

Offered: 5/10/86
Referred: Rules

Original sponsor: Rules/Governor

1 IN THE SENATE BY THE FINANCE COMMITTEE
2 HOUSE CS FOR CS FOR SENATE BILL NO. 69 (Finance)
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	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

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

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

21	<u>Total</u> Business Transacted During <u>Calendar</u> Year	<u>Annual</u> Fee
22	over \$20,000 and not over \$50,000	\$ 300
23	over \$50,000 and not over \$100,000	\$ 1,000
24	over \$100,000 and not over \$150,000	\$ 1,500
25	over \$150,000 and not over \$200,000	\$ 2,000
26	over \$200,000 and not over \$400,000	\$ 4,000
27	over \$400,000 and not over \$600,000	\$ 6,000
28	over \$600,000 and not over \$800,000	\$ 8,000
29	over \$800,000	\$10,000

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

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

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

11 (c) The biennial [ANNUAL] distillery license fee is \$1,000
12 [\$500].

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

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

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

18 (b) The biennial [ANNUAL] fee for a recreational site license is
19 \$800 [\$400].

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

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

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

23 (b) An application for a special events permit [MUST BE RECEIVED
24 IN THE MAIN OFFICE OF THE BOARD AT LEAST 10 DAYS BEFORE THE DATE FOR
25 WHICH THE PERMIT IS REQUESTED. THE APPLICATION] must be signed by
26 both the president and secretary of the organization applying for the
27 permit. A sworn affidavit showing the length of time the organization
28 has been in existence must accompany the application, together with a
29 certified copy of the resolution of the board of directors authorizing

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

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

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

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

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

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

21 (d) The biennial [ANNUAL] conditional contractor's permit fee is
22 \$1,200 [\$600].

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

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

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

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

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

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

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

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

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

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

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

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

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

29 (3) a renewal application filed after January 31 of the

1 renewal year is delinquent and must be accompanied by a \$400 penalty
2 fee;

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

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

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

9 * Sec. 24. AS 04.11.280 is amended to read:

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

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

24 * Sec. 25. AS 04.11.290 is amended to read:

25 Sec. 04.11.290. APPLICATION FOR RELOCATION OF LICENSE [TRANSFER
26 OF LICENSE LOCATION]. An application for relocation [A TRANSFER] of a
27 license must [TO A NEW LOCATION SHALL] contain the information re-
28 quired by the board, and must [SHALL] be accompanied by proof, satis-
29 factory to the director, that the notices [NOTICE] required in

1 AS 04.11.310 have [HAS] been timely given, and must be accompanied by
2 any petitions required [TO BE SECURED] under AS 04.11.460 [BEFORE A
3 LICENSE MAY BE TRANSFERRED].

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

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

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

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

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

23 (1) if the application is for the issuance, renewal, relo-
24 cation, or transfer of ownership of a license for premises or proposed
25 premises located within an established village, an incorporated city,
26 an organized borough, or a unified municipality, the applicant shall
27 serve a copy of the completed application on the appropriate officer
28 of the local governing body;

29 (2) 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 or within one-half mile of an area of
3 a municipality that is under the jurisdiction of a community council
4 established by municipal charter or ordinance to advise the municipal
5 governing body, the applicant shall serve a copy of the completed
6 application on all community councils that have jurisdiction over an
7 area within one-half mile of the premises or proposed premises; and

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

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

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

15 (C) all names and business addresses used by the
16 transferor for the licensed business in the preceding three
17 years;

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

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

24 (F) other information required by the board.

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

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

29 (a) An application requesting renewal of a license shall be

1 denied if

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

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

6 (3) the applicant has not operated the licensed premises
7 for at least 60 [30] eight-hour days during each of the two preceding
8 12-month periods [THE IMMEDIATELY PRECEDING CALENDAR YEAR], unless the
9 board determines that the licensed premises are under construction or
10 cannot reasonably be operated through no fault of the applicant;

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

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

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

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

20 (8) the application has not been completed in accordance
21 with AS 04.11.270;

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

24 * Sec. 28. AS 04.11.330(a) is amended by adding a new paragraph to
25 read:

26 (10) the application contains false statements of material
27 fact.

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

29 (d) Notwithstanding (a) (3) of this section, a recreational site

1 license issued under AS 04.11.210 may be renewed if the license was
2 exercised at least once during each of the two [THE IMMEDIATELY]
3 preceding calendar years [YEAR].

4 * Sec. 30. AS 04.11.360 is amended to read:

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

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

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

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

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

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

24 (B) the transfer is in accordance with [PURSUANT TO] a
25 promise given as collateral by the transferor to the transferee
26 in the course of an earlier transfer of the license and under the
27 [WHICH] promise the transferor is obliged to transfer the license
28 back to the transferee in the event of default in payment for
29 property conveyed as part of the earlier transfer of the license;

1 (5) transfer of the license to another person would result
2 in violation of the provisions of this title relating to identity of
3 licensees and financing of licensees;

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

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

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

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

19 (10) the authority sought is authority to operate a beverage
20 dispensary or package store under a community liquor license for
21 premises to be located in a municipality where the authority sought is
22 already held by a private licensee under a beverage dispensary or
23 package store license, unless the transfer is to become effective
24 after the privately held license is no longer effective, whether as
25 the result of a local option election or otherwise [;

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

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

28 (a) Except as provided in (g), (h), (i), [AND] (j), and (k) of
29 this section, a new license may not be issued and the board may

1 prohibit relocation of an existing license

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

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

22 (3) inside an organized borough but outside an established
23 village or incorporated city located within the borough, if after the
24 issuance or relocation there would be inside the borough, but outside
25 the established villages and incorporated cities located within the
26 borough, more than one restaurant or eating place license for each
27 1,500 population or fraction of 1,500 population or more than one
28 license of each other type, including licenses that have been issued
29 under (g) or (h) of this section, for each 3,000 population or

1 fraction of 3,000 population inside the borough, excluding the popu-
2 lation of those established villages that have conducted an election
3 on a question set out in AS 04.11.490, 04.11.496, or 04.11.500, and
4 excluding the population of incorporated cities located within the
5 organized borough.

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

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

12 * Sec. 33. AS 04.11.480 is amended to read:

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

26 (b) If the permanent residents residing outside of but within
27 two miles of an incorporated city or an established village wish to
28 protest the issuance, renewal, relocation, or transfer of a license
29 within the city or village, they shall file with the board a petition

1 requesting a public hearing that meets [MEETING] the requirements of
2 AS 04.11.510(b)(3) [REQUESTING A PUBLIC HEARING] within 30 days after
3 [OF] the [POSTING OF] notice required under AS 04.11.310 is posted,
4 or, if the application is for renewal of a license, by January [DECEM-
5 BER] 31 of the renewal year [APPLICATION IS MADE FOR RENEWAL OF A
6 LICENSE]. The board shall consider testimony received at a hearing
7 conducted under AS 04.11.510(b)(3) when it considers the application,
8 and the record of a hearing conducted under AS 04.11.510(b)(3) shall
9 be retained as part of the board's permanent record of its review of
10 the application.

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

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

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

19 (c) If a majority of the voters vote "no" on the question set
20 out in (a) of this section or vote "yes" on a question set out in
21 AS 04.11.492 or 04.11.500 in an election conducted in accordance with
22 AS 04.11.502 after an election in which the voters voted "yes" on the
23 question set out in (a) of this section, the board shall be notified
24 immediately after certification of the results of the election.
25 Thereafter, the prohibitions imposed under (b) of this section on the
26 issuance, renewal, or transfer of licenses between holders and lo-
27 cation as a result of the earlier election are removed except insofar
28 as those prohibitions are imposed in accordance with the results of
29 the subsequent election and under AS 04.11.504(b) and AS 04.11.510(d).

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

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

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

15 (c) If a majority of the voters vote "no" on the question set
16 out in (a) of this section or vote "yes" on the questions set out in
17 AS 04.11.492 or 04.11.500 in an election conducted in accordance with
18 AS 04.11.502 after an election in which the voters voted "yes" on the
19 question set out in (a) of this section, the prohibition on the impor-
20 tation of alcoholic beverages and the prohibition on the issuance,
21 renewal, or transfers of licenses between holders and locations,
22 imposed as a result of the earlier election in which the voters voted
23 "yes" on the question set out in (a) of this section are removed
24 effective on the first day of the month following certification of the
25 results of the election except as those prohibitions continue to be
26 imposed in accordance with the results of the subsequent election and
27 under AS 04.11.504(b) and AS 04.11.510(d).

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

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

1 out in (a) of this section or vote "yes" on the questions set out in
2 AS 04.11.490, 04.11.492, or 04.11.496 [, OR THIS SECTION IF DIFFERENT
3 TYPES OF LICENSES ARE LISTED ON THE BALLOT] in an election conducted
4 in accordance with AS 04.11.502 after an election in which the voters
5 voted "yes" on the question set out in (a) of this section, the board
6 shall be notified immediately after certification of the results of
7 the election. Licenses in effect in the municipality and [,] in the
8 unincorporated area outside of but within five miles of the boundaries
9 of the municipality or established village which were excepted from
10 the prohibition on sale in accordance with the results of the earlier
11 election are void 90 days after the results of the election are cer-
12 tified. Thereafter the board may not issue, renew, or transfer be-
13 tween holders or locations a license for licensed premises located
14 within the boundaries of the municipality, [OR] within the perimeter
15 of an established village, or in an unincorporated area within five
16 miles of the boundaries of the municipality, except a license which
17 may be issued to a municipality or to one of the types of licenses
18 listed on the ballot as a result of a majority of the voters voting
19 "yes" on the question set out in AS 04.11.492 or this section, respec-
20 tively. A license which will expire during the 90 days after the
21 results of a local option election under this section are certified
22 may be extended, until it is void under this subsection, by payment of
23 a prorated portion of the annual license fee.

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

25 (b) The lieutenant governor, whenever 35 percent of the regis-
26 tered voters residing within an established village petition the
27 lieutenant governor to do so, shall place upon a separate ballot at a
28 special election that question or combination of questions set out in
29 AS 04.11.490, 04.11.496, and [-] 04.11.500 which constitutes the

1 subject of the petition. The lieutenant governor shall conduct the
2 election in the general manner prescribed by the Alaska Election Code
3 (AS 15.05.010 - AS 15.60.020).

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

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

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

11 (2) the municipality or established village shall post
12 notice of the prohibition in the municipality or village.

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

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

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

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

25 (1) if an application is denied, the notice of denial shall
26 be furnished the applicant immediately in writing stating the reason
27 for the denial in clear and concise language; the notice of denial
28 shall inform the applicant that the applicant [HE] is entitled to an
29 informal conference with either the director or the board, and that,

1 if not satisfied by the informal conference, the applicant [HE] is
2 then entitled to a formal hearing before the board; if the applicant
3 requests a formal hearing, the board shall adhere to AS 44.62.330 -
4 44.62.630 (Administrative Procedure Act); all interested persons may
5 be heard at the hearing and unless waived by the applicant and the
6 board, the formal hearing shall be held in the area for which the
7 application is requested;

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

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

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

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

23 (d) The board may not accept an application for the issuance,
24 renewal, or transfer of a license within one year after a local option
25 election, other than an application for a temporary extension of a
26 license under AS 04.11.490(b), 04.11.492(b), 04.11.496(b), or 04.11.-
27 500(b).

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

29 Sec. 04.11.520. PROOF OF NOTICE TO LOCAL GOVERNING BODY. The

1 board may not grant an application for premises within an established
2 village, an incorporated city, an organized borough, or a unified
3 municipality without proof that the local governing body has been
4 given notice of the application under AS 04.11.310.

5 * Sec. 45. AS 04.11 is amended by adding a new section to read:

6 Sec. 04.11.525. NOTICE TO COMMUNITY COUNCIL. Upon receipt of an
7 application for the issuance, renewal, relocation, or transfer of
8 ownership of a license, the board shall at least 10 days before the
9 date set for board action on the application provide written notice of
10 the proposed action and the time and place for a hearing to the commu-
11 nity councils entitled to notice under AS 04.11.310(b)(2).

12 * Sec. 46. AS 04.11.540 is repealed and reenacted to read:

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

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

25 * Sec. 47. AS 04.11.550 is amended to read:

26 Sec. 04.11.550. NOTICE OF TERMINATION [EXPIRATION]. On or
27 before February 15, the director shall mail a notice of termination
28 [EXPIRATION] to each licensee who has not either (1) filed an applica-
29 tion to renew the [HIS] license, along with other required documents

1 [ANY APPLICABLE AFFIDAVITS] and all license fees due, or (2) notified
2 the director of the licensee's [HIS] intent not to do so. Failure of
3 the director to mail this notice of termination [EXPIRATION] does not
4 prevent the license from terminating on March 31 if the application
5 and other required documents are not filed, and the fees are not paid
6 [WAIVE THE REQUIREMENT THAT THE APPLICATION FOR RENEWAL BE FILED BY
7 FEBRUARY 28].

8 * Sec. 48. AS 04.11.610(a) is amended to read:

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

12 * Sec. 49. AS 04.11.680(a) is amended to read:

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

20 * Sec. 50. AS 04.11 is amended by adding a new section to read:

21 ARTICLE 10. GENERAL PROVISIONS.

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

25 * Sec. 51. AS 04.21.080(b)(1) is amended to read:

26 (1) "alcoholic beverage" includes, but is not limited to,
27 whiskey, brandy, rum, gin, wine, ale, porter, beer, and all other
28 spirituous, vinous, malt and other fermented or distilled liquors
29 intended for human consumption and containing not less [MORE] than

1 one-half [ONE] percent alcohol by volume;

2 * Sec. 52. AS 04.21.080(b)(8) is amended to read:

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

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

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

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

13 (i) is on a road system and is located more than
14 50 miles outside the boundary limits of a unified municipal-
15 ity, or

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

19 * Sec. 53. AS 44.66.010(a)(1) is amended to read:

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

22 * Sec. 54. Notwithstanding the provisions of AS 04.06.020 as amended by
23 sec. 1 of this Act, the members of the Alcoholic Beverage Control Board on
24 the effective date of this section remain on the board until their terms
25 expire or the positions otherwise become vacant.

26 * Sec. 55. TRANSITIONAL PROVISIONS. (a) The authority granted under
27 licenses due to expire on December 31, 1986 is extended until January 31,
28 1987, to permit renewal of the licenses in accordance with this Act.

29 (b) Approximately one-half of the applicants for renewal in 1987, as

1 determined by the director of the Alcoholic Beverage Control Board, shall
2 be eligible for a one-year license. These licenses expire, unless renewed,
3 on January 31, 1988, and may be renewed biennially in even-numbered years
4 after that. The 1987 renewal fee for these licenses is $13/24$ of the bien-
5 nial license fee, rounded to the nearest dollar.

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

12 (d) The director shall notify each licensee in writing as to whether
13 the licensee shall apply for renewal under (b) or (c) of this section, and
14 of the actual amount of the 1987 renewal fee. The notice must be given not
15 later than December 1, 1986. However, failure of the director to provide
16 the notice required in this subsection does not prevent a license from
17 terminating on March 31, 1987, in accordance with AS 04.11.540, as amended
18 in sec. 46 of this Act, if the renewal application is not filed on or
19 before that date.

20 * Sec. 56. The Alcoholic Beverage Control Board may adopt regulations,
21 under AS 04.06.100 and other relevant statutes to implement the changes
22 made by this Act. The regulations take effect in accordance with the
23 Administrative Procedure Act (AS 44.62), but not before the effective date
24 of the provisions of this Act that they implement.

25 * Sec. 57. Sections 1, 16, 26, 28, 35 - 40, 43, 45, 51 - 54, and 56 of
26 this Act take effect immediately in accordance with AS 01.10.070(c).

27 * Sec. 58. Section 55 of this Act takes effect November 1, 1986.

28 * Sec. 59. Sections 2 - 15, 17 - 25, 27, 29 - 34, 41, 42, 44, and 46 -
29 50 of this Act take effect December 31, 1986.