

Original sponsors: Ulmer, Swackhammer
and Goll

1 IN THE HOUSE BY THE STATE AFFAIRS COMMITTEE
2 CS FOR SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 500 (State Affairs)
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 of a liquor license or permit;
8 and to imposition of a civil fine for violation of
9 laws and regulations related to alcohol."

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

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

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

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

24 (a) The board shall control the manufacture, barter, possession,
25 and sale of alcoholic beverages in the state. The board is vested
26 with the powers, duties, and responsibilities necessary for the con-
27 trol of alcoholic beverages, including the power to impose a fine
28 under AS 04.11.575, to propose and adopt regulations and to hear
29 appeals from actions of the director, and from actions of officers and

1 employees charged with enforcing the alcoholic beverage control laws
2 and the regulations of the board.

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

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

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

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

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

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

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

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

27 (7) use of the licensed premises as a resort for illegal
28 possessors or users of narcotics, prostitutes, or promoters of prosti-
29 tution; in addition to any other legally competent evidence, the

1 character of the premises may be proved by the general reputation of
2 the premises in the community as a resort for illegal possessors or
3 users of narcotics, prostitutes, or promoters of prostitution;

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

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

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

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

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

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

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

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

28 (e) Upon the third conviction of a licensee, or an agent or
29 employee of a licensee for a violation of AS 04.16.052, the board

1 shall suspend the license of the premises involved for at least 15
2 consecutive days and may suspend the license of the premises involved
3 up to 45 days.

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

8 * Sec. 7. AS 04.11.535 is repealed.