

Offered: 5/8/86  
Referred: Finance

Original sponsor: Rules/Governor

1 IN THE SENATE BY THE JUDICIARY COMMITTEE  
2 HOUSE CS FOR CS FOR SENATE BILL NO. 69 (Judiciary)  
3 IN THE LEGISLATURE OF THE STATE OF ALASKA  
4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to licensing and regulation of the  
7 sale and distribution of alcoholic beverages; and  
8 providing for an effective date."

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

10 \* Section 1. AS 04.06.020 is amended to read:

11 Sec. 04.06.020. APPOINTMENT AND QUALIFICATIONS. The board  
12 consists of five members appointed by the governor and confirmed by a  
13 majority of the members of the legislature in joint session. A member  
14 of the board may not hold any other state or federal office, either  
15 elective or appointive. Two members of the board shall be persons  
16 actively engaged in the alcoholic beverage industry, except that no  
17 member may hold a wholesale license or be an officer, agent, or em-  
18 ployee of a wholesale alcoholic beverage enterprise. One member shall  
19 have experience in the field of alcohol abuse treatment or prevention.  
20 Two members shall be public members. No three members of the board  
21 may be engaged in or retired from the same business, occupation, or  
22 profession.

23 \* Sec. 2. AS 04.11.090(b) is amended to read:

24 (b) The biennial [ANNUAL] beverage dispensary license fee is  
25 \$2,500 [\$1,250].

26 \* Sec. 3. AS 04.11.100(d) is amended to read:

27 (d) The biennial [ANNUAL] fee for a restaurant or eating place  
28 license is \$600 [\$300].

29 \* Sec. 4. AS 04.11.110(c) is amended to read:

1 (c) The biennial [ANNUAL] club license fee is \$1,200 [\$600].

2 \* Sec. 5. AS 04.11.120(c) is amended to read:

3 (c) The biennial [ANNUAL] bottling works license fee is \$500  
4 [\$250].

5 \* Sec. 6. AS 04.11.130(d) is amended to read:

6 (d) The biennial [ANNUAL] brewery license fee is \$1,000 [\$500].

7 \* Sec. 7. AS 04.11.140(d) is amended to read:

8 (d) The biennial [ANNUAL] winery license fee is \$500 [\$250].

9 \* Sec. 8. AS 04.11.150(b) is amended to read:

10 (b) The biennial [ANNUAL] package store license fee is \$1,500  
11 [\$750].

12 \* Sec. 9. AS 04.11.160(a) is amended to read:

13 (a) A general wholesale license authorizes the holder to sell  
14 alcoholic beverages in the original package, and wine in bulk, in  
15 quantities of not less than five gallons. A holder of a general  
16 wholesale license may not sell to a person not licensed under this  
17 title, except as provided in AS 04.21.040. A holder of a general  
18 wholesale license may not sell alcoholic beverages unless any stamps  
19 required to be affixed to the package by state or federal law are  
20 intact on the package. A wholesaler shall [MUST] obtain a general  
21 wholesale license for each distributing point. The biennial [ANNUAL]  
22 general wholesale license fee is \$2,000 [\$1,000 FOR THE FIRST \$100,000  
23 OF BUSINESS TRANSACTED], payable at the time of making an original  
24 application or an application for renewal. In addition, the following  
25 annual fees shall be paid by a holder of a general wholesale license:

<u>Total</u> Business Transacted During <u>Calendar</u> Year	<u>Annual</u> Fee
27 over \$100,000 and not over \$150,000 .....	\$ 500
28 over \$150,000 and not over \$200,000 .....	\$ 1,000
29 over \$200,000 and not over \$250,000 .....	\$ 1,500

1	over \$250,000 and not over \$300,000 .....	\$ 2,000
2	over \$300,000 and not over \$350,000 .....	\$ 2,500
3	over \$350,000 and not over \$400,000 .....	\$ 3,000
4	over \$400,000 and not over \$500,000 .....	\$ 4,000
5	over \$500,000 and not over \$600,000 .....	\$ 5,000
6	over \$600,000 and not over \$700,000 .....	\$ 6,000
7	over \$700,000 and not over \$800,000 .....	\$ 7,000
8	over \$800,000 and not over \$1,000,000 .....	\$ 9,000
9	over \$1,000,000 .....	\$10,000 <sub>1</sub>

10 plus one percent of the total business  
11 over \$1,000,000, transacted during the  
12 calendar year.

13 \* Sec. 10. AS 04.11.160(b) is amended to read:

14 (b) A wholesale malt beverage and wine license authorizes the  
15 holder to sell malt beverages and wine in the original packages in  
16 quantities of not less than five wine gallons. The holder of a whole-  
17 sale malt beverage and wine license may not sell to a person not  
18 licensed under this title except as provided in AS 04.21.040. The  
19 biennial [ANNUAL] wholesale malt beverage and wine license fee is \$400  
20 [\$200 FOR THE FIRST \$20,000 OF BUSINESS TRANSACTED DURING A YEAR],  
21 payable at the time of making an original application or application  
22 for renewal. In addition, the following annual fees shall be paid by  
23 a holder of a wholesale malt beverage and wine license:

24	<u>Total Business Transacted During Calendar Year</u>	<u>Annual Fee</u>
25	over \$20,000 and not over \$50,000 .....	\$ 300
26	over \$50,000 and not over \$100,000 .....	\$ 1,000
27	over \$100,000 and not over \$150,000 .....	\$ 1,500
28	over \$150,000 and not over \$200,000 .....	\$ 2,000
29	over \$200,000 and not over \$400,000 .....	\$ 4,000

1 over \$400,000 and not over \$600,000 ..... \$ 6,000  
2 over \$600,000 and not over \$800,000 ..... \$ 8,000  
3 over \$800,000 ..... \$10,000,  
4 plus one percent of the total business  
5 over \$800,000, transacted during the  
6 calendar year.

7 \* Sec. 11. AS 04.11.160(d) is amended to read:

8 (d) No later than February 28 of each year [FOLLOWING THE YEAR  
9 FOR WHICH A LICENSE HAS BEEN ISSUED UNDER THIS SECTION], the licensee  
10 shall file with the board an affidavit showing the total business  
11 transacted during the preceding calendar year under the [HIS] license  
12 and the location of the licensed premises at which the business was  
13 transacted. At the time of filing the affidavit, the licensee shall  
14 pay the additional annual [LICENSE] fees accrued under (a) and (b) of  
15 this section during the preceding calendar year.

16 \* Sec. 12. AS 04.11.170(c) is amended to read:

17 (c) The biennial [ANNUAL] distillery license fee is \$1,000  
18 [\$500].

19 \* Sec. 13. AS 04.11.180(b) is amended to read:

20 (b) The biennial [ANNUAL] fee for a common carrier dispensary  
21 license is \$700 [\$350] for each vehicle, boat, aircraft, or railroad  
22 buffet car in which alcoholic beverages are served.

23 \* Sec. 14. AS 04.11.210(b) is amended to read:

24 (b) The biennial [ANNUAL] fee for a recreational site license is  
25 \$800 [\$400].

26 \* Sec. 15. AS 04.11.220(d) is amended to read:

27 (d) The biennial [ANNUAL] fee for a pub license is \$800 [\$400].

28 \* Sec. 16. AS 04.11.240(b) is amended to read:

29 (b) An application for a special events permit [MUST BE RECEIVED

1 IN THE MAIN OFFICE OF THE BOARD AT LEAST 10 DAYS BEFORE THE DATE FOR  
2 WHICH THE PERMIT IS REQUESTED. THE APPLICATION] must be signed by  
3 both the president and secretary of the organization applying for the  
4 permit. A sworn affidavit showing the length of time the organization  
5 has been in existence must accompany the application, together with a  
6 certified copy of the resolution of the board of directors authorizing  
7 the application. The written approval of the law enforcement agency  
8 having jurisdiction over the designated premises of the occasion for  
9 which the permit is sought must also be obtained and accompany the  
10 application.

11 \* Sec. 17. AS 04.11.250(a) is amended to read:

12 (a) A conditional contractor's permit authorizes the holder to  
13 sell beer or wine for consumption only on designated premises for two  
14 years [ONE YEAR] from the date of issuance of the permit at construc-  
15 tion sites that [WHICH] are located outside a city and inside the  
16 boundaries of a military or naval reservation.

17 \* Sec. 18. AS 04.11.250(b) is amended to read:

18 (b) An applicant for a conditional contractor's permit shall  
19 [MUST] obtain and file with the board written permission from the  
20 commanding officer of the military or naval reservation and the prime  
21 contractor of the remotely situated project for the conduct of the  
22 activities authorized by the permit. A conditional contractor's  
23 permit may be renewed biennially [ANNUALLY] upon reapplication for a  
24 permit and may be revoked or suspended at the discretion of the com-  
25 manding officer or the prime contractor.

26 \* Sec. 19. AS 04.11.250(d) is amended to read:

27 (d) The biennial [ANNUAL] conditional contractor's permit fee is  
28 \$1,200 [\$600].

29 \* Sec. 20. AS 04.11.260(c) is amended to read:

1 (c) An applicant for a new license or permit shall [MUST]  
2 include with the [HIS] application

3 (1) proof satisfactory to the director that all notices  
4 [NOTICE] required by AS 04.11.310 have [HAS] been timely given;

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

7 (3) proof satisfactory to the director [EVIDENCE] of any  
8 approval by public authorities required to be obtained under AS 04.-  
9 11.090(e), 04.11.220(c), 04.11.230(b), 04.11.240(b), or 04.11.250(b),  
10 before a new license or permit may be issued.

11 \* Sec. 21. AS 04.11.270(a) is amended to read:

12 (a) Each application for renewal of a license or renewal of a  
13 conditional contractor's permit must [SHALL] include [:]

14 (1) the information required for a new license or permit  
15 under AS 04.11.260(a), (b), and (c)(1), and, for a pub license, proof  
16 that renewal has been approved by the governing body of the college or  
17 university as required under AS 04.11.220 [AS 04.11.260 EXCEPT THAT  
18 PROOF OF NOTICE UNDER AS 04.11.310 IS NOT REQUIRED]; and

19 (2) a list of all convictions of the applicant or its  
20 directors, officers, or principals of violations of this title, a  
21 regulation adopted under this title, or an ordinance adopted under  
22 AS 04.21.010, which occurred in the preceding license period [YEAR].

23 \* Sec. 22. AS 04.11.270(b) is repealed and reenacted to read:

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

25 (1) on or before December 1 of each year, the director  
26 shall mail a renewal application to each licensee whose license,  
27 unless renewed, will expire on the following January 31; the applica-  
28 tion shall be mailed to the licensee at the licensed premises or at a  
29 mailing address furnished in writing by the licensee;

1 (2) the licensee shall submit the completed renewal appli-  
2 cation and the biennial license fee to the director on or before  
3 January 31 of the renewal year; proof, satisfactory to the director,  
4 that all notices required by AS 04.11.310 have been timely given, must  
5 be submitted with the application;

6 (3) a renewal application filed after January 31 of the  
7 renewal year is delinquent and must be accompanied by a \$400 penalty  
8 fee;

9 (4) if January 31 falls on a weekend or a state holiday,  
10 the deadline is extended to the first business day following  
11 January 31.

12 \* Sec. 23. AS 04.11.270 is amended by adding a new subsection to read:

13 (c) The board may not accept an application for renewal after  
14 March 31 of the renewal year.

15 \* Sec. 24. AS 04.11.280 is amended to read:

16 Sec. 04.11.280. APPLICATION FOR TRANSFER OF A LICENSE TO ANOTHER  
17 PERSON. (a) An application for transfer of a license to another  
18 person must [SHALL] contain the same information about the transferee  
19 as is required of an applicant for a new license under AS 04.11.260  
20 and must [SHALL] include other information required by the board. The  
21 application must also be accompanied by proof, satisfactory to the  
22 director, that the notices required by AS 04.11.310 have been timely  
23 given.

24 (b) An application for the transfer of a license to another  
25 person must [SHALL] be accompanied by a statement, under oath, execut-  
26 ed by the transferor, listing all debts of the business and all taxes  
27 due by the business. [THE BOARD SHALL PROMPTLY INFORM EACH LISTED  
28 CREDITOR OF THE APPLICATION AND THE AMOUNT SHOWN AS OWED TO THAT  
29 CREDITOR.]

1 \* Sec. 25. AS 04.11.290 is amended to read:

2       Sec. 04.11.290. APPLICATION FOR RELOCATION OF LICENSE [TRANSFER  
3 OF LICENSE LOCATION]. An application for relocation [A TRANSFER] of a  
4 license must [TO A NEW LOCATION SHALL] contain the information re-  
5 quired by the board, and must [SHALL] be accompanied by proof, satis-  
6 factory to the director, that the notices [NOTICE] required in AS 04.-  
7 11.310 have [HAS] been timely given, and must be accompanied by any  
8 petitions required [TO BE SECURED] under AS 04.11.460 [BEFORE A LI-  
9 CENSE MAY BE TRANSFERRED].

10 \* Sec. 26. AS 04.11.310 is repealed and reenacted to read:

11       Sec. 04.11.310. NOTICE OF APPLICATION. (a) An applicant for  
12 the issuance, relocation, or transfer of ownership of a license shall  
13 give public notice of the application as provided in this subsection.  
14 The public notice process shall be completed not more than 30 days  
15 before a copy of the application is provided to the local governing  
16 body under (b)(1) of this section or, if there is no local governing  
17 body, at least 30 but not more than 60 days before the application is  
18 filed with the board. The applicant shall

19               (1) post a copy of the completed application for 10 consec-  
20 utive days at the location of the proposed premises and at any addi-  
21 tional locations designated by the board; and

22               (2) publish notice of the application once each week for  
23 three consecutive weeks in a newspaper or by radio; the board may  
24 designate the form and content of the notice and the languages in  
25 which it must be given.

26       (b) An applicant shall serve the following notices of an appli-  
27 cation at least 30 days, but not more than 60 days, before the appli-  
28 cation is filed with the board:

29               (1) if the application is for the issuance, renewal,

1 relocation, or transfer of ownership of a license for premises or  
2 proposed premises located within an established village, an  
3 incorporated city, an organized borough, or a unified municipality,  
4 the applicant shall serve a copy of the completed application on the  
5 appropriate officer of the local governing body;

6 (2) if the application is for the issuance, renewal, relo-  
7 cation, or transfer of ownership of a license for premises or proposed  
8 premises located within or adjacent to an area of a municipality that  
9 is under the jurisdiction of a community council established by munic-  
10 ipal charter or ordinance to advise the municipal governing body, the  
11 applicant shall serve a copy of the completed application on the  
12 community council; and

13 (3) if the application is for the transfer of ownership of  
14 a license, the applicant shall serve written notice of the proposed  
15 transfer, on a form prescribed by the board, on all creditors of the  
16 licensed business, including all taxing authorities and creditors  
17 whose claims are disputed by the transferor; the notice must state

18 (A) that a transfer of the license is proposed;

19 (B) the name and business address of the transferor;

20 (C) all names and business addresses used by the  
21 transferor for the licensed business in the preceding three  
22 years;

23 (D) an explanation of how, when, and to what extent  
24 creditors' claims will be paid by the transferor or transferee;

25 (E) that any creditor whose claim is not satisfied may  
26 seek to prevent the transfer by filing written notice of the  
27 unsatisfied claim with the board within 30 days after the notice  
28 was served; and

29 (F) other information required by the board.

1 (c) Service under (b) of this section may be accomplished by  
2 either personally delivering the notice or by mailing the notice. The  
3 date of service by mail is the date the notice is postmarked.

4 \* Sec. 27. AS 04.11.330(a) is amended to read:

5 (a) An application requesting renewal of a license shall be  
6 denied if

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

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

11 (3) the applicant has not operated the licensed premises  
12 for at least 60 [30] eight-hour days during each of the two preceding  
13 12-month periods [THE IMMEDIATELY PRECEDING CALENDAR YEAR], unless the  
14 board determines that the licensed premises are under construction or  
15 cannot reasonably be operated through no fault of the applicant;

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

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

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

23 (7) renewal of the license is prohibited under this title  
24 as a result of an election conducted in accordance with AS 04.11.502;

25 (8) the application has not been completed in accordance  
26 with AS 04.11.270;

27 (9) the license was issued under AS 04.11.400(j), and the  
28 board finds that the public convenience does not require renewal.

29 \* Sec. 28. AS 04.11.330(a) is amended by adding a new paragraph to

1 read:

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

4 \* Sec. 29. AS 04.11.330(d) is amended to read:

5 (d) Notwithstanding (a) (3) of this section, a recreational site  
6 license issued under AS 04.11.210 may be renewed if the license was  
7 exercised at least once during each of the two [THE IMMEDIATELY]  
8 preceding calendar years [YEAR].

9 \* Sec. 30. AS 04.11.360 is amended to read:

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

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

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

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

20 (4) the transferor has not paid all [DEBTS OR] taxes aris-  
21 ing from the conduct of the business licensed under this title, or has  
22 not paid a debt, arising from the conduct of the licensed business,  
23 that is owed to a creditor who filed written notice of the unsatisfied  
24 debt with the board within the time stated in the notice served under  
25 AS 04.11.310(b)(3)(E), unless

26 (A) the transferor or transferee [HE] gives security  
27 for the payment of the debt [DEBTS] or taxes satisfactory to the  
28 creditor or taxing authority; or

29 (B) the transfer is in accordance with [PURSUANT TO] a

1           promise given as collateral by the transferor to the transferee  
2           in the course of an earlier transfer of the license and under the  
3           [WHICH] promise the transferor is obliged to transfer the license  
4           back to the transferee in the event of default in payment for  
5           property conveyed as part of the earlier transfer of the license;

6           (5) transfer of the license to another person would result  
7           in violation of the provisions of this title relating to identity of  
8           licensees and financing of licensees;

9           (6) transfer of the license to another person would violate  
10          the restrictions pertaining to the particular license under this  
11          title;

12          (7) transfer of the license to another person is prohibited  
13          under the provisions of this title as a result of an election conduct-  
14          ed in accordance with AS 04.11.502;

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

17          (9) the licensed premises are located in a municipality,  
18          the type of license sought to be transferred is a beverage dispensary  
19          or package store license, and that type of license is already in  
20          effect in the municipality under a community liquor license, unless  
21          the transfer is to become effective after the community liquor license  
22          is no longer effective, whether as the result of a local option elec-  
23          tion or otherwise;

24          (10) the authority sought is authority to operate a beverage  
25          dispensary or package store under a community liquor license for  
26          premises to be located in a municipality where the authority sought is  
27          already held by a private licensee under a beverage dispensary or  
28          package store license, unless the transfer is to become effective  
29          after the privately held license is no longer effective, whether as

1 the result of a local option election or otherwise [;

2 (11) THE LICENSE WAS ISSUED UNDER AS 04.11.400(j)].

3 \* Sec. 31. AS 04.11.400(a) is amended to read:

4 (a) Except as provided in (g), (h), (i), [AND] (j), and (k) of  
5 this section, a new license may not be issued and the board may pro-  
6 hibit relocation of an existing license

7 (1) outside an established village, incorporated city,  
8 unified municipality, or organized borough if after the issuance or  
9 relocation there would be more than one restaurant or eating place  
10 license for each 1,500 population or fraction of 1,500 population or  
11 more than one license of each other type, including licenses that  
12 [WHICH] have been issued under (g) or (h) of this section, for each  
13 3,000 population or fraction of 3,000 population in a radius of five  
14 miles of the licensed premises or location of premises sought to be  
15 licensed, excluding the populations of established villages, incor-  
16 porated cities, unified municipalities, and organized boroughs that  
17 are wholly or partly included within the radius;

18 (2) inside an established village, incorporated city, or uni-  
19 fied municipality if after the issuance or relocation there would be  
20 inside the established village, incorporated city, or unified munici-  
21 pality more than one restaurant or eating place license for each 1,500  
22 population or fraction of 1,500 population or more than one license of  
23 each other type, including licenses that [WHICH] have been issued  
24 under (g) or (h) of this section, for each 3,000 population or frac-  
25 tion of 3,000 population inside the established village, incorporated  
26 city, or unified municipality;

27 (3) inside an organized borough but outside an established  
28 village or incorporated city located within the borough, if after the  
29 issuance or relocation there would be inside the borough, but outside

1 the established villages and incorporated cities located within the  
2 borough, more than one restaurant or eating place license for each  
3 1,500 population or fraction of 1,500 population or more than one  
4 license of each other type, including licenses that have been issued  
5 under (g) or (h) of this section, for each 3,000 population or frac-  
6 tion of 3,000 population inside the borough, excluding the population  
7 of those established villages that have conducted an election on a  
8 question set out in AS 04.11.490, 04.11.496, or 04.11.500, and exclud-  
9 ing the population of incorporated cities located within the organized  
10 borough.

11 \* Sec. 32. AS 04.11.400 is amended by adding a new subsection to read:

12 (k) The board may approve the issuance or relocation of a club  
13 license without regard to (a) of this section if the issuance or  
14 relocation of the license has the approval of the local governing body  
15 of the established village, incorporated city, unified municipality,  
16 or organized borough where the licensed premises will be located.

17 \* Sec. 33. AS 04.11.480 is amended to read:

18 Sec. 04.11.480. PROTEST. (a) If a local governing body wishes  
19 to protest the issuance, renewal, relocation, [TRANSFER OF LOCATION]  
20 or transfer to another person of a license, it shall furnish the board  
21 and the applicant with a protest and the reasons for the protest  
22 within 30 days after [OF] receipt from the applicant [BOARD] of notice  
23 of [FILING OF] the application. The board shall consider a protest  
24 and testimony received at a hearing conducted under AS 04.11.510(b)(2)  
25 or (b)(4) when it considers the application, and the protest and the  
26 record of the hearing conducted under AS 04.11.510(b)(2) or (b)(4)  
27 shall be retained as part of the board's permanent record of its  
28 review of the application. If an application is protested, the board  
29 may not approve the application unless the board finds that the

1 protest is arbitrary, capricious, and unreasonable.

2 (b) If the permanent residents residing outside of but within  
3 two miles of an incorporated city or an established village wish to  
4 protest the issuance, renewal, relocation, or transfer of a license  
5 within the city or village, they shall file with the board a petition  
6 requesting a public hearing that meets [MEETING] the requirements of  
7 AS 04.11.510(b)(3) [REQUESTING A PUBLIC HEARING] within 30 days after  
8 [OF] the [POSTING OF] notice required under AS 04.11.310 is posted,  
9 or, if the application is for renewal of a license, by January [DECEM-  
10 BER] 31 of the renewal year [APPLICATION IS MADE FOR RENEWAL OF A  
11 LICENSE]. The board shall consider testimony received at a hearing  
12 conducted under AS 04.11.510(b)(3) when it considers the application,  
13 and the record of a hearing conducted under AS 04.11.510(b)(3) shall  
14 be retained as part of the board's permanent record of its review of  
15 the application.

16 \* Sec. 34. AS 04.11.480 is amended by adding a new subsection to read:

17 (c) A local governing body may protest the continuation of a  
18 license between biennial renewals of the license, by furnishing the  
19 board and the licensee with a protest and the reasons for the protest  
20 during January of the nonrenewal year. The license shall be revoked  
21 unless the board finds the protest is arbitrary, capricious, and  
22 unreasonable.

23 \* Sec. 35. AS 04.11.490(c) is amended to read:

24 (c) If a majority of the voters vote "no" on the question set  
25 out in (a) of this section or vote "yes" on a question set out in  
26 AS 04.11.492 or 04.11.500 in an election conducted in accordance with  
27 AS 04.11.502 after an election in which the voters voted "yes" on the  
28 question set out in (a) of this section, the board shall be notified  
29 immediately after certification of the results of the election.

1        Thereafter, the prohibitions imposed under (b) of this section on the  
2        issuance, renewal, or transfer of licenses between holders and lo-  
3        cation as a result of the earlier election are removed except insofar  
4        as those prohibitions are imposed in accordance with the results of  
5        the subsequent election and under AS 04.11.504(b) and AS 04.11.510(d).

6        \* Sec. 36. AS 04.11.492(c) is amended to read:

7            (c) If a majority of the voters vote "no" on the question set  
8        out in (a) of this section or vote "yes" on a question set out in  
9        AS 04.11.490, 04.11.496, or 04.11.500 in an election conducted in  
10       accordance with AS 04.11.502 after an election in which the voters  
11       voted "yes" on the question set out in (a) of this section, the board  
12       shall be notified immediately after a certification of the results of  
13       the election. The prohibitions imposed under (b) of this section on  
14       the issuance, renewal, or transfer of licenses between holders and  
15       locations as a result of the earlier election are removed 90 days  
16       after the results of the election are certified except insofar as  
17       those prohibitions are imposed in accordance with the results of the  
18       subsequent election and under AS 04.11.504(b) and AS 04.11.510(d).

19       \* Sec. 37. AS 04.11.496(c) is amended to read:

20            (c) If a majority of the voters vote "no" on the question set  
21       out in (a) of this section or vote "yes" on the questions set out in  
22       AS 04.11.492 or 04.11.500 in an election conducted in accordance with  
23       AS 04.11.502 after an election in which the voters voted "yes" on the  
24       question set out in (a) of this section, the prohibition on the impor-  
25       tation of alcoholic beverages and the prohibition on the issuance,  
26       renewal, or transfers of licenses between holders and locations,  
27       imposed as a result of the earlier election in which the voters voted  
28       "yes" on the question set out in (a) of this section are removed  
29       effective on the first day of the month following certification of the

1 results of the election except as those prohibitions continue to be  
2 imposed in accordance with the results of the subsequent election and  
3 under AS 04.11.504(b) and AS 04.11.510(d).

4 \* Sec. 38. AS 04.11.500(c) is amended to read:

5 (c) If the majority of the voters vote "no" on the question set  
6 out in (a) of this section or vote "yes" on the questions set out in  
7 AS 04.11.490, 04.11.492, or 04.11.496 [, OR THIS SECTION IF DIFFERENT  
8 TYPES OF LICENSES ARE LISTED ON THE BALLOT] in an election conducted  
9 in accordance with AS 04.11.502 after an election in which the voters  
10 voted "yes" on the question set out in (a) of this section, the board  
11 shall be notified immediately after certification of the results of  
12 the election. Licenses in effect in the municipality and [,] in the  
13 unincorporated area outside of but within five miles of the boundaries  
14 of the municipality or established village which were excepted from  
15 the prohibition on sale in accordance with the results of the earlier  
16 election are void 90 days after the results of the election are cer-  
17 tified. Thereafter the board may not issue, renew, or transfer be-  
18 tween holders or locations a license for licensed premises located  
19 within the boundaries of the municipality, [OR] within the perimeter  
20 of an established village, or in an unincorporated area within five  
21 miles of the boundaries of the municipality, except a license which  
22 may be issued to a municipality or to one of the types of licenses  
23 listed on the ballot as a result of a majority of the voters voting  
24 "yes" on the question set out in AS 04.11.492 or this section, respec-  
25 tively. A license which will expire during the 90 days after the  
26 results of a local option election under this section are certified  
27 may be extended, until it is void under this subsection, by payment of  
28 a prorated portion of the annual license fee.

29 \* Sec. 39. AS 04.11.502(b) is amended to read:

1 (b) The lieutenant governor, whenever 35 percent of the regis-  
2 tered voters residing within an established village petition the  
3 lieutenant governor to do so, shall place upon a separate ballot at a  
4 special election that question or combination of questions set out in  
5 AS 04.11.490, 04.11.496, and [-] 04.11.500 which constitutes the  
6 subject of the petition. The lieutenant governor shall conduct the  
7 election in the general manner prescribed by the Alaska Election Code  
8 (AS 15.05.010 - AS 15.60.020).

9 \* Sec. 40. AS 04.11.506(b) is amended to read:

10 (b) If a majority of the voters vote "yes" on a question set out  
11 in AS 04.11.496, the following actions, in addition to those pre-  
12 scribed in (a) of this section, shall be undertaken before the date  
13 the prohibition on importation becomes effective:

14 (1) the board shall notify by registered or certified mail  
15 all holders of package store licenses of the prohibition;

16 (2) the municipality or established village shall post  
17 notice of the prohibition in the municipality or village.

18 \* Sec. 41. AS 04.11.510(a) is amended to read:

19 (a) Unless a legal action relating to the license, applicant or  
20 premises to be licensed is pending, the board shall consider [DECIDE]  
21 whether to grant or deny an application within 60 [90] days after [OF]  
22 receipt of the completed application at the main office of the board.  
23 [HOWEVER, THE DECISION MAY NOT BE MADE BEFORE THE 30 DAYS ALLOWED FOR  
24 PROTEST UNDER AS 04.11.480 HAVE ELAPSED UNLESS WAIVED BY THE MUNICI-  
25 PALITY.]

26 \* Sec. 42. AS 04.11.510(b) is amended to read:

27 (b) The board may review an application for the issuance, renew-  
28 al, transfer of location, or transfer to another person of a license  
29 without affording the applicant notice or hearing, except

1 (1) if an application is denied, the notice of denial shall  
2 be furnished the applicant immediately in writing stating the reason  
3 for the denial in clear and concise language; the notice of denial  
4 shall inform the applicant that the applicant [HE] is entitled to an  
5 informal conference with either the director or the board, and that,  
6 if not satisfied by the informal conference, the applicant [HE] is  
7 then entitled to a formal hearing before the board; if the applicant  
8 requests a formal hearing, the board shall adhere to AS 44.62.330 -  
9 44.62.630 (Administrative Procedure Act); all interested persons may  
10 be heard at the hearing and unless waived by the applicant and the  
11 board, the formal hearing shall be held in the area for which the  
12 application is requested;

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

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

23 (4) if a protest to the issuance, renewal, continuation,  
24 transfer of location or transfer to another person of a license made  
25 by a local governing body is based on a question of law, the board  
26 shall hold a public hearing.

27 \* Sec. 43. AS 04.11.510(d) is amended to read:

28 (d) The board may not accept an application for the issuance,  
29 renewal, or transfer of a license within one year after a local option

1 election, other than an application for a temporary extension of a  
2 license under AS 04.11.490(b), 04.11.492(b), 04.11.496(b), or 04.11.-  
3 500(b).

4 \* Sec. 44. AS 04.11.520 is repealed and reenacted to read:

5 Sec. 04.11.520. PROOF OF NOTICE TO LOCAL GOVERNING BODY. The  
6 board may not grant an application for premises within an established  
7 village, an incorporated city, an organized borough, or a unified  
8 municipality without proof that the local governing body has been  
9 given notice of the application under AS 04.11.310.

10 \* Sec. 45. AS 04.11.540 is repealed and reenacted to read:

11 Sec. 04.11.540. LICENSE RENEWAL AND TERMINATION. (a) Notwith-  
12 standing AS 04.11.680, an application for renewal of a license may be  
13 submitted and the authority granted under the license may be exercised  
14 until March 31 of the renewal year. The license terminates at 12:00  
15 midnight March 31 unless the application for renewal and other re-  
16 quired documents have been filed and the required license fees and the  
17 penalty fees have been paid by that time. If March 31 falls on a  
18 weekend or state holiday, the deadline in this section is extended to  
19 the first business day following March 31.

20 (b) A new license may not be issued to the holder of a termi-  
21 nated license for the same premises except on proof satisfactory to  
22 the board of good cause for the failure to file and pay.

23 \* Sec. 46. AS 04.11.550 is amended to read:

24 Sec. 04.11.550. NOTICE OF TERMINATION [EXPIRATION]. On or  
25 before February 15, the director shall mail a notice of termination  
26 [EXPIRATION] to each licensee who has not either (1) filed an applica-  
27 tion to renew the [HIS] license, along with other required documents  
28 [ANY APPLICABLE AFFIDAVITS] and all license fees due, or (2) notified  
29 the director of the licensee's [HIS] intent not to do so. Failure of

1 the director to mail this notice of termination [EXPIRATION] does not  
2 prevent the license from terminating on March 31 if the application  
3 and other required documents are not filed, and the fees are not paid  
4 [WAIVE THE REQUIREMENT THAT THE APPLICATION FOR RENEWAL BE FILED BY  
5 FEBRUARY 28].

6 \* Sec. 47. AS 04.11.610(a) is amended to read:

7 (a) Biennial [ANNUAL] license fees, excluding biennial [ANNUAL]  
8 wholesale license fees, collected within a municipality shall be  
9 refunded semi-annually to the municipality.

10 \* Sec. 48. AS 04.11.680(a) is amended to read:

11 (a) Upon application and payment of one-half of the biennial  
12 license [ANNUAL] fee, the board may issue a license under this title  
13 that [WHICH] will be effective for two [A] continuous six-month per-  
14 iods [PERIOD]. Otherwise, all licenses issued under this title other  
15 than a retail stock sale license are effective for the two-year period  
16 ending January 31 [CALENDAR YEAR ENDING DECEMBER 31], unless a shorter  
17 period is prescribed by the board or by law.

18 \* Sec. 49. AS 04.11 is amended by adding a new section to read:

19 ARTICLE 10. GENERAL PROVISIONS.

20 Sec. 04.11.900. DEFINITION. In this chapter, "renewal year"  
21 means the calendar year in which a license issued under this chapter  
22 expires if not timely renewed.

23 \* Sec. 50. AS 04.21.080(b)(1) is amended to read:

24 (1) "alcoholic beverage" includes, but is not limited to,  
25 whiskey, brandy, rum, gin, wine, ale, porter, beer, and all other  
26 spirituous, vinous, malt and other fermented or distilled liquors  
27 intended for human consumption and containing not less [MORE] than  
28 one-half [ONE] percent alcohol by volume;

29 \* Sec. 51. AS 04.21.080(b)(8) is amended to read:

1 (8) "established village" means [(A)] an unincorporated  
2 community [THAT IS IN THE UNORGANIZED BOROUGH AND] that

3 (A) has 25 or more permanent residents; [OR]

4 (B) is within a circle, with a five-mile radius,  
5 around a United States post office or, if there is no United  
6 States post office, around another site centrally located in the  
7 community and reasonably designated by the local governing body;  
8 and

9 (C) if it [(B) AN UNINCORPORATED COMMUNITY THAT] is in  
10 an organized borough, [HAS 25 OR MORE PERMANENT RESIDENTS, AND]

11 (i) is on a road system and is located more than  
12 50 miles outside the boundary limits of a unified municipal-  
13 ity, or

14 (ii) is not on a road system and is located more  
15 than 15 miles outside the boundary limits of a unified  
16 municipality;

17 \* Sec. 52. AS 44.66.010(a)(1) is amended to read:

18 (1) Alcoholic Beverage Control Board (AS 04.06.010) --  
19 June 30, 1990 [1986];

20 \* Sec. 53. Notwithstanding the provisions of AS 04.06.020 as amended by  
21 sec. 1 of this Act, the members of the Alcoholic Beverage Control Board on  
22 the effective date of this section remain on the board until their terms  
23 expire or the positions otherwise become vacant.

24 \* Sec. 54. TRANSITIONAL PROVISIONS. (a) The authority granted under  
25 licenses due to expire on December 31, 1986 is extended until January 31,  
26 1987, to permit renewal of the licenses in accordance with this Act.

27 (b) Approximately one-half of the applicants for renewal in 1987, as  
28 determined by the director of the Alcoholic Beverage Control Board, shall  
29 be eligible for a one-year license. These licenses expire, unless renewed,

1 on January 31, 1988, and may be renewed biennially in even-numbered years  
2 after that. The 1987 renewal fee for these licenses is  $13/24$  of the bien-  
3 nial license fee, rounded to the nearest dollar.

4 (c) The remaining approximately one-half of the 1987 renewal appli-  
5 cants, as determined by the director, shall be eligible for a two-year  
6 license. These licenses expire, unless renewed, on January 31, 1989, and  
7 may be renewed biennially in odd-numbered years after that. The 1987  
8 renewal fee for these licenses is the biennial license fee plus  $1/24$  of the  
9 biennial license fee, rounded to the nearest dollar.

10 (d) The director shall notify each licensee in writing as to whether  
11 the licensee shall apply for renewal under (b) or (c) of this section, and  
12 of the actual amount of the 1987 renewal fee. The notice must be given not  
13 later than December 1, 1986. However, failure of the director to provide  
14 the notice required in this subsection does not prevent a license from  
15 terminating on March 31, 1987, in accordance with AS 04.11.540, as amended  
16 in sec. 45 of this Act, if the renewal application is not filed on or  
17 before that date.

18 \* Sec. 55. The Alcoholic Beverage Control Board may adopt regulations,  
19 under AS 04.06.100 and other relevant statutes to implement the changes  
20 made by this Act. The regulations take effect in accordance with the  
21 Administrative Procedure Act (AS 44.62), but not before the effective date  
22 of the provisions of this Act that they implement.

23 \* Sec. 56. Sections 1, 16, 28, 35 - 40, 43, 50 - 53, and 55 of this Act  
24 take effect immediately in accordance with AS 01.10.070(c).

25 \* Sec. 57. Section 54 of this Act takes effect November 1, 1986.

26 \* Sec. 58. Sections 2 - 15, 17 - 27, 29 - 34, 41, 42, and 44 - 49 of  
27 this Act take effect December 31, 1986.