

1 IN THE HOUSE

BY ULMER, SWACKHAMMER
AND GOLL

2 SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 500

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the Alcoholic Beverage Control
7 Board; to suspension or revocation of a liquor li-
8 cense or permit; and to imposition of a civil fine
9 for violation of laws and regulations related to
10 alcohol."

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

12 * Section 1. AS 04.06.020 is amended to read:

13 Sec. 04.06.020. APPOINTMENT AND QUALIFICATIONS. The board
14 consists of five members appointed by the governor and confirmed by a
15 majority of the members of the legislature in joint session. A member
16 of the board may not hold any other state or federal office, either
17 elective or appointive. Two members of the board shall be persons
18 actively engaged in the alcoholic beverage industry, except that a
19 [NO] member may not hold a wholesale license or be an officer, agent,
20 or employee of a wholesale alcoholic beverage enterprise. One member
21 shall be knowledgeable in the diagnosis or treatment of alcohol or
22 substance abuse problems. Two members shall be public members who are
23 not presently and have not previously engaged in the alcohol industry.
24 No three members of the board may be engaged in the same business,
25 occupation, or profession.

26 * Sec. 2. AS 04.06.090(a) is amended to read:

27 (a) The board shall control the manufacture, barter, possession,
28 and sale of alcoholic beverages in the state. The board is vested
29 with the powers, duties, and responsibilities necessary for the

1 control of alcoholic beverages, including the power to impose a fine
2 under AS 04.11.575, to propose and adopt regulations and to hear
3 appeals from actions of the director, and from actions of officers and
4 employees charged with enforcing the alcoholic beverage control laws
5 and the regulations of the board.

6 * Sec. 3. AS 04.11.370 is amended to read:

7 Sec. 04.11.370. SUSPENSION AND REVOCATION OF LICENSES AND PER-
8 MITS. A license or permit shall be suspended or revoked if the board
9 finds that one or more of the following grounds exists:

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

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

14 (3) failure on the part of the licensee to correct defects
15 that constitute violations of this title, regulations adopted under
16 this title, or other laws within a prescribed time after receipt of
17 notice issued by the board or its agent;

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

21 (5) conviction of the agent or employee of a licensee of a
22 violation of this title, a regulation adopted under this title, or an
23 ordinance adopted under AS 04.21.010, if the licensee is found by the
24 board to have [EITHER KNOWINGLY ALLOWED THE VIOLATION OR TO HAVE
25 RECKLESSLY OR WITH CRIMINAL NEGLIGENCE] failed to act in accordance
26 with the duty prescribed under AS 04.21.030 with the result that an
27 agent or employee violates a law, regulation, or ordinance;

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

1 (7) use of the licensed premises as a resort for illegal
2 possessors or users of narcotics, prostitutes, or promoters of prosti-
3 tution; in addition to any other legally competent evidence, the
4 character of the premises may be proved by the general reputation of
5 the premises in the community as a resort for illegal possessors or
6 users of narcotics, prostitutes, or promoters of prostitution;

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

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

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

13 (11) violation by an agent or employee of a licensee of a
14 provision of this title, a regulation adopted under this title, or an
15 ordinance adopted under AS 04.21.010, if the licensee is found by the
16 board to have [EITHER KNOWINGLY ALLOWED THE VIOLATION OR TO HAVE
17 RECKLESSLY OR WITH CRIMINAL NEGLIGENCE] failed to act in accordance
18 with the duty prescribed under AS 04.21.030 with the result that the
19 agent or employee violates the law, regulation, or ordinance.

20 * Sec. 4. AS 04.11 is amended by adding a new section to read:

21 Sec. 04.11.575. CIVIL FINE. (a) In addition to any other
22 penalties imposed under this title, the board may impose a civil fine
23 in an amount not to exceed \$5,000 upon a licensee that the board
24 determines has violated a provision of this title or a regulation
25 adopted under this title.

26 (b) The board may not impose a fine under (a) of this section
27 unless the board has notified the licensee of the violation and the
28 amount of the fine and given the licensee an opportunity for a hear-
29 ing.

1 * Sec. 5. AS 04.16.180 is amended by adding a new subsection to read:

2 (e) A suspension or revocation of a license ordered by the board
3 under AS 04.11.370(4) for a violation of AS 04.16.052 shall be as
4 follows:

5 (1) on second conviction the license of the premises in-
6 volved shall be suspended for at least 15 days and may be suspended up
7 to 45 days; and

8 (2) on third conviction the license of the premises in-
9 volved shall be suspended for at least 30 days and may be suspended up
10 to 90 days.

11 * Sec. 6. Notwithstanding the amendments made to AS 04.06.020 by sec. 1
12 of this Act, a member serving on the Alcoholic Beverage Control Board on
13 the effective date of this Act may continue to serve until the member's
14 term expires.

15 * Sec. 7. AS 04.11.535 is repealed.