

**SB**

**3 7/2**

SFIN

FILE

# SENATE FINANCE COMMITTEE REPORT

DATE: 4/25/94

FURTHER:

DATE TURNED INTO OFFICE: 5-5-94

The Finance Committee considered **SENATE BILL NO. 372**

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

and recommends:

- replace with \_\_\_\_\_ CS SB 372 (FINANCE)
- or  adopt previous \_\_\_\_\_ CS \_\_\_\_\_
- attaches amendment(s)

- same title
- new title
- technical title change (HB only)

adopts \_\_\_\_\_ Letter of Intent

further referral to the \_\_\_\_\_

- do pass
- do not pass
- no recommendation
- individual recommendations

**NEW FISCAL NOTES**

Department	Date	Zero	Fiscal
DRS	4/14/94	<del>0</del>	

**PREVIOUS FISCAL NOTES**

Department	Date	Zero	Fiscal
Gov. Elections	4/7/94		1.06
JDR ABC Bd	4/25/94	<del>0</del>	

Appropriation No Fiscal Note

**DO PASS:**

Tim Kelly  
Steve Rios

**OTHER RECOMMENDATIONS:**

Keep Do not Pass  
Best Shop Do Pass if amend

1. Tim Kelly Do Pass  
 Co-Chair: Signature/Recommendation

2. Steve Rios Do Pass  
 Co-Chair: Signature/Recommendation

# FISCAL NOTE

STATE OF ALASKA  
1994 LEGISLATIVE SESSION

BILL NO: SB 372

*N/S*

Revision Date: \_\_\_\_\_ Dept. Affected: Public Safety  
 Title: Alcoholic Beverages: Local Option & Misc. BRU: Alaska State Troopers  
 Component: Detachments  
 Sponsor: (S) Judiciary by Request  
 Requestor: (S) Finance COMPONENT SERIAL NO. 799

**EXPENDITURES/REVENUES: (Thousands of Dollars) (inflation not included)**

OPERATING	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	-0-	-0-	-0-	-0-	-0-	-0-
<b>CAPITAL EXPENDITURES</b>	-0-	-0-	-0-	-0-	-0-	-0-
<b>CHANGE IN REVENUES ( )</b>	-0-	-0-	-0-	-0-	-0-	-0-
<small>Revenue Code</small>						

**FUNDING: (Thousands of Dollars)**

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
<b>TOTAL</b>	-0-	-0-	-0-	-0-	-0-	-0-

Estimate of current year (FY 94) impact: \$ \_\_\_\_\_

**POSITIONS:**

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

**ANALYSIS: (Attach a separate page if necessary.)**  
 No fiscal impact on the Alaska State Troopers is anticipated.

Prepared By: Lee Ann Lucas Phone: 465-4322  
 Division: Commissioner's Office Date: 04/14/94  
 Approved by Commissioner: *Richard L. Burton* Date: 04/14/94  
 Agency: Richard L. Burton, Dept. of Public Safety

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FISCAL NOTE

STATE OF ALASKA  
1994 LEGISLATIVE SESSION

No. 1

Bill Version: SB 372

(S) Publish Date: 4-12-94

Revision Date: \_\_\_\_\_ Department Affected: Office of the Governor

Title: AN ACT RELATING TO COMMUNITY LOCAL

OPTIONS FOR CONTROL OF ALCOHOLIC BEVERAGES.BRU: Division of Elections

Component: Elections

Sponsor: Judiciary by Request

Requestor: \_\_\_\_\_

COMPONENT SERIAL NO. 21

EXPENDITURES/REVENUES:

OPERATING	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00
PERSONAL	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	1.06	1.06	1.06	1.06	1.06	1.06
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND &	0	0	0	0	0	0
GRANTS,	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
<b>TOTAL</b>	<b>1.06</b>	<b>1.06</b>	<b>1.06</b>	<b>1.06</b>	<b>1.06</b>	<b>1.06</b>

CAPITAL	0	0	0	0	0	0
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REVENUE	0	0	0	0	0	0
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FUNDING:

1002 Federal	0	0	0	0	0	0
1003 GF Match	0	0	0	0	0	0
1004 GF	1.06	1.06	1.06	1.06	1.06	1.06
1005 GF/Program	0	0	0	0	0	0
1006 GF/MHTIA	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
<b>TOTAL</b>	<b>1.06</b>	<b>1.06</b>	<b>1.06</b>	<b>1.06</b>	<b>1.06</b>	<b>1.06</b>

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

Estimate of current year (FY94) impact: 0

ANALYSIS: (Attach a separate page if necessary.) PLEASE SEE ATTACHED FOR FISCAL DOCUMENTATION:

Prepared by: Joseph L. Swanson, Director  
Division: Division of Elections

Phone: 465-4611  
Date: APRIL 7, 1994

Approved by Commissioner: John B. Coghill, Lieutenant Governor

Agency: Office of the Governor

Date: APRIL 7, 1994

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Cost for by-mail elections

Ballots:

Ballots for all registered voters (Ballots ordered in pad of 25, 100 at \$.74 ea)	Total \$74.00
Ballots for each regional offices to act as absentee voting officials. 25 ballots for each election, which can be distributed, 5 to each area. (\$.74 x 25)	Total \$18.50
Sample ballots for all elections (Approx. 25 at \$1.00 ea)	Total \$25.00
Total cost for ballots:	<u>Total \$117.50</u>

Postage:

Postage for mailing Advance Flyer (mail first class, \$.29 x 100) or to number of registered voters at time sent	Total \$29.00
Mailing ballots to all registered voters, (based on 500 x \$.29) Mailed first class	Total \$29.00
Shipping charged for sending ballots and materials to the city. (Alaska Airlines Goldstreak) \$25.00 a box	Total \$ 25.00
Total Cost for Postage/shipping	<u>Total \$83.00</u>
Grand Total	\$1059.50 or \$1.06

FISCAL NOTE

STATE OF ALASKA  
1994 LEGISLATIVE SESSION

Bill Version: SB 372

(S) Publish Date: 4-12-94

Revision Date: \_\_\_\_\_ Department Affected: Office of the Governor

Title: AN ACT RELATING TO COMMUNITY LOCAL

OPTIONS FOR CONTROL OF ALCOHOLIC BEVERAGES. BRU: Division of Elections

Component: Elections

Sponsor: Judiciary by Request

Requestor: \_\_\_\_\_

COMPONENT SERIAL NO. 21

EXPENDITURES/REVENUES:

OPERATING	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00
PERSONAL	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	1.06	1.06	1.06	1.06	1.06	1.06
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND &	0	0	0	0	0	0
GRANTS,	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL	1.06	1.06	1.06	1.06	1.06	1.06

CAPITAL	0	0	0	0	0	0
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REVENUE	0	0	0	0	0	0
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FUNDING:

1002 Federal	0	0	0	0	0	0
1003 GF Match	0	0	0	0	0	0
1004 GF	1.06	1.06	1.06	1.06	1.06	1.06
1005 GF/Program	0	0	0	0	0	0
1008 GF/MHTIA	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	1.06	1.06	1.06	1.06	1.06	1.06

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

Estimate of current year (FY94) impact: 0

ANALYSIS: (Attach a separate page if necessary.) PLEASE SEE ATTACHED FOR FISCAL DOCUMENTATION:

*Joseph L. Swanson for*

Prepared by: Joseph L. Swanson, Director

Division: Division of Elections

Phone: 465-4611

Date: APRIL 7, 1994

Approved by Commissioner: John B. Coghill, Lieutenant Governor

Agency: Office of the Governor

Date: APRIL 7, 1994

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COST FOR BY-MAIL ELECTIONS FOR SB372

The following is a cost estimate for a by-mail local option election in unincorporated areas. Cost estimates are based on 100 voters, as we order ballots in pads of 25 and allowing for additional registration.

Personnel:	Estimated Cost:
Absentee Voting Official available in the city 15 days before the election. (Flat fee of \$50.00 for each city)	Total \$50.00
1 hour for person to post 40/10 Posters (Total \$8.00 Per Hour)	Total \$40.00
District Absentee Review Board... 1 City	Total \$40.00
State Review Board (four board members) \$12.50 Per Hour	Total \$50.00
Total Cost for Personnel:	<u>Total \$180.00</u>

Outreach/Advertising:	Estimated Cost:
2 - 40/10 Posters per city (Approx. \$2.00 per poster)	Total \$ 4.00
Printing Advance Flyer (approx. 100 voters) (.15 a copy x 100)	Total \$15.00
Newspaper, radio or RATNET advertisement (Newspaper Display Ad is 4" x 4" at \$112.00 ea.)	Total \$560.00
General Instructions to voters to be included with the ballot. (Based on 100 card at \$1.00 ea.)	Total \$100.00
Total Cost for Advertising:	<u>Total \$679.00</u>

Cost for by-mail elections

Ballots:

Ballots for all registered voters (Ballots ordered in pad of 25, 100 at \$.74 ea)	Total \$74.00
Ballots for each regional offices to act as absentee voting officials. 25 ballots for each election, which can be distributed, 5 to each area. (\$.74 x 25)	Total \$18.50
Sample ballots for all elections (Approx. 25 at \$1.00 ea)	Total \$25.00
Total cost for ballots:	<u>Total \$117.50</u>

Postage:

Postage for mailing Advance Flyer (mail first class, \$.29 x 100) or to number of registered voters at time sent	Total \$29.00
Mailing ballots to all registered voters, (based on 500 x \$.29) Mailed first class	Total \$29.00
Shipping charged for sending ballots and materials to the city. (Alaska Airlines Goldstreak) \$25.00 a box	Total \$ 25.00
Total Cost for Postage/shipping	<u>Total \$83.00</u>

Grand Total \$1059.50 or \$1.06

# FISCAL NOTE

No. 3

**STATE OF ALASKA**  
**1994 LEGISLATIVE SESSION**

**BILL N**

Bill Version: CSRB 372 (Jud)

(S) Publish Date: 4-25-94

Revision Date: \_\_\_\_\_ Dept. Affected: Revenue  
 Title: Alcoholic Beverages: Local Option ... BRU: Alcoholic Beverage Control Board  
 Component: Alcoholic Beverage Control Board  
 Sponsor: Senate Judiciary Committee  
 Requestor: Senate Judiciary Committee COMPONENT SERIAL NO. 0100

**Expenditures/Revenues:**

(Thousands of Dollars)

OPERATING	FY95	FY96	FY97	FY98	FY99	FY00
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	0.0	0.0	0.0	0.0	0.0	0.0
<b>CAPITAL</b>						
<b>REVENUE FUND SOURCE:1005</b>	3.0	6.0	3.0	6.0	3.0	6.0

**FUNDING:**

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
<b>TOTAL</b>	0.0	0.0	0.0	0.0	0.0	0.0

**POSITIONS:**

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY94) impact: \$ 0.0

ANALYSIS: (Attach a separate page if necessary.) Revenue analysis attached.

Prepared by: Patrick L. Sharrock, Director *[Signature]* Phone: 277-8638  
 Division: Alcoholic Beverage Control Board Date: April 25, 1994  
 Approved by Commissioner: Darrel J. Rexwinkel *[Signature]* Date: April 25, 1994  
 Agency: Revenue

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4-26-94  
TK moved  
Adopted

8-LS1848K  
Ford  
4/26/94

Amend. #1  
TK

Delete  
Secs. 454  
58

Adopted

SR Motion  
to H/O  
JK Objectio

Fer: SF BS SR  
Against DP  
JK

TL obtain

Failed

CS FOR SENATE BILL NO. 372( )

IN THE LEGISLATURE OF THE STATE OF ALASKA

EIGHTEENTH LEGISLATURE - SECOND SESSION

BY

Offered:  
Referred:

Sponsor(s): SENATE JUDICIARY COMMITTEE BY REQUEST

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'; relating to purchase, sale, and taxation of alcoholic beverages;  
4 relating to alcohol server education courses; and providing for an effective date."

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

6 \* Section 1. AS C4.11.010(b) is amended to read:

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

1 RESULTS OF A LOCAL OPTION ELECTION HAVE, UNDER AS 04.11.490 -  
2 04.11.500, PROHIBITED THE BOARD FROM ISSUING, RENEWING OR  
3 TRANSFERRING ONE OR MORE TYPES OF LICENSES OR PERMITS UNDER  
4 THIS TITLE, UNLESS THE PERSON IS LICENSED UNDER THIS TITLE AND  
5 THE ORDER IS ACTUALLY RECEIVED BY THAT PERSON FROM THE  
6 PURCHASER OF THE ALCOHOLIC BEVERAGE]. A person who violates this  
7 subsection is punishable upon conviction as provided under AS 04.16.200(a) or (b).

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

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

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

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

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

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

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

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

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

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

9 (h) If a shipment is to an area that has restricted the sale of alcoholic  
10 beverages under AS 04.11.491(a)(1), (2), or (3) or (b)(1) or (2), a package store  
11 licensee, agent, or employee may not ship to a purchaser more than 12 liters of  
12 distilled spirits, 24 liters or more of wine, or 12 gallons or more of malt beverages in  
13 a calendar month.

14 \* Sec. 7. AS 04.11.160 is amended by adding new subsections to read:

15 (f) A person who applies for issuance or renewal of a license under this  
16 section shall file, on forms provided by the board, the following information regarding  
17 each brand of alcoholic beverage that the person intends to purchase, offer for sale, or  
18 sell: (1) the full and correct brand or trade name; (2) the nature and type of the brand;  
19 (3) the name of the distiller, brewer, vintner, or importer of the brand; and (4) a  
20 certification by the distiller, brewer, vintner, or importer of the brand that the person  
21 is a primary source of supply for the brand. In addition to the fees imposed under (a)  
22 and (b) of this section, a person filing under this subsection shall pay a biennial filing  
23 fee of \$50 for each brand of alcoholic beverage the person intends to purchase, offer  
24 for sale, or sell. In this subsection, "distiller, brewer, vintner, or importer" includes  
25 an exclusive agent of the distiller, brewer, vintner, or importer if the agent's name  
26 appears on the label of the brand approved by the Federal Bureau of Alcohol, Tobacco  
27 and Firearms.

28 (g) A person licensed under this section shall notify the board within 10 days  
29 of a change in a primary source of supply designation required under (f) of this  
30 section.

31 \* Sec. 8. AS 04.16 is amended by adding a new section to read:

1           Sec. 04.16.172. RESTRICTIONS ON PURCHASE AND SALE OF  
2 ALCOHOLIC BEVERAGES. A person licensed under AS 04.11.090, 04.11.100,  
3 04.11.110, or 04.11.150 may not purchase, sell, or offer for sale an alcoholic beverage  
4 unless the alcoholic beverage being purchased, sold, or offered for sale was obtained  
5 from a person licensed under

6                   (1) AS 04.11.160 as a primary source of supply for the alcoholic  
7 beverage being purchased, sold, or offered for sale; or

8                   (2) AS 04.11.130, 04.11.140, or 04.11.170.

9 \* Sec. 9. AS 04.11.270(b) is amended to read:

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

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

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

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

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

22 \* Sec. 10. AS 04.11.320 is amended to read:

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

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

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

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

31                           (4) issuance of the license would violate the restrictions pertaining to

1 the particular license imposed under this title;

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

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

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

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

25 (9)] issuance of the license is prohibited under AS 04.11.400(a) or  
26 prohibition of issuance of the license is found necessary under AS 04.11.400(b);

27 ~~(8)~~ [(10)] the application contains false statements of material fact;

28 ~~(9)~~ [(11)] the license is sought for the sale of alcoholic beverages in a  
29 first or second class city where [IN WHICH] there are no licensed premises at the  
30 time of application unless a majority of the voters have voted not to approve [IN] a  
31 local option to restrict or prohibit the sale of alcoholic beverages under

1 AS 04.11.491, have voted to approve a local option to allow the type of premises  
2 under AS 04.11.491(a)(2) or (3), or have voted to remove a restriction or  
3 prohibition on the sale of alcoholic beverages under AS 04.11.495 [ELECTION  
4 CONDUCTED IN ACCORDANCE WITH AS 04.11.502 HAVE VOTED "NO" ON

5 THE QUESTION SET OUT IN AS 04.11.490, OR HAVE VOTED "YES" ON A

6 QUESTION SET OUT IN AS 04.11.492 OR 04.11.500]; or

7 (10) [(12)] the license is sought for the sale of alcoholic beverages in  
8 an established village where [IN WHICH] there are no licensed premises at the time  
9 of application unless a majority of the voters have voted not to approve [IN] a local  
10 option to restrict or prohibit the sale of alcoholic beverages under AS 04.11.491,  
11 have voted to approve a local option to allow the type of premises under  
12 AS 04.11.491(b)(2), or have voted to remove a restriction or prohibition on the  
13 sale of alcoholic beverages under AS 04.11.495 [ELECTION CONDUCTED IN  
14 ACCORDANCE WITH AS 04.11.502 HAVE VOTED "NO" ON THE QUESTION

15 SET OUT IN AS 04.11.490 OR HAVE VOTED "YES" ON THE QUESTION SET

16 OUT IN AS 04.11.500].

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

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

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

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

24 (4) the permit is sought for the sale of alcoholic beverages in a first or  
25 second class city or established village where [IN WHICH] there are no licensed  
26 premises at the time of application unless a majority of the voters have voted not to  
27 approve [IN] a local option to restrict or prohibit the sale of alcoholic beverages  
28 under AS 04.11.491, have voted to approve a local option to allow the type of  
29 permit under AS 04.11.491(a)(2) or (b)(2), or have voted to remove a restriction  
30 or prohibition on the sale of alcoholic beverages under AS 04.11.495 [ELECTION  
31 CONDUCTED IN ACCORDANCE WITH AS 04.11.502 HAVE VOTED "NO" ON

1 THE QUESTION SET OUT IN AS 04.11.490].

2 \* **Sec. 11.** AS 04.11.330(a) is amended to read:

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

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

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

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

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

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

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

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

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

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

23 \* **Sec. 12.** AS 04.11.340 is amended to read:

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

26 (1) the board finds, after review of all relevant information, that  
27 relocation of the license would not be in the best interests of the public;

28 (2) the relocation is prohibited under AS 04.11.400(a) or (b);

29 (3) the license would be relocated out of the established village,  
30 incorporated city, unified municipality, or population area established under  
31 AS 04.11.400(a) within which it is located;

1 (4) transfer of ownership is to be made concurrently with the relocation  
2 of the licensed premises and a ground for denial of the transfer of ownership under  
3 AS 04.11.360 is presented;

4 (5) the application has not been completed in accordance with  
5 AS 04.11.290;

6 (6) relocation of the license would result in violation of a local zoning  
7 law;

8 (7) relocation of the license would violate the restrictions pertaining to  
9 the particular license imposed by this title;

10 (8) relocation of the license is prohibited under this title as a result of  
11 an election conducted under AS 04.11.507 [IN ACCORDANCE WITH  
12 AS 04.11.502]; or

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

21 (10)] the license was issued under AS 04.11.400(g), (h), or (j).

22 \* Sec. 13. AS 04.11.360 is amended to read:

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

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

28 (2) the application has not been completed in accordance with  
29 AS 04.11.280;

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

31 (4) the transferor has not paid all debts or taxes arising from the

1 conduct of the business licensed under this title unless

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

4 (B) the transfer is pursuant to a promise given as collateral by  
5 the transferor to the transferee in the course of an earlier transfer of the license  
6 under which promise the transferor is obliged to transfer the license back to the  
7 transferee in the event of default in payment for property conveyed as part of  
8 the earlier transfer of the license;

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

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

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

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

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

26 (10) THE AUTHORITY SOUGHT IS AUTHORITY TO OPERATE  
27 A BEVERAGE DISPENSARY OR PACKAGE STORE UNDER A COMMUNITY  
28 LIQUOR LICENSE FOR PREMISES TO BE LOCATED IN A MUNICIPALITY  
29 WHERE THE AUTHORITY SOUGHT IS ALREADY HELD BY A PRIVATE  
30 LICENSEE UNDER A BEVERAGE DISPENSARY OR PACKAGE STORE  
31 LICENSE, UNLESS THE TRANSFER IS TO BECOME EFFECTIVE AFTER THE

1 PRIVATELY HELD LICENSE IS NO LONGER EFFECTIVE, WHETHER AS THE  
2 RESULT OF A LOCAL OPTION ELECTION OR OTHERWISE;

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

4 (10) [(12)] the license was issued under AS 04.11.135, unless the  
5 transferor is also applying to transfer the beverage dispensary license required under  
6 AS 04.11.135 to the same transferee.

7 \* Sec. 14. AS 04.11.370 is amended to read:

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

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

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

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

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

23 (5) conviction of an [THE] agent or employee of a licensee of a  
24 violation of this title, a regulation adopted under this title, or an ordinance adopted  
25 under AS 04.21.010, if the licensee is found by the board to have either knowingly  
26 allowed the violation or to have recklessly or with criminal negligence failed to act in  
27 accordance with the duty prescribed under AS 04.21.030 with the result that the [AN]  
28 agent or employee violates a law, regulation, or ordinance;

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

31 (7) use of the licensed premises as a resort for illegal possessors or

1 users of narcotics, prostitutes, or promoters of prostitution; in addition to any other  
 2 legally competent evidence, the character of the premises may be proved by the  
 3 general reputation of the premises in the community as a resort for illegal possessors  
 4 or users of narcotics, prostitutes, or promoters of prostitution;

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

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

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

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

19 \* Sec. 15. AS 04.11 is amended by adding a new section to read:

20 Sec. 04.11.395. BOARD IMPOSED CONDITIONS OR RESTRICTIONS.

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

23 \* Sec. 16. AS 04.11.400(a) is amended to read:

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

26 (1) outside an established village, incorporated city, unified  
 27 municipality, or organized borough if after the issuance or relocation there would be  
 28 more than one restaurant or eating place license for each 1,500 population or fraction  
 29 of that [1,500] population; or more than one license of each other type, including  
 30 licenses that have been issued under (g) or (h) of this section, for each 3,000  
 31 population or fraction of that [3,000] population; in a radius of five miles of the

1 licensed premises [OR LOCATION OF PREMISES SOUGHT TO BE LICENSED],  
 2 excluding the populations of established villages, incorporated cities, unified  
 3 municipalities, and organized boroughs that are wholly or partly included within the  
 4 radius;

5 (2) inside an established village, incorporated city, or unified  
 6 municipality if after the issuance or relocation there would be inside the established  
 7 village, incorporated city, or unified municipality

8 (A) more than one restaurant or eating place license for each  
 9 1,500 population or fraction of that [1,500] population; or

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

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

25 \* Sec. 17. AS 04.11.480(a) is amended to read:

26 (a) A [IF A] local governing body may [WISHES TO] protest the issuance,  
 27 renewal, relocation, [TRANSFER OF LOCATION] or transfer to another person of  
 28 a license by sending [, IT SHALL FURNISH] the board and the applicant [WITH] a  
 29 protest and the reasons for the protest within 30 days of receipt from the board of  
 30 notice of filing of the application. The local governing body may protest the  
 31 continued operation of a license during the second year of the biennial license

1 period by sending the board and the licensee a protest and the reasons for the  
2 protest by January 31 of the second year of the license. The procedures for  
3 action on a protest of continued operation of a license are the same as the  
4 procedures for action on a protest of a renewal application. The board shall  
5 consider a protest and testimony received at a hearing conducted under  
6 AS 04.11.510(b)(2) or (b)(4) when it considers the application or continued  
7 operation, and the protest and the record of the hearing conducted under  
8 AS 04.11.510(b)(2) or (b)(4) shall be kept [RETAINED] as part of the board's  
9 permanent record of its review [OF THE APPLICATION]. If an application or  
10 continued operation is protested, the board shall deny [MAY NOT APPROVE] the  
11 application or continued operation unless the board finds that the protest is arbitrary,  
12 capricious, and unreasonable.

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

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

17 (1) the sale of alcoholic beverages;

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

20 (A) a restaurant or eating place licensee;

21 (B) a beverage dispensary licensee;

22 (C) a package store licensee; or

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

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

29 (A) a restaurant or eating place license;

30 (B) a beverage dispensary license; or

31 (C) a package store license;

- 1 (4) the sale and importation of alcoholic beverages; or  
2 (5) the sale, importation, and possession of alcoholic beverages.

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

- 5 (1) the sale of alcoholic beverages;  
6 (2) the sale of alcoholic beverages except by one or more of the  
7 following listed on the ballot:

8 (A) a restaurant or eating place licensee;

9 (B) a beverage dispensary licensee;

10 (C) a package store licensee; or

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

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

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

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

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

31 (e) If a municipality dissolves under AS 29.06.450(a) or (b), a local option

1 adopted by the municipality under (a) of this section shall continue in effect as the  
2 corresponding local option under (b) of this section for an established village having  
3 the same perimeter as the previous boundaries of the municipality. A license for  
4 premises operated by the municipality under AS 04.11.505 expires when the  
5 municipality dissolves.

6 (c) A municipality or established village that has adopted a local option under  
7 (a)(1), (2), or (3) or (b)(1) or (2) of this section may designate a site for the delivery  
8 of alcoholic beverages to individuals in the area or a site for a person to bring  
9 alcoholic beverages if the alcoholic beverages are imported into the area. This  
10 subsection does not apply to the delivery or importation of

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

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

15 \* Sec. 19. AS 04.11 is amended by adding new sections to read:

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

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

25 Sec. 04.11.495. REMOVAL OF LOCAL OPTION. (a) If a majority of the  
26 persons voting on the question vote to remove the option, a municipality or established  
27 village shall remove a local option previously adopted under AS 04.11.491. The  
28 option is repealed effective the first day of the month following certification of the  
29 results of the election.

30 (b) A ballot question to remove a local option under this section must at least  
31 contain language substantially similar to: "Shall (name of municipality or village)

1 remove the local option currently in effect, that prohibits (current local option under  
2 AS 04.11.491), so that there is no longer any local option in effect? (yes or no)."

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

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

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

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

21 Sec. 04.11.499. PROHIBITION OF IMPORTATION AFTER ELECTION. If  
22 a majority of the voters vote to prohibit the importation of alcoholic beverages under  
23 AS 04.11.491(a)(4) or (5) or (b)(3) or (4), a person, beginning on the first day of the  
24 month following certification of the results of the election, may not knowingly send,  
25 transport, or bring an alcoholic beverage into the municipality or established village,  
26 unless the alcoholic beverage is sacramental wine to be used for bona fide religious  
27 purposes based on tenets or teachings of a church or religious body, is limited in  
28 quantity to the amount necessary for religious purposes, and is dispensed only for  
29 religious purposes by a person authorized by the church or religious body to dispense  
30 the sacramental wine.

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

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

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

9           (b) If there are licensed premises within the municipality or established village,  
10          the prohibition on possession is effective beginning 90 days after the results of the  
11          election are certified. If there are no licensed premises within the municipality or  
12          established village, the prohibition on possession is effective beginning 60 days after  
13          the results of the election are certified.

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

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

19          \* Sec. 23. AS 04.11 is amended by adding a new section to read:

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

21                a majority of the voters vote under AS 04.11.491(a)(2) or (b)(2) to prohibit sale of  
22                alcoholic beverages except by the type or types of licensees or permit holders listed  
23                on the ballot, the board may not issue, renew, or transfer between persons or locations  
24                a license for premises located within the boundaries of the municipality and in  
25                unincorporated areas within five miles of the boundaries of the municipality or within  
26                the perimeter of the established village, except the type or types of licenses listed on  
27                the ballot. A license in effect within the boundaries of the municipality or perimeter  
28                of the established village, and in unincorporated areas within five miles of the  
29                boundaries of the municipality, except the type of license listed on the ballot, are void  
30                90 days after the results of the election are certified. A license that expires during the  
31                90 days after the results of a local option election are certified may be extended, until

1 it is void under this section, by payment of a prorated portion of the biennial license  
2 fee.

3 \* Sec. 24. AS 04.11 is amended by adding a new section to read:

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

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

21 \* Sec. 25. AS 04.11 is amended by adding new sections to read:

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

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

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

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

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

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

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

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

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

24 **Sec. 04.11.509. NOTICE OF THE RESULTS OF A LOCAL OPTION**  
25 **ELECTION.** (a) If a majority of the voters vote to prohibit, change, or remove a  
26 local option under AS 04.11.491 - 04.11.495, the clerk of the municipality, or, if the  
27 election is in an established village, the lieutenant governor shall notify the board of  
28 the results of the election immediately after the results are certified. The board shall  
29 immediately notify the Department of Law and the Department of Public Safety of the  
30 results of the election.

31 (b) If a majority of the voters vote to prohibit the importation or possession

1 of alcoholic beverages under AS 04.11.491(a)(4) or (5) or (b)(3) or (4), the following  
2 actions in addition to those prescribed in (a) of this section shall be taken before the  
3 date the prohibition becomes effective:

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

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

9 \* Sec. 26. AS 04.11.540 is amended to read:

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

22 \* Sec. 27. AS 04.11.680(a) is amended to read:

23 (a) Upon application and payment of one-half [ONE-QUARTER] of the  
24 biennial fee, the board may issue a seasonal license under this title that will be  
25 effective for a continuous six-month period in each of the biennial calendar years.  
26 Otherwise, all licenses issued under this title other than a retail stock sale license are  
27 effective for the two calendar years ending December 31, unless a shorter period is  
28 prescribed by the board or by law.

29 \* Sec. 28. AS 04.16.110 is repealed and reenacted to read:

30 Sec. 04.16.110. SALE OF CERTAIN ALCOHOLIC BEVERAGES  
31 PROHIBITED. A person may not sell an alcoholic beverage if it

- 1 (1) is not in liquid form; or  
2 (2) contains more than 76 percent alcohol by volume.

3 \* Sec. 29. AS 04.16.125(a) is amended to read:

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

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

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

14 \* Sec. 30. AS 04.16.125(b) is amended to read:

15 (b) This section does not apply to

16 (1) a person transporting not more than

17 (A) two liters of wine;

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

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

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

23 \* Sec. 31. AS 04.16.200(b) is amended to read:

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

30 \* Sec. 32. AS 04.16.200(e) is amended to read:

31 (e) A person who sends, transports, or brings alcoholic beverages into a

1 municipality or established village in violation of AS 04.11.499 [AS 04.11.496] is,  
2 upon conviction,

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

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

9 \* Sec. 33. AS 04.16.205(a) is amended to read:

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

17 \* Sec. 34. AS 04.16.205(b) is amended to read:

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

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

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

28 \* Sec. 35. AS 04.16.205(c) is amended to read:

29 (c) The supreme court shall establish by rule or order a schedule of bail  
30 amounts that may be forfeited without a court appearance for a violation of  
31 AS 04.11.501 [AS 04.11.498] or an ordinance adopted under AS 04.11.501

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

10 \* Sec. 36. AS 04.16.205(d) is amended to read:

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

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

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

24 \* Sec. 37. AS 04.16.205(g) is amended to read:

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

30 \* Sec. 38. AS 04.16.205(h) is amended to read:

31 (h) A violation of AS 04.11.501 [AS 04.11.498] or an ordinance adopted under

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

5 \* Sec. 39. AS 04.16.220(a) is amended to read:

6 (a) The following are subject to forfeiture:

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

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

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

29 (A) alcoholic beverages manufactured, sold, offered for sale or  
30 possessed for sale, bartered or exchanged for goods and services in this state  
31 in violation of AS 04.11.010;

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

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

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

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

9 \* Sec. 40. AS 04.16.220(b) is amended to read:

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

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

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

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

24 \* Sec. 41. AS 04.16.220(d) is amended to read:

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

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

30 (2) upon judgment by the superior court in a proceeding in rem that the  
31 property was used in a manner subjecting it to forfeiture under (a) of this section.

1 \* Sec. 42. AS 04.16.220(g) is amended to read:

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

6 \* Sec. 43. AS 04.21.010(a) is amended to read:

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

15 \* Sec. 44. AS 04.21.010(b) is amended to read:

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

25 \* ~~Sec. 45. AS 04.21.010(c) is amended to read:~~

26 ~~(c) A municipality may not impose taxes on alcoholic beverages except a~~  
27 ~~(1) [PROPERTY TAX ON ALCOHOLIC BEVERAGE~~  
28 ~~INVENTORIES;~~  
29 ~~(2)] sales tax on alcoholic beverage sales if a general sales tax is~~  
30 ~~[TAXES ARE] imposed on other sales within the municipality;~~  
31 ~~(2) [(3)] sales tax on alcoholic beverage sales that was in effect before~~

1 July 1, 1985; and

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

5 \* Sec. 46. AS 04.21.015(b) is amended to read:

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

10 \* Sec. 47. AS 04.21.025(a) is amended to read:

11 (a) As a condition of issuance or renewal of a license and selling alcoholic  
12 beverages under a license, the board shall require a licensee who sells or serves  
13 alcoholic beverages and a licensee's agents and employees who sell or serve alcoholic  
14 beverages to complete an alcohol server education course approved by the board, if the  
15 license is for a

- 16 (1) beverage dispensary;  
17 (2) restaurant or eating place;  
18 (3) club;  
19 (4) package store;  
20 (5) COMMON CARRIER DISPENSARY;  
21 (6) recreational site;  
22 (6) [(7)] community;  
23 (7) [(8)] pub;  
24 (8) [(9)] conditional contractor.

25 \* Sec. 48. AS 04.21.025 is amended by adding a new subsection to read:

26 (e) A person licensed as a common carrier dispensary shall train agents and  
27 employees who sell or serve alcoholic beverages on provisions of state law regarding  
28 sale of alcoholic beverages, including AS 04.16.015, 04.16.020, 04.16.030, 04.16.051,  
29 04.16.052, 04.16.120, 04.16.125, AS 04.21.030, and 04.21.050. The training must  
30 include the subjects of the effects of alcohol consumption, identifying a drunken  
31 person, determining valid identification, intervention to prevent unlawful alcohol

1 consumption, and penalties for unlawful acts by agents and employees of licensees.  
2 A common carrier licensee shall, once every three years, provide the board with a  
3 description of its training program including the subjects taught, teaching method, and  
4 testing required.

5 \* Sec. 49. AS 04.21.080(b)(1) is amended to read:

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

17 \* Sec. 50. AS 04.21.080(b)(9) is amended to read:

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

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

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

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

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

30 \* Sec. 51. AS 15.07.064(g) is amended to read:

31 (g) In this section, "established village" means an unincorporated

1 community that is in

2 (A) the unorganized borough and that has 25 or more  
3 permanent residents; or

4 (B) an organized borough, has 25 or more permanent  
5 residents, and

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

8 (ii) is not on a road system and is located more than  
9 15 miles outside the boundary limits of a unified municipality

10 [HAS THE MEANING GIVEN IN AS 04.21.080].

11 \* Sec. 52. AS 18.65.085(a) is amended to read:

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

20 \* Sec. 53. AS 18.65.085(c) is amended to read:

21 (c) The Department of Public Safety may establish and administer a reward  
22 program, and provide grants to municipalities, established villages, and, at the request  
23 of a municipality or established village, to a nonprofit association that administers a  
24 village public safety officer program, for reward programs leading to the apprehension  
25 and conviction of persons who violate AS 04.11.010 by selling, importing, or  
26 possessing alcoholic beverages in violation of a local option [AN ORDINANCE]  
27 adopted by a municipality or established village under AS 04.11.491 [AS 04.11.490  
28 - 04.11.500].

29 \* Sec. 54. AS 29.20.270(e) is amended to read:

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

1 \* Sec. 55. AS 29.25.020(d) is amended to read:

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

4 \* Sec. 56. AS 29.25.070(d) is amended to read:

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

7 \* Sec. 57. AS 29.35.080(a) is amended to read:

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

11 \* ~~Sec. 58. AS 29.45.010 is amended by adding a new subsection to read:~~

12 ~~(d) A municipality may not levy a property tax on alcoholic beverages.~~

13 \* Sec. 59. AS 43.60.010(a) is amended to read:

14 (a) Every brewer, distiller, bottler, jobber, retailer, wholesaler, or manufacturer  
15 who sells alcoholic beverages in the state or who consigns shipments of alcoholic  
16 beverages into the state, whether or not the alcoholic beverages are brewed, distilled,  
17 bottled, or manufactured in the state, shall pay on all malt beverages with an [(  
18 alcoholic content of one percent or more by volume )], wines, and hard or distilled  
19 alcoholic beverages, the following taxes:

20 (1) malt beverages at the rate of 42 [35] cents a gallon or fraction of  
21 a gallon;

22 (2) wine or other beverages of 21 percent alcohol by volume or less,  
23 at the rate of \$1.02 [85 CENTS] a gallon or fraction of a gallon; and

24 (3) other beverages having a content of more than 21 percent alcohol  
25 by volume at the rate of \$6.72 [\$5.60] a gallon.

26 \* Sec. 60. AS 47.37.045(e) is amended to read:

27 (e) In this section,

28 (1) "established village" means an unincorporated community that  
29 is in

30 (A) the unorganized borough and that has 25 or more  
31 permanent residents; or

1                                    (B) an organized borough, has 25 or more permanent  
2                                    residents, and

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

5                                    (ii) is not on a road system and is located more than  
6                                    15 miles outside the boundary limits of a unified municipality

7 [HAS THE MEANING GIVEN IN AS 04.21.080(b)];

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

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

11 \* Sec. 61. AS 04.11.190, 04.11.490, 04.11.492, 04.11.496, 04.11.498, 04.11.500, 04.11.502,  
12 04.11.504, 04.11.506, and 04.11.510(d) are repealed.

13 \* Sec. 62. TRANSITION: LOCAL OPTIONS EARLIER ADOPTED. Notwithstanding  
14 the provisions of this Act, local options adopted by an area under AS 04.11.490, 04.11.492,  
15 04.11.496, 04.11.498, or 04.11.500 or previous local option laws before the effective date of  
16 this Act shall continue in effect until changed under AS 04.11.493 or removed under  
17 AS 04.11.495. References in this Act to local option elections conducted under AS 04.11.491,  
18 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  
19 are to be interpreted to include local option elections conducted under AS 04.11.490,  
20 04.11.492, 04.11.496, 04.11.498, 04.11.500, or 04.11.502 or previous local option laws in  
21 effect before the effective date of this Act.

22 \* Sec. 63. TRANSITION: COMMUNITY LIQUOR LICENSES. A community liquor  
23 license issued under AS 04.11.190 before the effective date of this Act to operate a beverage  
24 dispensary shall continue as a beverage dispensary license under AS 04.11.090. A community  
25 liquor license issued under AS 04.11.190 before the effective date of this Act to operate a  
26 package store shall continue as a package store license under AS 04.11.150.

27 \* Sec. 64. TRANSITION. A person licensed under AS 04.11.160 on the effective date of  
28 this section shall submit the information required under AS 04.11.160(f), added by sec. 7 of  
29 this Act, by September 30, 1994.

30 \* Sec. 65. This Act takes effect July 1, 1994.

# **NFIB** Alaska

National Federation of  
Independent Business

POSITION PAPER

OF

NATIONAL FEDERATION OF INDEPENDENT BUSINESS  
(NFIB/ALASKA)

OPPOSING

SB 372 INCREASING EXCISE TAXES ON ALCOHOLIC BEVERAGES.

9159 Skywood Lane  
Juneau, AK 99801



The Guardian of  
Small Business

CHAIRMAN, MEMBERS OF THE COMMITTEE, MY NAME IS RESA JERREL, I AM THE STATE DIRECTOR FOR NATIONAL FEDERATION OF INDEPENDENT BUSINESS - NFIB/ALASKA. I WANT TO EXPRESS OUR OPPOSITION TO THE SECTION INCREASING THE ALCOHOL TAX IN SB 372. THE ONE SECTION WE ARE OPPOSING IS ON PAGE 30, LINES 17 - 20 OF THE WORK DRAFT COMMITTEE SUBSTITUTE.

BACKGROUND: NFIB/ALASKA IS COMPRISED OF 4,800 SMALL AND INDEPENDENT BUSINESS OWNERS. THE LEGISLATIVE AGENDA OF NFIB/ALASKA IS DETERMINED BY OUR BALLOT. THE BALLOT IS OUR ANNUAL POLL OF OUR MEMBERS ON A SERIES OF ISSUES DEEMED CRITICAL TO SMALL BUSINESS. A MAJORITY VOTE, OF THE MEMBERS IN RESPONSE TO THE POLL, SETS OUR POLICY AND POSITION ON LEGISLATIVE ISSUES. WE THEN SHARE THE RESULTS OF OUR POLL WITH THE LEGISLATURE AND ADMINISTRATION. THERE IS NOT ENOUGH SPACE ON THE ANNUAL POLL TO PLACE EVERY POSSIBLE ISSUE BEFORE OUR MEMBERS. THEREFORE, WE ALSO USE THE PREVIOUS YEARS BALLOT RESULTS AS GUIDANCE ON ISSUES.

THE 1993 SURVEY OF NFIB/ALASKA MEMBERS FOUND OVERWHELMING SUPPORT - 92 PERCENT - TO REDUCE STATE GOVERNMENT SPENDING BEFORE INCREASING PRESENT TAXES. NFIB/ALASKA OPPOSES SB 372 BECAUSE THE LACK OF REVENUE IS NOT THE REAL ISSUE, EXPENDITURES ARE THE ISSUE. THE STATE OF ALASKA IS SPENDING BEYOND ITS MEANS. THERE IS NO WAY TO BALANCE THE BUDGET WITHOUT REDUCING GOVERNMENT SPENDING.

NFIB/ALASKA THANKS YOU FOR THE OPPORTUNITY TO COMMENT ON THIS LEGISLATION. IF YOU HAVE ANY QUESTIONS, I WILL TRY TO ANSWER THEM.

## MY TURN

*Time running out for budget cuts*

By SEN. DICK ELIASON

My good friend, the late Rep. Earl Hilstrand of Anchorage, would often refer to state spending in the course of addressing the House of Representatives. "The state is careening down fiscal fiasco freeway," he asserted, "and at the end of this freeway is a stone wall."

Nobody could really challenge that, but nobody really bothered much about it, including myself. In the early 1970s, the prospect of fiscal difficulties seemed relegated to the distant future.

Earl Hilstrand was warning us, but apparently the members of the Legislature were unable to see beyond the next election.

Unfortunately, the end of the freeway is now in sight. Fiscal projections into the near future indicate very clearly that we are still careening down fiscal fiasco freeway and picking up speed as we near the "wall" of 1996.

It is hard to dispute the evidence. Given the decline in Prudhoe Bay production (Department of Revenue spring '92 forecast), and the estimated price of oil (Alaska North Slope

Lower 48 average price of \$15.86 for fiscal year 1993 and a five-year average of \$16.97 for the subsequent three years), we can determine approximately how much unrestricted general-fund revenue we will have coming in.

We know the total size of the spending package for the current fiscal year, so we know how much is going out.

Even if we can contain spending at the current year level (it appears we are having difficulty doing that this session), even if we keep it at that level for four consecutive years, even if we spend every available dollar on the budget including the Permanent Fund earnings reserve (\$708 million), the constitutional budget reserve account (\$456 million), the statutory budget reserve account (\$167 million), and other pots and funds totaling an additional \$600 million or so, by the year 1996 we will be in debt to the tune of about \$1.6 billion.

Sure, there are other potential sources of income. The largest single source would likely be a personal income tax. That would bring in about

\$250 million to \$300 million a year. If that tax was in place this year, and we doubled it, our revenues and expenditures for the current fiscal year would just about balance. This is no the magic solution.

We could look at other revenue sources: retail sales tax, services tax, corporate income tax increases, highway fuel tax, raw fish tax increases, and fees for state government services. At the maximum these might generate an additional \$200 million a year. This is not the magic solution.

There is no magic answer to our revenue shortfall. Lack of revenue is not the real issue, expenditures are the issue. The state of Alaska is spending beyond its means. There is no way to balance our budget without substantially reducing government spending this year and each future year for at least four years.

We don't face a serious problem this year or next year because we have the money to cover our expenditures, provided we keep spending at its current level. That would certainly be the politically expedient thing to do, the easy way out.

However, the question we must ask as we travel down the fiscal fiasco freeway is not, "Are we going to hit the wall?" The question is, "How hard are we going to hit it?"

Unfortunately, despite hours of legislative hearings and earnest effort to reduce spending on the operations of state government, I don't see any indication that this Legislature or this gubernatorial administration has the foresight, will, or commitment to make the hard decision to hit the brakes.

During the budget-cutting process, legislators hear from few people who urge them to cut the budget, and from hundreds of people asking that specific programs and services be spared the sharp edge of the budget ax.

Perhaps legislators will be unable to bite the bullet on the budget until the people they represent make it clear that they support the kind of action that needs to be taken to avert a major shock to the economy.

\*\*\*\*\*

Sen. Dick Eliason, a Sitka Republican, is president of the Alaska State Senate.

4-26-94  
JFC  
Sharrock

**CS SB 372 (JUD)**  
**Alcoholic Beverage Control Board**

**1. LOCAL OPTION**

Sec 18, pg 13  
Sec 19, pg 15  
Sec 19, pg 15  
Sec 18, pg 15

- a. menu of options
- b. change an option
- c. remove an option
- d. new
  - 1 - delivery site - regs
  - 2 - catering permit - option

**2. TECHNICAL AMENDMENTS**

Sec 1, pg 1 New  
Sec 3, pg 2 New  
Sec 5, pg 2 New

- a. package store may not solicit or receive orders through an agent in a local option area.
- b. delete military uniforms in clubs - same as HB 504.
- c. package store licensees can ship only to the purchaser.

Sec 9, pg 4 New  
Sec 24, pg 19

- e. non-renewal by 12/31 - stay open but penalty increases from \$100 to \$500

Sec 15, pg 11 New

- f. board may impose restrictions on a license

Sec 17, pg 13 Tech

- g. local governing body may protest annually

Sec 27, pg 20 Tech

- h. makes half-year licenses biennial to agree with current law

pg 20, line 6 Tech

- i. notice of elections by certified, not "registered" mail

Sec 42 pg 26 New

- k. limit importation amount by ordinance

Sec 48, pg 28 Tech

- l. expands definition of alcohol to include any alcohol intended for consumption



217 Second Street, Suite 200 ■ Juneau, Alaska 99801 ■ Tel (907) 586-1325, Fax (907) 463-5480

April 26, 1994

**TO:** Senator Drue Pearce and Senator Steve Frank, Co-chairs  
and Members  
Senate Finance Committee

**FROM:** Kent E. Swisher, Executive Director

**RE:** **SB 372 - Alcoholic beverages: local option elections**

The Alaska Municipal League opposes the provision included in **CS SB 372 (Jud)** (Section 45) that amends AS 04.21.010(c). The amendment would prohibit municipalities from imposing a sales tax on alcoholic beverages in the absence of a general sales tax and further restrict the ability of municipalities to raise revenues.

At a time when state support for local government is being cut back, local authority to compensate for these cutbacks should not be eroded. The League's *1994 Policy Statement* includes the following statement that applies to the proposed amendment to AS 04.21.010(c):

The League supports broader municipal authority to consider alternatives to property taxes. The League opposes any action that would diminish the existing statutory authority of local governments to tax. The League opposes any efforts by the state that would reduce local tax bases or adversely affect the marketability of municipal bonds. (*1994 Policy Statement, Part I. Taxation & Finance, D - Local Taxes*).

Current law already restricts local governments' authority to impose a sales tax on alcoholic beverages; further restrictions, such as the requirement for a general sales tax, are unwarranted.

The Alaska Municipal League urges you to remove the amendments to AS 04.21.010(c) from SB 372.

94LEGIS:SB372.426

COST FOR BY-MAIL ELECTIONS FOR SB372

The following is a cost estimate for a by-mail local option election in unincorporated areas. Cost estimates are based on 100 voters, as we order ballots in pads of 25 and allowing for additional registration.

Personnel:	Estimated Cost:
Absentee Voting Official available in the city 15 days before the election. (Flat fee of \$50.00 for each city)	Total \$50.00
1 hour for person to post 40/10 Posters (Total \$8.00 Per Hour)	Total \$40.00
District Absentee Review Board... 1 City	Total \$40.00
State Review Board (four board members) \$12.50 Per Hour	Total \$50.00
Total Cost for Personnel:	<u>Total \$180.00</u>

Outreach/Advertising:	Estimated Cost:
2 - 40/10 Posters per city (Approx. \$2.00 per poster)	Total \$ 4.00
Printing Advance Flyer (approx. 100 voters) (.15 a copy x 100)	Total \$15.00
Newspaper, radio or RATNET advertisement (Newspaper Display Ad is 4" x 4" at \$112.00 ea.)	Total \$560.00
General Instructions to voters to be included with the ballot. (Based on 100 card at \$1.00 ea.)	Total \$100.00
Total Cost for Advertising:	<u>Total \$679.00</u>

Cost for by-mail elections

Ballots:

Ballots for all registered voters (Ballots ordered in pad of 25, 100 at \$.74 ea)	Total \$74.00
Ballots for each regional offices to act as absentee voting officials. 25 ballots for each election, which can be distributed, 5 to each area. (\$.74 x 25)	Total \$18.50
Sample ballots for all elections (Approx. 25 at \$1.00 ea)	Total \$25.00
Total cost for ballots:	<u>Total \$117.50</u>

Postage:

Postage for mailing Advance Flyer (mail first class, \$.29 x 100) or to number of registered voters at time sent	Total \$29.00
Mailing ballots to all registered voters, (based on 500 x \$.29) Mailed first class	Total \$29.00
Shipping charged for sending ballots and materials to the city. (Alaska Airlines Goldstreak) \$25.00 a box	Total \$ 25.00
Total Cost for Postage/shipping	<u>Total \$83.00</u>
Grand Total	\$1059.50 or \$1.06

# FISCAL NOTE

No. 2

**STATE OF ALASKA  
1994 LEGISLATIVE SESSION**

**BD**

Bill Version: SB 372

(S) Publish Date: 4-12-94

Revision Date: \_\_\_\_\_  
Title: Alcoholic Beverages: Local Option and Miscellaneous

Dept. Affected: Revenue  
BRU: Alcoholic Beverage Control Board

Sponsor: Senate Judiciary by Request

Component: \_\_\_\_\_

Requestor: Senate Community & Regional Affairs Committee

COMPONENT SERIAL NO. 0100

**Expenditures/Revenues:**

(Thousands of Dollars)

OPERATING	FY95	FY96	FY97	FY98	FY99	FY00
PERSONAL SERVICES	0.0	0.0	0.0	0.0	0.0	0.0
TRAVEL	0.0	0.0	0.0	0.0	0.0	0.0
CONTRACTUAL	0.0	0.0	0.0	0.0	0.0	0.0
SUPPLIES	0.0	0.0	0.0	0.0	0.0	0.0
EQUIPMENT	0.0	0.0	0.0	0.0	0.0	0.0
LAND & STRUCTURES	0.0	0.0	0.0	0.0	0.0	0.0
GRANTS, CLAIMS	0.0	0.0	0.0	0.0	0.0	0.0
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
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<b>REVENUE FUND SOURCE: *1005</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
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**FUNDING:**

(Thousands of Dollars)

1002 Federal Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1003 GF Match						
1004 GF						
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1006 GF/MHTIA						
Other						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**POSITIONS:**

FULL-TIME	0.0	0.0	0.0	0.0	0.0	0.0
PART-TIME	0.0	0.0	0.0	0.0	0.0	0.0
TEMPORARY	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of current year (FY94) impact: \$ 0.0

**ANALYSIS: (Attach a separate page if necessary.)**

\*Possible revenue increase from penalties under AS 04.11.270(b)(2) for late filing of renewal app

Changes in CSB 372 (sup)  
have no fiscal impact. This  
fiscal note is appropriate.

42594  
date \_\_\_\_\_ Com. Aide (initials) \_\_\_\_\_

Prepared by: Director, Patrick L. Sharrock  
Division: Alcoholic Beverage Control Board  
Approved by Commissioner: Darrel J. Rexwinkel  
Agency: Department of Revenue

Phone: (907) 277-8638  
Date: March 31, 1994  
Date: \_\_\_\_\_

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For further distribution information call the Governor's Legislative Office**

# FISCAL NOTE

**STATE OF ALASKA**  
**1994 LEGISLATIVE SESSION**

**BILL NO.** CSSB 372 (FIN)

Revision Date: \_\_\_\_\_ Dept. Affected: Revenue  
 Title: Alcoholic Beverages: Local Option and Miscellaneous BRU: Revenue Operations  
 Component: Income and Excise Audit  
 Sponsor: (S) JUD  
 Requestor: (S) FIN COMPONENT SERIAL NO. 113

**Expenditures/Revenues:**

(Thousands of Dollars)

OPERATING	FY95	FY96	FY97	FY98	FY99	FY00
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	0.0	0.0	0.0	0.0	0.0	0.0

<b>CAPITAL</b>						
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<b>REVENUE FUND SOURCE: General</b>	2,379.4	2,379.4	2,379.4	2,379.4	2,379.4	2,379.4
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**FUNDING:**

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
<b>TOTAL</b>	0.0	0.0	0.0	0.0	0.0	0.0

**POSITIONS:**

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY94) impact: \$ 0.0

**ANALYSIS:** (Attach a separate page if necessary.)

(See Attached)

*Note - 5/5/94  
 Tot taken out of CSSB 372 (Fin)  
 Local option only.*

Prepared by: Larry E. Meyers Phone: 465-2320  
 Division: Income and Excise Audit Division Date: April 26, 1994  
 Approved by Commissioner: Darrel J. Rexwinkel Date: April 26, 1994  
 Agency: Department of Revenue

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**Bill Analysis**

Section 59 of this bill increases liquor, wine and beer excise tax rates effective July 1, 1994 as follows.

	<i>Current Tax Rate</i>	<i>CSSB 372 Tax Rate</i>	<i>% Increase</i>
Liquor	\$5.60/gallon	\$6.72/gallon	20%
Wine	\$.85/galion	\$1.02/gallon	20%
Beer	\$.35/gallon	\$.42/gallon	20%

**Operating Costs**

Department of Revenue does not anticipate that this bill will impact its operating costs. Existing forms will be updated to reflect the increased tax rates.

**Revenue**

In determining the amount of additional revenue generated from this bill, Department of Revenue used consumption data available from FY 93. Amounts below do not reflect impacts on consumption, if any, due to increased tax rates and other factors. Additional revenue generated from this bill is estimated to be \$2,379,000 calculated as follows.

	<i>FY93 Consumption</i>	<i>FY 93 Revenue</i>	<i>CSSB 372 Revenue</i>	<i>Additional Revenue</i>
Liquor	1,100,000 gallons	\$6,160,000	\$7,392,000	\$1,232,000
Wine	1,288,000 gallons	1,094,800	1,313,800	219,000
Beer	13,263,000 gallons	4,642,000	5,570,400	928,400
<b>Total</b>	<b>15,651,000 gallons</b>	<b>\$11,896,800</b>	<b>\$14,276,200</b>	<b>\$2,379,400</b>



Alaska State Legislature  
Senate

Office of the Secretary

OFFICIAL BUSINESS

P.O. BOX V  
CAPITOL BUILDING  
JUNEAU, ALASKA 99811

FOR YOUR IMMEDIATE ATTENTION

DATE:

4-25-94

TO SENATE  
COMMITTEE:

Finance - Kathy Helmquist

FROM: Office of the Senate Secretary

JR/s

The attached fiscal note(s) relate to the following bill(s) pending in your Committee.

Please place the fiscal note inside the front cover of the blue or yellow committee folder.

SB 372

alcoholic beverages, local option

Thank you.

SIGNATURE OF PERSON RECEIVING THIS NOTE

JR/s

SENATE COMMITTEE REPORT

DATE: 4/12/94

FURTHER: Finance

DATE TURNED INTO OFFICE: 4/25/94

Judiciary Committee considered SENATE BILL NO. 372

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

and recommends:

[X] replace with CS SB 372 JUD
or [ ] adopt previous CS
[ ] attaches amendment(s)

[ ] same title
[X] new title
[ ] technical title change (HB only)

[ ] adopts Letter of Intent

[ ] further referral to the

[ ] do pass

[ ] do not pass

[ ] no recommendation

[ ] individual recommendations

NEW FISCAL NOTES

Table with 4 columns: Department, Date, Zero, Fiscal. Row 1: GOV/ELECTIONS, [ ], [ ], [X].

PREVIOUS FISCAL NOTES

Table with 4 columns: Department, Date, Zero, Fiscal. Row 1: REVENUE, [ ], [X], [ ].

[ ] Appropriation No Fiscal Note

DO PASS:

Rich Halford - when amended
Berg...

OTHER RECOMMENDATIONS:

Suzanne Little N

Chair: Signature and Recommendation

**SENATE COMMITTEE REPORT**  
(FIRST COMMITTEE OF REFERRAL)

DATE: 3/30/94

FURTHER: JUDICIARY  
FINANCE

Date of 5-Day Notice: 4/7/94  
(in accordance with Uniform Rule 23)

DATE TURNED INTO OFFICE: 4-12-94

The Community and Regional Affairs Committee considered SENATE BILL NO. 372

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

and recommends: and do pass

replace with \_\_\_\_\_ CS \_\_\_\_\_

- same title
- new title
- technical title change (HB only)

attaches amendment(s)

adopts \_\_\_\_\_ Letter of Intent

further referral to the \_\_\_\_\_

do pass

do not pass

no recommendation

individual recommendations

*FN & FPN*

**FISCAL NOTE INFORMATION**

Department	Date	Zero	Fiscal
DOR	3/31/94	0	
Div of Elections	4/7/94		\$1.06

Department	Date	Zero	Fiscal

Appropriation No Fiscal Note

Governor's Bill with Previous Fiscal Notes (enter information above)

**DO PASS?**

Al Adams

**OTHER RECOMMENDATIONS:**

Paul J. Zboroff

John L. Taylor

Loren A. Adams

2000 E. 3000 No Pas  
Chair: Signature and Recommendation