

SENATE BILL NO. 372

IN THE LEGISLATURE OF THE STATE OF ALASKA

EIGHTEENTH LEGISLATURE - SECOND SESSION

BY THE SENATE JUDICIARY COMMITTEE BY REQUEST

Introduced: 3/30/94
 Referred: CRA, Judiciary, Finance

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to community local options for control of alcoholic beverages;
 2 relating to the control of alcoholic beverages; relating to the definition of
 3 'alcoholic beverage'; and providing for an effective date."

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

5 * Section 1. AS 04.11.010(b) is amended to read:

6 (b) A person may not solicit or receive orders for the delivery of an alcoholic
 7 beverage in an area that has adopted a local option under AS 04.11.491. If the
 8 area has adopted a local option under AS 04.11.491(a)(1), (2), or (3), or (b)(1) or
 9 (2), a package store licensee outside of that local option area may receive orders
 10 as provided under AS 04.11.150 but may not solicit in that area or receive orders
 11 through an agent or employee in that area. This subsection does not apply to a
 12 package store licensee who operates a package store in an area that has adopted
 13 a local option under AS 04.11.491(a)(2)(C) or (3)(C) or (b)(2)(C) [WHERE THE
 14 RESULTS OF A LOCAL OPTION ELECTION HAVE, UNDER AS 04.11.490 -

1 04.11.500, PROHIBITED THE BOARD FROM ISSUING, RENEWING OR
2 TRANSFERRING ONE OR MORE TYPES OF LICENSES OR PERMITS UNDER
3 THIS TITLE, UNLESS THE PERSON IS LICENSED UNDER THIS TITLE AND
4 THE ORDER IS ACTUALLY RECEIVED BY THAT PERSON FROM THE
5 PURCHASER OF THE ALCOHOLIC BEVERAGE]. A person who violates this
6 subsection is punishable upon conviction as provided under AS 04.16.200(a) or (b).

7 * Sec. 2. AS 04.11.010(c) is amended to read:

8 (c) In a criminal prosecution for possession of alcoholic beverages for sale in
9 violation of (a) of this section, the fact that a person possessed more than 12 liters of
10 distilled spirits, 24 liters or more of wine, or 12 gallons [45 LITERS] or more of malt
11 beverages in an area where the sale of alcoholic beverages is restricted or prohibited
12 under AS 04.11.491 [AS 04.11.490, 04.11.492, 04.11.496, OR 04.11.500] creates a
13 presumption that the person possessed the alcoholic beverages for sale.

14 * Sec. 3. AS 04.11.110(d) is amended to read:

15 (d) Alcoholic beverages sold under a club license may be purchased only by
16 (1) members of the club and their families, (2) widows or widowers of deceased
17 members who have been given [ACCORDED] club privileges, and (3) military
18 personnel [IN UNIFORM] on active duty who are extended the privilege by patriotic
19 organizations upon special occasions. Alcoholic beverages may be purchased only in
20 the portion of the club rooms that are [PART OF THE] licensed premises.

21 * Sec. 4. AS 04.11.135(b) is amended to read:

22 (b) Except as provided under AS 04.11.360(10) [AS 04.11.360(12)], the
23 brewpub license is not transferable, shall remain the property of the state, and is not
24 subject to any form of alienation.

25 * Sec. 5. AS 04.11.150(a) is repealed and reenacted to read:

26 (a) Except as provided under (h) of this section, a package store license
27 authorizes the licensee to sell alcoholic beverages to a person present on the licensed
28 premises or to a person known to the licensee who makes a written solicitation to that
29 licensee for shipment. A licensee, agent, or employee may only ship alcoholic
30 beverages to the person who is purchasing the alcoholic beverages being shipped.
31 Before commencing the practice of shipping alcoholic beverages, and with a

1 subsequent application to renew the license, a licensee shall notify the board in writing
2 of the licensee's intention to ship alcoholic beverages in response to a written
3 solicitation. The package store licensee, agent, or employee shall include written
4 information on fetal alcohol syndrome and fetal alcohol effects resulting from a woman
5 consuming alcohol during pregnancy in a shipment of alcoholic beverages sold in
6 response to a written solicitation.

7 * Sec. 6. AS 04.11.150(h) is repealed and reenacted to read:

8 (h) If a shipment is to an area that has restricted the sale of alcoholic
9 beverages under AS 04.11.491(a)(1), (2), or (3) or (b)(1) or (2), a package store
10 licensee, agent, or employee may not ship to a purchaser

11 (1) more than 12 liters of distilled spirits, 24 liters or more of wine, or
12 12 gallons or more of malt beverages in a calendar month; or

13 (2) an alcoholic beverage that contains more than 75 percent alcohol
14 by volume.

15 * Sec. 7. AS 04.11.270(b) is amended to read:

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

17 (1) on or before November 1 [OF EACH YEAR], the director shall
18 mail a renewal application to each licensee whose license, unless renewed, will expire
19 on December 31 of that year; the application shall be mailed to the licensee at the
20 licensed premises or at a mailing address furnished by the licensee;

21 (2) the licensee shall submit the completed renewal application and the
22 biennial license fee to the director before January 1 [ON OR BEFORE
23 DECEMBER 31];

24 (3) a renewal application filed after December 31 is delinquent and
25 must be accompanied by a \$500 [\$200] penalty fee;

26 (4) if December 31 falls on a weekend or a state holiday, the deadline
27 is extended to the first business day following December 31.

28 * Sec. 8. AS 04.11.320 is amended to read:

29 Sec. 04.11.320. DENIAL OF NEW LICENSES AND PERMITS. (a) An
30 application requesting issuance of a new license shall be denied if

31 (1) the board finds, after review of all relevant information, that

1 issuance of the license would not be in the best interests of the public;

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

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

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

8 (5) issuance of the license is prohibited under this title as a result of
9 an election conducted under AS 04.11.507 [IN ACCORDANCE WITH
10 AS 04.11.502];

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

14 (7) [THE LICENSED PREMISES ARE TO BE LOCATED IN A
15 MUNICIPALITY, THE TYPE OF LICENSE SOUGHT IS A BEVERAGE
16 DISPENSARY OR PACKAGE STORE LICENSE, AND THAT TYPE OF LICENSE
17 IS ALREADY IN EFFECT IN THE MUNICIPALITY UNDER A COMMUNITY
18 LIQUOR LICENSE, UNLESS THE NEW LICENSE IS TO BECOME EFFECTIVE
19 AFTER THE COMMUNITY LIQUOR LICENSE IS NO LONGER EFFECTIVE,
20 WHETHER AS THE RESULT OF A LOCAL OPTION ELECTION OR
21 OTHERWISE;

22 (8) THE AUTHORITY SOUGHT IS AUTHORITY TO OPERATE A
23 BEVERAGE DISPENSARY OR PACKAGE STORE UNDER A COMMUNITY
24 LIQUOR LICENSE FOR PREMISES TO BE LOCATED IN A MUNICIPALITY
25 WHERE THE AUTHORITY SOUGHT IS ALREADY HELD BY A PRIVATE
26 LICENSEE UNDER A BEVERAGE DISPENSARY OR PACKAGE STORE
27 LICENSE, UNLESS THE COMMUNITY LIQUOR LICENSE IS TO BECOME
28 EFFECTIVE AFTER THE PRIVATELY HELD LICENSE IS NO LONGER
29 EFFECTIVE, WHETHER AS THE RESULT OF A LOCAL OPTION ELECTION OR
30 OTHERWISE;

31 (9)] issuance of the license is prohibited under AS 04.11.400(a) or

1 prohibition of issuance of the license is found necessary under AS 04.11.400(b);
2 ~~(8)~~ [(10)] the application contains false statements of material fact;
3 ~~(9)~~ [(11)] the license is sought for the sale of alcoholic beverages in a
4 first or second class city where [IN WHICH] there are no licensed premises at the
5 time of application unless a majority of the voters have voted not to approve [IN] a
6 local option to restrict or prohibit the sale of alcoholic beverages under
7 AS 04.11.491, have voted to approve a local option to allow the type of premises
8 under AS 04.11.491(a)(2) or (3), or have voted to remove a restriction or
9 prohibition on the sale of alcoholic beverages under AS 04.11.495 [ELECTION
10 CONDUCTED IN ACCORDANCE WITH AS 04.11.502 HAVE VOTED "NO" ON
11 THE QUESTION SET OUT IN AS 04.11.490, OR HAVE VOTED "YES" ON A
12 QUESTION SET OUT IN AS 04.11.492 OR 04.11.500]; or

13 ~~(10)~~ [(12)] the license is sought for the sale of alcoholic beverages in
14 an established village where [IN WHICH] there are no licensed premises at the time
15 of application unless a majority of the voters have voted not to approve [IN] a local
16 option to restrict or prohibit the sale of alcoholic beverages under AS 04.11.491,
17 have voted to approve a local option to allow the type of premises under
18 AS 04.11.491(b)(2), or have voted to remove a restriction or prohibition on the
19 sale of alcoholic beverages under AS 04.11.495 [ELECTION CONDUCTED IN
20 ACCORDANCE WITH AS 04.11.502 HAVE VOTED "NO" ON THE QUESTION
21 SET OUT IN AS 04.11.490 OR HAVE VOTED "YES" ON THE QUESTION SET
22 OUT IN AS 04.11.500].

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

24 (1) the board finds, after review of all relevant information, that
25 issuance of the permit would not be in the best interests of the public;

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

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

30 (4) the permit is sought for the sale of alcoholic beverages in a first or
31 second class city or established village where [IN WHICH] there are no licensed

1 premises at the time of application unless a majority of the voters have voted not to
2 approve [IN] a local option to restrict or prohibit the sale of alcoholic beverages
3 under AS 04.11.491, have voted to approve a local option to allow the type of
4 permit under AS 04.11.491(a)(2) or (b)(2), or have voted to remove a restriction
5 or prohibition on the sale of alcoholic beverages under AS 04.11.495 [ELECTION
6 CONDUCTED IN ACCORDANCE WITH AS 04.11.502 HAVE VOTED "NO" ON

7 THE QUESTION SET OUT IN AS 04.11.490].
8 * Sec. 9. AS 04.11.330(a) is amended to read:

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

10 (1) the board finds, after review of all relevant information, that
11 renewal of the license would not be in the best interests of the public;

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

13 (3) the applicant has not operated the licensed premises for at least 30
14 eight-hour days during each of the two preceding calendar years, unless the board
15 determines that the licensed premises are under construction or cannot be operated
16 through no fault of the applicant;

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

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

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

23 (7) renewal of the license is prohibited under this title as a result of an
24 election conducted under AS 04.11.507 [IN ACCORDANCE WITH AS 04.11.502];

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

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

29 * Sec. 10. AS 04.11.340 is amended to read:

30 Sec. 04.11.340. DENIAL OF REQUEST FOR RELOCATION. An application
31 requesting approval for the relocation of licensed premises shall be denied if

- 1 (1) the board finds, after review of all relevant information, that
2 relocation of the license would not be in the best interests of the public;
- 3 (2) the relocation is prohibited under AS 04.11.400(a) or (b);
- 4 (3) the license would be relocated out of the established village,
5 incorporated city, unified municipality, or population area established under
6 AS 04.11.400(a) within which it is located;
- 7 (4) transfer of ownership is to be made concurrently with the relocation
8 of the licensed premises and a ground for denial of the transfer of ownership under
9 AS 04.11.360 is presented;
- 10 (5) the application has not been completed in accordance with
11 AS 04.11.290;
- 12 (6) relocation of the license would result in violation of a local zoning
13 law;
- 14 (7) relocation of the license would violate the restrictions pertaining to
15 the particular license imposed by this title;
- 16 (8) relocation of the license is prohibited under this title as a result of
17 an election conducted under AS 04.11.507 [IN ACCORDANCE WITH
18 AS 04.11.502]; or
- 19 (9) [THE LICENSED PREMISES ARE TO BE LOCATED IN A
20 MUNICIPALITY, THE TYPE OF LICENSE SOUGHT TO BE RELOCATED IS A
21 BEVERAGE DISPENSARY OR PACKAGE STORE LICENSE, AND THAT TYPE
22 OF LICENSE IS ALREADY IN EFFECT IN THE MUNICIPALITY UNDER A
23 COMMUNITY LIQUOR LICENSE, UNLESS THE RELOCATION IS TO BECOME
24 EFFECTIVE AFTER THE COMMUNITY LIQUOR LICENSE IS NO LONGER
25 EFFECTIVE, WHETHER AS THE RESULT OF A LOCAL OPTION ELECTION OR
26 OTHERWISE;
- 27 (10)] the license was issued under AS 04.11.400(g), (h), or (j).

28 * Sec. 11. AS 04.11.360 is amended to read:

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

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

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

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

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

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

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

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

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

19 (7) transfer of the license to another person is prohibited under the
20 provisions of this title as a result of an election conducted under AS 04.11.507 [IN
21 ACCORDANCE WITH AS 04.11.502];

22 (8) the prospective transferee does not have the qualifications required
23 under this title of an original applicant;

24 (9) [THE LICENSED PREMISES ARE LOCATED IN A
25 MUNICIPALITY, THE TYPE OF LICENSE SOUGHT TO BE TRANSFERRED IS
26 A BEVERAGE DISPENSARY OR PACKAGE STORE LICENSE, AND THAT TYPE
27 OF LICENSE IS ALREADY IN EFFECT IN THE MUNICIPALITY UNDER A
28 COMMUNITY LIQUOR LICENSE, UNLESS THE TRANSFER IS TO BECOME
29 EFFECTIVE AFTER THE COMMUNITY LIQUOR LICENSE IS NO LONGER
30 EFFECTIVE, WHETHER AS THE RESULT OF A LOCAL OPTION ELECTION OR
31 OTHERWISE;

1 (10) THE AUTHORITY SOUGHT IS AUTHORITY TO OPERATE
2 A BEVERAGE DISPENSARY OR PACKAGE STORE UNDER A COMMUNITY
3 LIQUOR LICENSE FOR PREMISES TO BE LOCATED IN A MUNICIPALITY
4 WHERE THE AUTHORITY SOUGHT IS ALREADY HELD BY A PRIVATE
5 LICENSEE UNDER A BEVERAGE DISPENSARY OR PACKAGE STORE
6 LICENSE, UNLESS THE TRANSFER IS TO BECOME EFFECTIVE AFTER THE
7 PRIVATELY HELD LICENSE IS NO LONGER EFFECTIVE, WHETHER AS THE
8 RESULT OF A LOCAL OPTION ELECTION OR OTHERWISE;

9 (11)] the license was issued under AS 04.11.400(j); or

10 (10) [(12)] the license was issued under AS 04.11.135, unless the
11 transferor is also applying to transfer the beverage dispensary license required under
12 AS 04.11.135 to the same transferee.

13 * Sec. 12. AS 04.11.370 is amended to read:

14 Sec. 04.11.370. SUSPENSION AND REVOCATION OF LICENSES AND
15 PERMITS. A license or permit shall be suspended or revoked if the board finds
16 [THAT ONE OR MORE OF THE FOLLOWING GROUNDS EXISTS:]

17 (1) misrepresentation of a material fact on an application made under
18 this title or a regulation adopted under this title [FOR A LICENSE OR PERMIT];

19 (2) continuation of the manufacture, sale, or service of alcoholic
20 beverages by the licensee [ACTIVITIES AUTHORIZED UNDER A LICENSE OR
21 PERMIT] would be contrary to the best interests of the public;

22 (3) failure on the part of the licensee to correct a defect [DEFECTS]
23 that constitutes a violation [CONSTITUTE VIOLATIONS] of this title, a condition
24 or restriction imposed under AS 04.11.395, a regulation [REGULATIONS] adopted
25 under this title, or other laws [WITHIN A PRESCRIBED TIME] after receipt of notice
26 issued by the board or its agent;

27 (4) conviction of a licensee of a violation of [A PROVISION OF] this
28 title, a regulation adopted under this title, or an ordinance adopted under AS 04.21.010;

29 (5) conviction of an [THE] agent or employee of a licensee of a
30 violation of this title, a regulation adopted under this title, or an ordinance adopted
31 under AS 04.21.010, if the licensee is found by the board to have either knowingly

1 allowed the violation or to have recklessly or with criminal negligence failed to act in
2 accordance with the duty prescribed under AS 04.21.030 with the result that the [AN]
3 agent or employee violates a law, regulation, or ordinance;

4 (6) failure of the licensee to comply with the public health, fire, or
5 safety laws and regulations [PERTAINING TO PUBLIC HEALTH] in the state;

6 (7) use of the licensed premises as a resort for illegal possessors or
7 users of narcotics, prostitutes, or promoters of prostitution; in addition to any other
8 legally competent evidence, the character of the premises may be proved by the
9 general reputation of the premises in the community as a resort for illegal possessors
10 or users of narcotics, prostitutes, or promoters of prostitution;

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

13 (9) the licensee permitted a [PERMITTING ANY] public offense
14 involving moral turpitude to occur on the licensed premises;

15 (10) violation by a licensee of this title, a condition or restriction
16 imposed under AS 04.11.395, a regulation adopted under this title, or an ordinance
17 adopted under AS 04.21.010; or

18 (11) violation by an agent or employee of a licensee of a provision of
19 this title, a condition or restriction imposed under AS 04.11.395, a regulation
20 adopted under this title, or an ordinance adopted under AS 04.21.010, if the licensee
21 is found by the board to have either knowingly allowed the violation or to have
22 recklessly or with criminal negligence failed to act in accordance with the duty
23 prescribed under AS 04.21.030 with the result that the agent or employee violates the
24 law, condition or restriction, regulation, or ordinance.

25 * Sec. 13. AS 04.11 is amended by adding a new section to read:

26 Sec. 04.11.395. BOARD IMPOSED CONDITIONS OR RESTRICTIONS.

27 The board may, in the best interests of the public, impose conditions or restrictions on
28 a license or permit issued under this chapter.

29 * Sec. 14. AS 04.11.400(a) is amended to read:

30 (a) Except as provided in (g), (h), (i), (j), and (k) of this section, a new license
31 may not be issued and the board may prohibit relocation of an existing license

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

11 (2) inside an established village, incorporated city, or unified
12 municipality if after the issuance or relocation there would be inside the established
13 village, incorporated city, or unified municipality

14 (A) more than one restaurant or eating place license for each
15 1,500 population or fraction of that [1,500] population; or

16 (B) more than one license of each other type, including licenses
17 that have been issued under (g) or (h) of this section, for each 3,000 population
18 or fraction of that [3,000] population [INSIDE THE ESTABLISHED
19 VILLAGE, INCORPORATED CITY, OR UNIFIED MUNICIPALITY];

20 (3) inside an organized borough but outside an established village or
21 incorporated city located within the borough, if after the issuance or relocation there
22 would be inside the borough, but outside the established villages and incorporated
23 cities located within the borough, more than one restaurant or eating place license for
24 each 1,500 population or fraction of that [1,500] population; or more than one license
25 of each other type, including licenses that have been issued under (g) or (h) of this
26 section, for each 3,000 population or fraction of that [3,000] population [INSIDE THE
27 BOROUGH,] excluding the population of those established villages that have adopted
28 a local option under AS 04.11.491(b)(1), (3), or (4) [CONDUCTED AN ELECTION
29 ON A QUESTION SET OUT IN AS 04.11.490, 04.11.496, OR 04.11.500], and
30 excluding the population of incorporated cities located within the organized borough.

31 * Sec. 15. AS 04.11.480(a) is amended to read:

1 (a) A [IF A] local governing body may [WISHES TO] protest the issuance,
2 renewal, relocation, [TRANSFER OF LOCATION] or transfer to another person of
3 a license by sending [, IT SHALL FURNISH] the board and the applicant [WITH] a
4 protest and the reasons for the protest within 30 days of receipt from the board of
5 notice of filing of the application. The local governing body may protest the
6 continued operation of a license during the second year of the biennial license
7 period by sending the board and the licensee a protest and the reasons for the
8 protest by January 31 of the second year of the license. The procedures for
9 action on a protest of continued operation of a license are the same as the
10 procedures for action on a protest of a renewal application. The board shall
11 consider a protest and testimony received at a hearing conducted under
12 AS 04.11.510(b)(2) or (b)(4) when it considers the application or continued
13 operation, and the protest and the record of the hearing conducted under
14 AS 04.11.510(b)(2) or (b)(4) shall be kept [RETAINED] as part of the board's
15 permanent record of its review [OF THE APPLICATION]. If an application or
16 continued operation is protested, the board shall deny [MAY NOT APPROVE] the
17 application or continued operation unless the board finds that the protest is arbitrary,
18 capricious, and unreasonable.

19 * Sec. 16. AS 04.11 is amended by adding a new section to read:

20 Sec. 04.11.491. LOCAL OPTIONS. (a) If a majority of the persons voting
21 on the question vote to approve the option, a municipality shall adopt a local option
22 to prohibit

23 (1) the sale of alcoholic beverages;
24 (2) the sale of alcoholic beverages except by one or more of the
25 following listed on the ballot:

26 (A) a restaurant or eating place licensee;

27 (B) a beverage dispensary licensee;

28 (C) a package store licensee; or

29 (D) a caterer holding a permit under AS 04.11.230 to sell
30 alcoholic beverages at a site within the municipality who is also licensed under
31 a beverage dispensary license for premises outside of the municipality;

1 (3) the sale of alcoholic beverages except on premises operated by the
2 municipality and under a type of licensed premises listed on the ballot, that may
3 include one or more of the following:

4 (A) a restaurant or eating place license;

5 (B) a beverage dispensary license; or

6 (C) a package store license;

7 (4) the sale and importation of alcoholic beverages; or

8 (5) the sale, importation, and possession of alcoholic beverages.

9 (b) If a majority of the persons voting on the question vote to approve the
10 option, an established village shall exercise a local option to prohibit

11 (1) the sale of alcoholic beverages;

12 (2) the sale of alcoholic beverages except by one or more of the
13 following listed on the ballot:

14 (A) a restaurant or eating place licensee;

15 (B) a beverage dispensary licensee;

16 (C) a package store licensee; or

17 (D) a caterer holding a permit under AS 04.11.230 to sell
18 alcoholic beverages at a site within the established village who is also licensed
19 under a beverage dispensary license for premises outside of the established
20 village;

21 (3) the sale and importation of alcoholic beverages; or

22 (4) the sale, importation, and possession of alcoholic beverages.

23 (c) A ballot question to adopt a local option under this section must at least
24 contain language substantially similar to: "Shall (name of municipality or village)
25 adopt a local option to prohibit (local option under (a) or (b) of this section)? (yes or
26 no)."

27 (d) The ballot for an election on the option set out in (a)(2)(A), (a)(3)(A), or
28 (b)(2)(A) of this section must include an explanation of the authority to sell alcoholic
29 beverages given to a restaurant or eating place. The ballot for an election on the
30 option set out in (a)(2)(B) or (D), (a)(3)(B), or (b)(2)(B) or (D) of this section must
31 include a statement that a beverage dispensary license is commonly known as a "bar"

1 and an explanation of the authority to sell alcoholic beverages given to a beverage
2 dispensary licensee. The ballot for an election on the option set out in (a)(2)(C),
3 (a)(3)(C), or (b)(2)(C) of this section must include a statement that a package store
4 license is commonly known as a "liquor store" and an explanation of the authority to
5 sell alcoholic beverages given to a package store licensee.

6 (e) If a municipality dissolves under AS 29.06.450(a) or (b), a local option
7 adopted by the municipality under (a) of this section shall continue in effect as the
8 corresponding local option under (b) of this section for an established village having
9 the same perimeter as the previous boundaries of the municipality. A license for
10 premises operated by the municipality under AS 04.11.505 expires when the
11 municipality dissolves.

12 (f) A municipality or established village that has adopted a local option under
13 (a)(1), (2), or (3) or (b)(1) or (2) of this section may designate a site for the delivery
14 of alcoholic beverages to individuals in the area or a site for a person to bring
15 alcoholic beverages if the alcoholic beverages are imported into the area. This
16 subsection does not apply to the delivery or importation of

17 (1) one liter or less of distilled spirits, two liters or less of wine, or one
18 gallon or less of malt beverages; or

19 (2) alcoholic beverages to a premises licensed under (a)(2) - (3) or
20 (b)(2) of this section.

21 * Sec. 17. AS 04.11 is amended by adding new sections to read:

22 Sec. 04.11.493. CHANGE OF LOCAL OPTION. (a) If a majority of persons
23 voting on the question vote to approve a different local option, a municipality or
24 established village shall change a local option previously adopted under AS 04.11.491
25 to the different approved option.

26 (b) A ballot question to change a local option under this section must at least
27 contain language substantially similar to: "Shall (name of municipality or village)
28 change the local option currently in effect, that prohibits (current local option under
29 AS 04.11.491), and adopt in its place a local option to prohibit (proposed local option
30 under AS 04.11.491)? (yes or no)."

31 Sec. 04.11.495. REMOVAL OF LOCAL OPTION. (a) If a majority of the

1 persons voting on the question vote to remove the option, a municipality or established
2 village shall remove a local option previously adopted under AS 04.11.491. The
3 option is repealed effective the first day of the month following certification of the
4 results of the election.

5 (b) A ballot question to remove a local option under this section must at least
6 contain language substantially similar to: "Shall (name of municipality or village)
7 remove the local option currently in effect, that prohibits (current local option under
8 AS 04.11.491), so that there is no longer any local option in effect? (yes or no)."

9 (c) When issuing a license in the area that has removed a local option, the
10 board shall give priority to an applicant who was formerly licensed and whose license
11 was not renewed because of the results of the previous local option election. However,
12 an applicant described in this subsection does not have a legal right to a license and
13 the board is not required to approve the application.

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

15 Sec. 04.11.497. EFFECT ON LICENSES OF PROHIBITION OF SALE. If
16 a majority of voters vote to prohibit the sale of alcoholic beverages under
17 AS 04.11.491(a)(1), (a)(4) or (5), (b)(1), or (b)(3) or (4), the board may not issue,
18 renew, or transfer, between persons or locations, a license for premises located within
19 the boundaries of the municipality and in unincorporated areas within five miles of the
20 boundaries of the municipality or within the perimeter of the established village. A
21 license that may not be renewed because of a local option election held under this
22 section is void 90 days after the results of the election are certified. A license that
23 expires during the 90 days after the results of a local option election are certified may
24 be extended, until it is void under this section, by payment of a prorated portion of the
25 biennial license fee.

26 * Sec. 19. AS 04.11 is amended by adding a new section to read:

27 Sec. 04.11.499. PROHIBITION OF IMPORTATION AFTER ELECTION. If
28 a majority of the voters vote to prohibit the importation of alcoholic beverages under
29 AS 04.11.491(a)(4) or (5) or (b)(3) or (4), a person, beginning on the first day of the
30 month following certification of the results of the election, may not knowingly send,
31 transport, or bring an alcoholic beverage into the municipality or established village,

1 unless the alcoholic beverage is sacramental wine to be used for bona fide religious
2 purposes based on tenets or teachings of a church or religious body, is limited in
3 quantity to the amount necessary for religious purposes, and is dispensed only for
4 religious purposes by a person authorized by the church or religious body to dispense
5 the sacramental wine.

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

7 Sec. 04.11.501. PROHIBITION OF POSSESSION AFTER ELECTION. (a)

8 If a majority of the voters vote to prohibit the possession of alcoholic beverages under
9 AS 04.11.491(a)(5) or (b)(4), a person may not knowingly possess an alcoholic
10 beverage in the municipality or established village, unless the alcoholic beverage is
11 sacramental wine to be used for bona fide religious purposes based on tenets or
12 teachings of a church or religious body, is limited in quantity to the amount necessary
13 for religious purposes, and is dispensed only for religious purposes, by a person
14 recognized by the church or religious body as authorized to dispense the wine.

15 (b) If there are licensed premises within the municipality or established village,
16 the prohibition on possession is effective beginning 90 days after the results of the
17 election are certified. If there are no licensed premises within the municipality or
18 established village, the prohibition on possession is effective beginning 60 days after
19 the results of the election are certified.

20 (c) Upon the adoption by a municipality of a local option under
21 AS 04.11.491(a)(5), an ordinance is adopted containing the provisions of this section.

22 (d) In this section, "possession" means having physical possession of or
23 exercising dominion or control over an alcoholic beverage, but does not include having
24 an alcoholic beverage within the digestive system of a person.

25 * Sec. 21. AS 04.11 is amended by adding a new section to read:

26 Sec. 04.11.503. EFFECT ON LICENSES OF RESTRICTION ON SALE. If

27 a majority of the voters vote under AS 04.11.491(a)(2) or (b)(2) to prohibit sale of
28 alcoholic beverages except by the type or types of licensees or permit holders listed
29 on the ballot, the board may not issue, renew, or transfer between persons or locations
30 a license for premises located within the boundaries of the municipality and in
31 unincorporated areas within five miles of the boundaries of the municipality or within

1 the perimeter of the established village, except the type or types of licenses listed on
2 the ballot. A license in effect within the boundaries of the municipality or perimeter
3 of the established village, and in unincorporated areas within five miles of the
4 boundaries of the municipality, except the type of license listed on the ballot, are void
5 90 days after the results of the election are certified. A license that expires during the
6 90 days after the results of a local option election are certified may be extended, until
7 it is void under this section, by payment of a prorated portion of the biennial license
8 fee.

9 * Sec. 22. AS 04.11 is amended by adding a new section to read:

10 Sec. 04.11.505. LICENSING AFTER PROHIBITION ON SALE EXCEPT IN
11 PREMISES OPERATED BY MUNICIPALITY. (a) If a majority of the voters vote
12 under AS 04.11.491(a)(3) to prohibit the sale of alcoholic beverages except on
13 premises operated by the municipality, the board may not issue, renew, or transfer
14 between persons or locations a license for premises located within the boundaries of
15 a municipality and in unincorporated areas within five miles of the boundaries of the
16 municipality, with the exception of the type of license listed on the ballot and operated
17 under a license held by the municipality. A license in effect is void 90 days after the
18 results of the election are certified. A license that expires during the 90 days after the
19 results of a local option election are certified may be extended, until it is void under
20 this subsection, by payment of a prorated portion of the biennial license fee.

21 (b) The local governing body of a municipality shall apply for a license to
22 operate the type of licensed premises listed on the ballot under AS 04.11.491(a)(3) and
23 approved by a majority of the voters. The municipality shall operate the premises
24 subject to the conditions and fees applicable to the type of license. Nothing in this
25 section precludes a municipality from applying to be a licensee under other provisions
26 of this title.

27 * Sec. 23. AS 04.11 is amended by adding new sections to read:

28 Sec. 04.11.507. PROCEDURE FOR LOCAL OPTION ELECTIONS. (a)
29 Elections to adopt a local option under AS 04.11.491, change a local option under
30 AS 04.11.493, or remove a local option under AS 04.11.495, shall be conducted as
31 required in this section.

1 (b) Upon receipt of a petition of a number of registered voters equal to 35
2 percent or more of the number of votes cast at the last regular municipal election, the
3 local governing body of a municipality shall place upon a separate ballot at the next
4 regular election, or at a special election, whichever local option, change in local option,
5 or removal of local option constitutes the subject of the petition. The local governing
6 body shall conduct the election under the election ordinance of the municipality.

7 (c) Upon receipt of a petition of 35 percent or more of the registered voters
8 residing within an established village, the lieutenant governor shall place upon a
9 separate ballot at a special election the local option, change in local option, or removal
10 of local option that constitutes the subject of the petition. The lieutenant governor
11 shall conduct the election under AS 15.

12 (d) A petition filed with the local governing body of a municipality under (b)
13 of this section, that places on the ballot the option set out in AS 04.11.491(a)(5),
14 constitutes a proposed ordinance of the municipality.

15 (e) AS 29.26.110 - 29.26.160 apply to a petition under (b) of this section in
16 a general law municipality except the

17 (1) number of required signatures is determined under (b) of this
18 section rather than under AS 29.26.130;

19 (2) application filed under AS 29.26.110 must at least contain language
20 substantially similar to the questions set out under AS 04.11.491 - 04.11.495 rather
21 than containing an ordinance or resolution;

22 (3) petition must at least contain language substantially similar to the
23 questions set out under AS 04.11.491 - 04.11.495 rather than material required under
24 AS 29.26.120(a)(1) and (2).

25 (f) Notwithstanding any other provisions of law, an election under (b) or (c)
26 of this section to remove a local option or to change to a less restrictive option than
27 the local option previously adopted under AS 04.11.491 may not be conducted during
28 the first 12 months after the local option was adopted or more than once in a 12-month
29 period.

30 Sec. 04.11.509. NOTICE OF THE RESULTS OF A LOCAL OPTION
31 ELECTION. (a) If a majority of the voters vote to prohibit, change, or remove a

1 local option under AS 04.11.491 - 04.11.495, the clerk of the municipality, or, if the
2 election is in an established village, the lieutenant governor shall notify the board of
3 the results of the election immediately after the results are certified. The board shall
4 immediately notify the Department of Law and the Department of Public Safety of the
5 results of the election.

6 (b) If a majority of the voters vote to prohibit the importation or possession
7 of alcoholic beverages under AS 04.11.491(a)(4) or (5) or (b)(3) or (4), the following
8 actions in addition to those prescribed in (a) of this section shall be taken before the
9 date the prohibition becomes effective:

10 (1) the board shall notify, by certified mail, all package store licensees
11 who sell alcoholic beverages in response to a written solicitation of the local option;
12 and

13 (2) the municipality or established village shall post public notice of
14 the prohibition in a central location in the municipality or village.

15 * Sec. 24. AS 04.11.540 is amended to read:

16 Sec. 04.11.540. LICENSE RENEWAL AND EXPIRATION. Notwithstanding
17 AS 04.11.680, an application for renewal of a license issued for the two calendar years
18 [YEAR] ending December 31 or of a seasonal license issued for parts of those
19 calendar years [A SIX-MONTH PERIOD ENDING IN THE PREVIOUS YEAR] may
20 be submitted up until the next February 28 [, BUT THE AUTHORITY GRANTED
21 UNDER THE LICENSE MAY NOT BE EXERCISED UNTIL THE LICENSE IS
22 RENEWED]. If a complete [THE] application for renewal has [AND APPLICABLE
23 AFFIDAVITS HAVE] not been filed by February 28 or the required fees and the
24 penalty fees have not been paid by that date, the license expires at 12:00 midnight
25 February 28. A new license may not be issued to the holder of an expired license for
26 the same premises except on proof satisfactory to the board of good cause for the
27 failure to file and pay.

28 * Sec. 25. AS 04.11.680(a) is amended to read:

29 (a) Upon application and payment of one-half [ONE-QUARTER] of the
30 biennial fee, the board may issue a seasonal license under this title that will be
31 effective for a continuous six-month period in each of the biennial calendar years.

1 Otherwise, all licenses issued under this title other than a retail stock sale license are
2 effective for the two calendar years ending December 31, unless a shorter period is
3 prescribed by the board or by law.

4 * Sec. 26. AS 04.16.125(a) is amended to read:

5 (a) A person may not use a common carrier to transport alcoholic beverages
6 into an area that has restricted the sale of alcoholic beverages under
7 AS 04.11.491(a)(1), (2), or (3) or (b)(1) or (2) [AS 04.11.490, 04.11.492, OR
8 04.11.500] unless

9 (1) the shipping container holding the alcoholic beverages is clearly
10 labeled as containing alcoholic beverages with letters that contrast in color to the
11 shipping container and that are at least two inches in height; and

12 (2) an itemized invoice showing the quantity and purchase value of
13 distilled spirits, of wine, and of malt [THE ALCOHOLIC] beverages is attached to
14 the outside of the shipping container.

15 * Sec. 27. AS 04.16.125(b) is amended to read:

16 (b) This section does not apply to

17 (1) a person transporting not more than

18 (A) two liters of wine;

19 (B) one gallon of [OR] malt beverages; [,] or

20 (C) [NOT MORE THAN] one liter of distilled spirits; or

21 (2) the transportation of alcoholic beverages for use on premises
22 allowed under AS 04.11.491(a)(2) - (3) or (b)(2) or for use under a permit allowed
23 under AS 04.11.491(a)(2).

24 * Sec. 28. AS 04.16.200(b) is amended to read:

25 (b) A person who violates AS 04.11.010 in an area that has adopted
26 [WHERE THE RESULTS OF] a local option under AS 04.11.491 [ELECTION
27 HAVE, UNDER AS 04.11.490 - 04.11.500, PROHIBITED THE BOARD FROM
28 ISSUING, RENEWING, OR TRANSFERRING ONE OR MORE TYPES OF
29 LICENSES OR PERMITS UNDER THIS TITLE IN THE AREA] is, upon conviction,
30 guilty of a class C felony.

31 * Sec. 29. AS 04.16.200(e) is amended to read:

1 (e) A person who sends, transports, or brings alcoholic beverages into a
2 municipality or established village in violation of AS 04.11.499 [AS 04.11.496] is,
3 upon conviction,

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

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

10 * Sec. 30. AS 04.16.205(a) is amended to read:

11 (a) A person who possesses alcoholic beverages in a municipality or
12 established village in violation of AS 04.11.501 [AS 04.11.498] or an ordinance
13 adopted under AS 04.11.501 [AS 04.11.498] may, upon conviction, be punished by a
14 fine not to exceed \$1,000. When a peace officer stops or contacts a person concerning
15 a violation of AS 04.11.501 [AS 04.11.498] or an ordinance adopted [ENACTED]
16 under AS 04.11.501 [AS 04.11.498], the peace officer may [, IN THE OFFICER'S
17 DISCRETION,] issue a citation to the person as provided in AS 12.25.180.

18 * Sec. 31. AS 04.16.205(b) is amended to read:

19 (b) A person cited for a violation of AS 04.11.501 [AS 04.11.498] or an
20 ordinance adopted under AS 04.11.501 [AS 04.11.498] for which a bail amount has
21 been established under (c) of this section may, within 30 days after the date the
22 citation is issued.

23 (1) mail or personally deliver to the clerk of the court in which the
24 citation is filed by the peace officer the amount of bail indicated on the citation and
25 a copy of the citation indicating that the right to an appearance is waived, a plea of no
26 contest is entered and the bail and all alcoholic beverages seized are forfeited; or

27 (2) perform community work in lieu of payment of the fine or a portion
28 of the fine as provided in (d) of this section.

29 * Sec. 32. AS 04.16.205(c) is amended to read:

30 (c) The supreme court shall establish by rule or order a schedule of bail
31 amounts that may be forfeited without a court appearance for a violation of

1 AS 04.11.501 [AS 04.11.498] or an ordinance adopted under AS 04.11.501
2 [AS 04.11.498]. In establishing the bail schedule the supreme court may consider the
3 quantity of alcoholic beverages possessed and the number of prior violations of the
4 person cited. Before establishing or amending the schedule of bail amounts required
5 by this subsection, the supreme court shall appoint and consult with an advisory
6 committee consisting of the following seven persons: one superior court judge, one
7 magistrate from each judicial district in the state, a representative of the Department
8 of Law, and a representative of the Public Defender Agency. The maximum bail
9 amount may not exceed \$1,000, and the issuing officer shall write on the citation the
10 amount of bail applicable to the violation.

11 * Sec. 33. AS 04.16.205(d) is amended to read:

12 (d) Community work shall be performed at the direction of the local governing
13 body of the municipality or the local governing body of the established village. In the
14 absence of a local governing body for an established village, community work
15 shall be performed at the direction of the body that has traditionally performed
16 public functions on behalf of the entire community. The value of community work
17 in lieu of a fine is \$5.00 per hour. When the community work is completed, the
18 person cited for the violation shall mail or personally deliver to the clerk of the court
19 in which the citation is filed by the peace officer

20 (1) a form, prescribed by the administrative director of the Alaska
21 Court System, indicating completion of the community work; and

22 (2) a copy of the citation, indicating that the right to an appearance is
23 waived, a plea of no contest is entered, and that the bail is forfeited or community
24 work has been performed and that all alcoholic beverages seized are forfeited.

25 * Sec. 34. AS 04.16.205(g) is amended to read:

26 (g) Notwithstanding other provisions of law, if a person cited for a violation
27 of AS 04.11.501 [AS 04.11.498] or an ordinance adopted under AS 04.11.501
28 [AS 04.11.498] for which a bail amount has been established under (c) of this section
29 appears in court and is found guilty, the penalty that is imposed for the offense may
30 not exceed the bail amount for that offense established under (c) of this section.

31 * Sec. 35. AS 04.16.205(h) is amended to read:

1 (h) A violation of AS 04.11.501 [AS 04.11.498] or an ordinance adopted under
2 AS 04.11.501 [AS 04.11.498] may not be considered a criminal offense and may not
3 result in imprisonment, nor is a fine imposed for a violation considered criminal
4 punishment. A person cited for a violation does not have a right to a jury trial or
5 court appointed counsel.

6 * Sec. 36. AS 04.16.220(a) is amended to read:

7 (a) The following are subject to forfeiture:

8 (1) alcoholic beverages manufactured, sold, offered for sale or
9 possessed for sale, bartered or exchanged for goods and services in this state in
10 violation of AS 04.11.010; alcoholic beverages possessed, stocked, warehoused, or
11 otherwise stored in violation of AS 04.21.060; alcoholic beverages sold or offered for
12 sale in an area that has adopted [WHERE THE RESULTS OF] a local option under
13 AS 04.11.491 [ELECTION HAVE, UNDER AS 04.11.490 - 04.11.500, PROHIBITED
14 THE POSSESSION OF ALCOHOLIC BEVERAGES OR PROHIBITED THE
15 BOARD FROM ISSUING, RENEWING, OR TRANSFERRING ONE OR MORE
16 LICENSES OR PERMITS UNDER THIS TITLE IN THE AREA]; alcoholic beverages
17 transported into the state and sold to persons not licensed under this chapter in
18 violation of AS 04.16.170(b);

19 (2) materials and equipment used in the manufacture, sale, offering for
20 sale, possession for sale, barter or exchange of alcoholic beverages for goods and
21 services in this state in violation of AS 04.11.010; materials and equipment used in the
22 stocking, warehousing, or storage of alcoholic beverages in violation of AS 04.21.060;
23 materials and equipment used in the sale or offering for sale of an alcoholic beverage
24 in an area that has adopted [WHERE THE RESULTS OF] a local option under
25 AS 04.11.491 [ELECTION HAVE, UNDER AS 04.11.490 - 04.11.500, PROHIBITED
26 THE BOARD FROM ISSUING, RENEWING, OR TRANSFERRING ONE OR
27 MORE LICENSES OR PERMITS UNDER THIS TITLE IN THE AREA];

28 (3) aircraft, vehicles, or vessels used to transport, or facilitate the
29 transportation of

30 (A) alcoholic beverages manufactured, sold, offered for sale or
31 possessed for sale, bartered or exchanged for goods and services in this state

1 in violation of AS 04.11.010;

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

4 (C) alcoholic beverages imported into a municipality or
5 established village in violation of AS 04.11.499 [AS 04.11.496];

6 (4) alcoholic beverages found on licensed premises that do not bear
7 federal excise stamps if excise stamps are required under federal law;

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

10 * Sec. 37. AS 04.16.220(b) is amended to read:

11 (b) Property subject to forfeiture under this section may be actually or
12 constructively seized under an order issued by the superior court upon a showing of
13 probable cause that the property is subject to forfeiture under this section. Constructive
14 seizure is effected upon posting a signed notice of seizure on the item to be forfeited,
15 stating the violation and the date and place of seizure. Seizure without a court order
16 may be made if

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

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

20 (3) there is probable cause to believe that the property is subject to
21 forfeiture under (a) of this section; except for alcoholic beverages possessed on
22 violation of AS 04.11.501 [AS 04.11.498] or an ordinance adopted under AS 04.11.501
23 [AS 04.11.498], property seized under this paragraph may not be held over 48 hours
24 or until an order of forfeiture is issued by the court, whichever is earlier.

25 * Sec. 38. AS 04.16.220(d) is amended to read:

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

27 (1) upon conviction of a person for a violation of [UNDER]
28 AS 04.11.010, 04.11.499, [04.11.496(b), OR] AS 04.21.060, or AS 04.11.501 [UPON
29 ENTRY OF JUDGMENT UNDER AS 04.11.498] or an ordinance adopted under
30 AS 04.11.501 [AS 04.11.498]; or

31 (2) upon judgment by the superior court in a proceeding in rem that the

1 property was used in a manner subjecting it to forfeiture under (a) of this section.

2 * Sec. 39. AS 04.16.220(g) is amended to read:

3 (g) It is no defense in an in rem forfeiture proceeding brought under (d)(2) of
4 this section that a criminal proceeding is pending or has resulted in conviction or
5 acquittal of a person charged with violating AS 04.11.010, 04.11.499 [04.11.496(b)],
6 or AS 04.21.060.

7 * Sec. 40. AS 04.21.010(a) is amended to read:

8 (a) A municipality may adopt ordinances governing the importation, barter,
9 sale, and consumption of alcoholic beverages within the municipality and may ban
10 possession of alcoholic beverages under AS 04.11.491(a)(5) [AS 04.11.498(d) OR (e)].
11 An ordinance adopted under this section may not be inconsistent with this title or
12 regulations adopted under this title. An ordinance that limits the monthly amounts
13 of alcoholic beverages a person may import into a municipality that has adopted
14 a local option under AS 04.11.491(a)(1), (2), or (3) is not inconsistent with this
15 title.

16 * Sec. 41. AS 04.21.010(b) is amended to read:

17 (b) After the adoption of a local option under AS 04.11.491, a [IF, AS A
18 RESULT OF AN ELECTION HELD IN ACCORDANCE WITH AS 04.11.502 IN A
19 MUNICIPALITY, THE BOARD IS PROHIBITED FROM ISSUING, RENEWING,
20 OR TRANSFERRING A LICENSE BETWEEN HOLDERS OR LOCATIONS OR IF
21 THE IMPORTATION OF ALCOHOLIC BEVERAGES IS PROHIBITED IN THE
22 MUNICIPALITY, THE] municipality may adopt an ordinance making the sale or
23 importation of alcoholic beverages a misdemeanor. The ordinance may not be
24 inconsistent with this title or the regulations adopted under this title.

25 * Sec. 42. AS 04.21.010(c) is amended to read:

26 (c) A municipality may not impose taxes on alcoholic beverages except
27 (1) property tax on alcoholic beverage inventories;
28 (2) sales tax on alcoholic beverage sales if sales taxes are imposed on
29 other sales within the municipality;
30 (3) sales tax on alcoholic beverage sales that was in effect before
31 July 1, 1985; and

1 (4) sales and use tax on alcoholic beverages if the sale of alcoholic
2 beverages within the municipality has been prohibited under AS 04.11.491(a)(1), (4),
3 or (5) [AS 04.11.490].

4 * Sec. 43. AS 04.21.015(b) is amended to read:

5 (b) This section does not apply to AS 04.16.050, 04.16.051, 04.16.080;
6 AS 04.21.010, 04.21.020; alcoholic beverages manufactured in a quantity that exceeds
7 the limit imposed on private manufacture under federal law; or an area that has
8 adopted a local option law under AS 04.11.491 [AS 04.11.490 - 04.11.500].

9 * Sec. 44. AS 04.21.080(b)(1) is amended to read:

10 (1) "alcoholic beverage" means a spirituous, vinous, malt or other
11 fermented or distilled liquid, whatever the origin, that is intended for human
12 consumption as a beverage and that contains one-half of one percent or more of
13 alcohol by volume, whether produced commercially or privately; however, in an area
14 that has adopted a local option under AS 04.11.491 [LOCAL-OPTION
15 PROHIBITION UNDER AS 04.11.490 - 04.11.500], "alcoholic beverage" means a
16 spirituous, vinous, malt, or other fermented or distilled liquid, whatever the origin, that
17 is intended for human consumption as a beverage by the person who possesses or
18 attempts to possess it and that contains alcohol in any amount if the liquid is
19 produced privately, or that contains one-half of one percent or more of alcohol by
20 volume, if the liquid is produced commercially;

21 * Sec. 45. AS 04.21.080(b)(9) is amended to read:

22 (9) "established village" means an area not containing any part of
23 an incorporated city or another established village, that has a perimeter no more
24 than 10 miles in diameter clearly designated on a map by the local governing
25 body or the board in the absence of a local governing body, and that is

26 (A) an unincorporated community that is in the unorganized
27 borough and that has 25 or more permanent residents; or

28 (B) an unincorporated community that is in an organized
29 borough, has 25 or more permanent residents, and

30 (i) is on a road system and is located more than 50
31 miles outside the boundary limits of a unified municipality, or

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

3 * Sec. 46. AS 15.07.064(g) is amended to read:

4 (g) In this section, "established village" means an unincorporated
5 community that is in

6 (A) the unorganized borough and that has 25 or more
7 permanent residents; or

8 (B) an organized borough, has 25 or more permanent
9 residents, and

10 (i) is on a road system and is located more than 50
11 miles outside the boundary limits of a unified municipality, or

12 (ii) is not on a road system and is located more than
13 15 miles outside the boundary limits of a unified municipality [HAS
14 THE MEANING GIVEN IN AS 04.21.080].

15 * Sec. 47. AS 18.65.085(a) is amended to read:

16 (a) There is established in the Department of Public Safety, division of state
17 troopers, a narcotic drugs and alcohol enforcement unit for the purpose of investigating
18 and combating the illicit sale and distribution of narcotic drugs and alcoholic beverages
19 in the state. Enforcement of the alcoholic beverage control laws shall focus primarily
20 on the investigation, apprehension, and conviction of persons who violate
21 AS 04.11.010 by selling, importing, or possessing alcoholic beverages in violation of
22 a local option [AN ORDINANCE] adopted by a municipality or established village
23 under AS 04.11.491 [AS 04.11.490 - 04.11.500].

24 * Sec. 48. AS 18.65.085(c) is amended to read:

25 (c) The Department of Public Safety may establish and administer a reward
26 program, and provide grants to municipalities, established villages, and, at the request
27 of a municipality or established village, to a nonprofit association that administers a
28 village public safety officer program, for reward programs leading to the apprehension
29 and conviction of persons who violate AS 04.11.010 by selling, importing, or
30 possessing alcoholic beverages in violation of a local option [AN ORDINANCE]
31 adopted by a municipality or established village under AS 04.11.491 [AS 04.11.490

1 .. 04.11.500].

2 * **Sec. 49.** AS 29.20.270(e) is amended to read:

3 (e) The veto does not extend to an ordinance adopted under AS 04.11.501
4 [AS 04.11.498]. This subsection applies to home rule and general law municipalities.

5 * **Sec. 50.** AS 29.25.020(d) is amended to read:

6 (d) This section does not apply to an ordinance proposed under
7 AS 04.11.507(d) [AS 04.11.502(c)].

8 * **Sec. 51.** AS 29.25.070(d) is amended to read:

9 (d) This section does not apply to an ordinance adopted under AS 04.11.501(c)
10 [AS 04.11.498(d) OR (e)].

11 * **Sec. 52.** AS 29.35.080(a) is amended to read:

12 (a) A municipality may regulate the possession, barter, sale, importation, and
13 consumption of alcoholic beverages under AS 04.11.480 - 04.11.509 [IN
14 ACCORDANCE WITH AS 04.11.480 - 04.11.506] and AS 04.21.010.

15 * **Sec. 53.** AS 47.37.045(e) is amended to read:

16 (e) In this section,

17 (1) "established village" means an unincorporated community that

18 is in

19 (A) the unorganized borough and that has 25 or more
20 permanent residents; or

21 (B) an organized borough, has 25 or more permanent
22 residents, and

23 (i) is on a road system and is located more than 50
24 miles outside the boundary limits of a unified municipality, or

25 (ii) is not on a road system and is located more than
26 15 miles outside the boundary limits of a unified municipality [HAS
27 THE MEANING GIVEN IN AS 04.21.080(b)];

28 (2) "local governing body" has the meaning given in AS 04.21.080(b);

29 (3) "nonprofit organization" means an organization that qualifies for
30 exemption from taxation under 26 U.S.C. 501(c)(3) or (4) (Internal Revenue Code).

31 * **Sec. 54.** AS 04.11.190, 04.11.490, 04.11.492, 04.11.496, 04.11.498, 04.11.500, 04.11.502,

1 04.11.504, 04.11.506, and 04.11.510(d) are repealed.

2 * Sec. 55. TRANSITION: LOCAL OPTIONS EARLIER ADOPTED. Notwithstanding
3 the provisions of this Act, local options adopted by an area under AS 04.11.490, 04.11.492,
4 04.11.496, 04.11.498, or 04.11.500 or previous local option laws before the effective date of
5 this Act shall continue in effect until changed under AS 04.11.493 or removed under
6 AS 04.11.495. References in this Act to local option elections conducted under AS 04.11.491,
7 04.11.493, 04.11.495, 04.11.497, 04.11.499, 04.11.501, 04.11.503, 04.11.505, and 04.11.507
8 are to be interpreted to include local option elections conducted under AS 04.11.490,
9 04.11.492, 04.11.496, 04.11.498, 04.11.500, or 04.11.502 or previous local option laws in
10 effect before the effective date of this Act.

11 * Sec. 56. TRANSITION: COMMUNITY LIQUOR LICENSES. A community liquor
12 license issued under AS 04.11.190 before the effective date of this Act to operate a beverage
13 dispensary shall continue as a beverage dispensary license under AS 04.11.090. A community
14 liquor license issued under AS 04.11.190 before the effective date of this Act to operate a
15 package store shall continue as a package store license under AS 04.11.150.

16 * Sec. 57. This Act takes effect July 1, 1994.