  
20 results of the election. 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 or perimeter of the city  
24 or established village or in an unincorporated area outside of but  
25 within five miles of the boundaries the city. If a package store license  
26 may not be renewed under this subsection, the holder of the package  
27 store license shall be issued, upon application, a retail stock sale  
28 license without the payment of the retail stock sale license fee if he  
29 fulfills all other requirements for the issuance of a retail stock sale

1 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 the question set out in AS 04.-  
4 11.492, 04.11.498, or 04.11.502, in an election conducted in accordance  
5 with AS 04.11.504 after an election in which the voter voted "yes" on  
6 the question set out in (a) of this section, the prohibition on impor-  
7 tation of alcoholic beverages and the prohibition on the issuance,  
8 renewal, or transfer of licenses between holders and locations, imposed  
9 as a result of the earlier election are removed effective the first day  
10 of the month following certification of the results of the election.

11 Sec. 04.11.498. PROHIBITION OF IMPORTATION OF ALCOHOLIC BEVERAGES  
12 EXCEPT DURING HOLIDAY PERIODS. (a) The following question, alone or  
13 with the question set out under AS 04.11.500 if the same holiday periods  
14 are listed on the ballot, or with one of the questions set out in AS 04.-  
15 11.490, 04.11.492, or 04.11.500 if the same holiday periods are listed  
16 on the ballot, or under AS 04.11.502, may be placed before the voters of  
17 a first or second class city or an established village in accordance  
18 with AS 04.11.504: "Shall the importation of alcoholic beverages into  
19 .....(name of city or village) be prohibited, except during .....  
20 (listing of holiday periods during which the importation of alcoholic  
21 beverages would be permitted if the measure passes)? (yes or no)"

22 (b) If a majority of the voters vote "yes" on the question set out  
23 in (a) of this section, a person, except during the holiday periods  
24 listed in the question, may not knowingly send, transport, or bring  
25 alcoholic beverages into the city or established village, beginning on  
26 the first day of the month following certification of the results of the  
27 election. The board shall be notified immediately after certification  
28 of the results of the election and thereafter may not issue, renew, or  
29 transfer between holders or locations a license for licensed premises

1 located within the boundaries or perimeter of a city or established  
2 village, or in an unincorporated area outside of but within five miles  
3 of the boundaries of a city, unless the duration of the license is  
4 limited to those periods listed on the ballot.

5 (c) If a majority of the voters vote "no" on the question set out  
6 in (a) of this section or vote "yes" on the question set out in AS 04.-  
7 11.494, 04.11.496, or 04.11.498 if different holiday periods are listed,  
8 in an election conducted in accordance with AS 04.11.504 after an elec-  
9 tion in which the voters voted "yes" on the question set out in (a) of  
10 this section, the prohibition on importation of alcoholic beverages and  
11 the prohibition on the issuance, renewal, or transfer of licenses be-  
12 tween holders and locations imposed as a result of the earlier election  
13 is removed effective on the first day of the month following certifica-  
14 tion of the results of the election.

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

25 (b) If a majority of the voters vote "yes" on the question set out  
26 in (a) of this section, a person, except during the holiday periods  
27 listed on the ballot, may not possess alcoholic beverages in the city or  
28 established village or knowingly send, transport, or bring alcoholic  
29 beverages into the city or established village, beginning on the first

1 day of the month following certification of the results of the election.  
2 The board shall be notified immediately after certification of the  
3 results of the election and thereafter may not issue, renew, or transfer  
4 between holders or location a license for licensed premises located  
5 within the boundaries or perimeter of a city or established village, or  
6 in an unincorporated area outside of but within five miles of the boun-  
7 daries of a city, unless the duration of the license is limited to the  
8 holiday periods listed on the ballot. Beginning on the first day of the  
9 month following certification of the results of the election, licenses  
10 in effect within the boundaries or perimeter of the city or established  
11 village, and in an unincorporated area outside but within five miles of  
12 the boundaries of a city are effective only during the holiday periods  
13 listed on the ballot. If a package store license is voided under this  
14 subsection, the holder of the package store license shall be issued,  
15 upon application, a retail stock sale license without payment of the  
16 retail stock sale license fee if he fulfills all other requirements for  
17 the issuance of a retail stock 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 question set out in AS 04.-  
20 11.494, 04.11.496, or 04.11.498, and 04.11.500 if different holiday  
21 periods are listed on the ballot in an election conducted in accordance  
22 with AS 04.11.504 after an election in which the voters voted "yes" on  
23 the question set out in (a) of this section, the prohibition on posses-  
24 sion and importation of alcoholic beverages and the prohibition on the  
25 issuance, renewal, or transfer of licenses between holders and locations  
26 imposed as a result of the earlier election are removed effective on the  
27 first day of the month following certification of the results of the  
28 election.

29 **Sec. 04.11.502. PROHIBITION OF THE SALE OF ALCOHOLIC BEVERAGES**

1 EXCEPT BY SELECTED LICENSES. (a) The following question, alone or with  
2 the questions set out in AS 04.11.498 and 04.11.500, may be placed  
3 before the voters of a first or second class city or an established  
4 village in accordance with AS 04.11.504: "Shall the sale of alcoholic  
5 beverages be prohibited in .....(name of city or village) except by  
6 ..... (listing of the types of licenses which premises would be exempted  
7 from the prohibition on the sale of liquor if the measure passes)? (yes  
8 or no)"

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

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 questions set out in AS 04.-  
28 11.490 - 04.11.496 or 04.11.502 if different types of licenses are  
29 listed on the ballot in an election conducted in accordance with AS 04.-

1 11.504 after an election in which the voters voted "yes" on the question  
2 set out in (a) of this section, the board shall be notified immediately  
3 after certification of the results of the election. As of midnight on  
4 the date the results of the election are certified, licenses in effect  
5 in the city or established village which were excepted from the prohibi-  
6 tion on sale in accordance with the results of the earlier election are  
7 void. Thereafter the board may not issue, renew, or transfer between  
8 holders or locations a license for licensed premises located within the  
9 boundaries or perimeter of the city or established village, or in an  
10 unincorporated area outside of but within five miles of the boundaries  
11 of a city, except a license which may be issued to a first or second  
12 class city or to one of the types of licenses listed on the ballot as a  
13 result of a majority of the voters voting "yes" on the question set out  
14 in AS 04.11.492 or this section.

15 Sec. 04.11.504. PROCEDURE FOR LOCAL OPTION ELECTIONS. (a) The  
16 city council of a first or second class city, whenever a number of  
17 registered voters equal to at least 35 percent of the number of votes  
18 cast at the last regular city election petition the city council to do  
19 so, shall place upon a separate ballot at the next regular election  
20 whichever question or combination of questions set out in AS 04.11.490 -  
21 04.11.502 constitute the subject of the petition. The votes shall be  
22 canvassed in accordance with election ordinances adopted under AS 29.28.  
23 010 and the vote certified.

24 (b) The lieutenant governor, whenever 35 percent of the registered  
25 voters residing within an established village petition the lieutenant  
26 governor to do so, shall place upon a separate ballot at a special  
27 election that question or combination of questions set out in AS 04.11.-  
28 490 or 04.11.494 - 04.11.502 which constitutes the subject of the peti-  
29 tion. The lieutenant governor shall conduct the election in the general

1 manner prescribed by the Alaska Election Code (AS 15.05 - 15.60).

2           Sec. 04.11.506. REINSTATEMENT OF LICENSES. If a prohibition  
3 imposed on the issuance, renewal, or transfer of licenses between holders  
4 and locations under AS 04.11.490 - 04.11.502 is removed by a vote of  
5 "no" on a question for which the majority of the people voted "yes" in  
6 an earlier election, the board shall, upon application, issue the same  
7 number and type of licenses which were in effect in the city or estab-  
8 lished village on the date of certification of the earlier election. If  
9 the prohibition imposed on issuance, renewal, or transfer of licenses  
10 between holders and locations is removed by a "yes" vote on a question  
11 set out in AS 04.11.490 - 04.11.502, the board may issue the types of  
12 licenses specified in the question presented to the voters in the sub-  
13 sequent election. Licenses may be issued for the same or other premises  
14 within the city or established village which were licensed on the date  
15 of certification of the earlier election. In issuing licenses, the  
16 board shall accord priority to those applicants who held licenses which  
17 were voided on the date of certification of the earlier election. The  
18 director of the board shall notify persons who held licenses in the city  
19 or village on the date of certification of the earlier election of their  
20 priority under this section.

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

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

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

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

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

5 ARTICLE 7. BOARD PROCEDURES.

6 Sec. 04.11.510. PROCEDURE FOR ACTION ON LICENSE APPLICATIONS,  
7 SUSPENSIONS, AND REVOCATIONS. (a) Unless a legal action relating to  
8 the license, applicant or premises to be licensed is pending, the board  
9 shall decide whether to grant or deny an application within 90 days of  
10 receipt of the application at the main office of the board. However,  
11 the decision may not be made before the 30 days allowed for protest  
12 under AS 04.11.480 have elapsed unless received by the municipality.

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

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

27 (2) the board may, on its own initiative or in response to an  
28 objection or protest, hold a hearing to ascertain the reaction of the  
29 public or a local governing body to an application if a hearing is not

1 required under (1), (3), or (4) or this subsection;

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

8 (4) if a protest to the issuance, renewal, transfer of loca-  
9 tion or transfer to another person of a license made by a local govern-  
10 ing body is based on a question of law, the board shall hold a public  
11 hearing.

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

1 impose under AS 04.16.180.

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

7 Sec. 04.11.530. CONSIDERATION OF REPORTS. A license may not be  
8 suspended or revoked under AS 04.11.370(4) unless the board considers  
9 the reports prepared by arresting and investigating officers and the  
10 sentencing report sent to the board under AS 12.55.025(b).

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

18 (b) If the board suspends or revokes a license on grounds that a  
19 licensee knowingly allowed or recklessly or with criminal negligence  
20 failed to act in accordance with the duty prescribed under AS 04.21.030  
21 resulting in unlawful action of an agent or employee, the board shall  
22 file a criminal complaint charging the licensee with violation of AS  
23 04.16.150.

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

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ARTICLE 8. EXPIRATION OF LICENSES.

Sec. 04.11.540. LICENSE RENEWAL AND EXPIRATION. Notwithstanding AS 04.11.680, an application for renewal of a license issued for the calendar year ending December 31 or issued for a six-month period ending in the previous year may be submitted up until the next February 28 but the authority granted under the license may not be exercised until the license is renewed. If the application for renewal and applicable affidavits have not been filed by February 28 or the required fees and the penalty fees have not been paid by that date, the license expires at 12:00 midnight February 28. A new license may not be issued to the holder of an expired license for the same premises except on proof satisfactory to the board of good cause for the failure to file and pay.

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

ARTICLE 9. MISCELLANEOUS PROVISIONS.

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

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

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

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

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

7 Sec. 04.11.580. SURRENDER OR DESTRUCTION OF LICENSE. (a) A  
8 license issued under this title shall, if the board so directs, be sur-  
9 rendered on demand to a peace officer, agent, or officer of the board.

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

12 (c) If the license is destroyed, the licensee shall so notify the  
13 board.

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

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

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

23 (b) If the officers of a municipality fail to actively enforce  
24 local ordinances, laws of the United States and the state, and the  
25 regulations relating to the manufacture and sale of alcoholic beverages  
26 in the state, the commissioner of revenue may deny the refund provided  
27 for under (a) of this section until the board finds the enforcement of  
28 the ordinances, laws and regulations is resumed.

29 (c) The Department of Revenue shall recover any amounts errone-

1 ously refunded under (a) of this section. The Department of Revenue  
2 shall schedule repayments of erroneously refunded amounts over a suffi-  
3 cient period of time to minimize financial hardship to the municipality  
4 involved.

5 Sec. 04.11.630. ACCESSIBILITY OF LICENSE AND LICENSED PREMISES TO  
6 INSPECTION. (a) A licensee shall, upon request, make his licensed pre-  
7 mises and places authorized for storage under AS 04.21.060 available for  
8 inspection by officers charged with the enforcement of this title,  
9 including members of the board and the director or his employee, during  
10 all regular business hours.

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

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

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

19 Sec. 04.11.670. FORECLOSURE. A license issued under this title is  
20 not subject to foreclosure, and may not be used as collateral to secure  
21 a debt. However, if a license is transferred to another person, the  
22 transferor may secure payment for real and personal property conveyed to  
23 the transferee upon the promise of the transferee to transfer the license  
24 back to the transferor upon default in payment.

25 Sec. 04.11.680. DURATION OF LICENSES AND PERMITS. (a) Upon  
26 application and payment of one-half of the annual fee, the board may  
27 issue a license under this title which will be effective for a continuous  
28 six-month period. Otherwise, all licenses issued under this title other  
29 than a retail stock sale license shall be effective for the calendar

1 year ending December 31, unless a shorter period is prescribed by the  
2 board or required as a result of a local option election on questions  
3 set out in AS 04.11.498 and 04.11.500.

4 (b) A permit issued under this title shall be for the period  
5 prescribed by the board, which period shall be clearly designated on the  
6 permit.

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

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

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

15 Sec. 04.11.700. REFUSAL OF SERVICE. A licensee, his agent, or  
16 employee may refuse to sell, give, or serve alcoholic beverages to a  
17 person if the licensee, his agent, or employee reasonably believes that  
18 the consumption of alcohol by that person may result in serious harm to  
19 that person or to others.

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

21 CHAPTER 16. REGULATION OF SALES AND DISTRIBUTION.

22 ARTICLE 1. PROHIBITED ACTS.

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

28 (b) A licensee, his agent, or employee may not permit a person to  
29 consume alcoholic beverages on the licensed premises between the hours

1 of 5:00 a.m. and 8:00 a.m. each day.

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

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

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

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

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

25 (1) sell, give, or barter alcoholic beverages to an intoxi-  
26 cated person;

27 (2) allow another person to sell, give, or barter an alco-  
28 holic beverage to an intoxicated person within a licensed premises;

29 (3) allow an intoxicated person to enter and remain within

1 licensed premises or to consume an alcoholic beverage within a licensed  
2 premises;

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

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

8 Sec. 04.16.041. OBLIGATION TO ENFORCE RESTRICTIONS IN LICENSED  
9 PREMISES. A licensee, his agent or employee may not permit the consump-  
10 tion of alcoholic beverages by any person within licensed premises  
11 unless it is permitted by the license.

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

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

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

21 (b) Notwithstanding (a) of this section, a licensee, his agent, or  
22 employee may refuse entry to a person under the age of 19 years to that  
23 part of licensed premises in which alcoholic beverages are sold, served  
24 or consumed, may refuse service to a person under the age of 19 years,  
25 or may require a person under the age of 19 years to leave the portion  
26 of the licensed premises in which alcoholic beverages are sold, served,  
27 or consumed.

28 (c) Notwithstanding this section, a person between 16 and 19 years  
29 of age may enter and remain within the licensed premises of a hotel,

1 restaurant, or eating place in the course of his employment if (1) the  
2 employment does not involve the serving, mixing, delivering, or dis-  
3 pensing of alcoholic beverages; (2) the person has the written consent  
4 of a parent or guardian; and (3) an exemption from the prohibition of  
5 AS 23.10.355 is granted by the Department of Labor. The board, with the  
6 approval of the governing body having jurisdiction and at the licensee's  
7 request, shall designate which premises are hotels, restaurants or  
8 eating places for the purposes of this subsection.

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

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

16 (b) This section does not prohibit the furnishing of an alcoholic  
17 beverage

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

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

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

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

28 (1) allow another person to sell, barter, or give an alco-  
29 holic beverage to a person under the age of 19 years within a licensed

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premises;

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

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

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

Sec. 04.16.060. PURCHASE BY PERSONS UNDER THE AGE OF 19. (a) A person under the age of 19 years may not purchase alcoholic beverages or solicit another to purchase alcoholic beverages on his behalf.

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

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

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

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

Sec. 04.16.080. SALES OR CONSUMPTION AT SCHOOL EVENTS. It is

1 unlawful to sell or consume alcoholic beverages during a school event at  
2 the site of the event.

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

8 (b) A person may not maintain, operate, or lease premises for the  
9 purpose of providing, for a consideration, a place for drinking alco-  
10 holic beverages by members of the public or other persons, unless the  
11 person is authorized to do so under this title.

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

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

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

24 Sec. 04.16.120. REMOVAL OR INTRODUCTION OF ALCOHOLIC BEVERAGES.  
25 (a) A person may not remove from a licensed premises alcoholic bever-  
26 ages which have been sold or furnished for consumption only on the  
27 premises.

28 (b) A person may not bring an alcoholic beverage into licensed  
29 premises for use or consumption by himself or another person on the

1 premises unless that person is a licensee, his agent, employee, or  
2 common carrier in the regular course of employment.

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

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

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

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

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

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

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

1 defined by AS 11.66.280(6).

2 ARTICLE 2. PENALTIES AND FORFEITURES.

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

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

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

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

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

16 (c) In this section, the terms "second conviction" and "third  
17 conviction" include only convictions for violations which occur within  
18 five years of the first conviction. The terms refer to the cumulative  
19 number of convictions of a licensee of any combination of violations of  
20 the provisions of this title, regulations adopted under this title, or  
21 ordinances adopted under AS 04.21.010. The terms "second conviction"  
22 and "third conviction" include a conviction of the agent or employee of  
23 a licensee of a violation of a law, regulation, or ordinance if the  
24 conviction constitutes a ground for suspension or revocation under  
25 AS 04.11.370(5).

26 (d) This section does not affect the authority of the board to  
27 suspend or revoke a license when the board determines that continuance  
28 of activities under a license would not be in the best interests of the  
29 public.

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

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

8           (1) he has previously been convicted of a violation of AS 04.-  
9 11.010;

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

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

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

18           (d) Upon conviction of a person of a violation under (a) of this  
19 section, the court shall impose a minimum sentence of imprisonment of  
20 not less than 10 consecutive days. The execution of the sentence may  
21 not be suspended and probation or parole may not be granted until the  
22 minimum imprisonment provided in this subsection has been served.  
23 Imposition of sentence may not be suspended except upon the condition  
24 that the defendant be imprisoned for no less than the minimum period  
25 provided in this subsection.

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

29           (f) A person who sends, transports, or brings alcoholic beverages

1 into a city or established village in violation of AS 04.11.496 or  
2 04.11.498 is, upon conviction,

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

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

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

13 Sec. 04.16.220. FORFEITURES. (a) The following are subject to  
14 forfeiture:

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

25 (2) materials and equipment used in the manufacture, sale,  
26 offering for sale, possession for sale, barter or exchange of alcoholic  
27 beverages for goods and services in this state in violation of AS 04.11.  
28 010; materials and equipment used in the stocking, warehousing, or  
29 storage of alcoholic beverages in violation of AS 04.21.060; materials

1 and equipment used in the sale or offering for sale of an alcoholic  
2 beverage in an area where the results of a local option election have,  
3 under AS 04.11.490 - 04.11.502, prohibited the board from issuing,  
4 renewing, or transferring any licenses or permits under this title in  
5 the area;

6 (3) aircraft, vehicles, or vessels used to transport, or  
7 facilitate the transportation of

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

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

13 (C) alcoholic beverages imported or possessed in a city  
14 or established village in violation of AS 04.11.494(b) and 04.11.-  
15 500(b);

16 (D) alcoholic beverages transported or imported into a  
17 city or established village in violation of AS 04.11.496 and 04.11.-  
18 498;

19 (4) alcoholic beverages found on licensed premises which do  
20 not bear federal excise stamps if excise stamps are required under  
21 federal law;

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

24 (b) Property subject to forfeiture under this section may be  
25 actually or constructively seized under an order issued by the superior  
26 court upon a showing of probable cause that the property is subject to  
27 forfeiture under this section. Constructive seizure is effected upon  
28 posting a signed notice of seizure on the item to be forfeited, stating  
29 the violation and the date and place of seizure. Seizure without a

1 court order may be made if

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

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

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

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

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

24 (1) upon conviction of a person under AS 04.11.010, 04.11.-  
25 494(b), 04.11.496(b), 04.11.498(b), 04.11.500(b), or AS 04.21.060;

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

29 (e) The owner of property subject to forfeiture under (a) of this

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

6 (f) A person, other than the owner, holding or the assignee of a  
7 lien, mortgage, conditional sales contract on, or the right to posses-  
8 sion to property subject to forfeiture under (a) of this section is  
9 entitled to relief from the forfeiture in the nature of remission of the  
10 forfeiture if in an action under (d) of this section the person shows  
11 that he was not a party to the violation subjecting the property to  
12 forfeiture and had no actual knowledge that the property was used or was  
13 to be used in violation of the law.

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

19 (h) Property forfeited under this section shall be placed in the  
20 custody of the commissioner of public safety for disposition according  
21 to an order entered by the court. The court shall order destroyed any  
22 property forfeited under this section which is harmful to the public.  
23 Other property shall be ordered sold and the proceeds used for payment  
24 of expenses of the proceedings for forfeiture and sale, including ex-  
25 penses of seizure, custody and court costs. The remainder of the pro-  
26 ceeds shall be deposited in the general fund.

27 \* Sec. 5. AS 04 is amended by adding a new chapter to read:

28 CHAPTER 21. GENERAL PROVISIONS.

29 Sec. 04.21.010. MUNICIPAL REGULATION. (a) A municipality may

1 adopt an ordinance or ordinances governing the barter, sale, consumption,  
2 and possession of alcoholic beverages within the municipality as neces-  
3 sary for the orderly conduct of the business of selling alcoholic bever-  
4 ages within the municipality.

5 (b) If, as a result of an election held in accordance with AS 04.-  
6 11.504 within a first or second class city, the board is prohibited from  
7 issuing, renewing, or transferring between holders or locations a license  
8 within the city or the possession or importation of alcoholic beverages  
9 is prohibited within the city, the city may adopt an ordinance making  
10 the sale, possession, or importation of alcoholic beverages a mis-  
11 demeanor, whether the sale, possession, or importation is under a license  
12 or otherwise. The ordinance may not be inconsistent with this title or  
13 the regulations adopted under this title.

14 (c) A municipality may not impose taxes on alcoholic beverages  
15 except (1) property taxes on alcoholic beverage inventories and (2)  
16 sales taxes on alcoholic beverage sales.

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

22 (1) insuring the compliance by agents or employees with this  
23 title and regulations adopted under this title, including acting with  
24 reasonable diligence to determine that his agents or employees are  
25 advised of the provisions of this title and the regulations adopted  
26 under this title, either by securing the agent's or employee's written  
27 acknowledgement of posted instructions or otherwise; and

28 (2) insuring the compliance of the premises with public  
29 health, fire, and safety codes and ordinances of the state or munici-

1           pality having jurisdiction.

2           Sec. 04.21.040. SALES ON FEDERAL RESERVATIONS. (a) A wholesaler  
3 of alcoholic beverages may sell alcoholic beverages to a person who does  
4 not have a license under this title who has a fixed place of business on  
5 land in the state maintained by the United States government as a mili-  
6 tary or naval reservation, a national park, or other federal reserva-  
7 tion. A sale may be made under this section only if the purchaser is a  
8 ship's service store, officers club, officers mess, post exchange, or  
9 similar organization. The wholesaler may deliver alcoholic beverages  
10 only to persons specified and at places designated in a written order  
11 issued by the federal organization for which the purchase is made. A  
12 licensee making sales and deliveries under this section shall keep the  
13 original order attached to the copy of the invoice on file at his prem-  
14 ises.

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

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

23           Sec. 04.21.050. PROOF OF AGE. (a) If a licensee, or an agent or  
24 employee of the licensee questions or has reason to question whether a  
25 person entering a licensed premises, or ordering, purchasing, attempting  
26 to purchase, or otherwise procuring or attempting to procure alcoholic  
27 beverages has attained the age of 19 years, that licensee, agent, or  
28 employee shall require the person to furnish proof of age acceptable  
29 under (b) of this section. If the person questioned does not furnish

1 proof of age acceptable under (b) of this section, or if a licensee,  
2 agent, or employee questions or has reason to question the validity of  
3 the proof of age furnished, the licensee, employee or agent shall re-  
4 quire the person to sign a statement that he is over the age of 19  
5 years. This statement shall be made upon a form prepared by and furn-  
6 ished to the licensee by the board.

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

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

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

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

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

26 (3) the premises are accessible for inspection as provided in  
27 AS 04.11.630.

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

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

(1) a person acts with "criminal negligence" with respect to a result or to a circumstance described by a provision of law defining an offense when he fails to perceive 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 the failure to perceive it constitutes a gross deviation from the standard of care that a reasonable 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 spiri-

1        tous, vinous, malt and other fermented or distilled liquors intended for  
2        human consumption and containing more than one percent alcohol by volume;

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

4                (3) "bottling" means to put into a bottle, can, or other con-  
5        tainer;

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

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

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

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

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

18                        (B) has 25 or more permanent residents;

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

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

29               (10) "local governing body" means, as appropriate, a city

1 council, a borough assembly, or a traditional village council, but does  
2 not include a corporation established under the Alaska Native Claims  
3 Settlement Act;

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

6 \* Sec. 6. AS 09.35.087 is amended to read:

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

10 \* Sec. 7. AS 09.65 is amended by adding a new section to read:

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

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

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

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

26 \* Sec. 8. AS 12.55.025(a) is amended to read:

27 (a) When imposing a sentence of imprisonment exceeding 90 [180]  
28 days or upon a conviction of a violation of AS 04, a regulation adopted  
29 under AS 04, or an ordinance adopted in conformity with AS 04.21.010,

1 the court, shall prepare, as a part of the record, a sentencing report  
2 which includes the following:

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

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

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

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

12 \* Sec. 9. AS 12.55.025(b) is repealed and re-enacted to read:

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

20 \* Sec. 10. AS 29.33.090 is amended by adding a new subsection to read:

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

26 \* Sec. 11. AS 39.25.110 is amended by adding a new paragraph to read:

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

1 \* Sec. 12. AS 04.05, AS 04.10, AS 04.15, AS 04.20, and AS 44.62.330(17)  
2 are repealed.

3 \* Sec. 13. Notwithstanding AS 04.06, members of the Alcoholic Beverage  
4 Control Board serving on the board on the effective date of this Act continue  
5 in office until the expiration of their terms.

6 \* Sec. 14. Sections 8 and 9 of this Act take effect January 1, 1981.

7 \* Sec. 15. Sections 1 - 6 and secs. 10 - 15 of this Act take effect on  
8 the effective date of an Act amending AS 44.66.010(a)(1) to continue the  
9 existence of the Alcoholic Beverage Control Board beyond June 30, 1979.

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